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, November 21, 2022 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:

Thomas L. Lorenzi, President

M. Keith Prudhomme, Vice President

Kevin D. Guidry, Secretary/Treasurer

Dudley R. Dixon, Commissioner

Carl J. Krielow, Commissioner

Absent:

David J. Darbone, Assistant Secretary/Treasurer

Also Present:

Richert Self, Executive Director

Jon Ringo, General Counsel

Cameron Landry, Director of Administration and Finance

Channing Hayden, Director of Navigation

Todd Henderson, Director of Operations

Therrance Chretien, Director of Cargo and Trade Development

Michelle Bolen, Executive Administrative Assistant

Mr. Lorenzi called the meeting to order at 5:01 P.M. Mr. Guidry gave the invocation. Mr. Krielow led the Board and audience in the Pledge of Allegiance.

Mr. Lorenzi 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 October 24, 2022 Regular Meeting Minutes.

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Mr. Krielow offered a motion to approve the October 24, 2022 Regular Meeting Minutes. Mr. Prudhomme seconded the motion and it carried unanimously.

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2. Submission 2022 – 056 authorizing the Executive Director to enter into a contract extension with the Picard Group for Federal Governmental Affairs and Lobbying Services.

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Mr. Self stated staff seeks approval to enter to a contract extension with the Picard Group for federal governmental affairs and lobbying services. In February of 2021, the Port entered into a two-year contract for government relations with the Picard Group. That contract expires in January of 2023. Staff would like to renew that contract for an additional two years. There is no increase in the current monthly price going forward. The Picard Group have been great advocates for the Port. They give staff great service. Staff has been very pleased with the product they are getting.

In addition to the two-year extension, the current language that staff is proposing includes a year-to-year extension beyond the two years. After that an automatic renewal. Mr. Krielow asked that after the two years, what is the notice requirement. Mr. Ringo replied that they have not drafted it yet, but staff can do 30 days, 60 days or 180 days. It is a typically negotiated 30 days. That is generally what they do.

Mr. Dixon offered a motion to adopt Resolution 2022 – 056 to authorize the Executive Director to enter into a contract extension with the Picard Group for Federal Governmental Affairs and Lobbying Services. Mr. Guidry seconded the motion.

Mr. Krielow stated he would like to make a substitute motion to amend the wording of the Resolution to take out the automatic year-to-year extension after the two-year extension that the Board is granting with this submission. He suggests do the two-year extension and in two years bring it back to the Board. Mr. Prudhomme seconded the substitute motion and it passed unanimously.

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3. Submission 2022 – 057 authorizing the District to enter into a professional service agreement with Duhon & Pleasant Consulting Engineers for design services for the Bulk Storage Pad at BT-1 and to amend the 2022 capital budget.

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Mr. Self stated that do to the increase in petroleum coke movements at BT-1, the Port advertised for design services for a bulk terminal pad at BT-1. This will include the construction of a concrete slab for heavy stacking equipment. It will include retaining wall misters, which spray a kind of a misting substance over the petroleum coat to suppress the dust and also a wind fence for poor dust control. They are doing this so staff can spread out some of the coke stacked so high. In an effort to basically control a lot of the dust issues that staff is having, they estimate the cost on the design to be about $456,000. It is something that will be budgeted because they are not going to be spending much of this money at all during 2022. It will be in the 2023 budget. The SOQs staff received were evaluated with the recommendation of Duhon & Pleasant.

Mr. Prudhomme offered a motion to adopt Resolution 2022 – 057 to authorize the District to enter into a professional service agreement with Duhon & Pleasant Consulting Engineers for design services for the Bulk Storage Pad at BT-1 and to amend the 2022 capital budget. Mr. Krielow seconded the motion and it carried unanimously.

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4. Submission 2022 – 058 accepting the lowest responsive bid of SEMS, Inc. in the amount of $758,099.93 for the base bid plus a contingency in the amount of $152,000 for a total of $910,099.93 for the Fournet Street Tank Demolition & Remediation.

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Mr. Self stated this is a remediation of the Fournet Street tank demolition and remediation. Staff recommends the Board authorize the Executive Director to accept the lowest responsive bid from SEMS, Inc for the Fournette Street tank demolition and remediation. This project was bid in August. Only one bid was received at a cost of $883,000. Staff subsequently put it out for rebid in October. At that point, they received two responsive bids and two non-responsive bids. The low responsive bid was $758,099. The other responsive bid was $769,000, so it was pretty competitive and actually resulted in a cost savings from the original bidding of about $125,000.

