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, July 26, 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

 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. 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.

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

1. Approval of the June 28, 2021 Regular Meeting Minutes.

 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

Mr. Darbone offered a motion to approve the June 28, 2021 Regular Meeting Minutes. Mr. Dixon seconded the motion and it carried unanimously.

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

2. Submission 2021 – 029 approving and levying for the tax year 2021 an ad valorem millage rate of 2.48 mills.

 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

Mr. Self stated staff is requesting approval to adopt a millage rate of 2.48 for 2021. In 2020, it was a reappraisal year. That takes place every four years. 2020 was the last reappraisal year. The millage rate was 2.53 mills. In an effort to reduce the tax burden on the taxpayers, they reduce the tax millage rate from 2.53 to 2.48. Because this is not a reappraisal year, they are requesting to keep the millage rate the same amount 2.48.

Mr. Dixon offered a motion to adopt Resolution 2021 – 029 to approve and levy for the tax year 2021 an ad valorem millage rate of 2.48 mills. Mr. Prudhomme seconded the motion.

Ms. McCleary asked what the Port did with this millage last year. It seems like they had in 2020 discussion about the millage. Self said in 2020, they had the option of keeping the rate at 2.53, which was the rate at that time. In an effort to reduce the tax burden on the taxpayers, they reduce the millage rate from 2.53 to 2.48. They did that in 2020.

Ms. McCleary asked if it was remaining at 2.48. Mr. Self replied that this would keep it at this lower rate of 2.48 mills.

The motion carried unanimously.

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

3. Submission 2021 – 030 authorizing the Executive Director to terminate the Ground Lease Agreement for the BG Warehouse Site with Lake Charles LNG Company and Shell Lake Charles Operations.

 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

Mr. Self stated in 2005, the Port entered into a lease with Trunkline LNG for the land surrounding the turning basin. In 2010, Trunkline subleased it to BG. BG constructed a warehouse on about 4.3 acres. The warehouse does not cover 4.3 acres, but it is on that site. Hurricanes Laura and Delta significantly damaged the building. The lease expires December 31, 2022. Staff is in the process of trying to get that property back into commerce. In doing so, Shell, who acquired BG, has offered to pay $350,000 towards the repair of the building and then the port would take the facility back.

Ms. McCleary offered a motion to adopt Resolution 2021 – 030 to authorize the Executive Director to terminate the Ground Lease Agreement for the BG Warehouse Site with Lake Charles LNG Company and Shell Lake Charles Operations. Mr. Eason seconded the motion.

Mr. Lorenzi asked what the repair costs were going to be for the building. Mr. Self stated they working on it but do not know the total cost as of yet. Mr. Lorenzi asked if there was a windshield estimate. Mr. Self asked Mr. Pestello if they had a ballpark estimate. Mr. Pestello said they do not, but they are working on it now. He is guessing it is going to be around the $350,000 mark, but the $350,000 is not a payment towards the repair costs. It is actually half of the estimate they have to demolish the whole building. Instead of demolishing the whole building, they said they will give the Port half of that as part of payment. Mr. Self stated that was how the staff arrived at the $350,000 mark.

Mr. Lorenzi asked regarding the picture Mr. Self had given them, if this was a current photograph. The roof seems to be intact. Mr. Self replied that he did not know the date of that picture. Mr. Self stated there were structural damages to the building. That picture was to give them an idea of the area. Mr. Eason asked if this was an improvement that they made to the property. Mr. Self replied that it was an improvement by BG/Shell. Mr. Eason asked if they had any requirement put that back in place - the improvement? Mr. Self said their option is they can either demolish the building or repair the building. It was less expensive for them to demolish it. However, the Port would rather keep the building. They estimated just over $700,000 to demolish it. So, rather than demolish it they said they will split it with the Port 50/50 and give the Port $350,000 towards the repairs and will have the building on site. Mr. Eason asked if the Port would get it back better than it was. Mr. Ringo agreed.

The motion carried unanimously.

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

4. Submission 2021 – 031 authorizing the District to enter into a professional services agreement with Boos Navarre, LLC.

 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

Mr. Self said earlier this year they entered into an agreement with Boos Navarre prepare bid documents on two shiploaders at BT-1. Associated with that, staff is requesting authorization to enter into a professional services agreement with them to design the dock improvements associated with those shiploaders. They used the process that they have in their policy called direct selection and Boos Navarre’s familiarity with those two cranes. The estimated cost is about $200,000. It is $180,000 plus a $20,000 contingency.

