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 24, 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:

Carl J. Krielow, President

Thomas L. Lorenzi, Vice President

M. Keith Prudhomme, Secretary/Treasurer

Judy A. McCleary, Assistant Secretary/Treasurer

David J. Darbone, Commissioner

Kevin D. Guidry, Commissioner (arrived at 5:13 p.m.)

Absent:

Dudley R. Dixon, Commissioner

Also Present:

Richert Self, Executive Director

Jon Ringo, General Counsel

Cameron Landry, Director of Administration and Finance

Todd Henderson, Director of Operations

Channing Hayden, Director of Navigation

Therrance Chretien, Director of Cargo and Trade Development

Michelle Bolen, Executive Administrative Assistant

Mr. Krielow called the meeting to order at 5:01 P.M. and gave the invocation. Mr. Darbone 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.

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1. Approval of the December 20, 2021 Regular Meeting Minutes.

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Ms. McCleary offered a motion to approve the December 20, 2021 Regular Meeting Minutes. Mr. Prudhomme seconded the motion and it carried unanimously.

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2. Submission 2022 – 001 authorizing the Executive Director to issue a purchase order for gate access control security services with Weiser Security Services, Inc.

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Mr. Self said staff requests the Board of Commissioners grant the Executive Director authorization to enter into a contract with Weiser Security Services to provide supplemental guard services at Port facilities. Late last year, Mr. Landry requested quotes from three companies that provide guard services. Two responded. The Weiser quote provided the best value for the Port. In 2022, staff budgeted about $245,000. They will continue to fill the guard services or some of the spots that they have supplemented by Weiser.

Mr. Darbone offered a motion to adopt Resolution 2022 – 001 to authorize the Executive Director to issue a purchase order for gate access control security services with Weiser Security Services, Inc. Mr. Lorenzi seconded the motion and it carried unanimously.

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3. Submission 2022 – 002 authorizing the Executive Director to enter into a Professional Services Agreement with Peridan Engineering Services for the Industrial Canal warehouse repairs.

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Mr. Self stated staff requests the Board to authorize the Executive Director to enter into a Professional Services Agreement for engineering services with Peridan engineering services to provide design services for the Industrial Canal warehouse repairs. Peridan was contracted to perform an inspection and assessment of the BG warehouse located at the Industrial Canal. Based on Peridan's work that they did on the assessment, they were asked to provide a quote based on their extensive knowledge of the building for engineering services. They provided one at $116,000 and staff is requesting authority from the Board to move forward with them.

Mr. Prudhomme offered a motion to approve Resolution 2022 – 002 to authorize the Executive Director to enter into a Professional Services Agreement with Peridan Engineering Services for the Industrial Canal warehouse repairs. Ms. McCleary seconded the motion.

Mr. Lorenzi asked if this the first engineering work that they have done for the Port. Mr. Pestello stated they have done some smaller projects, but this is the first. He wanted to add that they were the last round of qualifications staff received for the Shed 7 project. They were ranked number two. Meyers and Associates was the first. They won that one and this was the second one.

Mr. Lorenzi asked if they had any questions or qualms regarding qualifications. Mr. Pestello said they are very qualified and based on their two assessments they have done on the building - a preliminary one and then a more detailed inspection on the second one. He thinks they are very qualified.

The motion passed unanimously.

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4. Submission 2022 – 003 authorizing a purchase agreement to buy property owned by the Bill and Craig Shaddock Trust and authorizing the final purchase of said property.

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Mr. Self stated approval is sought to enter to a purchase agreement with the Shaddock family to purchase their parcel along Sallier Street to facilitate the Sallier Street rail relocation. Years ago the Port agreed to spend up to $1 million to move the rail, which is currently against the south side of Sallier, to the north side of Sallier and DOTD will pick up the tab after the first $1 million. The Port already acquired the Groft parcel and the Dunnehoo parcel in 2021. The Shaddocks have agreed to a price of $597,981.00.

