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, April 25, 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

M. Keith Prudhomme, Secretary/Treasurer

Judy A. McCleary, Assistant Secretary/Treasurer

David J. Darbone, Commissioner

Dudley R. Dixon, Commissioner

Kevin D. Guidry, Commissioner

Absent:

Thomas L. Lorenzi, Vice President

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

 Nick Pestello, Director of Engineering and Maintenance

 Therrance Chretien, Director of Cargo and Trade Development

 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.

GFOA Award Presentation:

Mr. Self stated he wanted to acknowledge Mr. Landry and the accounting and finance department for receiving the Certificate of Achievement for Excellence in financial reporting from the Government Financial Officers Association. It is a process you go through when you submit the comprehensive annual financial report. You go above and beyond what is necessarily required from a financial reporting perspective. It is all done in an effort to try to get people to read the financial report, fully disclose everything and do it in plain English. Mr. Landry and his group prepared the CAPRA. This is for 2020. They applied for the award and received it. Whenever they complete the audit for 2021, they will do the same thing again and apply in hopes that we receive the award again. They deserve the credit for that.

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1. Approval of the March 28, 2022 Regular Meeting Minutes and the April 14, 2022 Special Meeting Minutes.

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Mr. Darbone offered a motion to approve the March 28, 2022 Regular Meeting Minutes and the April 14, 2022 Special Meeting Minutes. Mr. Guidry seconded the motion and it carried unanimously.

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2. Submission 2022 – 020 authorizing the Executive Director to enter into a professional services agreement with Meyer & Associates for the Rail Loading Dock Expansion at Industrial Park East.

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Mr. Self stated staff requests the Board of Commissioners to authorize the Executive Director to enter into a professional service agreement for engineering services with Meyer Associates to provide design services for rail loading dock expansion project at the Industrial Canal.

The Port lost a lot of covered storage at City Docks. This will allow them to handle more types of cargo at the Industrial Park East. To fully utilize that site for handling cargo they need to provide for a covered area to do the rail unloading. Based on the fact that Meyers has done two previous successful SOQs through Mr. Pestello’s department and because they would like to get up and going as quickly as possible, they went with Meyer to quickly perform the design services for the covered storage and the rail loading dock.

Mr. Dixon offered a motion to adopt Resolution 2022 – 020 to authorize the Executive Director to enter into a professional services agreement with Meyer & Associates for the Rail Loading Dock Expansion at Industrial Park East. Mr. Darbone seconded the motion and it carried unanimously.

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3. Submission 2022 – 021 supporting and authorizing the Executive Director to submit berths 4, 5, & 6 wharf and shed reconstruction project to the United States Department of Transportation through the Port Infrastructure Development Program (PIDP) Grant Application.

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Mr. Self stated staff requests the Board of Commissioners to support and authorize the Executive Director to submit a Port Infrastructure Development Program grant application. They are essentially requesting the Board to support and authorize this submission of about an approximate $25 million projected cost for the PIDP grant. This will be for Transit sheds 4, 5 and 6. The reason they do not know the exact cost yet is because the cost that they submit in the application is going to be based upon the benefit cost analysis, which is underway. But, it is going to be in that range.

Ms. McCleary offered a motion to adopt Submission 2022 – 021 to support and authorize the Executive Director to submit berths 4, 5, & 6 wharf and shed reconstruction project to the United States Department of Transportation through the Port Infrastructure Development Program (PIDP) Grant Application. Mr. Prudhomme seconded the motion and it carried unanimously.

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4. Submission 2022 – 022 authorizing the revision of the By-Laws of the Lake Charles Harbor and Terminal District.

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Mr. Ringo stated they submitted a revision to the By-Laws for the Board's review. Over the years, the Board has revised the By-Laws four times. This would be the fourth amendment if approved tonight. Mr. Krielow asked him to review the By-Laws and really just focus on any area that in any way conflicts with the statute or even not conflicts and maybe just be worded differently or see if there was a way to kind of sync them up together. That is what he did and is what is submitted to the Board. It is a redline version so the Board can see the changes. He does not think any of these changes will change the way they do anything in practice, but he just took the language that was in the statute in any way it was different and plugged the language from the statute into the Bylaws. He made some changes even today and am happy to walk the Board through them if there are any questions.