Mr. Lorenzi offered a motion to adopt Resolution 2021 – 031 to authorize the District to enter into a professional services agreement with Boos Navarre, LLC. Mr. Dixon seconded the motion and it carried unanimously.

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

 5. Strategic Plan Briefing Note.

 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

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

Mr. John Martin, Martin Associates, presented the Strategic Plan to the Board. After the presentation, Mr. Martin asked if there were any questions.

Mr. Eason said he is staring at $321 million, which is obviously a wonderful number. He wishes they could all access this. Probably unrealistic. Are they looking at 10% of that on an annual basis?

Mr. Martin said when they put in there about the domes for the wood pellets etc., that is not just to build the domes to attract someone. That has to be market driven and contract negotiations. These are the probable cost estimates, not necessarily phased because it is really to be when the markets drive. The warehouses are critical. The Port is already rebuilding 3, 4, 5 and 6. Those are critical. Warehouses are in bad shape. The ability to put one warehouse in the middle where the 14 warehouses are, that is already included. They really are putting in much more modern warehouse space, because the Port can capitalize on the destruction of some of the warehouses that occurred because of the hurricanes.

Mr. Eason said they deal with a lot of various commodities and different types of shipments in and out of here. He was looking at a lot of things they were talking about and saw a lot of 1% compounded annual growth rates going forward, which is not really lucrative. He goes back to a 10% number of what they might be looking at on an annual basis. Using that compound annual growth, and he would assume five years is tough to do right now on a growth rate, much less 10. Mr Martin said that was in the base commodities. That is the base commodities. The critical thing here is to be able to diversify into these markets that they are talking about – wind energy, pellets and wood chips. Those markets become…The development of the Industrial Canal property is important because of the growth and interest in project cargo with all of the different local projects that are coming online. Those are all factors that are necessary. But, the warehouses are critical. Mr. Eason agreed saying using a cost benefit analysis… They have a finite amount of money that they can invest back into the Port on an annual basis. Using that cost benefit approach, what is the best bang for the Port’s buck going forward over the next 5 – 7 years that can enhance revenues and increase employment in SWLA?

Mr. Prudhomme stated that all he has heard is, “If you build it they may not come.” You have to have a client before you can build it. Mr. Martin agreed. Mr. Prudhomme said regarding Mr. Eason’s question, what is the biggest bang for their buck?

Mr. Martin said reconstruction of the warehouses that they are doing now. The development of modern, clear span warehouses. They clearly have been an issue for business development over the past. They have to be rebuilt. The demand for them from a lumber perspective, etc. those are where your bang is going to come from immediately, if in fact you have discussions, and he does not want to go into too much detail with discussions of the pellet manufacturing, pending upon how that comes that is very important. Also, discussions the Port is having with project cargo and potential businesses on the Industrial Canal are important. Again, those are all build if they are here for negotiations. Do not build for them to come.

Ms. McCleary stated that recently she read an article that spoke of the decline in the market for pet coke. It did not mention the Port of Lake Charles, but it did talk about Houston, Galveston and New Orleans. There were three specific ports that they mentioned. She noticed in Mr. Martin’s report he talks about the decline in pet coke. This actually would be no different in that decline if he was making this strategic plan for one of those as well. It is not because of a lack of something here, it is market driven. Mr. Martin agreed. She asked to what degree would he say is Covid related. Mr. Martin said it is two things. Coke is produced from petroleum refining. Obviously, with production and driving down because of Covid, there was a decline. But, it happened before that. If you start to look at those charts you saw that pet coke declined. The coke reduction started in 2017. There are a couple of things that are problematic when you look at coke production. Obviously, the more domestic petroleum that is refined, the less bang for your buck you get from coke production. It is the heavy crude, which is the imported crude, particularly the South American crude and Middle Eastern crude, you can produce more coke. When you do the distillation process, coke occurs. The more that they reduce US imports of heavy crude and rely on domestic produced lighter crude, you get less coke production. That is one thing.

Second of all, with the growth in alternative fuels and clean energy such as electric vehicles, the demand for petroleum products at some point will be starting to dwindle because of gasoline production. When you look at that… That is why he saying it is pretty much flat out into the future. That is their high projection. If you look at the low projection, they have a decline in coke production. Ms. McCleary said he does show considerable growth in that market. Mr. Martin said that was the high forecast, but there is another cast. Ms. McCleary asked what would be his low forecast. Mr. Martin said it is a declining forecast. It is in the major part. Ms. McCleary asked that this is not particular to the Port of Lake Charles. Mr. Martin agreed that it was not. She said this is something that is just happening in the market because of various factors. Mr. Martin said that what they are looking at now because coke is used so much for fuel sources such as steel. There is much more interest now on more and more scrap being used in the blast furnaces for steel production.