SEMS is a reputable environmental company. They have done work for the Port before. They did an asbestos abatement project on one of the Port’s buildings prior to this. Because this is a Hurricane Laura damage, the Port will be reimbursed for those costs through the Hurricane Relief Fund.

Mr. Krielow offered a motion to adopt Resolution 2022 – 058 to accept the lowest responsive bid of SEMS, Inc. in the amount of $758,099.93 for the base bid plus a contingency in the amount of $152,000 for a total of $910,099.93 for the Fournet Street Tank Demolition & Remediation. Mr. Guidry seconded the motion and it carried unanimously.

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5. Submission 2022 – 059 accepting the lowest responsive bid of D&G Construction, LLC in the amount of $5,761,889 for the base bid plus a contingency in the amount of $850,000 for a total of $6,611,889 for the Rail Relocation at W. Sallier Street.

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Mr. Self said staff requests the Board of Commissioners to authorize the Executive Director to accept the lowest responsive bid from D&G Construction, LLC for the rail relocation on West Sallier Street.

Bids were issued in October. The lowest responsive bid in the amount of $5,762,000 was from D&G Construction. This is part of the Nelson Road Bridge Project where they are going to be building the bridge and the Port has to move the rail to the north side of Sallier Street. The Port’s cost, except for$1 million, will be reimbursed from the State. D&G has successfully done work here in the Port in the past. They did the most recent Rail Project at City Docks.

The project is expected to take about 330 days, which is well within the time frame of the three-year construction time frame of the bridge. Staff is requesting approval to enter into that agreement with D&G Construction.

Mr. Prudhomme offered a motion to adopt Resolution 2022 – 059 to accept the lowest responsive bid of D&G Construction, LLC in the amount of $5,761,889 for the base bid plus a contingency in the amount of $850,000 for a total of $6,611,889 for the Rail Relocation at W. Sallier Street. Mr. Guidry seconded the motion and it carried unanimously.

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6. Administration, Personnel and Audit Committee Meeting

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Mr. Prudhomme stated the Committee met on November 17, 2022 to discuss the Executive Director and Executive Counsel performance evaluation for 2022.

Mr. Prudhomme stated the Committee recommended to the full Board at the November 21, 2022 Regular Board meeting to adopt Resolution 2022 – 060 to approve an evaluation rating and contract adjustment for the Executive Director and Executive Counsel. Being a Committee nomination, no second is needed to the motion. The motion passed unanimously.

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7. October 2022 Financials Briefing Note.

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The October 2022 Financials Briefing Note was rendered to the Board and is on file in the Executive Offices.

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8. FEMA/GOHSEP Financials Briefing Note.

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Mr. Landry stated that in looking at the FEMA/GOHSEP report, project totals increased pretty significantly. As projects go through the FEMA process, they start approving more parts of a project. You will see that increase/decrease along the way. Staff also received about $700,000 in this past month. Over the past couple months, staff has seen more of the smaller projects passing through getting obligated starting to get those funds. That is all good news on that end. At the September meeting, the Board approved the Proof of Loss for Hurricane Delta. Late last week staff received $220,000 of it, which is 80%. They pay in portions, so the Port should receive the other 20% in the next week or so. That will be another $55,000.

Mr. Lorenzi asked if there was anything in particular that is that seems like a hindrance or is there something that is a particular problem that seems to be blooming on the horizon. Mr. Prudhomme asked what was the bad news. Mr. Landry replied that staff does have a couple projects that they have been in constant communication with the higher ups at GOHSEP and FEMA. They have kind of gone back and forth with specifically the unloaders and loaders. Mr. Self stated that there are really four projects. Mr. Landry said Sheds 4, 5 and 6 are some of the big items. He hates to say they have run into some bumps in the road, but they have gone back and forth and have had some very productive meetings with them. Mr. Lorenzi asked if there were anything common to the four projects. Is there something that is common to the four projects? Mr. Landry stated they are somewhat in the fact that one of the biggest things that they are kind of fighting staff on is what is called the 50% rule. The Port has to prove that the cost to repair would be greater than 50% of what it would take to rebuild and they kind of go back and forth on what should be included what should not be included. That is one of the issues that they have had. Also, the unloaders as well. Staff is doing their best to find a route to get it to their liking and FEMA/GOHSEP has fought staff just about every step of the way.

Mr. Lorenzi asked for an appropriate time staff could give the Board a briefing on those specific projects so they have an idea of what is happening. Mr. Self replied that they would. Mr. Self stated that they have discussed with some of our local Congressional Delegation that they may need some help at some point.