Mr. Darbone offered a motion to adopt Resolution 2022 – 022 to authorize the revision of the By-Laws of the Lake Charles Harbor and Terminal District. Mr. Guidry seconded the motion.

Ms. McCleary asked you have a motion quick question so now when they read the By-Laws it is just like they are reading the statute. Mr. Ringo replied that yes, in any area that he saw that is in the current By-Laws and there were some areas in here that are not covered in the statute and

That is okay, but in any place he just wanted to make sure there was no difference. Ms. McCleary said they have not added any sections to the By-Laws – simply amending the present By-Laws so that they reflect statutorily, which has precedence. Mr. Ringo stated that is correct. In practice yes, that is right. Regardless, they cannot conflict. The statute would trump it in any place where they do conflict, but now they do not.

The motion carried unanimously.

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5. Submission 2022 – 023 authorizing the Assignment of various Turning Basin Leases and the early termination of various Turning Basin Subleases.

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Mr. Self stated that staff requests authority to accept assignment of lease rights from Shell and Lake Charles LNG and to enter into an early termination agreement with Dynamic Industries and Gulf Island LLC. This is essentially the way that the leases are structured at the Industrial Canal.

There are several layers. There is the Port who owns the property who entered into a lease with Trunkline LNG, who entered into leases with BG and Shell, who then entered into leases with DII and Gulf Island.

What staff is doing is removing all the middle parties. There will be a lease between the Port and DII and the Port and Gulf Island. Then staff is going to early terminate the lease with DII and Gulf Island it in an effort to get those properties back into commerce because there is no economic activity going on down there right now.

Mr. Dixon offered a motion to adopt Resolution 2022 – 023 to authorize the Assignment of various Turning Basin Leases and the early termination of various Turning Basin Subleases. . Ms. McCleary seconded the motion and it carried unanimously.

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6. Submission 2022 – 024 authorizing and encouraging Congress to fund the Rebuilding of Disposal Area H.

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Mr. Self said that as part of the federal budget process, Congressional rules now allow members to submit funding requests for community projects. If a project is approved, it becomes part of the federal budget for a given year. This is essentially a congressional – they don't call them earmarks anymore – but they used to call them earmarks. Staff would like to apply for a $7.5 million community project to rebuild DA7, which is essentially a disposable area about mile marker nine. If the funding is received, it would go to the Army Corps of Engineers. The matching funds of $2.5 million would come from the Calcasieu River Funding Board. This submission along with the letters of support from the maritime community basically show that they support the project.

Mr. Prudhomme offered a motion to adopt Resolution 2022 – 024 to authorize and encourage Congress to fund the Rebuilding of Disposal Area H. Mr. Dixon seconded the motion.

Ms. McCleary asked what is the process after it is approved by the Board. What happens next?

Mr. Hayden replied that it will be submitted to Representative Clay Higgins. He will evaluate the project. He decides whether or not he wants to submit it. The resolution from this Board plus the letters of support staff is seeking from the maritime community and others will hopefully give him the impetus to put it on the table in Congress and fight for it. as the funding goes through.

This is the first time they have used this process because in past President’s budgets, they at least had some funding for both O and M and for construction funds. This is the first President's budget in a while that had no construction funding in it, so they are asking Representative Higgins to seek the construction funding through this community project

The motion carried unanimously.

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 7. Executive Director Quarterly Financials Briefing Note.

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

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 8. Forecast I Financials Briefing Note.

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

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 9. FEMA/GOHSEP Financials Briefing Note.

