Minutes of the Regular Meeting of the Board of Commissioners of the Lake Charles Harbor and Terminal District held at 5:00 P.M., Monday, August 23, 2021 in the Boardroom of the Port of Lake Charles located at 1611 West Sallier St., Lake Charles, Louisiana.

In attendance and constituting a quorum, were:

Carl J. Krielow, President

Thomas L. Lorenzi, Vice President

M. Keith Prudhomme, Secretary/Treasurer

Judy A. McCleary, Assistant Secretary/Treasurer

David J. Darbone, Commissioner

Dudley R. Dixon, Commissioner

Michael G. Eason, Commissioner

Absent:

None

Also Present:

Richert Self, Executive Director

Jon Ringo, General Counsel

Cameron Landry, Director of Administration and Finance

Nick Pestello, Director of Engineering and Maintenance (by phone)

Todd Henderson, Director of Operations

Therrance Chretien, Director of Cargo and Trade Development

Channing Hayden, Director of Navigation

Michelle Bolen, Executive Administrative Assistant

Mr. Krielow called the meeting to order at 5:00 P.M. and gave the invocation. Mr. Lorenzi led the Board and audience in the Pledge of Allegiance.

Mr. Krielow made a statement reminding the public of the Port’s procedure for the public to address an agenda item to the Board.

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1. Approval of the July 26, 2021 Regular Meeting Minutes.

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Mr. Darbone offered a motion to approve the July 26, 2021 Regular Meeting Minutes. Mr. Lorenzi seconded the motion and it carried unanimously.

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2. Submission 2021 – 032 authorizing an Addendum Number eleven to Real Estate Lease Option Agreement with Lake Charles Methanol, L.L.C.

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Mr. Self stated Lake Charles Methanol requested an extension of their real estate option agreement for the facility on the west side of the ship channel just south of our BT-1 facility. They requested the extension through July 31, 2022 and would continue the $35,000 per month option payment. Linda Miller with Late Charles methanol would like to give an update on the project. Mr. Krielow asked for a motion to bring it to the floor Mr. Dixon offered a motion to approve Resolution 2021 – 032 to authorize and Addendum Number eleven to Real Estate Lease Option Agreement with Lake Charles Methanol, LLC. Mr. Eason seconded the motion. Mr. Krielow asked Ms. Miller to address the Board.

Ms. Linda Miller with Lake Charles Methanol addressed the Board. They last asked for an extension in December of last year. At that time they were very confident that they were going to be able to raise equity. She is happy to report that they have been successful in doing that and have signed a Letter of Intent with I Square, who is a company out of Miami, Florida that manages about $14 billion dollars of investments. They are going to provide $500 million of the $800 million that Lake Charles Methanol needs. What they needed before was the lead. Morgan Stanley has probably enough private wealth individuals in hand to fund the rest or I Square's limited partners might join in, so having that equity commitment is a real move forward for the project.

Additionally, in the change to the Biden administration, they do have a new loan program officer. His name is Jigar Shah. He is a developer and understands their project and really likes it that the DOE has given them an extension through the same date that we have asked the Board for an extension. LCM wanted to mirror that so they continue to be a real support of the project. LCM continues to evolve their carbon capture and sequestration plans, which will also be of benefit to the region. They are talking to four different groups. Some of which have appeared before the Division of Mines asking for permission to negotiate on state land for carbon sequestration activities. They have four and a half million tons of CO2. Once the project is done, it will be the largest carbon capture and sequestration project in the world that she knows of. The one thing holding them back is Fluor was going to build the project. They went back to Fluor and said they were ready to go. Fluor said they have had some problems on other projects and Lake Charles Methanol’s credit rating has gone down, so they cannot do any fixed price work. That was not good news. However, they are negotiating with two very highly rated companies and well-known: Bechtel and Kiewit. Both of whom are finishing projects in this area already. Kiewit is doing Venture Global. They are very anxious to keep the people on site and they're very interested in the project, but it is going to delay things for a few months and that is why they need the extension through July of next year.

They are hearing a lot of good things from other people that Kiewit and Bechtel were both hungry for work, so they feel pretty good that they will be able to do that. Methanol prices are still good. They still continue to move toward a blue economy that is stressing environmental aspects of commodities. She continues to believe that this will be a great project for the Port. She asked if there were any questions.

Mr. Eason said he knows this project has been going on for a pretty long period of time and if not mistaken the acquisition of the equity side of the equation has been one of the largest obstacles on moving forward and he though he heard her say that it is now in place. Ms. Miller replied that it is now in place and they even had a call where they were concerned that with the delay would they still be interested but they have continued to express interest and actually participated in a call with Bechtel last week to indicate their continued support of the project. They said their style is that once they choose a project then they are very much in support of that and trying to work it. They only pick 10 projects a year and once they choose one they are very supportive of it and they work with the sponsors to make it happen. Mr. Eason said he took a look at the methanol price and it appears to be above the historical average right now. She stated that it was. It is probably in the high 370’s. Over time the average has been 350, so when they talked about it last December, it was in the process of rebounding from the effects of the pandemic but it had stayed strong all this year.

