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, June 26, 2023 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:

Thomas L. Lorenzi, President

M. Keith Prudhomme, Vice President

Kevin D. Guidry, Secretary/Treasurer

Mary Jo Bayles, Assistant Secretary/Treasurer

Dudley R. Dixon, Commissioner

Carl J. Krielow, Commissioner

Absent:

None

Also Present:

Richert Self, Executive Director

Jon Ringo, General Counsel

Cameron Landry, Director of Administration and Finance

Channing Hayden, Director of Navigation

Todd Henderson, Director of Operations

Therrance Chretien, Director of Cargo and Trade Development

Nick Pestello, Director of Engineering and Maintenance

Michelle Bolen, Executive Administrative Assistant

Mr. Lorenzi called the meeting to order at 5:00 P.M. Mr. Guidry gave the invocation. Mr. Guidry led the Board and audience in the Pledge of Allegiance.

Mr. Lorenzi made a statement reminding the public of the Port’s procedure for the public to address an agenda item to the Board.

Mr. Lorenzi stated the Board would like to recognize the Lake Charles Fire Department for coming to the aid of the Port at the City Docks facility. Mr. Dixon offered a motion to adopt Resolution 2023 – 032 to recognize the Lake Charles Fire Department for their actions on June 1, 2023. Mr. Dixon seconded the motion and it carried unanimously.

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

1. Approval of the May 22, 2023 Regular Meeting Minutes.

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

Ms. Bayles offered a motion to approve the May 22, 2023 Regular Meeting Minutes. Mr. Guidry seconded the motion and it carried unanimously.

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

2. Submission 2023 – 033 approving the Board of Commissioner Elections.

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

Mr. Krielow offered a motion to keep the officers the same for a second year with the exception of the Assistant Secretary/Treasurer replacing Mr. Darbone. Officers for July 1, 2023 – June 30, 2023 are:

President Thomas Lorenzi

Vice President Keith Prudhomme

Sec./Treasurer Kevin Guidry

Asst. Sec./Treas. Mary Jo Bayles

Mr. Krielow offered a motion to adopt Resolution to approve the Board of Commissioner Elections. Mr. Guidry seconded the motion and it carried unanimously.

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

3. Submission 2023 – 034 authorizing the Executive Director to amend the service agreement with Terracon Consultants, Inc. for construction materials, engineering and testing services for the Berths 2 & 3 at City Docks.

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

Mr. Self stated staff requests the Board of Commissioners to authorize the Executive Director to the amend the existing service agreement with Terracon Consultants to provide construction, materials, engineering, and testing services for the Berth 2 & 3 project at City Docks. Prior to the start of this project, staff solicited testing firms and contracted with Terracon to do this work because of the additional testing required. Staff is requesting Board approval to amend their contract in the amount of $50,000.

Mr. Prudhomme offered a motion to adopt Resolution 2023 – 034 to authorize the Executive Director to amend the service agreement with Terracon Consultants, Inc. for construction materials, engineering and testing services for the Berths 2 & 3 at City Docks. Mr. Dixon seconded the motion and it carried unanimously.

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

4. Submission 2023 – 035 accepting the lowest responsive bid of Alfred Palma, LLC in the amount of $1,324,389 for the base bid plus a contingency in the amount of $200,000 for a total of $1,524,389 for the City Docks Rail Crossing Rehabilitation and amending the 2023 capital budget.

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

Mr. Self stated staff requests the Board of Commissioners authorize the Executive Director to accept the lowest responsive bid from Alfred Palma LLC for the City Docks Rail Crossing Rehab and amend the 2023 Capital Budget. This project was put out for bid in May. Staff received three bids with Albert Palmer being the low bid at $1.3 million.

Mr. Dixon offered a motion to adopt Resolution 2023 – 035 to accept the lowest responsive bid of Alfred Palma, LLC in the amount of $1,324,389 for the base bid plus a contingency in the amount of $200,000 for a total of $1,524,389 for the City Docks Rail Crossing Rehabilitation and amending the 2023 capital budget. Mr. Krielow seconded the motion and it carried unanimously.

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

5. Submission 2023 – 036 authorizing the Executive Director to enter into a professional services agreement with Manchac Consulting Group, Inc. for the City Docks Water System Improvements.

