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, October 28, 2019 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:

David J. Darbone, President

Carl J. Krielow, Vice President

Thomas L. Lorenzi, Secretary/Treasurer

M. Keith Prudhomme, Assistant Secretary/Treasurer

Dudley R. Dixon, Commissioner

Michael G. Eason, Commissioner

Absent:

 None

Also Present:

 Bill Rase, Executive Director

 Richert Self, Deputy Executive Director/Director of Administration and Finance

 Michael K. Dees, General Counsel

Jon Ringo, Assistant General Counsel

 Todd Henderson, Director of Operations

 Michelle Bolen, Executive Administrative Assistant

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

Mr. Darbone read the public comment policy section on the agenda. Mr. Steve Hirsh will speak regarding Big Lake Fuels and Chris Dugas, FMT, will speak.

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1. Approval of the September 23, 2019 Regular Meeting Minutes

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Mr. Krielow offered a motion to approve the September 23, 2019 Regular Meeting Minutes. Mr. Dixon seconded the motion and it carried unanimously.

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2. Submission 2019 — 030 authorizing a First Amendment to Ground Lease Agreement, A First Amended and Restated Memorandum of

Lease, and a Letter Agreement with Big Lake Fuels, LLC.

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Mr. Rase stated this is a project that they have had for some time. There are some people from Big Lake Fuels here to give a presentation to the Board. It would be beneficial to hear it and then discuss where they need to go from there. What Big Lake Fuels is looking at is taking on more property from the Port and getting an extension on their lease in place now.

Mr. Darbone called upon Steve Hirsch to address the Board.

Mr. Hirsch is from ProMan, which is the shareholder of G2X and Big Lake Fuels in Lake Charles. He is based in Houston. He said he has a brief presentation. It has been about a year since he has spoken to the Board. There are some new members. He said the presentation is to let them know where they are, as a recap of who they are and what the benefits are of this new lease amendment.

Mr. Hirsch gave the presentation. The presentation is attached after the minutes

After the presentation, Mr. Hirsch said he would answer any questions.

Mr. Krielow asked that Mr. Hirsch mentioned earlier that part of their by-products will be fertilizer. Will that be strictly anhydrous ammonia or will they have some solid forms of nitrogen also. Mr. Hirsch replied that for the project in Lake Charles, it would only be methanol. One of their four products is ammonia and they also do solid fertilizers, but not as part of this project.

Mr. Darbone asked for a motion.

Mr. Prudhomme offered a motion to adopt Resolution 2019 — 030 to authorize a First Amendment to Ground Lease Agreement, A First Amended and Restated Memorandum of Lease, and a Letter Agreement with Big Lake Fuels, LLC. Mr. Lorenzi seconded the motion.

Mr. Krielow asked regarding the drawing that is part of the submission, he knows the property is coming back from Reynolds. Where in relation is that to the ongoing litigation with Reynolds — where is that in relation to this? Mr. Rase said to look at the blank area that almost looks like the grass has been mowed. Mr. Dees said it looks like it has been mowed. He pointed to the area. Mr. Rase said that is the 40 acres. Mr. Dees said they are going around that. Mr. Krielow stated he saw that. The blue line is right on the line of where that area is.

Mr. Lorenzi asked as far as deepening and lengthening the ditch or canal, is there any reason to be concerned about creating an issue in a heavy flood or heavy water drainage area where there is going to be a complaint made that they are causing issues for someone downstream.

Mr. Rase said that most of that is on their property where they are going to be widening and deepening the ditch. The rest of it is going to be fed by the lateral that already exists. He does not think it would cause any issue.

Mr. Hirsh stated it would only improve it. They are working with the drainage district. The design they will be doing will be approved by the drainage district to make sure that not only is it good for the area, but good for them. Mr. Lorenzi asked if they have already been consulted. Mr. Dees replied that they had Mr. Dixon asked if they were talking about what looks like a river coming down the left hand side. He asked if they were going to move that all the way over and put it on the right hand side. How are they going to tie in at the top? Mr. Hirsh replied that currently the ditch comes across here (showing a drawing) and it comes down. It is not exactly to scale. Mr. Dixon stated he is looking at the river, what looks like a river on the left side. Mr. Hirsh stated that this will stay and all of the water coming from the wetland area will still drain into the river or ditch. They are going to keep this and part of their site will drain into this ditch and all of the watershed area will continue to drain this way into this part here. If you are looking here, all of this area drains and this will stay. They will cut it off there. This part here will dry up.

The motion carried unanimously.

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3. Submission 2019 — 028 authorizing the Executive Director to enter into a Cooperative endeavor Agreement with Calcasieu Parish Communications district (E-911) for aerial photography.

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 Mr. Dixon offered a motion to adopt Resolution 2019 — 028 to authorize the Executive Director to enter into a Cooperative endeavor Agreement with Calcasieu Parish Communications district (E-911) for aerial photography. Mr. Lorenzi seconded the motion.

Mr. Rase stated this is something they have done for a number of years. It is really beneficial to the Port because this is aerial photography that covers the whole channel and the properties that are on each side of it. It does not go all of the way down through Cameron Parish, but to the start of Cameron Parish at least past Cameron LNG. The photography is such that it is almost scalable so they can designate who the landowners are. They can find out that and different information that is available. It is housed with the Parish. With the internet, they can log into the room, look at it and pull information from it.