Mr. Dixon asked how would that affect the Port of Lake Charles. Mr. Self said that as far as the option payment, it is a very solid and would consider it relatively high option payments, so it will be very good for the Port to receive that. Project wise, it will be an excellent project for the Port.

It will create a lot of jobs for southwest Louisiana and the revenue for handling the import of the petcoke and the export of methanol once the project's complete will be really positive for the Port.

The motion passed unanimously.

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3. Submission 2021 – 033 authorizing a Servitude Agreement with Entergy and an amendment to the Lake Charles LNG Lease Agreement.

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Mr. Self said Entergy has requested a permanent servitude on a six-acre site where the footprint of which the substation will be located. They will also utilize about a two-acre site for the transmission line the routing of which we are still working on. Overall, it is about an eight-acre footprint if you consider the transmission line route. It would involve a one-time payment of $258,000. This is just north of the existing Lake Charles LNG/Trunkline LNG terminal proposed LNG export terminal on Big Lake road.

It involves Lake Charles LNG because they currently have that under a long-term lease and so once the Port provides that servitude to Entergy, it will involve releasing Lake Charles LNG of those acres.

Ms. McCleary offered a motion to adopt Resolution 2021 – 033 to authorize a Servitude Agreement with Entergy and an amendment to the Lake Charles LNG Lease Agreement. Mr. Darbone seconded the motion and it carried unanimously.

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4. Submission 2021 – 034 approving the Lake Charles Harbor & terminal District Strategic Master Development Plan.

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Mr. Self stated at the July 26 Board meeting, John Martin presented, along with Meyer Associates, the Strategic Plan. The Port received the Strategic Plan along with the presentation at that meeting. There were no changes and staff is requesting the Board accept the Strategic Plan as presented by John Martin and Meyer at the July meeting.

John Martin is available if the Board has questions for him via conference call.

Mr. Dixon offered a motion to adopt Resolution 2021 – 034 to approve the Lake Charles Harbor and Terminal District Strategic Master Development Plan. Mr. Eason seconded the motion.

Ms. McCleary asked staff what happens next with this once they have adopted it.

Mr. Self said there are aspects of the Strategic Plan that are currently underway. Some of which include the transit shed. In fact, one of the submissions coming up next is transit sheds 8 through 14. It will be and it was included in the Strategic Plan as something we needed to undertake. Staff is going to go through the Strategic Plan. Some of the proposed items or alternatives are to create open storage space. They are looking at those alternatives to decide which one would be the best route for the Port to take, but they are certainly going to go through the plan itself and proceed. They did not really have any disagreements. There were some of the alternatives they disagree with like they are not going to tear down Transit Sheds 16 and 17. Those are long-term leased transit sheds, but they are certainly going to go through it and do what they can to accomplish what it was involved with.

Ms. McCleary thought the report was pretty sobering when it comes to business development and some of the current cargos that the Port has that are in decline. Not just at the Port of Lake Charles, but globally and suggested that it they consider other products that they are currently – not other cargo that we're not considering now. How would that plan be put together? What is the vision? Mr. Self replied that one of the recommendations was to pursue, as one example, wood chips. One was additional windmill blades and a marshalling yard for wind energy. They are going to have to pursue those.

Regarding the wood chip manufacturing, the Port is in a really good area for that considering there's so much capacity north of Lake Charles. They have seen and based on discussions with a couple of the different wood chip exporters, they are kind of migrating toward the West. They are currently in the Alabama-Mississippi area. They have an interest in moving here. Staff has initiated some calls with them. He did not remember specifically each one of the recommendations, but staff will certainly pursue them.

Mr. Chretien stated they looked at the wood chips, but it wasn't really our option for Lake Charles because the Port does not have enough volume from Lafayette to Lake Charles. Viva was a company they looked at for the wood pellets. They are currently building a facility in Pascagoula and said they will look west of the Mississippi sometime in 2025.

Mr. Self said that specifically to answer your question, they are going to go through the recommendations and certainly pursue every angle. One of them involved clear span warehouse construction in an effort to attract wood paper and pulp. Some of that is currently going to the west of here at to some ports to the west on the gulf and are certainly pursuing some of that.