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Mr. Krielow stated that Ms. McCleary had requested that Mr. Landry develop a schedule that kind of simplifies where the money is flowing with the hurricane recovery. This is a briefing note that will continue on our meetings as long as they are dealing with FEMA, which will probably be a while. Mr. Landry asked if there are any questions on the briefing note. Ms. McCleary asked Mr. Land to briefly summarize where the Port is now. Regarding project totals, when you say the Port has $107 million just from Laura, that is…Mr. Landry said they submitted project worksheets to FEMA. Those are the amounts that have been submitted and that are working through FEMA right now, basically going through their review process. Ms. McCleary asked that of that $46 million… Mr. Self said the Port received the $46 million in on property damage from insurance perspective. From that net amount 90% would be the $55 million, which would be the Port’s share or receivable once all projects are through the FEMA process. Mr. Self added also once all amounts are fully expended. Mr. Self said that so far, they have through GOHSEP, about $12 million. Of that the Port has received $4.9 million. Mr. Pestello stated that just to clarify that $107 million is going to be a moving number just because as FEMA approves those projects, those amounts for each project gets revised. They could go up could go down.

Ms. McCleary said that the $107 million is what staff has identified as hurricane related damage for which staff either sought insurance proceeds or some assistance from FEMA at the 90% level. Mr. Landry stated that was correct. Ms. McCleary said he is saying is that that number will move as projects are added into the pipeline. Mr. Landry replied that as FEMA reviews them they could change the value of what they believe or they will adjust it based on their calculations or their review process. This number could go up or down depending on what they view a reasonable value of the project is. Ms. McCleary asked if they have more projects to suggest to FEMA that may be hurricane related. Mr. Landry stated he believes there are one or two in their queue that do not have a value yet assigned to them. There again this number could go up or down. Once that value is assigned by FEMA and they review it, it will go up once. Mr. Pestello said there are no DIs. The damage inventory is what makes up that list. Staff cannot add any additional ones at that time. There might be some that the values change, but staff cannot add any additional projects and do not anticipate any because Mr. Lafond with CSRS made sure they covered all of the projects. There are some they are actually not going to submit because they ended up not having to make those repairs. But, they submitted them just in case.

Ms. McCleary said they are hopeful that at the end of the day if there ever is an end to the day, that $55 million is what the Port would expect from FEMA. Ms. McCleary said plus management fees plus the five percent or is that included in that $55 million? Mr. Landry said he believes a portion of it is, but not the full amount yet. Like he said, it could go up. That is going to be one of them that continues to go up, so yes . Ms. McCleary stated that of the $55 million the Port has received, $4.8 million. Mr. Landry stated that was correct. Ms. McCleary said they are waiting on obligated to become received of about $8 million. Mr. Self said that's correct. The difference between the received is about $8 million and they are not going to receive that until they spend the money. Some of the $55 million obviously has not been expended yet.

Ms. McCleary said she discussed with the Chairman and of course with Mr. Self, people think that the Port is all better, that we have are and certainly businesses doing well and are proceeding but we're doing it a lot on port money versus the restoration funds from the federal government. That is why she asked and Mr. Krielow agreed that they will just keep an eye on this in a simplified fashion. She appreciate all the data that CSRS has provided, but this is a great little synopsis for those of us that don't know terminology.

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

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

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Mr. Landry said the Port has submitted and received its first payment from the Southwest Louisiana hurricane fund in the amount of around $508,000 of the available $14 million. These

are funds that must be spent then submitted for reimbursement. They do have multiple projects in the works that will be submitted once those expenses are incurred.

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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 11. Monthly Staff report from Director of Navigation.

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Mr. Hayden said Congress has a two-step process in determining what they're going to spend their money on. The first is they authorize a project and second that project goes into the hopper to see if it is going to get any funds. It is authorized and then they have an appropriation to build the project. Staff is operating within an authorized project it is so many feet wide and so many feet deep. The bend in such and such an area is a radius of so much and so on. As the industry has changed over time, there has been some ideas that they need to improve the channel in order to accommodate the larger ships that are that are calling here. There is a process that you need to go through in order to get these approved improvements authorized. The author is authorizing legislation for any CORPS water project is the Water Resources Development Act(WRDA) and congress tries to pass and act like that every two years.

