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, January 25, 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 (arrived at 5:06 p.m.)

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

 Todd Henderson, Director of Operations

 Nick Pestello, Director of Engineering and Maintenance

 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. Ms. McCleary 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.

Resolution 2021 – 001

Resolution 2021 – 001 commending Mississippi Valley Trade & Transport Council for the generous financial assistance given to the employees most affected.

Mr. Self said in late December Mr. Hayden worked with the Valley trade and transport Council. They provided hurricane relief support to some Port employees that suffered the largest losses and damages from hurricanes Laura and Delta. Staff would like to acknowledge their generous support the Port employees.

Mr. Eason offered a motion to adopt Resolution 2021 – 001 to commend the Mississippi Valley Trade & Transport Council for the generous financial assistance given to the employees most affected. Mr. Dixon seconded the motion and it carried unanimously.

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1. Approval of the December 21, 2020 Special Meeting Minutes.

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Mr. Dixon offered a motion to approve the December 21, 2020 Special Meeting Minutes. Mr. Darbone seconded the motion and it carried unanimously.

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2. Submission 2021 – 002 authorizing an agreement for Owner Representative, Field Technical and QA/QC services with River West Enterprises, Inc. for the construction of various capital projects for 2021.

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Mr. Self said River West provided QA/QC work for the Port the last 12 years. They have a lot of projects underway. Over the past 12 years, the Port typically had two engineers. Right now they only have one, Mr. Pestello. The Port currently has 22 projects under construction. They have another 15 that are in the engineering and planning phase. Staff is requesting authorization to enter into an agreement with River West for 2021 in the amount of $225,000.

Ms. McCleary offered a motion to adopt Submission 2021 – 002 to authorize an agreement for Owner Representative, Field Technical and QA/QC services with River West Enterprises, Inc. for the construction of various capital projects for 2021. Mr. Lorenzi seconded the motion and it carried unanimously.

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 3. Business, Environmental and Intergovernmental Committee

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Mr. Darbone stated the Committee met on December 21, 2020 to hear proposals from four companies for federal lobbying services. There was a conditional approval pending to the Picard Group about an all-inclusive cost with their RFP. He stated that staff has confirmed that they would include all costs with that RFP. There is a recommendation for the Executive Director to enter into a contract with the Picard Group.

Mr. Dixon offered a motion to accept the December 21, 2020 Business, Environmental and Intergovernmental Committee meeting minutes. Being a committee meeting, no second to the motion is needed. The motion passed unanimously.

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 4. Executive Director Quarterly Expenses Briefing Note.

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

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 5. December 2020 Financials Briefing Note.

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The December 2020 Financials were rendered to the Board and are on file in the Executive Offices.

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

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Mr. Landry stated Mr. Glen Lafond with CSRS was here to give an update on the issues they are working on for the Port.

Mr. Lafond stated he is the project director for CSRS. He heads up their grants management program working with FEMA to get all of the damages reimbursed for the Port. To date, CSRS grants management team has conducted over 100 physical site inspections. They have done damage assessments on at least 90 buildings due to hurricane Laura. They summarized the findings in the damage assessment report. They completed another round of assessments after hurricane Delta. They submitted 91 damaged inventories to date, or DI’s. Those serve as the basis for the FEMA grants that turn the projects that reimburse the Port. They are expecting approximately 115 in total, when completed. One DI has been submitted for hurricane Delta as a Cat B for emergency protective measures. FEMA has requested that all expenses be put onto hurricane Laura if all possible.

The grants management system that FEMA uses is called Grants Portal. To date, they have answered over 364 scope survey questions from them. They have answered over 910 damaged inventory questions. They have uploaded over 400 documents into their grants portal system and have managed and completed 10 site inspections with FEMA. There are eight more currently in progress. Due to Covid, FEMA is trying run as much as possible from home. So his group is having virtual site inspections. Due to the amount of documentation that they put into the grants portal system, they have been successful and hope to continue to do that. It saves time and money.

They have formulated scoping costs of two projects that are the furthest along, which included 10 DI’s in there. Those are warehouses 1 – 7, which include the Firestone buildings and the administration building.

They have developed 25 detailed estimates, totaling over $22 million in repairs and numerous not so detailed estimates, but are still required. They have also had dozens of meetings with FEMA and Port personnel.

Mr. Prudhomme asked when they expect to receive the money. Mr. Lafond replied that right now the projects that are furthest along, the site inspections have been completed. They have submitted the scope and costs for those projects. It has to go through the FEMA review queue system. Covid has slowed down the whole process. It is not slowing him down, but one thing they are dealing with is there is approximately a $49.5 million insurance policy, so there cannot be duplication of benefits. The insurance payments that they will receive on these projects are going to be pulled out from that pool. He is trying to work with FEMA insurance personnel right now so hopefully they will apply the insurance that the Port receives through some of the larger items such as the unloaders so the early project will not be zeroed out. Besides Covid slowing it down, management costs are based on an interim policy. They spoke about this policy about two months ago at a board meeting where FEMA will reimburse 100% of grants management costs. They based that on 5% allowed for each project that is obligated after insurance is paid. That is the other thing they have to deal with.