He asked if he answered her question. Ms. McCleary stated he had. She thinks it is something that should be a regular agenda item from time to time so that they do not just do it and then… And certainly on the construction thanks to a couple of hurricanes. That is all moving ahead and Mr. Martin agreed with the plans for that. On the marketing side she just wanted to make sure they were looking at all of those possibilities. Mr. Self apologized for saying wood chips for pellets.

Mr. Dixon asked Mr. Chretien if he would repeat what he said. He could not hardly hear him.

Mr. Chretien said one of the recommendations from the plan was that the Port pursue wood chips, but they looked at that and there's not enough volume going to Lake Charles and Lafayette. In other areas like New Orleans and Alabama, they already service their customer base, so the other option they were given were the wood pellets. There is a company looking to move west of the Mississippi in 2025. Staff had a conference call with them and they know who the Port is, what is here and have invited them down to visit the Port to show our facilities to them.

The motion carried unanimously.

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5. Submission 2021 – 035 A RESOLUTION authorizing the Lake Charles Harbor and Terminal District to enter into a replacement agreement with the State of Louisiana, Department of Transportation and Development under the Louisiana Port Construction and Development Priority Program for assistance in the implementation of a port improvement project; providing for the necessary documentation of the need for the port improvement; and providing for other matters in connection therewith.

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Mr. Self stated this has been a normal process that the Port is required to go through with any Port Priority projects, which this is one of them. It involves demolishing the smaller back warehouses 8 – 14 at City Docks and constructing a new modern clearspan warehouse. That is one of the recommendations from the Strategic Plan. It will allow them to enter into this agreement with Port Priority and then can pursue construction and request reimbursement from the Port Priority program as funding becomes available through the program.

Mr. Darbone offered a motion to adopt Resolution 2021 – 035 to authorize the Lake Charles Harbor and Terminal District to enter into a replacement agreement with the State of Louisiana, Department of Transportation and Development under the Louisiana Port Construction and Development Priority Program for assistance in the implementation of a port improvement project; providing for the necessary documentation of the need for the port improvement; and providing for other matters in connection therewith. Mr. Lorenzi seconded the motion and it carried unanimously.

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6. Submission 2021 – 036 accepting the best value proposal and entering into a contract with Bruks Siwertell for the procurement of one (1) new traveling import hopper for BT-1 and approve the amendment to the 2021 capital budget.

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Mr. Self said staff received proposals for a traveling import hopper at BT-1. The prior unloader they had prior to Hurricane Laura had a hopper attached to it. Whenever the unloader would unload cargo, it would basically put the commodity in the hopper and either be loaded into a truck if it was barite. It would be loaded onto the conveying system for rutile. Obviously, that got damaged and destroyed during Hurricane Laura. The Board allowed staff to purchase a mobile harbor crane in December of last year. They have no hopper at this point. Right now, as they unload rutile or unload barite, they are putting it on the dock. It requires a front-end loader to load it from there. This will allow staff to more efficiently handle those cargoes rutile and barite.

It is something that was not budgeted. It costs about $2.7 million, which is an amendment to the capital budget for 2021.

Mr. Prudhomme offered a motion to adopt Resolution 2021 – 036 to accept the best value proposal and entering into a contract with Bruks Siwertell for the procurement of one (1) new traveling import hopper for BT-1 and approve the amendment to the 2021 capital budget. Mr. Lorenzi seconded the motion and it carried unanimously.

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7. Submission 2021 – 037 authorizing the Executive Director to accept the Guaranteed Maximum Price (GMP) and award CMAR contract with Boh Bros. Construction Co., L.L.C. for the construction phase of the Berths 2 and 3 rehabilitation at City Docks.

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Mr. Self stated this is for Berths 2 and 3. Staff is requesting authorization to enter into an agreement with Boh Bros. for the guaranteed max price. This project is a CMAR project, which is Construction Manager at Risk. Along with any of the CMAR projects, the engineer and the contractor work side by side to come up with a guaranteed max price. They have developed a cost of about $32.1 million of which $15 million has been budgeted for 2021.

If you look at the source of funds, it is $23.4 million from the Port, $8.7 million from Port Priority.

Berths 2 and 3 along the apron are actually really strong – about 1,000 pounds per square foot.

The floor under where Sheds 2 and 3 were previously located is not very strong at all. In order to handle cargos that are handled today, this is a project that is going to be essential if they going to continue to operate. It will increase the floor strength to basically 1,000 pounds per square foot and will also allow them to use any kind of mobile harbor cranes or equipment where the existing floor of berths 2 and 3 were.

Mr. Dixon offered a motion to adopt Resolution 2021 – 037 to authorize the Executive Director to accept the Guaranteed Maximum Price (GMP) and award CMAR contract with Boh Bros. Construction Co., L.L.C. for the construction phase of the Berths 2 and 3 rehabilitation at City Docks. Mr. Darbone seconded the motion.

