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, September 25, 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

John M. Cradure, Commissioner

Jonathan L. Johnson, Commissioner

Carl J. Krielow, Commissioner

Absent:

 None

Also Present:

 Richert Self, Executive Director

Jon Ringo, Executive Counsel

 Cameron Landry, Director of Administration and Finance

 Channing Hayden, Director of Navigation

 Todd Henderson, Director of Operations

 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. Lorenzi welcomed two new Board members, Mr. John Cradure and Mr. Jonathan Johnson.

Ms. Bayles gave the invocation. Mr. Cradure 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.

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1. Approval of the August 28, 2023 Regular Meeting Minutes.

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Mr. Prudhomme offered a motion to approve the August 28, 2023 Regular Meeting Minutes. Ms. Bayles seconded the motion and it carried unanimously.

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2. Submission 2023 – 051 accepting the lowest responsive base bid of Alfred Palma, LLC for the BT-1 Storage Expansion; State Project No. H.011143 and to amend the 2023 capital budget.

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Mr. Self stated staff recommends the Board of Commissioners to authorize the Executive Director to accept the most responsive bid from Alfred Palma LLC. for the BT-1 storage expansion and to amend the 2023 capital budget. This project again relates to expanding the storage capacity for petroleum coke at BT-1. Staff advertised in July of this year and received four responsive bids. The low bid was Alfred Palma LLC. in the amount of $9.5 million. This project is in line with the strategic plan, but it also is going to help out with dust mitigation at BT-1. They will be installing wind fences to prevent pet coke from blowing. One quick point is $8.7 million of this project is funded through the Ports Priority Program. The original engineer’s estimate was about $11.2 million, so they are well below the engineering estimate. A million-dollar contingency was $9.5 million plus a million-dollar contingency for a total of $10.5 million.

Mr. Krielow offered a motion to adopt Resolution 2023 – 051 to accept the lowest responsive base bid of Alfred Palma, LLC for the BT-1 Storage Expansion; State Project No. H.011143 and to amend the 2023 capital budget. Mr. Prudhomme seconded the motion.

Mr. Krielow asked when they did the budget and budgeted the $7 million if the Ports Priority amount was known at that time or that came later. Mr. Self replied that as he recalls this project with that original Ports Priority funding was not known because it was dedicated to another project and were able to apply to move it to this project. Mr. Pestello stated that was correct and as mentioned staff did not know that revised amount yet when they did the budget. Just to clarify, because it is going to come up on the next submission, they show a budget of $7 million on this submission. The following submission they showed a budget of $8.5 million. In the capital budget book, the budget does show $8.5 million, but they had to subtract out the engineering fee and the reclaimer that was previously purchased. Also, under this capital project number, which is why they reflect only $7 million on this one, but the others they show the original. Mr. Self stated it is a more conservative approach.

The motion carried unanimously.

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3. Submission 2023 – 052 certifying compliance with the public bid laws for the construction of the BT-1 Storage Expansion; State Project No. H.011143.

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Mr. Self stated staff certifies that public bid laws were followed to accept the low bid of $9.5 million plus a contingency of $1million for a total of $10.5 million for construction of the BT-1 storage expansion because they are Ports Priority funds tied to this project, staff has to certify that they follow the public law and this is a certification that we're presenting to the Board for approval.

Mr. Prudhomme offered a motion to adopt Resolution 2023 – 052 to certify compliance with the public bid laws for the construction of the BT-1 Storage Expansion; State Project No. H.011143. Ms. Bayles seconded the motion and it carried unanimously.

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4. Submission 2023 – 053 authorizing the Executive Director to amend Resolution 2022-057 for engineering services for the BT-1 Storage Expansion with Duhon & Pleasant Consulting Engineers.

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Mr. Self stated that continuing with the same project, staff requests the Board of Commissioners to authorize the Executive Director to amend Resolution 2022 – 057 for Engineering Services with Duhon and Pleasant Consulting Engineers for the BT-1 storage pad. The engineering fee curve that was originally calculated was based upon $8.5 million. Obviously, when they went out for bid, it came back at $9.5 million. State law requires that the Port adjust the amount that they pay the engineer based on the increase to the increased amount on the bid - $9.5 million based on the fee curve.

Mr. Krielow offered a motion to adopt Resolution 2023 – 053 to authorize the Executive Director to amend Resolution 2022-057 for engineering services for the BT-1 Storage Expansion with Duhon & Pleasant Consulting Engineers. Mr. Prudhomme seconded the motion and it carried unanimously.

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5. Submission 2023 – 054 authorizing the Executive Director to increase the engineering services fee for the City Docks Rail Crossing Rehabilitation with Meyer & Associates, Inc.