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

Mr. Self stated staff requests the Board of Commissioners authorize Executive Director to enter to a professional services agreement for engineering services with Manchac Consulting Group Inc. to provide design services for the City Docks Water System Improvements. Due to the ongoing reconstruction at City Docks, Manchac was hired to model the Water System. The results show that the network is going to need improving and staff would like to contract with Manchac. Staff is recommending contracting with just do their expertise. At a cost of $145,612 and it is budgeted.

Mr. Krielow offered a motion to adopt Resolution 2023 – 036 to authorize the Executive Director to enter into a professional services agreement with Manchac Consulting Group, Inc. for the City Docks Water System Improvements. Mr. Guidry seconded the motion and it carried unanimously.

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

6. Submission 2023 – 037 accepting the proposal from Mike Hooks, LLC for maintenance dredging at City Docks (Berths 1, 2, 3, 7, 8, 9, 9A, 15, & 15B) and BT-1.

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

Mr. Self stated staff requests the Board to accept the best value proposal submitted by Mike Hooks, LLC. for maintenance dredging at City Docks and BT-1. Staff received responses from 3 dredging contractors from the RFP. It was Mike Hooks, Crosby, and Callen. After reviewing the proposals and comparing the price, schedule, and schedule, staff is recommending Mike Hooks at a cost of $1.7 million for this dredging cycle. Mr. Lorenzi asked if they got the new dredge. Mr. Pestello said he is going to go check it out tomorrow.

Mr. Dixon offered a motion to adopt Resolution 2023 – 037 to accept the proposal from Mike Hooks, LLC for maintenance dredging at City Docks (Berths 1, 2, 3, 7, 8, 9, 9A, 15, & 15B) and BT-1. Mr. Prudhomme seconded the motion.

Mr. Lorenzi asked about the varying costs of dredging. Mr. Self stated that what they do is because and started this probably beginning in 2005. Staff began accruing based on the dredging cycle for different terminals. As an example, BT-1 historically needs to be dredged every three years. City Docks every five years. So, what they did was estimated an amount to accrue every year because on the budget every year that they are accruing a certain amount by terminal. City Docks, BT-1, and BT-4. At some point they will be adding the Industrial Canal to that. So, this accrual, $3.9 million, is what they have accrued right now, the dredging cycle. So, it is there is a big difference, but the good news is they are favorable. That is true. Mr. Ringo stated that allows them, if there is an event or a storm, or something where they need to go out and do some additional dredging, we have that money. Mr. Pestello said that just a clarification, BT-1 is on a two-year cycle. They are starting to see it be more frequent.

The motion carried unanimously.

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

7. Submission 2023 – 038 authorizing the Executive Director to accept the Guaranteed Maximum Price (GMP) and award CMAR contract with Cajun Industries, LLC for the construction phase of the City Docks Berths 4, 5, & 6 Wharf and Shed Reconstruction.

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

Mr. Self stated staff requests the Board to authorize the Executive Director to accept the Guaranteed Max Price of $131,273,000 plus $4 million for identified risk items, and contingency for a total of $135,273,000 to enter into a contract with Cajun Industries LLC. for the construction phase of the City Docks Berths 4, 5 and 6, Wharf, Shed Reconstruction Project. Cajun Industries was selected for the construction manager at risk for this project. That is the four, five, and six project. Cajun, the engineer of record, and the independent cost estimator came up with a total estimated cost. They were all pretty tight. Mr. Pestello said the engineer of record was within 1% and the independent cost estimator was within 10%. Of that total cost of $135 million $24 million of that is Port, $15 million is Ports Priority and they have Molly Healer here not because of his project. Molly is really the one that they work with often with Port Priority Program in Baton Rouge on the state of Louisiana and then $96 million is going to be funded by Capital Out May.

Mr. Krielow offered a motion to adopt Resolution 2023 – 038 to authorize the Executive Director to accept the Guaranteed Maximum Price (GMP) and award CMAR contract with Cajun Industries, LLC for the construction phase of the City Docks Berths 4, 5, & 6 Wharf and Shed Reconstruction. Ms. Bayles seconded the motion.