Mr. Dixon asked if they could get about a 30-year payout on this. Mr. Self stated he was not sure they would accept Mr. Dixon said it would be a little low interest. Mr. Krielow said a zero interest. Mr. Dixon said zero interest would work.

Mr. Krielow stated he had a couple of questions. Mr. Self said Mr. Pestello is available by phone. Mr. Krielow asked regarding this type of procedure is kind of a shared risk project and if that was correct. Mr. Pestello replied it was. They try to identify all the risks ahead of time, that way they can share in the risk. The contractor tries to identify and take on everything ahead of time and try to eliminate as much as possible.

Mr. Krielow asked in going through the exceptions in Boh Brothers letter, of course this is always big in construction, they have not included any costs for removal of unidentified underground obstructions, which is definitely an unforeseen that would could possibly be additional costs to the Port. Is that correct?

Mr. Pestello replied that the sound was breaking up, but it sounds like he was talking about the underground obstructions. For the Port, this will be the big item that they can see that will be the risk for the Port popping up under this construction. Just because the amount of repairs that have been made to that dock over the years, there are numerous piles that were added and various things that could be under there from 1926 to now.

Mr. Krielow asked, which won't be known until it is taken down, regarding the tie rods and if they are going to be able to be reused for the tie-back system. That is another possible add-on to their cost in the event that they are not usable or in good condition.

Mr. Pestello agreed and said that is one Boh Brothers identified a price per item for staff so they have a unit cost. That way if it is something they have to go in there and reattach them as they go, they do have that cost broken out so it is already identified if needed.

Mr. Krielow said he sees that item.

Mr. Krielow asked that the biggest one would be and could potentially be a big risk to the Port is when you get to the concrete parts of it, precast panels, caps and dock structures should not change regardless of what the length of the piles are. He asked if that was a correct assumption. That number should be pretty firm. Mr. Pestello replied that number should be pretty firm. Their layout for the pile caps compiles themselves are pretty well set because the existing timber piles are there and they are having to work around them. They do not perceive those big line items changing. Mr. Krielow said that is like almost $16 million of the $30 million.

Mr. Krielow asked in regards to their test piles, how many test piles were done before they came up with the final length of the piles and design.

Mr. Pestello said the test pile program was done early, so they do not expect any piles lengths to change. They actually were able to go back and restrike those test piles and confirm those lengths pretty well.

Mr. Krielow asked if, at this point they are pretty comfortable because that is one item that they did say that they could adjust their price if they have to adjust the lengths of the piling. That is $8.5 million of the cost. Any adjustment on that item could be substantial. Mr. Pestello replied that is correct and they are very confident on those.

Mr. Krielow asked what was the design dredge depth in front of it once it is completed to maximum dredge depth. Mr. Pestello stated that they are leaving the existing apron out front. They are not modifying the dredge depth, so right now it is permitted to minus 37 feet. Mr. Krielow said that even after spending $30 plus million, the Port will still be obstructed to the minus 37 on those in that area. Mr. Pestello said that was right and it is all due to the existing apron staying in place. They are working all behind that at that point.

The motion carried unanimously.

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8. Submission 2021 – 038 authorizing the Executive Director to enter into an agreement with South Louisiana Rail Facility for the loading of vessels at the Turning Basin.

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Mr. Self stated this was an agreement that Mr. Mark Pousson brought to the Port and asked to be able to load bulk rice vessels at that facility. He is available for any questions the Board may have.

Mr. Darbone offered a motion to adopt Resolution 2021 - 038 to authorize the Executive Director to enter into an agreement with South Louisiana Rail Facility for the loading of vessels at the Turning Basin. Mr. Prudhomme seconded the motion.

Mr. Eason asked that if he understands correctly, what they are proposing here is something that the Port already has a facility that could handle this type of cargo here on Port property. He asked Mr. Pousson if that was correct. Mr. Pousson stated that is correct. His group conducts business at the bulk loading terminal. They approached the terminal about doing this business. The business model for barges and the tariffs from the current facility do not line up in the business model for barge operations. They needed to look for another avenue.

Mr. Eason said looking at this facility he knows that it has been out there. It is about a $30 million investment, if he was not mistaken, with state support on it and he is pretty certain they use local labor on that also. This is certainly one question he has as he does not want to hurt our local labor force. Mr. Pousson said have already solicited from Sonic Stevedores who is owned by the owners of IFG to conduct their loading.

Mr. Eason said that probably the thing that has gotten his attention more than anything is this is an LLC. He asked Mr. Pousson if this was an LLC. If Southwest Louisiana Rail was an LLC. Mr. Poussin said it was. There are some 200 farmers in Southwest Louisiana. Mr. Eason asked if there were 200 members. Mr. Pousson agreed.

