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, May 23, 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

Judy A. McCleary, Assistant Secretary/Treasurer

David J. Darbone, Commissioner

Dudley R. Dixon, Commissioner

Kevin D. Guidry, Commissioner

Absent:

M. Keith Prudhomme, Secretary/Treasurer

Also Present:

 Richert Self, Executive Director

Jon Ringo, General Counsel

 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. Mr. Dixon 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 April 25, 2022 Regular Meeting Minutes.

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Ms. McCleary offered a motion to approve the April 25, 2022 Regular Meeting Minutes. Mr. Guidry seconded the motion and it carried unanimously.

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2. Submission 2022 – 026 accepting the lowest responsive bid of Alfred Palma, LLC in the amount of $322,014 for the base bid plus contingency in the amount of $60,000 for a total of $382,014 for the Bulk Terminal No. 1 repairs and to amend the 2022 capital budget.

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Mr. Self stated staff requests the Board to authorize the Executive Director to accept the lowest responsive bid from Alfred Palma LLC. for the Bulk Terminal 1 repairs and amend the 2022 capital budget. As a result of Hurricane Laura, BT-1 sustained a significant amount of damage. This one relates to the dockside conveyors of BT-1, especially the two towers on the north and south end of the dock. Alfred Palmer was the low bid at $322,000 plus a $60,000 contingency for a total of $382,000 dollars. Staff is also requesting approval to amend the capital budget for a total of $435,000 due to the fact that they have incurred some inspection and engineering fees ahead of that time.

Mr. Dixon offered a motion to adopt Resolution 2022 – 026 to accept the lowest responsive bid of Alfred Palma, LLC in the amount of $322,014 for the base bid plus contingency in the amount of $60,000 for a total of $382,014 for the Bulk Terminal No. 1 repairs and to amend the 2022 capital budget. Mr. Darbone seconded the motion and it carried unanimously.

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3. Submission 2022 – 027 authorizing Richert L. Self, Executive Director, to enter into an agreement with Magnolia LNG to allow for monthly payments of rent.

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Mr. Self said Magnolia LNG seeks to extend the current agreement on rent payments. Similar to last year, they have requested the ability to pay their rent monthly as opposed to one lump sum. Staff has done this before and is requesting authorization.

Mr. Lorenzi offered a motion to adopt Resolution 2022 – 027 to authorize Richert L. Self, Executive Director, to enter into an agreement with Magnolia LNG to allow for monthly payments of rent. Mr. Darbone seconded the motion.

Mr. Lorenzi asked if there is a downside to doing this monthly as opposed to… Mr. Self replied that nothing other than the obvious. They do not get the lump sum payment ahead of time. They will received it just monthly, but the Port has many tenants that pay monthly as opposed to one lump sum. They do have other tenants that do pay monthly similar to this. They have some that pay a lump sum at the beginning of the year. There is not a significant downside though. Mr. Lorenzi asked if Magnolia has been paying timely on a monthly basis. Mr. Self stated they have.

Mr. Lorenzi asked if it creates an issue as far as other tenants are concerned having a right to demand similar treatment. Mr. Self stated that it does not. Other tenants are welcome to request approval to do the same and again some already do pay monthly.

The motion carried unanimously.

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4. Submission 2022 – 028 authorizing the Executive Director to enter into an agreement with South Louisiana rail Facility for the loading of vessels at the Turning Basin.

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Mr. Self stated the South Louisiana Rail Facility seeks an agreement on property at the turning basin to load barges and other vessels. The Port was approached by the South Louisiana Rail Facility about leasing space to load barges at the Industrial Canal, specifically the Gulf Island site. This submission will allow Port staff to negotiate those agreements for the movement of the cargo.

Mr. Ringo stated that just to be clear, a few months ago the Board authorized staff to have the lease agreements on the south turning basin assigned back to the Port. Those leases were released to Lake Charles LNG and then to Shell and then to the sub-tenants DII and Gulf Island. They have been in the process of having those leases assigned back to the Port. They have all the documents drafted, but are still waiting on the signed documents to come back from Energy Transfer, which is Trunkline or Lake Charles LNG. They are supposedly in the mail. They just wanted to go ahead and get this approved tonight, so that they do not miss it. Mr. Lorenzi asked if it was understood this is contingent on… Mr. Ringo replied it absolutely was.