Mr. Krielow asked where this puts the Port on its cap. Mr. Self said it is approaching right in a million right now. Once you add that to the Dunnehoo and the Groft piece, it is right at a million dollars. Mr. Self said once the Port gets to the million, they will continue to spend money but will get reimbursed by DOTD.

Mr. Lorenzi offered a motion to adopt Resolution 2022 –003 to authorize a purchase agreement to buy property owned by the Bill and Craig Shaddock Trust and authorize the final purchase of said property. Mr. Darbone seconded the motion and it carried unanimously.

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5. 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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6. DBE Briefing Note.

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Mr. Self stated each year the Port sets goals for the Disadvantaged Business Enterprise. The 2022 goals are set at $500,000 for the new warehouse at City Docks, $400,000 for the reconstruction of Shed 7 and $175,000 for the Sallier Street rail relocation.

Just to give everyone a little bit of background, so far in 2021, the Shed 7 demo was awarded to Keiland Construction, one of the DBEs, at a cost of about $218,000. The Port spent another $979,000 on some of the other BDEs, not necessarily for contract or necessarily on construction projects, but on other projects. These are the goals for 2022.

Ms. McCleary asked that regarding the companies that are on this list, how are they how are they eligible. Mr. Self said it determines that it is strictly DOTD’s determination. Mr. Pestello said the ones listed on this actual Briefing Note are from our region, so we just go through and sort by our multi-parish region and select those just for display.

Ms. McCleary said that in order to get on this list they have to apply to DOTD. Mr. Pestello said they did.

Mr. Self stated that DOTD maintains the list.

Mr. Krielow asked regarding the construction contracts, when the Port issues them is it put in as a requirement or just as a goal? Mr. Pestello said that they are goals in their contracts. Mr. Krielow said they just have to make the effort. If they do not make, it they do not necessarily have to comply with the percentage.

Mr. Pestello said they do, but they have to show to us their best efforts. The Port requires them to send documentations where they solicit it out showing that they tried to make a best effort attempt to get these goals. Mr. Krielow said for the disadvantaged business, it does not necessarily have to be from the five-parish area. It can be anywhere that is a certified DBE or WBE. Mr. Pestello stated that is correct.

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

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7. December 2021 Financials Briefing Note.

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The December 2021 Financials 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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Mr. Landry said he was going to take a look into that $10 million in FEMA receivable. According to the CSRS report, currently about $32 million is of the $115 million and damages and projects have been obligated by FEMA. They are now in GOHSEP's hands. It is only about 30 percent.

After the allocation of insurance proceeds, the 90 reimbursement would be around $11.7 million of which the Port has received $1.2 million. A majority of that outstanding receivable relates to large projects. Just so everyone understands, there are small projects, which are anything below $131,000 and those are not based on reimbursement. As soon as the Port submits all the information to GOHSEP, they are reviewed and approved. Then they can pay it out. On the other hand, there are large projects, anything over $131,000. For those kind of projects, staff is required to submit requests for reimbursement after those funds are spent. This means that the total receivable is not simply available to be drawn down because the portion relating to larger projects must be spent before they can pay it out to the Port.

They are working every day to get those requests for reimbursement done as we spend the money. Once the Port spends the money, staff submits a request for reimbursement and then can start getting that large project money.

Mr. Krielow asked on that note, since the money is being drawn down from FEMA and GOHSEP, is the timeline quicker on the larger projects for receiving it than it was in the beginning with these smaller projects. Mr. Landry said it really depends…Mr. Krielow said that since the money is already sitting there…. Mr. Landry replied that not really. GOHSEP’s process is very slow to say the least. Even when they do submit those requests for reimbursement they take a while to go through their process and make sure everything is right and done correctly. So, basically no.

Mr. Krielow said it seems like since it is pre-approved and the work is done and you spend it. Mr. Landry said yes, theoretically..