Mr. Eason said he is familiar with an LLC structure because he does that himself. It is typically a capital investment to be a member. He said his question is that he does not know who these 200 members are and would like to have Mr. Ringo kind of chime in here because one of the things they have under their fiduciary duty is …. He has no earthly idea if one of his passive investments is a member of Southwest Louisiana Rail LLC. He does not know who they are. There are 240 he thought. Mr. Pousson said 212.

He is going into this blind voting and he could be creating a conflict of interest for himself or anybody on this Board could have that same issue.

Mr. Ringo stated he certainly does not know who the who the owners are, but he knows that as a Board member you cannot be in any way interested in a contract the Port enters into as a Board. The Board knows that because they have all been through the trainings. He does not know the Board’s ownership interests or their personal financial situations. He comes into these situations assuming that they all do not have any conflict. He can certainly request the owners of this facility, but he does not know them offhand.

Mr. Eason said that is the only way he could answer the question is to know who they are. Right now, he does not know that and conceivably it could create a conflict for him.

Mr. Dixon asked if they could just ask the question right here. He does not have any interest in it. Mr. Eason asked him what he said. Mr. Dixon said he does not have any interest in it. Mr. Eason said any ownership. Mr. Dixon agreed and asked if anyone else did on the Board.

Mr. Eason said he has passive investments in LLC’s. He has no earthly idea if they are one of the 240 members. He would be guessing.

Mr. Krielow stated he has an interest in it and also has an opinion from The Ethics Commission that there is no conflict in doing business through the Port of Lake Charles and marketing his crop.

Mr. Eason asked if Mr. Krielow said he was is a member. Is that what he heard?

Mr. Ringo asked Mr. Krielow if he owns part of this LLC. Mr. Krielow said he is one of the 200 members in this LLC.

Mr. Krielow stated he has an opinion from Ethics because he also markets through the IFG facility. He requested an opinion two years ago from Ethics in regard to marketing his product through the Port of Lake Charles. The response he got was that because of his such small interest and the fact that he had no control over the 200 members and the fact that it was basically third-party contracts on selling the product, that there was not a conflict.

Mr. Ringo stated he would be happy to look into it. He certainly will before they sign. They will figure that out. Mr. Eason stated he could have a conflict. He just does not know who the members are and that is a concern for him.

Mr. Ringo said he remembers the ethics opinion and will look at it. Mr. Krielow said he thought he made Mr. Ringo aware of it when he got it. Mr. Ringo said he remembers it. He just does not know if that situation is the same as this one. He will certainly check. Mr. Krielow said they need to before it is actually signed. They need to clarify. Mr. Ringo agreed. He will have that question answered.

Mr. Dixon asked if there was anybody else on the Board that has an interest in this LLC.

Ms. McCleary asked that in cases such as that, where there is an interest, again assuming maybe that has never risen previously to Mr. Ringo or maybe not in in his dealings with the Board, what is the procedure that takes place? Is that person to abstain? Mr. Ringo replied that that the law prohibits any Board member from having being in any way interested in a contract that comes before their jurisdiction. That he knows.

Mr. Krielow got an ethics opinion related to the IFG facility, so he does not know. He will need to look into that. He did not know coming in that they had an issue where there was ownership of this actual entity from a member on the Board, so he will need to look into that because that is different than third-party contractors shipping through the IFG facility. He will be happy to look into it, but what would happen is there is no abstaining because it would create a conflict of interest. The best option would be to divest yourself of your interest in that entity if there is a conflict. He is not saying there is, but if there is you would have to divest yourself of your interest or resign from the Board. Those are the two options that the Ethics Board has put out in their publication. But again, he does not know and is not saying there is or there is not one way or the other.

Ms. McCleary stated she understands this has just been sprung on him. Mr. Ringo said pop quizzes are always fun. Ms. McCleary stated she has taken ethics training for 20 years. She should be able to recite this. Would it be proper at this time then to perhaps come back at a subsequent meeting when that has been researched so in an abundance of caution?

Mr. Ringo said that would be his advice, but that is the pleasure of the Board. Certainly they will not enter into a contract without this issue being fully researched by him and if they need to get an opinion on that, then that'll be require action of the Board as well.

Ms. McCleary offered a motion that they defer this item at this time pending some type of opinion whether it is Mr. Ringo’s opinion or the Ethics Board opinion or whoever, but she thinks, as a Board, they want to be sure that they are on stable ground with that. It has nothing to do with the project, with Mr. Pousson or with the chairman, but she just thinks that they need to take a closer look at it. Mr. Eason said it was an Ethics opinion you would need.