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Mr. Self stated staff requests the Board of Commissioners to authorize Executive Director to increase engineering services with Meyer and Associates, Inc. for the City Docks Rail Crossing Rehabilitation. This is very similar to the previous submission for a different project of the amount that the fee that was to be paid to Meyer was based on available funds for construction of $750,000. When staff went out for bid on this project it was $1.3 million, which increases based upon the fee curve the amount to be paid to Meyer by $43,762 dollars.

Mr. Krielow offered a motion to adopt Resolution 2023 – 054 to authorize the Executive Director to increase the engineering services fee for the City Docks Rail Crossing Rehabilitation with Meyer & Associates, Inc. Ms. Bayles seconded the motion and it carried unanimously.

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 7. August 2023 Financials Briefing Note.

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

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 8. FEMA/GOHSEP Briefing Note.

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FEMA report please again you know as I've said before project totals increase and decrease so you see that on there one item he wanted to point out is that their obligated projects did increase $6.5 million so we did have quite a few projects smaller projects that were obligated and one relatively larger. One this report, it shows they received $786,000. Since printing this report, they actually received another $3.2 million and there is $2.9 Million being processed and is almost through the process. It is at finance completion that they should receive pretty soon. They hope most likely before next month's report. Good news on the cash receipt side.

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

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

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Mr. Landry stated that regarding the monthly report other than working with FEMA and GOHSEP trying to get those funds pushed through and recorded, he has been working on some grants and then began working on the property insurance renewal for 2024. It renews in January, but they have a lot to do with buildings being torn down, things being rebuilt, new equipment and all that stuff. They are doing their best to explore all options to in an effort to get the premium down, especially compared to the past few years.

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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 10. Monthly Staff report from Director of Navigation.

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Mr. Hayden stated that for the benefit of the new members let me explain that the channel users, the pilots and the Port have an annual pilgrimage they go on. They call it “Begging for bucks.” It is to ensure that the Corps of Engineers is properly funded to maintain this channel and that effort includes developing a presentation and then going to visit the New Orleans District, which is the CORPS District has jurisdiction over Lake Charles.

Then they go visit the Vicksburg division, which is the next highest level of the CORPS. Then they go visit the CORPS headquarters OMB and the local delegation and anybody who else who will listen in Washington. This year staff got out of sync. There was a change of command at Division and staff could not coordinate these meetings because the new General was coming in and she had problems on the Mississippi River. She had a low water inspection scheduled, so staff just could not get to see General Peoples. They finally got that done Friday and had a virtual meeting with Genera Peoples and her staff. They have sort of closed out the “Begging for Bucks tour” for FY24 because they are always working a year in advance. Now, they are going to start working on FY25.

The President should announce the FY25 budget in February. The last several years that has not happened, but they try not to get ahead of the President. But, at the same time, they are starting to work on the FY25 presentations. They cannot do scheduling right now. It is too early. That gives a little background on what it is he does to try and make sure that the Port is getting funded properly. This year the Port needed like $47 million for the channel in operations and maintenance and $19.5 million in construction. The construction is where the 3P that Mr. Ringo was talking about comes into play.

Since 1962 and earlier than that, Lake Charles Harbor and Terminal District has been the state designated sponsor or the non-federal sponsor for the Calcasieu Ship Channel. For many years that did not cost anything. Now there is a local cost share on a number of the projects – construction being one of them. There is 100% Federal funding for the operations and maintenance, which includes dredging the channel and then depositing the material in the disposal sites. If they need to go someplace else or if the Port wants to use a material for a beneficial use project, if we have to rebuild a disposal site, which they are in the process of doing for all 20 some odd of them there is a 25% cost share. That is where the P3 comes in.

Regarding O&M in construction in the President's budget and in the two budgets that will pass by the House and the Senate, each one of them passed the budget. There is the same amount like $36.8 million. The Port needed $47.1 million, but came up short there. Construction funds staff asked for $19.5 million and got $9 million in construction. Senator Kennedy has submitted what is called a community project for $9 million, which will give the channel $18 million of the $19.5 million needed. Mr. Self stated that when Mr. Hayden says “give us,” he really means the Corps of Engineers. It is really not going to the Port of Lake Charles. Mr. Hayden stated that is absolutely correct. The Port does not see a penny of this. Us is the channel. It gives the CORPS the funding for the channel for what the needs are now.