Mr. Dixon asked if everyone in the Parish joins in then everyone gets a copy of the overlay. If you do not join in, then you do not get anything. He asked if that was correct. Mr. Rase said that was basically correct. He was not sure how other entities handle requests. If a citizen walks in and asks the Parish to provide them with information, he does not know how they handle those things. Mr. Dixon said he was only talking about the entities such as Westlake or Sulphur or any other city. Mr. Rase said he was sure they could get access to it through some form or fashion. The Port is contributing to the four entities that are funding the project. If, for example, if Westlake wanted to see something, even if they were not contributing, they could find someone who would say, "Oh yea, let me give you the photography." They cannot stop that.

The motion carried unanimously

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4. Submission 2019 — 029 authorizing the Executive Director to submit Capital Outlay requests for the implementation of certain Port improvement projects.

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Mr. Rase stated there is a deadline of November 1, 2019 that the Port has to submit their projects. Staff has been working on that. The first two are the cranes and the dredging. They have had it in there for a number of years. They have been approved, but they are moving up the ladder to get to the final funding. The new one he is asking the Board to approve tonight would be the bulk grain terminal, which will be located at the Industrial Canal next to Calcasieu Point on a piece of property. The rice community, as a whole, has asked the Port to submit a Capital Outlay Request for them for this particular project. They are ready to move forward to do that. The number right now, without having all of the engineering and everything, looks to be a little short of $50 million. Out of that, they hope to get funding so they can do an engineering package and try to get real numbers to put against what they are estimating the numbers will be.

Mr. Lorenzi offered a motion to adopt Resolution 2019 — 029 to authorize the Executive Director to submit Capital Outlay requests for the implementation of certain Port improvement projects. Mr. Krielow seconded the motion and it carried unanimously.

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5. Discussion and appropriate action regarding the evaluation procedure and policy for the Executive Director and General Counsel.

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Mr. Rase stated this was the Commissioners item and he returned the topic back to them

Mr. Krielow stated the last two years they have had a number of discussion about coming up with a valuation form for the Executive Director and General Counsel. He worked with Mr. Ringo on two forms that have been included as part of this Submission and Resolution. The first one is the Outline and Proposed Process for the Annual Evaluation of the Executive Director. This form is kind of a blended or processed between what the Port of Baton Rouge and Port of New Orleans currently are using. This evaluation would be separate and aside from the 17 duties that are outlined in the Statute 34.204M.

The other form is essentially the same form that the Port had used for legal evaluations for Mr. Dees up until 2012. Mr. Ring tweaked it and made it into a shorter form, but it is basically the same format, same questions, and same weighted value. This is something that they have to

do statutorily to comply with the statute and needs to be done before November 1 going forward. This evaluation will not be for this year but for the year going forward — 2020.

Mr. Prudhomme offered a motion to approve Resolution 2019 — 031 to authorize a procedure for evaluating the Executive Director and the General Counsel. Mr. Krielow seconded the motion and it carried unanimously.

Mr. Darbone called upon Mr. Chris Dugas, FMT, to speak to the Board. Mr. Dugas stated he was with FMT Stevedore and wanted to let the Board know that recently they were awarded a new bit of business. It is currently a monthly business. They will start in November. The cargo currently goes to Port of Port Arthur, but they were able to secure it here. He commended Port staff. Mr. Henderson met with them in early April. He thanked the Port and Port staff for working with them to help secure the cargo.

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 6. Executive Director Quarterly Expenses Briefing Note

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The Executive Director Quarterly Expenses Briefing Note was rendered to the Board and is on file in the Executive Offices.

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 7. September 2019 Financials Briefing Note

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The September 2019 Briefing Note was rendered to the Board and is on file in the Executive Offices.

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 8. Monthly Staff report from Deputy Executive Director Monthly Report.

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The Deputy Executive Director’s 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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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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 10. Monthly Staff report from Director of Operations.

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Mr. Henderson stated he has an update for the Board. As Mr. Dugas mentioned, back in April they started meeting with a carrier, UltraBulk. He has sent the Board a couple of emails about it as it progressed. They met with them at the Breakbulk conference and they are indicting they will have a ship here in November and in December. They are working on trying to make it at least a by-monthly call and are working towards a monthly call. This will give the Port vessels calling on the Port and more cargo opportunities. It is good news for the Port. It will be good steady work because it will all be trucked out.

Also, they have had good meetings with Burlington Northern Railroad recently to try to get them service to the Port. They serve the Mallard Junction right now. Staff would like to get them all the way in. As the Port gets more and more cargo, the more advantageous it is to have more railroads.

Mr. Darbone stated he saw three tractor trailers of windmill blades being hauled down Sallier St. He asked where they were going. Mr. Henderson replied that those were going to Iowa. There will be about 72 blades total that will be trucked out of the Port.

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 Marketing and Trade Development.

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The Director of Marketing 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 and Security.

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The Director of Engineering, Maintenance, and Development and Security’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. Executive Session and appropriate action in any of the following matters:

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Mr. Darbone asked for a motion to enter into Executive Session. Mr. Krielow offered a motion to enter into Executive Session. Mr. Prudhomme seconded the motion and it carried unanimously. The Board entered into Executive Session at 5:36 p.m. to discuss the matters below.

* Suit against the Port of Lake Charles – Suit No. 2013-001091- 14th JDC, State of LA.
* Suit against the Port of Lake Charles – Suit No. 2014-004268-14th 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
* Discussion of Executive Director position.

The Board entered into Regular Session at 6:57 p.m.

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

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There being no further business to come before the Board, Mr. Darbone asked for a motion to adjourn. Mr. Krielow offered a motion to adjourn. Mr. Lorenzi seconded the motion and it carried unanimously. The meeting adjourned at 6:58 p.m.

All discussions held on the above items were recorded using the FTR Gold program, and saved on the District’s main file server in the District’s office.

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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 DAVID J. DARBONE, President

ATTEST:

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THOMAS L. LORENZI, Secretary/ Treasurer