Mr. Lorenzi offered a motion to adopt Resolution 2022 – 028 to authorizing the Executive Director to enter into an agreement with South Louisiana rail Facility for the loading of vessels at the Turning Basin. Mr. Darbone seconded the motion and it carried unanimously.

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 5. April 2022 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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 6. FEMA/GOHSEP Financials Briefing Note.

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Mr. Self stated he did not want to focus primarily on Hurricane Laura since that is the primary bulk of money. The project totals are adjusted right now to right at $105 million. Insurance is still $46 million. The current to be obligated is $52.9 million. The obligated is $12.1 million. They have received $5.2 million of that. Regarding the change from April from last month, the project totals decreased $2.6 million. The current to be obligated, the 90%, decreased $2.4 million and they have received an additional $403,000. The reason they have had those decreases is due primarily to the Transit Shed 16 project. They expect those amounts to fluctuate over time, but as they get to the completion of some of these projects and get final amounts, those amounts are going to fluctuate.

Ms. McCleary asked that by looking at this can they assume that there was no insurance coverage for any damages from Delta or the winter storm. Mr. Self stated that was correct. If you look at Delta, it is only $367,000.

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

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

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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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 8. Monthly Staff report from Director of Navigation.

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Channing stated Representative Letlow from Louisiana's Fifth District was recently appointed to the House Appropriations Committee, which is a pretty big deal for Louisiana. They have not had anyone sitting on that committee for a number of years. He has a conference call with her staff tomorrow to introduce the Port and the channel to them and let them know about the funding needs for both. This is part of the hurricane recovery “Begging for Bucks” process that they are going through right now. In addition the webex with General Holland is still scheduled for June 8. Tomorrow's meeting is a Zoom meeting. The Picard Group is targeting the week of July 18 to try and have either in-person or virtual meetings in DC to talk about channel funding.

Ms. McCleary asked about Congresswoman Letlow’s tour of the Port. She asked if that was post hurricane. Mr. Self stated she came after, within the last 12 months. Mr. Hayden stated she was just elected in 2021. She was appointed to the House Appropriations Committee last week. Her tour here was right after she won the special election.

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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 9. Monthly Staff report from Director of Operations.

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Mr. Henderson stated that recently at City Docks, they have handled two hydrate vessels and four barges for a total of about 42,000 tons. They have done three cargo transfers of about 22, 000 tons and one structural steel shipment of about 9,000 cubic meters. They have done a liquids ship of about 7,000 tons. Coming up, they have another hydrate barge and two more lumber vessels about 33,000 cubic meters.

At BT-1, they have loaded a calcium barge, raw coke barge, two rutile barges, a hydrate barge and a green coke ship for Philip 66. They are currently loading a raw coke ship for Phillips. They have three rutile ships on the schedule, another calcine ship and calcine barge and are currently discharging a barite vessel. They have a green coke vessel for about 34,000 tons.

Port Aggregates has also handled a limestone shipment. Mr. Dixon stated that the director had participated in the call with Sulphur Waste Water plant to discuss options for providing their lab with better water. Mr. Henderson said that was correct. Mr. Dixon said they can get their water from the City of Westlake. It is much better, so he may want to pass that on.

Mr. Lorenzi said he was interested in the report where Mr. Henderson participated in a call with Stine Lumber regarding apparently Stine importing lumber. Mr. Henderson replied that this was not them importing lumber. Mr. Lorenzi said it was Stine purchasing lumber imported at the Port, Mr. Henderson said yes, they have large amounts of lumber here that the various shippers have sent and discharged at the Port. A lot of it goes to Home Depot and Lowe's and obviously a lot of different lumber stores. Staff got with Stine’s to let them know that the lumber is here and if they wanted to get in contact with the suppliers he would give them all the numbers and contacts, which he did.