The FEMA/GOHSEP Briefing Note was rendered to the Board and is on file in the Executive Offices.

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

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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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9. Monthly Staff report from Director of Navigation.

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Mr. Hayden stated the Calcasieu Ship Channel Funding Board met and they approved the expenditure of $4.177 million dollars to be given to the CORPS to advance the real estate issues in disposal area 12A and 12B.

In addition, they have they approved a $3 million payment to the CORPS, which is the non-federal sponsor’s match for the construction dollars the CORPS got in the FY 22 budget. They have $9 million. The non-federal sponsorship’s match is $3 million. They pressed the buttons and go onto all the websites to make the transfers so the CORPS should be receiving the money in due course. It is not delaying anything.

The other thing they are discussing with the CORPS are the logistics of a visit from Major General Holland. She wants to come down talk to the Port and do a tour. Given the time constraints, staff is only going to be able to take her to see City Docks.

Mr. Prudhomme asked regarding the pipeline right-away across the spoil area, what is the status of that. Mr. Ringo stated staff was approached by a contractor for Venture Global. They are trying to run their pipeline down and they requested a servitude across Port property, which is currently disposal area 16. Staff has submitted that to the CORPS. Venture Global has said they are willing to work with the CORPS and their contractor to accommodate future dredge disposal. The CORPS is going to have to tell staff one way or another whether they will approve that.

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

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10. Monthly Staff report from Director of Operations.

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Mr. Henderson stated that at City Docks employees have handled four barges and a ship of aluminum trihydrate with about 17,000 tons, two ships of lumber about 40,000 cubic meters.

Int the next few weeks, they have got two more ships of lumber, which is another 29,000 cubic meters and about 5,000 tons of hydrate.

Recently at BT-1, They have done two ships of rutile of about 22,000 tons, a ship of raw coke of 52,000 tons and a barite ship with 66,000 tons. Two more raw coke ships on the schedule for about 70,000 tons.

Mr. Henderson stated he wanted to highlight some year-to-date stats. Compared to what they have handled through November 1st of this year to November 1st of last year in lumber they have handled 299,262,000 cubic meters, which is 152% increase over last year to date.

For cargo transfers, they have handled 141,000 metric tons, which is 134% increase over last year. Regarding aluminum trihydrate, they have handled 286,000 short tons, which is a 227% percent increase. Regarding barite, they have handled 349,000 short tons, which is a 63% increase over last year and regarding pet coke, they have handled 780,000 tons, which is a 143% increase over last year.

If they total all of the bulk and breakbulk the Port has handled at City Docks and BT-1, they have handled 2.68 million tons of a cargo, which is a 19% increase over a year to date. If they did not handle another ton of cargo from November 1st to the end of the year, the Port would still have a 7% percent increase in cargo.

Between now and the end of the year, staff has managed to get two new types of cargo. They are going to receive two shipments of pipe and one shipment of bundle wire. They have also acquired another lumber customer. It is a Louisiana company called royal Roy O’ Martin whose headquarters are in Alexandria. It has been a good year. Mr. Prudhomme what is the status of the loaders. Mr. Henderson replied that they are still delayed. He thinks it may be April before they get the new fuel coke ship loader.

The Director of Operations’ 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 Cargo and Trade Development.

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Mr. Chretien stated staff is working with a logistics company on a potential project cargo shipment for the first quarter of 2023. There are about 300 pieces of project cargo coming in from Shanghai and Europe.

They also have two groups coming to visit the Port. The one tomorrow is interested in building a chemical processing plant on Port poverty.

Next week a German offshore wind developer will come and look at property for a potential offshore wind.

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

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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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13. 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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14. 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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15. 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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16. Executive Session and appropriate action in any of the following matters:

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Mr. Lorenzi stated the Board will not enter into Executive Session.

* 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.
* Executive Director and General Counsel Employment Contracts.
* LCHTD vs Harbor Docking and Towing No. 2022 – 0995-F, 14th JDC, State of LA.

There being no further business to come before the Board, Mr. Lorenzi asked for a motion to adjourn. Mr. Dixon offered a motion to adjourn.. Mr. Guidry seconded the motion and it carried unanimously. The meeting adjourned at 5:29 p.m.

All discussions held on the above items were recorded using the FTR Gold recording 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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THOMAS L. LORENZI, President

ATTEST:

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KEVIN D. GUIDRY, Secretary/ Treasurer