Ms. McCleary said in their current product mix, is there anything in particular that he sees that the Port of Lake Charles needs to do differently in order to regain or increase that market that they are not doing now. Not on the speculative side, but on our current product mix. What is their biggest opportunity or least opportunity? Mr. Martin replied that one of the biggest potential right now is to try to follow up and convert on the pellet operation. There is interest. They are moving. After Pascagoula is finished, the next spot they are looking to develop is in the west gulf, which is right here. That is a big number. The second piece that is becoming very important is to solidify yourself in the wind energy business. But, logistics is absolutely critical for the wind farm business. There have been some really strong hiccups between the BN and UP in terms of moving logistics like the rail situation with your existing customer now. It is very important to grow that business. Mr. Self said he thought Ms. McCleary is asking about our current cargos that we handle, is there something that we need to do differently that we are not doing today.

Mr. Martin said with respect to current cargos, obviously coke is out of…You cannot do much about coke because of what he just spoke about. The bagged grains, which has been a historically very important piece of business here is probably not a huge growth market because the Port has so much competition with containerization of grain whether it is privately sold or USDA/FDA. The market has been eroding from bagged grains over time as it moves towards containerization. You do not have a lot of control over that. With respect to rutile, that is being consumed locally by a major manufacturer, who is expanding. Regarding bulk grains, that is a focus of the fact that the elevator is offering a 25% cost savings in logistics transportation cost savings to the local bulk export grain. That is an important market. Ms. McCleary said that makes the Port competitive. He agreed. He said it is important to take a look at these new markets, which is why they are talking about growing the wind energy business, project cargo business and growing more lumber and forest products business. That was directly dependent upon the fact that the warehouses were in really bad shape in the mid 2000’s. Now, why will lumber come back? Because the warehouses are so full every place else such as Beaumont, Port Arthur and Houston that this is the next best place because there was some availability of warehouse space, which is not good. It is not in good shape. You could talk to stevedores if they are here that the facilities are antiquated. Regarding the project cargo business and maybe off-shore support or other heavy industrial manufacturing, you have the important piece of the Industrial Canal property, which is why he wants to bring rail there to give it much more flexibility and a competitive piece because it is a nice piece of land, but you need the rail.

Those are new markets the Port has to get into.

Mr. Martin said the Port’s base cargo is pretty stagnant. Ms. McCleary said that because the report says the Port has been facing this declining revenue…What are we currently handling that maybe the Port could grow more? What are the items that, no matter what the Port does, is not going to be much growth potential? Mr. Martin said the chart of BT-1 dominated the Port’s net income over the years. It is hard to grow other businesses because a lot of the stuff the Port handles is not under their control. But, there are new markets they have talked about and it is important that the lease structures are developed to reflect not only a ground lease, but also throughput leases for the Port to participate in the growth of the volumes of the cargo from a revenue perspective. When you look at new lease structures for different product lines, you want to have a base lease, but also want to have a throughput lease too to be able to share in the growth of the cargo from a revenue perspective.

Ms. McCleary said in those new markets, sometimes change is difficult and behaviors are difficult to change. So, the Port is actually going to try to go out and capture cargo from competing ports. It’s not that it is opening a new market. Mr. Martin said the pellet business is opening a new market because they are moving from Florida, Pascagoula, MS and Baton Rouge as they move forward. Mr. Self stated they are not necessarily moving, they are just migrating this way and it is a new market for SWLA area.

Mr. Krielow said with regards to the pellets, they announced a plant that was going to be built and take sugarcane bagasse and turn it into a fuel pellets. Is there any differential in need of capital structure or infrastructure to handle a fuel pellet of that nature versus a wood pellet? Mr. Martin said he is not an engineer that can answer that, but he would suspect that you would need to have different facilities. You cannot co-mingle a sugarcane pellet with a soft-wood pellet. That is something if you have a pellet producer or manufacturer engaged in your facility, that is another line of business that is similar to the pellet or chip export. It is the same type of operation. That is why it is very important to be going after an Enviva or a Draxs or someone like that to become a partner with the Port in developing that market.