Mr. Krielow stated the contractors are here and I don't know if maybe they wanted to speak. This is the largest project ever issued by the Port of Lake Charles. It is quite a large project so it might be good for the Board to meet the people and give them a little background of what is going to happen. Mr. Pestello stated he is actually trying to research and confirm this, but this might be one of the largest projects on the Gulf of Mexico by a public port as far as the Capital Improvements go. So, this is a very large, significant project for the Port Lake Charles and this region.

Rusty Debarge, Senior Vice President for Cajun Industries, addressed the Board. This has been a tremendous effort working with Mr. Pestello and the team and along with Moffett Nichols and his team, Cain Gilfoil and Tom Walsdorf. Mr. Walstorf was the estimator record. Mr. Gilfoil will be the project manager. They do not underestimate the magnitude of this, the large project for the Port. It is very to Cajun. They have been working on this a long time. They have certainly the resources that have been dedicated to this for a long time. They are planning on this and intend to have a very happy customer when they leave.

If the Board has any project specific questions, he will not be able to answer those. But any details, these guys have been living the details working with Mr. Pestello and the Moffett Nichols team to make sure that the design and construction are compatible and that they have got the best low-cost alternatives for the for the quality that is needed. Hats off to his team.

Mr. Walsdorf addressed the Board. He has been working with Mr. Pestello and Moffett and Nichols for two years now and am looking to get this project started. They are very excited about it. They were very excited to get the opportunity to do the CMAR with the Port and now it looks like they are getting to the end of it. It looks like it is going to be about a two and a half year plus job between the pre-cast concrete piles, the demo and the transit shed. It is a large project, but they have done plenty of work in this area. We have a large labor force. Lots of local force that they have in their database that they can pull from. He can promise there will be no hiccups as far as getting along with the Port and finding resources to do the job. They have all the equipment and priced this thing 20,000 times. They believe they got a good number and thinks Moffett Nichols and the third party were probably all pretty close, but they have done their due diligence on this and are ready to go to work just roughly on the percentages.

Mr. Krielow asked what percent would be self performed within Cajun. Mr. Walsdorf replied that Cajun will probably do the majority of the work. Cajun is going subcontract the dredging and the Transit Shed. As far as the other stuff, all the piling, all the demo, the demo will probably be done by a local contractor, which all are familiar with. As far as all the concrete pours, all the precast concrete decking and piling, all of that is going to be in this area. They have kind of dedicated those resources to this area to kind of benefit everybody around here.

Mr. Pestello said that it is very concrete heavy. So, most of the money is tied up in there. He actually wrote down some numbers. They have 3,516 piles of various sizes and types that are going to be underneath this wharf. So, it is going to be a very large structure and it is going to be exciting to see it going. Mr. Lorenzi said they just keep looking forward to great information and good news every month.

The motion carried unanimously.

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

8. Submission 2023 – 039 certifying compliance with the public bid laws: CMAR Preconstruction Advertising for the construction phase of City Docks Berths 4, 5, & 6 Wharf and Shed Reconstruction; State Project No. H.014896.

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

Mr. Self said staff certifies that public bid laws were followed to accept the guaranteed max price of $131,073,000 plus $4 million dollars for identified risk items and contingencies for a total of $135,200,000 to enter into a contract with Cajun Industries for the construction phase of the City Docks four, five, and six and Wharf and Shed Reconstruction Project. This is a process. This submission is separate from the other. Staff has to certify because of the priority funds that are tied to this previous project. They have to certify to the state that they follow the public bid laws and are released to the CMAR and Guaranteed Max Price.

Mr. Prudhomme offered a motion to adopt Resolution 2023 – 039 to certify compliance with the public bid laws: CMAR Preconstruction Advertising for the construction phase of City Docks Berths 4, 5, & 6 Wharf and Shed Reconstruction; State Project No. H.014896. Mr. Guidry seconded the motion and it carried unanimously.

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

9. Submission 2023 – 040 receiving and accepting the audited financial statements for the year ended December 31, 2022.

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

Mr. Self stated that as part of the normal audit process, Board adoption of the Audited and Financial statements for the Lake Charles Harbor Terminal District for the year in the December 31, 2022 is sought. Staff is requesting Board approval. Mr. Jason Guillory, a partner of McIlroy, Quirk and Burk is the CPA that handles our audit.