The Director of Operations’ 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 Cargo and Trade Development.

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Mr. Chretien said they are currently preparing for two site visits. One company is coming this week to look at the property to lease for acreage to store materials and equipment for a project depending on here in southwest Louisiana. The other company is logistics and maritime company looking for a location to handle offshore wind. They currently have an agreement on the east coast to do that.

They also have two articles coming out that they are working on one with Inbound Logistics. It is on capital investments and upgrades to Port facilities. There is one that is complete that should be out this month in the Journal of Commerce. Mr. Self asked Mr. Chretien to share those articles with the Board when they come out.

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

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Mr. Pestello stated he wanted to expand a little bit on the FEMA and GOHSEP as well. He got an update from Mr. Lafond and there were some pretty big wins for him and his team last week. One big one is the 428, which is the alternate projects. They had 10 alternate projects that finally received their extension. Prior to that, they were not able to be obligated. That is about $4.2 million in projects that can now be obligated. One in particular is Transit Shed 7. This is one where they were seeking the 50% rule, where it costs more to repair than to replace. That project was finally successful. That is the one that actually received some press last week or so ago because it has to go all the way up to DC for approval. That one was finally approved and the Port will be reimbursed for the building cost. Mr. Self mentioned Transit Shed 16. That was also another win for the Port. FEMA will now reimburse the Port for a full roof replacement. They were trying to make the Port just patch the holes.

 Regarding Winter Storm Uri, he mentioned that one because it had no insurance tied to it, but everything was finally approved through FEMA on that one. That is about $205,000 that the Port will be receiving and can actually close that one out now.

Regarding engineering projects, he wanted to give them an update on the asbestos at Transit Shed 7. It is moving along. The walls are nearing completion and they are hoping to start bringing down the roof. They were going to start after Memorial Day. That is when they expect the biggest challenge for removing asbestos on that facility. They were able to submit the Port Infrastructure Development Grant for Berths 4, 5 and 6. The final request was $25 million for that project to help in the reconstruction of it. Mr. Lafond and his team are preparing to submit that to FEMA. They are hoping to get at least the building costs from FEMA on that one as well. Transit Shed 17 was approved. The design is beginning on that one with Meyer and Associates. Berths 2 and 3 construction is progressing nicely. They have run into a few more underground obstructions, but nothing too severe. At this point, it is kind of a streamlined process where they are not having too much downtime.

Mr. Lorenzi asked that the Port is getting ready to go into hurricane season again. What shape are these various projects in as far as if all hell breaks loose again?. Mr. Pestello said that is always the fear right now since they are in this kind of semi-constructed state. Luckily all the buildings that they are hoping to save, all those repairs have been completed. The new mobile harbor crane has its hurricane tie-downs. They have a procedure now for taking the temporary loading facilities like the telestacker off the dock and get it secured. Regarding the projects that are under construction, they will just have to do the best they can to tie those down and prepare for the winds. Transit Shed 7 is a big red flag there, but it is in the process of being demolished so hopefully it will be down before hurricanes hit. Mr. Lorenzi stated that it sounds good.

Ms. McCleary stated last week Mr. Pestello was gracious enough to take her on a tour of all these projects at City Docks and the Board keeps approving these things and she had a feeling where they were, but certainly encourages the Board to take some time to see the progress that is being made. It has been two years, but considering all of the bureaucratic hurdles that staff has had to jump through, the vendors are serving the Port well and trying to prepare for hurricane season and beyond. She thanked Mr. Pestello.

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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 12. 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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 13. 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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14. 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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 15. 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. Darbone offered a motion to enter into Executive Session. Mr. Guidry seconded the motion and it carried unanimously.

The Board entered in to Executive Session at 5:22 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 6:02 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 – 029 to expropriate Parcels 2-3 and 5-1 for the Port of Lake Charles Rail Relocation at West Sallier Street in conjunction with State Project No. H.005967, PLC Project No. CP13001. Mr. Lorenzi 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 6:03 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