Mr. Krielow stated he will settle it really quick if it is a problem. He will divest his interest because his interest is so minuscule to the impact this is going to have on the farming community. It is a nothing. It is a non-event to him, so he will say that right here in this public meeting, if it is an issue, he will divest himself of it. Now ,whether they can vote on it tonight is a different story. Mr. Ringo stated that is at the pleasure of the Board, but certainly that would solve it.

Mr. Darbone asked that if that is the case, can they continue to move forward with this because this is about jobs that are being created.

Ms. McCleary stated she made a motion to defer. Mr. Dixon stated he would second her motion.

Mr. Krielow stated they have a motion from Ms. McCleary to defer and seconded by Mr. Dixon. Mr. Krielow asked for any discussion on that motion.

Mr. Eason stated he would like to request a roll call vote on this one. Mr. Lorenzi stated the trap has been set and thinks Mr. Krielow should divest himself first.

Mr. Dixon asked what trap Mr. Lorenzi was talking about. Mr. Lorenzi stated the issue has been raised and he thinks the better bet is to dive past the motion and make it a clean vote.

Mr. Darbone asked if Mr. Eason requested a roll call. Mr. Eason said he did but wanted to know what they were voting on tonight.

Mr. Ringo stated they are voting on a motion to defer. Mr. Krielow said they are voting on a motion to defer. Mr. Lorenzi said it is a motion to table.

Ms. McCleary said it was to defer it to a subsequent meeting. She does not know if that is the same thing, but that they not vote on the contract tonight.

Mr. Dixon asked how long did Mr. Ringo think it would take to get an opinion. Mr. Krielow said it would not take five minutes because he is going to divest himself from the interest before they vote on it. He will not have any ownership.

Mr. Ringo said that would solve it. Mr. Krielow said that would be at a subsequent meeting if this motion passes.

Mr. Krielow asked if there was any other discussion on the motion.

Mr. Lorenzi said from what he understands, there is a waiting list of people who want to buy in, so there should be no problem to have someone buy into this. Mr. Dixon asked if Mr. Krielow can divest himself now and get back in it tomorrow.

Mr. Pousson said that he could not. Mr. Krielow said that once he was out he was out.

Mr. Pousson said to Mr. Dixon that their bylaws will not allow that. Once he is out he is out.

Mr. Krielow said there are people waiting and there are actual farmers waiting to get in they want to be part of this, so it is not going to be an issue.

Mr. Dixon said he had a question regarding somebody told him that they saw a large cloud go by. Does the unmilled rice cause of a cloud of dust to fly? Mr. Pousson said they are monitored by the DEQ air permits.

Mr. Dixon stated he was just questioning because somebody said they had seen it crossing the bridge and wanted to know where it came from. He asked the question and they said they had loaded some unmilled rice. He said he is just asking the question. He is not trying to be critical. He is not trying to do anything but just understand it.

Mr. Pousson said last year they loaded 175,000 tons and never heard of this issue. Mr. Dixon said it was just one item. He did not see it. Somebody told me they saw it. He was just going to say if there was going to be that, if there was some way that you could throw a little water on it or something to get the dust down.

Mr. Eason asked if this is limited to just immediate family. That kind of thing. Mr. Ringo said that yes and he can tell him what it says. A Board member’s immediate family business of which you own a substantial part of, none of those things can have any interest in a contract that comes before the Board. It is the member’s immediate family and it is the language that is in the Ethics Code. He can get that for Mr. Eason if he would like.

Mr. Dixon said the only other question he has if Mr. Pousson has dealt with Mr. Chretien, the president of ILA, or his workers. Mr. Pousson said he has spoken to Sonic Stevedores about taking care of it. Mr. Dixon said Mr. Chretien had told him that, so he just wanted to double check.

Mr. Pousson said he does not know Mr. Chretien, but knows Mr. Phillip Rogers and that is who he deals with. He also deals with Mr. Rogers with when he loads the vessels. Mr. Dixon sated there is Mr. Chretien right here. Mr. Chretien said he would say one thing though – just don't forget what they were saying and what you see and once you get in there they are going to do what they say they are going to do. Mr. Chretien thanked the Board for the local labor. Mr. Eason stated it was a big thing.

Mr. Krielow asked for any other discussion on the motion. Mr. Dixon said the motion is to table until a later meeting. Mr. Krielow said they could bring it up at any time.

Mr. Krielow asked Mr. Eason if he want a roll call vote. Mr. Eason said he did.

The roll call is as follows:

Ms. McCleary Yes

Mr. Dixon Yes

Mr. Lorenzi Yes

Mr. Krielow (Abstained) but changed to does not vote

Mr. Prudhomme Yes

Mr. Darbone No

Mr. Eason No

Mr. Ringo said he is getting a lot of looks. The Chairman cannot abstain as a Board member. The chairman does not have to vote unless it is necessary to break a tie and he does not know what the count is.