Mr. Eason said probably the greatest concern in the private world today is management of operational expenses. Looking forward, is it fair to say that equally important to where they choose to invest in the future it is equally important to operate as efficiently and manage expenses to the optimum in order to be successful? Mr. Martin agreed and said that is one of the things he is looking at when they are talking about some of the logistical changes within the terminal itself to get the flows moving along better. That improves the efficiency, reduction of double handling and so forth. All those are critical. All of those are non-structural type of investments that have to be made.

Mr. Lorenzi said regarding the Summary of Probable Cause, there is a total of $321 million but if he is following this correctly, he is saying of that, $229 million of that is already included in the 5-year. Mr. Martin said if you go along the side. He called for Mr. Chuck Stutes, Meyer and Associates, to help answer. Mr. Stutes said it was about 70% of those costs. Mr. Lorenzi said it is only City Docks. You are proposing $67 million in additional projects for City Docks and $24.75 million for the Industrial Canal. As far as the Industrial Park and BT-1, that is included already. Mr. Martin agreed.

Mr. Lorenzi said it is really City Docks that is the weak link. That is the warehouse issue primarily.

Mr. Lorenzi asked that when Mr. Martin looks at other ports, is dredging deeper and rail access a common issue or a common problem? Mr. Martin replied that dredging is always a problem. It is always an issue. Everyone wants deeper water. When he talks about 40 feet of water or when you are rebuilding a dock so you can withstand 45’ alongside, the incremental costs alongside is probably relatively minor than ripping the whole thing down again and having to build it back up again. If you build it to 40’ and all of a sudden, some act of greatness that you are able to get a deeper channel, then you do not have to rebuild the dock strength. It is a 30- year life expectancy of a dock. Hopefully, within that time period, you can go to 42’ maybe and so on.

The rail here is a problem. The rail is probably one of the big…The warehouse situation is a serious problem and the rail interface between BN and UP and Port Rail. That is an issue that is very critical to get that resolved. That will kill the wind energy business.

Mr. Henderson stated regarding the rail issue, it is being worked on now. They have hired R.L. Banks to talk to both of the carriers and Gulf Stream spoke to him last week and told him that as far as the dimensional loads with the towers, they were having some issues with BN and UP because there was only a very small window that the trains were allow to leave. One day, they had to be there by Saturday, and if they did not make Saturday, then they had to wait another whole week to catch that window. They have changed that. They are giving the Port a larger window now to get those trains through. They are making some strides in that effort to improve the Port’s rail logistics.

Mr. Self said that they have, as Mr. Henderson mentioned, engaged R.L. Banks to help the Port on the rail side and have a conference call with them next week to get an update.

Mr. Eason said one of the things he sees out there in the industry around the world right now is industries are also trying to be sufficient as possible in their entire business model. There is a lot of infrastructure here with the ship channel, rail and airport. He asked Mr. Martin if he sees any opportunities where the Port could potentially partner with another entity that would attract new industry to this area? Mr. Martin replied that one of the big things is the develop of methanol facilities. Methanol plants in the last 5 – 10 years were a big deal all over the gulf. The Port is working with two methanol facilities. That is very important. That partnership and the fact that you can negotiate good lease structures with them that brings revenue in, but also provide them with the infrastructure from the waterside standpoint. The project cargo business is able to bring big pieces of equipment in to the Port. That is a very important piece.

He said they looked years ago at the Chennault facility for another entity to look at it from a distribution logistics hub. One of the thoughts was to look at bringing rail. Right now intermodal rail service comes out of Los Angeles/Long Beach and goes into containers. It comes into Dallas-Fort Worth and then gets distributed to distribution centers throughout Texas and Louisiana. One of the thoughts was there was a possibility to bring containers into the Chennault facility and develop that as a logistics distribution center. They are pursuing to talk to developers about that opportunity. It is a tough market to get into because right now Houston has become so focused on attracting first inbound port causeway from Los Angeles/Long Beach. The San Pedro ports. Right now the distribution center developments occurring in Houston because of the 24-hour e-commerce is being developed in Austin and San Antonio, Texas.

New Orleans is about to vote on a new container terminal south of their existing facilities. That whole concept of the intermodal activity and intermodal center is a little different than it was seven years ago because of all these dynamics that are changing with respect to the container business. However, the Port, with its ability provide infrastructure save for the Firestone facility out at the industrial East property, is very important. They do not use the Port, but it facilitates their loading of containers to track it down to Houston.

They did look at the opportunity to use containers on barge here. The cost of this was not competitive.