Mr. Prudhomme asked if they had a projection on when they might see the first influx of funds. Mr. Lafond replied that FEMA reimburses the grants management costs in what is called a Cat Z project. An example is Cat A is debris, Cat B is emergency management and Cat Z is how they pay the management costs. Those costs will be paid quarterly once they get enough projects that are obligated. Depending on when FEMA can get all of the rest of the projects obligated, or any project obligated, it is that point, barring any insurance complications, that they would see some obligations come through. It will probably be more towards the end of the year.

Ms. McCleary asked if the management fee reimbursement to the Port would be towards the end of the year or the FEMA payment for damages. Mr. Lafond replied that it would probably be both. He stated that Cat Z costs are what pays the management fees and if they can get the insurance issue solved, and get some projects obligated, they can submit the first cat Z project. That is when you submit a Cat Z. FEMA pays the state, who is a grantee, and the Port would be a subgrantee. The Port would receive their money from the state.

Ms. McCleary stated that it would be helpful with all of the projects, damage assessments and buildings if they could get a monthly update on that along with the associated fees they are paying on each of the projects. It would be helpful. He replied he would.

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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 7. Monthly Staff report from Director of Navigation.

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Mr. Hayden stated that he makes an effort every year to try and support the funding for the Corps of Engineers for dredging and the maintaining of the ship channel. For the fiscal year FY 21, which started back on October 1, 2020, Congress finally passed the budget over the holidays. In that budget there were funds for the Calcasieu Ship Channel. Congress, since they eliminated earmarks, has started giving the Corps of Engineers discretionary funds, which they compete for along with all of the other ports in the United States.

Last week they finally got the number from both the president’s budget and the discretionary funds, which the court called its work plan. For operation and maintenance, the Port received $7.4 million in the President’s budget and $35 million from the Corps work plan for a total of $42.4 million. This is probably the best they have done since they have started this program. In addition, they received construction funds of $9 million, which are the Tiger funds that require the local match from the nonfederal sponsor. They have the 3P in place to generate those funds.

They have a total of $18 million available that the Port will have to match on construction and the $42.4 million the Corps will use that on O&M. He has no details yet on how they plan to use it.

Ms. McCleary asked if it was $9 million or $18 million in construction. Mr. Hayden replied that they had $9 million from last year that was not spent. They received another $9 million this year for a total of $18 million. Ms. McCleary asked if that was a 25% match. Hayden replied that it was. He said that the way it is calculated, the Port owes them $6 million. She asked if some of that could come from the 3P. Mr. Hayden replied that all of it can come from the P3.

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.

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Mr. Henderson said so far they have had a project cargo ship and hydrate barges. The grain elevator loaded a corn barge. They loaded about 12,000 tons of calcine coke from barge to ship. They were able to use the new mobile harbor crane for that. They unloaded about six rutile barges. For the rest of January and February, the grain elevator has a rough rice ship, they have a liquid ship, a bagged rice ship and are expecting two lumber ships. At BT-1 they will have a rutile ship, a coke ship and a barite ship.

They also have a new 38 m³ bucket. He offered to show anyone a tour of the bucket.

Mr. Krielow asked if the loading and unloading operations getting a little smoother with the mobile harbor crane. Mr. Henderson stated it is and the guys were getting there. They had a few things that Liebherr finished up recently as far as the way the bucket works. They are getting there.

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 Cargo and Trade Development.

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Mr. Chretien said that currently they were working on a USDA solicitation that is about 78,700 tons total with another 22,000 tons of rice. If they purchased this as offered, it will be the largest contract ever awarded in the last 10 years and the most rice ever purchased in the last five years. About 30,000 tons of that cargo is going to west Africa. That is a location where the Port was successful in getting two shipments last year. He is confident, with the help of the stevedores, that they can carry the bids and working with the mills be very competitive. Bids are due Friday and should know by next week.

He stated that the Port was also featured in a two-page article with the North American clean energy magazine. They also received a full-page color ad.

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

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Mr. Pestello said at BT-1, the crane decommissioning is 100% complete. Everything went smoothly. They had no issues. The only change order was requested by the salvage company to get some parts off of one of the ship unloaders. They will create a permanent hopper that can handle the size of that bucket that they just received.

They just began advertising for a new calcined shiploader to replace the one that was pushed into the river.

Hopefully, by the end of this week, they will be able to advertise for a new petroleum coke shiploader.

All of the projects are progressing smoothly. They are starting to get some of the building repairs going at City Docks. All contracts have been signed and executed, so now it is just a matter of getting the materials and getting the contractors on site. A couple of them have already made significant progress. They also have numerous design projects going for the new buildings that are replacing some of the ones they intend to tear down.

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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 11. 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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12. 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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 13. 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. Lorenzi offered a motion to enter into Executive Session. Mr. Prudhomme seconded the motion and it carried unanimously.

The Board entered into Executive Session at 5:24 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
* Discussion and appropriate action regarding the Real Estate Option Agreement with Lake Charles Methanol, LLC.

The Board returned from Executive Session at 6:28 p.m.

There being no further business to come before the Board, Mr. Krielow asked for a motion to adjourn. Mr. Prudhomme offered a motion to adjourn. Mr. Lorenzi seconded the motion and it carried unanimously. The meeting adjourned at 6:28 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 J. KRIELOW, President

ATTEST:

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M. KEITH PRUDHOMME, Secretary/ Treasurer