Mr. Guillory said he would be brief and if there is anything in detail the Board wants to cover with the numbers, he can try to answer. He knows that that these are going to be December 31st numbers and knows the Board has been briefed on it back in December and then the briefings for this this meeting.

The Board should have received three different documents. The main document is called the ACFR, the Annual Comprehensive Financial Report, which contains all the financial statements and no disclosures. The second document is a document on the Port's compliance with laws and regulations specifically regarding the single audit and then the third document is a document on the statewide agreed upon procedures. Everyone should have received all three of those documents. The purpose of the audit is to issue an opinion on the financial statements of whether or not they fairly represent the financial position of the Port and of course, the generally accepted accounting principles. They have issued their report on page 19 of the ACFR and we have issued an unmodified opinion, which they believe the financial statements are fairly stated.

One unique characteristic of their opinion this year as opposed to other years, is that there is an additional paragraph in the opinion in the report and it is called a change in accounting principle paragraph or an emphasis of a matter paragraph and that deals with the implementation of GASBI 87. Mr. Landry has been letting the Board know about all the changes to the Port’s financial statements that are the result of the implementation of GASBI 87. There are some fairly significant ones. This has been a problem. They have been dealing with this for a long time, over a year, because of the number of leases that the District has. He commends Port staff for going through that process. But, the result of implementing GASBI 87 is that you had a prior period adjustment to retained earnings of about $16.7 million. And so that is just what they have to record as with the change of accounting principle.

Just briefly on the financial statements on page thirty-six is the asset side of the financial statements. Total assets increased about $225 million, but of that $225 million, $181 million was the lease receivable that was put on the books for GASBI 87 and then the other big chunk that that makes up that increase was an increase of $29 million in capital assets. Primarily construction and progress. So that is reflective of everything the District has in 2022 as a part of hurricane recovery and building the facilities back up and better than before.

On page thirty-seven, are the liabilities of the balance sheet, the liabilities increase this year, just under $10 million dollars. There are two primary factors that increase that liability. There is about a $3.5 million increase in Contracts Payable related to increased construction activity and then about a $5.2 million increase in the Net Pension Liability. This is directly related to the portion of participation in the Louisiana Asset Retirement Plan or Laser System. There was a fairly large adjustment in Lasers this year increasing the unfunded liability that was passed down to all the member institutions. So, the Port’s share of that was about $5.2 million and that is really the biggest increase in the liabilities.

Turning to page thirty-eight, total operating revenue increased about $6 billion and about $5 million of that was directly related to vessel and cargo services. There was an increase in volume of petroleum coke, lumber, and barite. All of that is part parcel with the improving economic conditions. As everyone gets further past COVID, supply chain issues and hurricane recovery move into more of a normalized shipping.

Operating expenses increased $6 billion. There were two major areas that made up this increase in operating expenses. The first is personnel services and this was not necessarily an increase in salaries, but more once again, when they record the Pension Liability, they record a pension expense, which goes to personnel services. So, this is once again a function of the of the pensions and then another area is just supplies and maintenance and general contractual services. This is related to, had a significant increase in tonnage which comes with extra comes extra cost and then those costs probably had a bit of a premium associated with it because of some of the inefficiencies that go along with not being fully restored to capacity with your facilities and equipment. Non-operating income increased actually decreased by $.8 million. Last year, there were a lot of things that happened because of hurricane recovery. The Port received $25.5 million of insurance proceeds. There were some assets that were impaired. So, that all happened last year. This year, the two significant non-operating income items was that, the District has significant cash deposits. Interest rates went up to nearly 5%. So, interest income went from $220,000 to almost $1.8 million. That was a very positive factor for the and then there were settlements of claims during the year of almost $12.8 million, which accounted for the rest of the non-operating income and then finally, grants increase from about $9 million dollars to $28.5 million. As before, it goes further along in the process, there are more obligated funds that the Port has not received, but are receivable. There were some unreimbursed reimbursements through the Harper program, which is also contributing to disaster recovery.

This year we also had the Port Priority, Capital Outlay, and DOTD money associated with the Braille relocation. So, significant grant activity for the year. All of this yielded a change in acquisition of what could be considered net income of $36.5 million compared to $21million last year for about a $15 million increase.