In order to get in queue, there is a process for getting on the Chief of the Secretary of the Army's annual list of potential projects. That is set out in WRDA section 7001. What they are trying to do is figure out what they should do to improve the channel. Talking to various channel users such as the pilots, facilities along the channel, etc.…there are some ideas on how to do it. Of course none of this is free and at some point somebody has to come up with money, but they are not there yet. What they are trying to do is see what projects possibly have legs that they can generate interest in and then eventually get the funding necessary to do it.

One project it is a $100 million project to extend the east jetties about a mile and a half. But, the pilots are extremely interested in doing this in order to make it easier, safer and more efficient to get the large vessels in from the Gulf of Mexico into our ship channel. That is one project that they are talking about now. There are a couple other projects. One has to do with the Coon Island channel and whether or not it should be widened and deepened. They are talking with people to see whether or not these things are possible and that is what item two talks about, possible improvements to the channel including the process to have those improvements authorized and funded by Congress, which would be to get it into the WRDA, the Water Resources Development Act, and later on have it funded either through the President's budget or through changes in the President's budget made during the budget process as it goes to Congress. It is not 25 words or less but it is as short as he can make it. Ms. McCleary stated that everybody is at the table. If they find any money they have got something they can hand to them. Mr. Hayden replied yes and somebody has to stand up and say they like this so much and will ante up whatever the end is going to be. That may be the entire industry. That $100 ed million project on the on the jetties sounds like something that they do not need to do exactly right now, because they need to finish rebuilding all the disposal sites, but it is not too early to start working on these large-scale projects. It took twit Houston 20 years to widen and deepen their channel. It is not something that's going to be completed in a short period of time.

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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 12. Monthly Staff report from Director of Operations.

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The Director of Operations’ 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 Director of Cargo and Trade Development.

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

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Mr. Pestello said he was expanding on his monthly report. They have 23 active projects that show on my monthly report. Seventeen of those are hurricane related. Expanding on what Mr. Landry brought up regarding the Southwest Disaster Recovery Fund, 5 of those 17 hurricane projects are actually going to seek reimbursement through the Southwest Disaster Recovery Fund. Those are five projects that are not going to FEMA and they are also not coming out of district funds. The Port will pay for those and then be reimbursed for those expenses.

Also out of those 17, 2 projects are currently out for bid. The reason for the delay on those is with the BT-1 conveyor tower repairs they were able to get those up and running right away after the hurricane and now this is just finally going in and actually getting them reconstructed back to their original state and ahead of getting the new ship loaders delivered.

Regarding the new ship loaders, they have begun to see delays from the global shipping issues that are going on right now. However, at the moment they are really only about one month behind schedule on those. It is not behind schedule now, but we anticipate them to be behind schedule for delivery. That is for the import hopper and both ship loaders.

Out of those 17 projects, there are actually 9 of which that are still in design phase. That is due to the large warehouses and dock structures that could not be turned around very quickly. They are still pushing through on those and hopefully to have them out to bid really quickly.

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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 15. 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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 16. Monthly Staff report from the Federal Port Lobbyist.

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Mr. Krielow called introduced a new lobbyist for the Picard Group, Mr. Andrew Holleman.

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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17. 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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 18. 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. Dixon seconded the motion and it carried unanimously.

The Board entered in to Executive Session at 5:35 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.
* Executive Director and General Counsel Employment Contracts.
* LCHTD vs Harbor Docking and Towing No. 2022 – 0995-F, 14th JDC, State of LA.

The Board returned from Executive Session at 5:49 p.m. No action was taken in Executive Session.

Mr. Krielow stated they did have an item to act upon after Executive Session.

Ms. McCleary offered a motion to adopt Resolution 2022 – 025 authorizing the engagement of Oats and Marino to acquire property along Sallier St. for the Rail Relocation Project. Mr. Guidry seconded the motion and it carried unanimously.

There being no further business to come before the Board, Mr. Krielow asked for a motion to adjourn. Mr. Dixon offered a motion to adjourn. Mr. Darbone seconded the motion and it carried unanimously. The meeting adjourned at 5:50 p.m.

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