Mr. Krielow asked to see what the count was.

The count was four yes votes to two no votes. The motion passes to table this item.

Mr. Dixon said that not that there's any problem with it, they are just trying to get this thing corrected here and then they will bring it back later.

The motion is tabled until later time.

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9. July 2021 Financials Briefing Note.

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The July 2021 Financials Briefing Note was rendered to the Board and is on file in the Executive Offices.

Mr. Krielow asked regarding the minimum guarantee that offset some of the unfavorable stuff that has gone into kind of a….It is not cash it is going to be developed. It is going into kind of a holding account because of the litigation. Mr. Landry said that was correct and it is a revenue and it is basically a receivable as of right now.

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10. Monthly Staff report from Director of Administration and Finance.

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Mr. Landry said one thing they have been working on is receiving some of their FEMA payments. The Port actually just received their last payment for Hurricane Ike, which hit in 2008. That was in the amount of around $223,000. They are so glad to finally get that and close that one out.

In early August, staff opted into GOSEP’s express payment system, which allows the Port to receive a portion of our payments before the final review of everything. The Port gets the full 90% that the Port is required to get. As of today, staff received the first $60,000 for Hurricane Laura funds. It is not much, but it is a start and there already is some more pending.

Mr. Landry stated Mr. LaFond was sorry he could not make it, but he wanted to let the Board know there are currently 18 projects obligated, which once they are obligated, that is when GOSEP will start their review and the Port can receive money. There are 18 projects currently obligated for an amount of $3.2 million. Of that $3.2 million, they could start to see portions of that coming in.

Ms. McCleary asked what obligated means. Mr. Landry said it was that everything has gone through the FEMA system and then it has got to go to GOSEP. Once everything is completed in the FEMA system, and everything is approved, Glenn and Greg of CSRS are reviewing everything and going through everything and checking make sure every dollar is there and every piece that needs to be there is done. Once it is done, it gets approved and sent through to GOSEP and that is when it is obligated.

Ms. McCleary asked that once staff starts receiving payments, do they kind of get going a little quicker or is there any… Mr. Landry said it depends on the project. Some of them are small and some of them are large, so some of them take a little longer to review. But, it really depends on the size of the project how many times it has to be re-reviewed and sent through.

The Director of Administration and Finance Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

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11. Monthly Staff report from Director of Navigation.

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Mr. Hayden said he would like to bring everyone up to date on what the industries have been doing prepared for hurricane season. The Coast Guard District 8 has issued a marine safety information bulletin reminding the owners of these rigs that are stored in moth balls out in the gulf that they have certain obligations, including to make sure that the rigs are moored sufficiently to stand a storm surge. Last year we had the same rig come over and visit us twice. It sat down in the channel and had to get pulled out and brought back to its original mooring station. Also, the marine safety unit here in Lake Charles, which the Coast Guard unit has identified the owners of these rigs that are within their jurisdiction, have gotten points of contact and full phone numbers. If for some reason there is a rig impacting the channel, he will be able to get a hold of these folks and get it moved quickly. The Pilots and CORPS have inventoried vessels along the ship channel that could become issues during a storm. They have turned the list over the Coast Guard. They have established points of contact and will contact those vessel owners to have them secured if there's an approaching storm.

The Port just learned that the National Oceanic and Atmospheric Administration has programs for abandoned derelict vessels. They provide some funding to have those things removed. He is looking at that to see whether or not somebody, not saying the Port would do this, but there would be some organization within the Port perhaps a harbor safety committee that could apply for this funding and be available to respond to these kinds of things. These things happen all the time. They just had an incident the other day of a vessel in a turning basin, which is around Mile 20, 27 and 28, a little south of BC1. They were in there. They anchored and took on both bunkers. They pulled up the bunkers and had a one-inch cable tied in fouled in the anchor. That has got to get removed. These are the kinds of things that they will have to address with an outside source of funding, whether or not they are hurricane-related.

Mr. Dixon stated he understands that Harbor Security has confiscated beer out of trucks. It is on his report. Mr. Hayden said that would be a security issue. Mr. Dixon wanted to know how they empty the beer when they confiscate it. Mr. Landry said Harbor Police pours it out and throws it away.

The Director of Navigation and Security’s Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

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12. Monthly Staff report from Director of Operations.

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Mr. Henderson said in the past few weeks they completed a barite ship, two rutile ships. They unloaded some coke barges for Alcoa and two calcine ships. At City Docks, they have another wind turbine ship working next. In the upcoming weeks, they are going to have some more hydrate barges at City Docks.

They will have about a 10,000-ton Dominican Republic side-load ship for bagged milled rice that should be loading ships here around the 28th or 29th.