So, overall, a good financial year for the District. In regards to the two other reports in which they issued, they issued the reports on internal control and compliance and noted no findings. They also issued the report on statewide agreed upon procedures and had no exceptions to those procedures. Both of those reports were clean.

Mr. Krielow offered a motion adopt Resolution 2023 – 040 to receive and accept the audited financial statements for the year ended December 31, 2022. Ms. Bayles seconded the motion and it carried unanimously

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

10. May 2023 Financials Briefing Note.

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

The May 2023 Financials Briefing Note was rendered to the Board and is on file in the Executive Offices.

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

11. FEMA/GOHSEP Briefing Note.

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

Mr. Landry stated that regarding the changes, they will see those fluctuate per usual. They did get some good news today. Staff received the time extension was granted to accept the fixed cost offers that have been kind of held up in the system. We did receive word that that is being processed. They will begin updating all those miscues on the website and correct it. Staff will have a date of August 28 to go in and approve all those fixed cost offers. So, that amounts to about $90 million of projects that have been held up, that they should be able to go ahead and approve relatively soon. So, great news there and then. Staff received the final payment for Winter Storm Yuri. So, that will no longer be on the report. They are all good moving forward.

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

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

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

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

Mr. Landry stated that other than my GOHSEP report, staff also received the final payment of the $14 million. They have been drawing that down for a while. It is the SWLA Recovery Fund. GOHSEP has been very good. Staff submitted those pretty quickly and received funds, reimbursed pretty quickly and received $14 million on that.

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

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

13. Monthly Staff report from Director of Navigation.

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

Mr. Hayden stated there is going to be a Change of Command or there has been a Change of Command in Vicksburg. The General‘s people are now on her. They call it the low water inspection. So, this is the first thing she had to do when she took over. He is trying to get on her schedule for the end of August.

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

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

14. Monthly Staff report from Director of Operations.

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

Mr. Henderson said that recently at City Docks, they had a one-cargo transfer. They have done two lumber ships of 32,000 cubic meters, a bagged rice ship that is close to 7,000 tons and some project cargos of some equipment of about 3,800 cubic meters and one liquid vessel.

Coming up at City Docks, they have got some more aluminum hydrate barges, and lumber shipments. There will be two lumber shipments around 24,000 cubic meters and another bag rice shipment.

They have been very busy at BT-1. Recently, they have loaded six coke ships for about 200, 000 tons, a calcine barge and unloaded a rooftop ship that was 8,000. Coming up, they have one raw coke ship that is actually working right now and four more coming. It will be a total of another 200,000 tons. They have a ship that is discharging rutile and another one will be here. It will be another 18,000 tons. They will have 10,100 tons of calcine and are going to make up for the missed barite last month with three ships totaling 124,000 tons of barite. They are staying very busy at BT-1, and City Docks.

Mr. Lorenzi stated that looking at the list regarding BT-1, it just looks like there has been an incredible amount of traffic. Mr. Henderson replied that they have as far as the petroleum coke goes. They received notice back in around March that Philips 66, originally sent about two thousand tons of coke a day to the NISCO power plant and on May 1, that stopped. So, that is giving BT-1 another 2,000 tons a day of petroleum coke that they have to ship out now because it used to go to NISCO.

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

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

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

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

Staff is currently working with the logistic company that is bidding a drop-off project for about 650,000 tons. If successful, they will give the Port a ship a month for about a year and a half starting December. Staff is also working with the Children's Museum and the O'Carroll Group on the design and layout for the Port display that's going to be in Port Wonder.

They are working with Drybalk Magazine on an article on forest products on a huge increase in volume on how the Port handles the vessels and traffic.

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

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

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

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

Me. Pestello said he does not have anything additional to report from all of his submissions tonight, but did want to introduce miss Molly Borgoin from Department of Transportation, Port Priority. She's been great to the staff. She is always reviewing everything and making sure he stay out of trouble and helps him get lots of money

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

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

17. Monthly Staff report from the State Port Lobbyist.

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

Ms. Corley stated she submitted a report to the Board about two or three weeks ago and to preface her comments with the Governor has not finalized action on all of his bills until Wednesday. House Bill 1 is the state's budget. He has not taken action on that bill. Of interest test is the five-million-dollar public private partnership agreement for the ship channel. House Bill 2 has not been signed. That is the governor's capital outlay project bill as well and the Port has a lot of money in it. He has line item veto. She is not worried about any of the Port’s projects, but until he signs it, she will not sleep. So, she will have to wait for that to happen on Wednesday.