Mr. Pestello said they are doing a full review on them again.

Ms. McCleary asked what this is saying is that staff has submitted and basically it has been approved for $31 million. Is that when it says PW Total. Mr. Landry said that is the total of all the projects that have gone through FEMA's process and it is at GOHSEP. Some of the smaller projects the Port has been paid for some of those small projects, which is part of that $1.2 million that the Port has received. The remaining receivable, which is around $10 million is mostly larger projects that staff has to submit a request for reimbursement to start drawing that.

Ms. McCleary said that she has $31 million. There was $18 million of that that was paid by the Port’s insurance., which leaves this $13 million balance that is sitting at GOHSEP. Mr. Landry agreed. The Port’s receivable part of that would be 90% of that $13 million. That is where the split is down at the bottom. Ms. McCleary stated this is $11.6 million of which the Port has only received roughly $1.2 million. A year and a half later the Port has received $1.2 million. Mr. Landry stated that was correct.

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 said there are three parts of federal money sitting out there that has been in in the news recently. The first one is the Supplemental Hurricane Damage Fund. That was basically for Hurricane Ida, which impacted Southeast Louisiana. There were no funds in that for Southwest Louisiana. The bipartisan infrastructure bill had a lot of funding in it for the Corps of Engineers. This was part of the money that Governor Edwards was talking about a week or so ago on the news – $2.6 billion. A lot of that came through the Corps of Engineers.

There is only one Southwest Louisiana project included in that. That is to raise structures in hurricane prone areas. That bill, the bipartisan infrastructure bill, is a five-year bill. There is money coming out this year and in the four remaining years. Even though the channel nor the Lake Charles Harbor and Terminal District got any funds, there is still a possibility to get some funds from that bill from other sources this year or from the funding of the four remaining years.

The last funding bill that they have an interest in right now is the FY22 budget. That budget bill is still under consideration in Congress. He has a conference call with the Picard Group this afternoon.

It is looking like that final bill may come out somewhere around February 18. It looks like it is going to get pushed back a little bit. The continuing resolution expires February 3. If they need to do another short-term CR to get all their I’s dotted and T's crossed, they will.

They would hope that in that bill there will be some discretionary funding for the Corps of Engineers that the Port can participate in. The Port received $20.5 million in the President's budget. The full capability for the Corps of Engineers for our channel was submitted at about $63 million. They are hoping to get some or all probably not all, but some of that remaining $43 million to come to the channel through the discretionary funding. That is usually included in a budget package. Whether or not that happens remains to be seen, but they are in contact with our delegation folks letting them know that we still need money. That is the situation as far as federal funding is concerned.

Ms. McCleary asked if he thought might be $20 million strictly for this ship channel in the President's budget. Mr. Hayden replied that there is 20.5 million dollars in the President's budget for Calcasieu. There may be some additional funding coming our way. Congress, in the past few years ever since they did away with earmarks, is giving the Corps of Engineers discretionary funds. Staff goes up there and fuss and fight for our share of the discretionary funds. They can use up to $43 million dollars in discretionary funding. Likely, they will not get that amount, but hope to get some portion, so that they will have funding of $30 to $40 million dollars for the channel and FY22. Ms. McCleary stated that right now it is $20 million. Mr. Hayden agreed.

Mr. Guidry asked if staff has met with the delegation on discussing what they are talking about right now and have received their thoughts well. Mr. Hayden stated they have met with the delegation. He does not have any insight into how the congressional negotiations are going on the budget, so he cannot answer that question. They are aware of the Port’s needs. They get the Port’s “Begging for Bucks” tour. Staff had their conversation with them last year. Staff talks with them periodically, so they are aware of what the Port’s needs are.

The Picard group is staying in contact with them also.