They are looking forward to another Iraqi ship. It should be around 40,000 tons, so the warehouse is filling up with rice we have a coke ship scheduled for this month and two lumber ships in September and two more calcine ships.

The Director of Operations’ Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

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13. Monthly Staff report from Director of Cargo and Trade Development.

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Mr. Chretien stated they have one outstanding contract for USDA to bid this week. It is about 11,000 tons. It is not scheduled for delivery until around October. They should not interfere with the two right shipments that Mr. Henderson mentioned.

They are preparing to host the Acadia and Jeff Davis Parish Leadership Excel Group for a presentation of the Port facilities in mid-September.

They are also working on new marketing material videos and promotional items for the Breakbulk Conference coming up in Houston, Texas.

Mr. Lorenzi stated he just recently read that KCS, along with another company, is developing what they call a Railport. They are trying to get this developed as part of their being targeted for the takeover by one of the Canadian rail companies and it is going to be apparently located at their Mossville yard. It is a significant expansion of what they have. He asked if he was familiar with this. Mr. Chretien said he does know there is a sawmill being built by Canfer, the Canadian company expanding by the Beauregard airport. They are spending $160 million dollars on a new saw mill. They have reached out to their British Columbia office and spoke to their global supply chain manager and also their president of U.S. operations in Atlanta. Their plan is to ship domestically, but he said it is good to know that they have a deep-water port so close to their new facility and that he will come by when he is in this area to view our facility. However, he had not heard of any rail yard expansion. Mr. Henderson said the rail yard in Mossville is not only used for SASOL, but it was expanded for the SASOL expansion and it is very large. It is something they can definitely look into to see what their plans are well. Mr. Lorenzi said he tried to get more information on it and apparently it is all mainly proprietary. Mr. Henderson said it is because of the merger and everything that is going, he does not think they are letting a lot of information out. However, they will look into it and see what they can find. Mr. Lorenzi said that what he was able to read made him nervous. He is just curious. Mr. Henderson said they would definitely look into it.

Mr. Lorenzi asked if the Port loads anything out on barges as far as grain. Mr. Henderson replied that the Port does not. IFG has the ability to load barges and they have loaded a few barges. They loaded a corn barge recently probably to empty their silos. He is not sure, but that is the only grain that can go out. The only place that can load bulk grain cargoes at City Docks is IFG. They have exclusivity on all bulk grain products at City Docks. At BT-1, the Port handles a lot of barges, but it is not agricultural products. It is petrochemical products and that is because of the contamination issue.

The Director of Cargo and Trade Development’s Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

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14. Monthly Staff report from Director of Engineering, Maintenance, and Development.

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Mr. Pestello stated all projects are progressing smoothly. He thanked the Board tonight for approving the two projects and they will definitely get those going. They will help revitalize both BT-1 terminal and City Docks.

The Director of Engineering, Maintenance, and Development’s Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

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15. Monthly Staff Report from the State Port Lobbyist.

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The State Port Lobbyist’s Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

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16. Monthly Staff report from the Federal Port Lobbyist.

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The Federal Port Lobbyist’s Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

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17. Other Matters which may properly come before the Board.

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There were no other matters to be discussed.

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18. Executive Session and appropriate action in any of the following matters:

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Mr. Krielow asked for a motion to enter into Executive Session. Mr. Prudhomme offered a motion to enter into Executive Session. Mr. Darbone seconded the motion and it carried unanimously.

The Board entered into Executive Session at 5:57 p.m.

* Stacey A. Ryan, et al, vs no. 2014-004268 Calcasieu Parish Police Jury, LCHTD, et al-14th JDC, State of LA.
* IFG Port Holding, LLC vs LCHTD – Case: 2:16-cv-00146 U S District Court, Western District of Louisiana, Lake Charles Division.
* LCHTD vs IFG Port Holding, LLC – Case: 2:16-cv-00785 U S District Court, Western District of Louisiana, Lake Charles Division.
* LCHTD vs Reynolds Metals Company – Case 2:17-cv-01114 US District Court, Western District of Louisiana, Lake Charles Division.

The Board returned from Executive Session at 7:01 p.m.

There being no further business to come before the Board, Mr. Krielow asked for a motion to adjourn. Mr. Darbone offered a motion to adjourn. Mr. Dixon seconded the motion and it carried unanimously. The meeting adjourned at 7:01 p.m.

All discussions held on the above items were recorded using the FTR Gold program.

Please note that when the votes are shown as unanimous, it is the policy of the Board that the President does not vote except in the event of a tie vote by the rest of the Board and/or unless otherwise indicated.

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CARL KRIELOW, President

ATTEST:

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M. KEITH PRUDHOMME, Secretary/ Treasurer