The Port was successful this year. The largest projects, Berth 4, 5 and 6 of moving $28 million dollars to cash. Assuming he signs the bill, she will go to Bond Commission next. Get that amount and the rest will be follow-up funding through bond issuances under the next administration. So, she will have to spend some time educating them on the importance of this. They also got a new project, the Industrial Canal Storage Facility. She is also waiting on that to be signed by the Governor in House Bill 2. It was a fiscal session. Fortunately, and unfortunately, the state had a lot of money to spend. They had over $2 billion in excess and surplus money. That triggered a vote to exceed the expenditure cap, which made it a little bit more contentious, but the Port benefited greatly in the capital outlay bill. She feels confident they will succeed after Wednesday.

There was legislation this year and a lot of talk on port consolidation. In her years of working in Baton Rouge, there is an interest and Molly can speak to this as well on consolidating court efforts. Some of this was brought on by the Port of New Orleans building a terminal in Saint Bernard and Port of South Louisiana buying property in the jurisdiction of or intending to buy property in the jurisdiction of the Port of New Orleans. The delegations along the Mississippi kind of have had enough and they claim they are supporting Congress to do more consolidation. So, she was invited to a number of meetings and they will continue in the legislative interim. The Governor has not signed Senator Connick's bill that created the Southeast Port Authority on the Mississippi River and this this Board will look at how to have those ports work better. The Port of Lake Charles was not included. This is the only deep-water port on this side. Obviously, there are five deep water ports on the Mississippi. She thinks they are looking for more collaboration. They be in the delegation. So, it will be interesting to see what the Governor does on that bill.

There was also an effort by Senator McMath, who is also a proponent of consolidation along the Mississippi, on establishing the Department of Commerce rather than Louisiana Department of Economic Development. The Governor expressed his concern about that on his last year in his office. So, the bill was amended greatly. Unfortunately, she was not involved to establish a Port Development Authority in the current of Louisiana Economic Development with the goal of establishing some strategic plans statewide on what ports do better so to speak. He has not taken action on that bill as well either. So, she will provide updates to the Port Director once those bills are signed. There was one that that caused her some concern and after meeting with the legislature, he did not move the bill. He wanted to move Ports Priority out of the Department of Transportation and giving it to a gubernatorial appointed, but history will tell you from experience, they fight very hard in Lake Charles for Lake Charles. SWLA only has seven or eight legislators whereas the Mississippi River brings in 4,050 legislators. So, the numbers just aren't there for us to get the money.

Unless the Port has a great project and the Port of Lake Charles does have a great story. So, she expresses that in a number of public meetings with the leadership. Our delegation is very supportive. She anticipates a lot of conversation, particularly under a new governor. She does not know obviously who that will be or what their plans will be, but certainly want the Port of Lake Charles as being one of the deep-water ports at the table.

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

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

18. Monthly Staff report from the Federal Port Lobbyist.

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

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

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

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

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

There were no other matters to be discussed.

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

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

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

Mr. Lorenzi stated the Board would not need to enter into Executive Session.

* + IFG Port Holding, LLC vs LCHTD – Case: 2:16-cv-00146 U S District Court, Western District of Louisiana, Lake Charles Division.
  + Sallier St. Rail Relocation – Acquisition of Property needed for the Rail Road Right of Way.
  + Lease Agreement with Big Lake Fuels, LLC.
  + Stacey A. Ryan, et al, vs no. 2014-004268 Calcasieu Parish Police Jury, LCHTD, et al -14th JDC, State of LA.

There being no further business to come before the Board, Mr. Lorenzi asked for a motion to adjourn. Mr. Dixon offered a motion to adjourn. Mr. Guidry seconded the motion and it carried unanimously. The meeting adjourned at 5:43 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.

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

THOMAS L. LORENZI, President

ATTEST:

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

KEVIN D. GUIDRY, Secretary/ Treasurer