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 February 17, 2020 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

Michael G. Eason, Commissioner

Judy A. McCleary, Commissioner

Absent:

Dudley R. Dixon, Commissioner

Also Present:

 Bill Rase, Executive Director

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

 Jon Ringo, Assistant General Counsel

Channing Hayden, Director of Navigation

 Todd Henderson, Director of Operations and Trade Development

 Nick Pestello, Director of Engineering and Maintenance

 Michelle Bolen, Executive Administrative Assistant

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

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

Mr. Darbone introduced Ms. Judy A. McCleary as the new Board Commissioner. Ms. McCleary stated she was excited to be here. Mr. Darbone asked if she wanted to say a few things about herself.

Ms. McCleary stated she would like to thank the Southwest Louisiana Legislative Delegation for nominating her. It is an honor. Also, to the Governor for appointing her. She looks forward to it. It is a huge responsibility. She thanked the Port staff. Last week they spent a considerable amount of time with her, touring the Port’s facilities. She did not realize how much property is under the purview of this Board and fantastic staff. Staff is very passionate about what they do and very professional. She thanked them.

She stated she and Mr. Darbone have been working together at SOWELA. She has been at SOWELA for three years. Mr. Darbone stated he has been there for twelve. She works in workforce solutions. They do training. She looks forward to any conversations about SOWELA and training, but she is delighted to be here. She wants to serve everyone and work well with everyone.

**GFOA Award**

Mr. Darbone stated that he wanted to congratulate Mr. Self and his department for the GFOA Award. This is a comprehensive annual financial report. This certificate of achievement is the highest form of recognition in the area of government and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

Mr. Darbone said this was not the first time the Port has received this award. Mr. Self said that this was the 15th year in a row. There was a time period during which the Port did not receive it. However, the Port has received it for the last 14 – 15 years.

Mr. Darbone congratulated Mr. Self. Mr. Self stated that the Board sees him, but it is the staff that does all of the hard work that they do not get to see every day.

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1. Approval of the January 27, 2020 Regular Meeting Minutes.

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Mr. Eason offered a motion to approve the January 27, 2020 Regular Meeting Minutes. Mr. Lorenzi seconded the motion and it carried unanimously.

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2. Submission 2020 – 005 accepting the only responsive bid of Lard Oil Company to supply motor fuel.

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Mr. Rase stated this something the Port does on a yearly basis. They go out for bids for the gas, diesel and oil that the Port uses, which includes all vehicles, bulldozers and railroad engines. This year Lard was the only one that submitted a bid. They held their price from last year. There is a rack price that goes out on a daily basis and then the percentages are added on top of that. That gives them the cost of fuel for that particular day.

Mr. Krielow offered a motion to adopt Resolution 2020 – 005 to accept the only responsive bid of Lard Oil Company to supply motor fuel. Mr. Eason seconded the motion and it carried unanimously.

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3. Submission 2020 – 006 approving revisions to the Port of Lake Charles Tariff No. 013.

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Mr. Rase said that as staff makes tariff changes, they bring them to the Board for approval. They would like to raise the pallet rental fee from $2.50 a ton up to $10.00. This allows the Port to move forward with the program for the bagged cargo where individual companies will be bidding on the cargoes. If a pallet happens to get the wrong cargo on the pallet when it comes from the supplier, staff needed a way to unwind it without putting the onus on the shipper. Staff would like to use the tariff adjustment to help eliminate the issues that may come up over whose pallet it is and who has the responsibility for it. It will also allow a company to negotiate prior to the bid. If they do not have enough pallets, they can negotiate with a company that is here and does. They can come up with terms to be able to supply the pallets.

This is an item that does not really involve the Port, but it involves the cargo, which actually goes back to the shipper.

Mr. Eason offered a motion to adopt Resolution 2020 – 006 to approve revisions to the Port of Lake Charles Tariff No. 013. Mr. Lorenzi seconded the motion and it carried unanimously.

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 4. DBE Briefing Note

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

Mr. Krielow said the policy was last updated in 2008 and asked if it was in line with other entities in the state. Mr. Pestello replied that he was not sure, but would check with other ports to see what their policy contains.

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 5. January 2020 Financials Briefing Note

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The January 2020 Financials Briefing Note was rendered to the Board and is on file in the Executive Offices.

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

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Mr. Self stated they met with USA Rice Federation. They had a positive outlook in 2020 as far as rice exports.

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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 7. Monthly Staff report from Director of Navigation.

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Mr. Eason asked Mr. Hayden to comment on Congressman Higgins announcement last week.

Mr. Rase stated there was $46 million that they received for the project.

Mr. Hayden said they have a couple of different funding schemes going on right now. The President’s budget for 2021 is not all that great. They got $7 million in O&M and $9 million in Construction, General Funds. Last year, they received a total of $17 million in O&M and $0 in Construction, General Funds. What appears that is happening is the administration has split what they gave the Port last year into the two different pots. The $7 million does not require a match. The $9 million does. The $9 million would be used for repairs to the disposal sites. The Port is going to have to do some nice talking to the Corps of Engineers so that they can get the work plan for 2021 to make up the difference. Last year, the Port received $17 million in O&M. They received $10 million from the work plan in O&M to bring the Port up to $27 million. Then they received $18 million in Construction General. They FY20 budget was good for the Port. The FY21 budget is looking pretty bleak. A lot of it will depend on how Congress gives discretionary funds to the Corps and how the Port can share in those discretionary funds.

Mr. Krielow asked what the match was on the $9 million. Mr. Hayden replied said there was a $3 million match. On the $18 million they received last year, it is a $6 million match.

Mr. Krielow asked if that was even if it was in O&M still has the match with it. Mr. Hayden replied that no. The $18 million received last year is CG. They received $17 million from the President last year in O&M, $10 million from the work plan in O&M and $18 million in construction general from the work plan. Last year they did very well. If they can come up with their $6 million match, then they are facing another $3 million match for next year provided the Corps work plan does not add money to construction general, which will require the Port match to go up.

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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 8. Monthly Staff report from Director of Operations and Trade Development.

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Mr. Henderson stated they booked another lumber shipment for March.

They received confirmation that Gearbulk, now G2Ocean, will be making a call in March with a new customer of lumber.

The Director of Operations’ 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 Engineering, Maintenance, and Development and Security.

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Mr. Pestello stated they selected a contractor for the berth 6 damage that was awarded at the last board meeting. They started construction today.

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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 10. 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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 11. 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. Prudhomme offered a motion to enter into Executive Session. Mr. Krielow seconded the motion and it carried unanimously. The Board entered into Executive Session at 5:17 p.m.

* 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 and appropriate action regarding the Real Estate Option Agreement with Lake Charles Methanol, LLC.

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

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The Board returned from Executive Session at 6:03 p.m. No action was taken in Executive Session.

There being no further business to come before the Board, Mr. Darbone asked for a motion to adjourn. Mr. Lorenzi offered a motion to adjourn. Mr. Eason seconded the motion and it carried unanimously. The meeting adjourned at 6:04 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