Project cargo is a big market. The offshore wind energy is important. The project cargo with the five or six projects the Port has going now are critical. Biomass is clearly a win-win. It is really big especially to the Asian business. Historically, Drax is applying their power facilities in the UK. They are using pallets because of the carbon footprint. However, pallets have just as high of a carbon footprint as does coal. However, it is produced with renewable energy. Pellets are now being looked at particularly by Japan. That is why he keeps talking about the pellets. Biomass is very important.

It goes back to the changing dynamics the petrochemical industry. That has clearly long-term world impacts that are impacting petroleum production. That affects coke production.

Europe is looking at more electric cars. Those are outside dynamics we have no control over.

The clean energy business is the way to go if you are not a container port.

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

 6. Executive Director Quarterly Expenses Briefing Note.

 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

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

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

 7. Forecast II Financials Briefing Note.

 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

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

Mr. Krielow thanked Mr. Landry or sending the receivable and the aging report. He has not had time to look at it well, but there are apparently $3.4 million that is over 120 days. How does he account for that on the balance sheet? Is he taking a charge to…When it gets over 120 days is it still counted as a good receivable? Mr. Self stated it varies depending upon whether or not they deem it to be collectible or not. If it is deemed uncollectible, they book a reserve. When you book a reserve, the asset or the invoice that you bill that customer stays on the books as a receivable or as an asset. A contra account, which is an allowance for uncollectable accounts is also booked. It depends on what customer and how specific on whether or not they deem it be collectible or if they do not have the wherewithal to pay.

Mr. Krielow asked if the port’s reserve account somewhat close to the over 120 number. Mr. Self stated that the reserve account is really close to that. If it is over in the 120 column, it has most likely been reserved.

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

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

 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

Mr. Landry stated he expected to receive the insurance funds soon. He has been in touch with its representative and adjuster. It should be in the next days. He stated Mr. Lafond was here to report on what is CSRS has been doing.

Mr. Lafond stated last month they reported that they finally broke through that insurance barrier holding them back submitting projects. Once that was solved, they immediately pushed through 20 projects and the June report totaling approximately $4.6 million.

They have been busy this month. They have included another 35 projects submitted. This month it has jumped up to $39.5 million. A lot of those projects were some of the largest damaged items that the Port sustained. Hopefully, the CRC, who reviews the project, will move them through quickly. He checked right before the board meeting and of the 20 they originally submitted last month, 13 are already nearing completion totaling $2.7 million. The largest project, which is over million dollars, will have to go through a second review process in DC through OMB. Those will take longer to get through the review process.

Currently, a total of all the DI’s that fluctuate each month depending on when they get the actual costs and estimates are at about $103 million.

Ms. McCleary said 29% of the projects are now in the hands of FEMA. That is the total.

Mr. Lafond stated that was correct, but he looks more the dollar figure. She says she is looking at this and it says 29%. She knows he has been very diligent in getting the big-ticket items in first, which makes sense. Mr. Lafond stated he originally aligned with Mr. Pestello and his group on the repair projects. Hopefully, when the Port has to start paying the contractors, the money will be there besides the insurance money. The Port has received half of the insurance money. The other half should be coming soon. Hopefully the FEMA projects goes through and get obligated so the money will be there also.

Right now they have $40 million out of $100 million, so just about 40% of the money has been submitted for FEMA review and obligation. Ms. McCleary said this was 40% of the total and 29% of the projects. Mr. Lafond agreed.

Ms. McCleary asked if we can assume now they will happen a little quicker. They have been looking at a year out now. She understands why it has taken this long, but with the remainder because they are smaller projects, would they be easier and happen more quickly? Mr. Lafond said if you look at the listing of the damaged inventory items, you will notice you go about $20,000. $20,000 and under is about 44 damaged inventory items. That is out of 120 items. Although they are small dollar figures, they still require a lot of input on their part in the priority is not with those items right now. They are following the direction of management. However, to answer her question things do seem to be going smoother now. They will get to those last items. Sometimes those take the longest as far as that group of 44. Hopefully, with those grouped together, they can submit 5 to 10 at a time.

Mr. Pestello said they met with Mr. Lafond last Friday and are trying to consolidate a lot of the smaller projects and group them together so that he does not have to answer 50 questions on a $5,000 project. If they are lumped together he can answer 50 questions on a $20,000 project.