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 said in the past month or so they have handled at City Docks five aluminum hydrate barges. Currently a lumber ship is being discharged right now that has about 55,000 cubic meters of plywood. It should finish up probably tomorrow or the next day. Upcoming at City Docks, they will have an aluminum hydrate ship and a barge. There are two lumber ships with about 40,000 cubic meters of lumber and possibly a Dominican Republic side load bagged rice ship. They have not confirmed that yet, but are working on it.

At BT-1, they unloaded 20,000 tons of petcoke for ALCOA, 20,000 tons of rutile for Louisiana Pigment and loaded about 18,000 tons of calcine for Phillips 66. They unloaded two ships of barite totaling about 60,000 tons.

Coming up for BT-1, they have two more barite ships, which is going to give us about 120,000 tons of barite in the first two months of the year. This is about half of our budget. That is pretty good. Regarding the petcoke for ALCOA, they are going to end up doing about 50,000 tons in the first two months. They budgeted 30,000 on that, so they have blown by that budget as well. They have two barite ships at BT-1, a coke ship for Phillips 66. That is going to be about 40,000 tons. They will be going to unload another 30,000 tons for ALCOA.

Mr. Lorenzi asked does it seem like the Port budgeted low or are they just front loading what they are going to have for the year. Mr. Henderson said he believes it is the economy is moving better. The oil and gas industry is moving and that is what the barite is used for. They shipped a lot of barite at the end of the year in November and December. Now, they are picking up these two ships early. They budgeted 240,000 tons for the year, which typically they would do one a ship. At the height of their cargo shipments, they were doing about a ship every other month, but that they have not done that in several years. So, 240,000 was a good number to start the year. Mr. Lorenzi asked if there been any insight given prospectively. Mr. Henderson said there was not.

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 said they recently released a press release on the rough rice industry and the exports through Lake Charles. They were also going to have the story on KPLC, which will be released sometime this week.

The Port will also be featured in the Lagniappe Business and Industry Update magazine this month. It is going to highlight the local and national impacts of the Calcasieu Ship Channel Economic Study.

They have been in conversations with the rice mills on a potential commercial ride shipment in February and possibly another one in March.

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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Mr. Pestello said all projects are progressing with only a few minor hiccups due to material delays. It is nothing that drastically changed schedule. They are continuing as Mr. Hayden mentioned to monitor all the federal grant opportunities. One of them has already come out. They anticipate a few more Notice of Fundings to be coming out in February.

He said he wanted to point out that maintenance is doing a great job keeping up with the demands due to the limited workforce, which is even further impacted due to Covid related issues these days. Also, last year after the big freeze we had a lot of damaged pipes and everything and because of that, the facilities maintenance team created and implemented a freeze protection plan for all of our water and fire systems throughout the Port. He was happy to report that these last two freezing conditions there were no impacts or leaks. It worked great. He would like to extend his thanks to those guys and give them some kudos to the maintenance team.

Mr. Krielow asked with all the multiple projects, there's no hiccups have surfaced that has given them any grief or heartburn. Mr. Pestello said they always give me heartburn and grief. It is really just the delays due to standard weather delays that we tried to build into the contract. Material delays have been the biggest one. It is more for the smaller repairs like the BT-1 Dock Improvements where they had timber delays. The pressure-treated timbers that they use nowadays has been a big issue just getting those in. Also steel, there are like walkways and those kind of items that are an issue as well. rebar has not been as bad, so the bigger construction projects seem to be doing well.

Mr. Krielow asked that everything appears to looking forward staying within the budget and within the cost estimates. Mr. Pestello said they are.

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. Krielow asked for a motion to enter into Executive Session. Ms. McCleary offered a motion to enter into Executive Session. Mr. Lorenzi seconded the motion and it carried unanimously. The Board entered in to Executive Session at 5:29 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 5:48 p.m. No action was taken in Executive Session.

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. Lorenzi seconded the motion and it carried unanimously.

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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CARL KRIELOW, President

ATTEST:

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M. KEITH PRUDHOMME, Secretary/ Treasurer