Mr. Lorenzi asked about the Rice whales and in his written report on paragraph 14, it mentioned BOEM. And in the mean-time now there has been litigation in the news. He asked if there a seat at the table forward the channel users and all because of the litigation. Mr. Hayden stated that the litigation involved the BOEM regulations that were put in place for the new lease. The judge said that those regulations could not be in place for the newly leased area. The original rice whale restrictions for the basic habitat from about Mobile about halfway down the Florida coast are still pending and objections by the industry has been filed with that. In addition to which Mr. Higgins and Mr. Dunn and he understands there has been a number of co-signers at this point have filed the Gulf of Mexico Commerce protection act, which would prohibit NOAA, National Oceanic and Atmospheric Administration, and their sub-engine agency, National Wildlife and Fisheries, from enforcing any of the rice whale regulations. Mr. Lorenzi asked if this was all happening independent of each other or is there…Mr. Hayden replied that as far as he can figure out that yes. There is one other thing going on. The National Wildlife and Fisheries is trying to designate an area that encompasses Brownsville all the way over to Mobile as the Rices whale’s habitat without any vessel restrictions on it, but he knows they are just teeing up the ball. He is in the process of filing objections to the extension of the habitat based on the fact that knowing what is coming next. If Representatives Higgins and Dunn are successful, all of this goes away and their bill is passed, which he would hope that it is fast. the Higgins done bill. They believe that there are other ways of protecting these whales by the use of technology and to limit vessels to a 10-knot speed limit because big vessels cannot slow down. They need a certain amount of water passing their Rudder in order to be maneuverable. If they put in a no night transit area on the rices whale habitat, that means that there will be no Maritime Commerce at night in the Gulf of Mexico because it is going to have to stop because this crescent goes from Brownsville now all the way to the tip of Florida.

The Director of Navigation’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 Operations.

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Mr. Henderson stated that recently at City docks they discharged an aluminum hydrate barge. They did a cargo transfer for about 14,000 tons. They have loaded four barges at the Turning Basin of bulk rough rice. They had a ship of sodium Hydrosulfide at City Docks and a project cargo shipment for Venture Global. It is about 645 tons. There were two Lumber shipments with about 30,000 cubic meters.

On the schedule there is an aluminum hydrate ship with about 28,000 tons and another lumber ship with about 10,000 cubic meters.

At BT-1 recently, staff did three coke ships with about 56,000 tons. They unloaded three rutile barges and about a 70,000-ton barite ship. On the schedule, they have three coke ships, a calcine barge and ship and a rutile ship is finishing now. They also had a ship at BT-4. It was a limestone ship

As with the pet coke for the year to date, everything at BT-1 is up very high, but right now the inventory is just gone, so hopefully things will get picked up. It is not going to be a huge increase for this next month, but it should be moving back up as they create inventory. They are trying to load as much as they can as fast they can and will want to keep their inventories low for the end of the year for tax purposes.

Mr. Self asked if Mr. Henderson mention the Industrial Canal. Mr. Henderson said about the rough rice barges. Mr. Self said he meant the project cargo. At the Industrial Canal, last week also there was four modules loaded out of the industrial Canal from Shaw that were manufactured south of town. They have got about 32 modules they will be moving out. That should go on through the first of the year. Mr. Krielow asked if this was the first activity from them in some time. Mr. Henderson stated it was. Mr. Self stated they have been building the modules and trucking them out.

The Director of Operations’ 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 Cargo and Trade Development.

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The Director is out attending a conference.

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

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Mr. Pestello stated they currently have 11 projects in construction. Some of those of course have multi-year schedules. However, he is just finally starting to see the light at the end of the tunnel on a few of those. They should have about half of those rolling off the books in the next two to four months. They will be wrapping up quite a few including Berths 2 and 3 with Boh Brothers Construction. They also have conveyor 6A, which is the reconstruction of our dockside conveyor BT-1. It is out for bid now, so if all goes well he will be bringing that to the next Board meeting for award.

They have another 12 projects in various stages of design. Four of them are very close to being complete at which point they will start the beating phase. Also, they have just been continuing to push on FEMA and GPHSEP to ensure money keeps flowing to the Port so he can keep building projects. He has also been helping out on the property insurance renewal so that they can ensure that the rebuild efforts are correctly covered and taking off buildings and structures that are being demoed.

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

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

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

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Mr. Krielow offered a motion to enter into Executive Session. Mr. Prudhomme seconded the motion and it carried unanimously. The Board entered into Executive Session at 5:35 p.m.

* + 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.

The Board returned from Executive Session at 6:21 p.m.

Mr. Lorenzi stated there was no action taken in Executive Session.

Mr. Lorenzi stated there was one item to be decided upon coming out of Executive Session.

Mr. Lorenzi asked for a motion. Mr. Johnson offered a motion to adopt Resolution 2023 – 055 to authorize granting servitudes to landowners along the new relocated Sallier St. railroad Track. Mr. Cradure seconded the motion and it carried unanimously.

There being no further business to come before the Board, Mr. Lorenzi asked for a motion to adjourn. Mr. Krielow offered a motion to adjourn. Mr. Prudhomme seconded the motion and it carried unanimously. The meeting adjourned at 6:22 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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 THOMAS L. LORENZI, President

ATTEST:

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KEVIN D. GUIDRY, Secretary/ Treasurer