Ms. McCleary said she knows they had a delay because of the insurance and now that has been resolved, but they did lose some time in terms of getting reimbursements. Can we assume those remaining projects, with 29% submitted almost a year out, to get the other 71% in another year or two years? Mr. Lafond stated it is hard to estimate. The larger the project… He is personally involved with Sheds 4, 5 and 6 right now. It is the only project that he did not get in that he wanted to in time for this meeting. But, it is also the most complicated. He is dealing with a 50% request from FEMA as well as a 428 request, meaning the footprint is going to change slightly to get declared 50% damaged. These larger items to take more input on their part and are more complicated. The smaller one should go faster. It is just a lot of loose ends and putting 10 DI’s in one project also takes a long time than just one.

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

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

 9. Monthly Staff report from Director of Navigation.

 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

Mr. Hayden stated he did get the P3 agreement signed.

The other item regards the partners on the channel. The Corps, the Coast Guard, pilots and industry members have taken an additional approach to hurricane preparation this year in order to try and avoid the channel obstructions they had last year. The Corps has done a survey of the channel. They have identified 170 targets, which are basically floating items anywhere from a barge some of these butterfly rigs that they have for shrimping that appear to be unattended and not well secured. That report has been given to the Coast Guard. They are trying to run down contact information on ownership so if a storm is moving into the area, they can trying get these things secured and not have things sink in the channel again this year.

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

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

 10. Monthly Staff report from Director of Operations.

 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -- - - - - - -

Mr. Henderson stated they are currently loading a pet coke ship at BT-1. They finished one a few days before they started this one. They had a raw coke ship, a rutile ship and a calcined ship at BT-1 that they just finished this month.

In the future, they have four more calcined vessels, two more rutile vessels and some coke barges they are unloading for Alcoa. The coke market has started to pick back up a little bit.

At City Docks, they have done a tower ship, six hydrate barges and a cargo transfer.

In the future, they have four more hydrate barges scheduled, another wind tower ship and lumber vessel that will bring in about 21,000 m³ of lumber.

They have also booked around 10,200 tons commercial milled rice. This is another Dominican Republican sideload ship.

He has been speaking to the local mills regarding an Iraqi shipment. The Port may have a shot on about 40,000 tons of milled rice in the middle of August through September.

Mr. Krielow asked if the efficiency at BT-1 getting more efficient with the temporary equipment. Mr. Henderson replied that it was. As far as the calcined side, everything is running very well. They are doing on average between 500 – 600 tons per hour. Beforehand, they were doing around a thousand. So they are getting close. Regarding petroleum coke, they are getting better. They have installed a new chute to bring the coke by conveyor to the docks versus having to truck it, which saves the expense of trucking. They have a new, larger bucket, which is about a 39 m³ bucket that they can pick up the coke with better. They are doing about 300 tons an hour and hope to get up to about 600 tons an hour using the mobile harbor crane. Hopefully, they will can go from a 10-day loading into a five- or six-day loading.

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

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

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

 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -- - - - - - -

Mr. Chretien stated there putting together a Port profile for the next issue of Thrive magazine. It will focus on area business and industry.

He is working with Media Post and the O’Carroll group on a video and photo presentation for the upcoming LegisGator luncheon.

They are working on a press release on the increase in lumber imports into Lake Charles. They recently handled the largest lumber vessel on record of 31,000 m³. They have two more scheduled for August and September.

They also have a customer, Derome Timber, who’s first exports into the United States came to Lake Charles.

Ms. McCleary thanked Mr. Chretien for the charts about the status of projects. It is helpful for them to know the status of the projects.

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

 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

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

 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

Mr. Pestello said hurricane repair projects progress nicely. The majority of those early repair projects are now complete or are in the final acceptance phase.

They still have the dock repair projects that are in progress. They were delayed due to the lumber availability, but they are starting to kick off.

They have other projects that require more detailed inspections such as the water towers and spiralveyor repairs. They are getting going now.

There other larger projects are continuing to progress through the design process. That includes Berths 2 and 3, which is nearing completion now and should be going to the next Board meeting

Also, Sheds 16 and 17 should be out for bid for soon for the new roof repairs.

Berths 4, 5 and 6 design process is progressing nicely.

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

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

 13. Monthly Staff Report from the State Port Lobbyist.

 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

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

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

 14. Monthly Staff report from the Federal Port Lobbyist.

 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

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

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

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

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

There were no other matters to be discussed.

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

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

 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

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

The Board entered into Executive Session at 6:30 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.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 CARL KRIELOW, President

ATTEST:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

M. KEITH PRUDHOMME, Secretary/ Treasurer