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, November 27, 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

 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 5:01 P.M.

Mr. Johnson 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 October 30, 2023 Special Meeting Minutes.

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Mr. Johnson offered a motion to approve the October 30, 2023 Special Meeting Minutes. Mr. Krielow seconded the motion and it carried unanimously.

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2. Submission 2023 – 059 approving a stevedore license for Associated Terminals Pangea Logistics, LLC.

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Mr. Self stated approval from the Board is sought to enter into five-year stevedore permit, which will expire on December 31, 2028. The Port received a request from Associated Terminals Pangea Logistics, LLC. for a stevedore license. With the process that the Port has in place today, the stevedore companies submit their application along with all the required insurance documents along with a fee of $7,500. If the Board approves the permit, that goes through a review process among the staff. They make a recommendation for its approval then the Board considers it. If it is approved by the Board, it is a five-year stevedore license. Each year they would be required to provide updated insurance to make sure that is up to date as well.

Mr. Cradure stated he would like to make a motion to table the submission to have more time to look into the effects that it is going to have on the Port and its employees. Mr. Prudhomme seconded the motion.

Mr. Lorenzi asked if there was any discussion. Mr. Ringo asked if the Board wants to table it just without a date. They can table it and just call it up at the next meeting or the next meeting or the next. Mr. Cradure said that at least the next meeting. Mr. Ringo said ok they will table it without a date and then the Board can call it from the table at any moment.

Mr. Lorenzi stated that he wants to note that there are two members of the audience that submitted a request to speak to the matter. As he understands the rules, if matters are tabled it is not addressable. Mr. Ringo said it was at Mr. Lorenzi’s pleasure. He can table it and then hear from them when it is called from the table or the Board can hear from them today if that would help. It is up to the President. Mr. Lorenzi said he has a request to speak to the matter from Mr. Gerald Lewis and from Mr. Michael Brown. Mr. Lewis said he would just wait until the matter is brought up at another meeting.

Mr. Lorenzi asked if any the Board members wanted to address the motion to table this item. Mr. Guidry asked the gentlemen that are in the back and chose not to speak if there is anything that they need to know that maybe when the Board does discuss this matter again, they can better understand why it is that they are tabling this item. Is there anything else that the Board should know maybe to help them better understand the matter? Mr. Cradure stated he would like the gentlemen to speak.

Mr. Gerald Lewis addressed the Board. His address is 21033 Street, Lake Charles, Louisiana 70601.

He stated he is representing the ILA of Lake Charles, Louisiana local 2047. He was just going say that history has shown that any time you bring in new companies and they always promise to bring in extra work and new work and stuff like that. They know that it is not that much work in Lake Charles for the local guys right now and it undercuts existing employers that are already here and the benefits for the workers and everything. That is what he just wanted to let the Board know and keep that in mind. He thanked the board. Mr. Cradure asked him to validate something for him. Mr. Cradure asked when was the last time that the ILA have actually gotten a raise. Mr. Lewis replied that they have not had a raise in about 15 years. Mr. Cradure asked if they were concerned that a new company coming in is going to drive wages even further down once they start. Mr. Lewis said that was exactly it. Mr. Cradure said that part of the things he heard was that when the new stevedore company comes in order to be able to get the work, they push to reduce rates and the first place they go is to the employees to pay less. He was just trying to verify that it. He spoke to another gentleman about it and wanted verification.

Mr. Guidry asked Mr. Lewis what percentage of local employees that are here in Lake Charles. Does he have a percentage of number of people that are here that is working. Mr. Lewis stated that he did not have the accurate number. He could have it for the next meeting, but does not have the exact numbers right now.

Mr. Self stated Associated Terminals is here as well if the Board would like to hear from them.

Mr. Reese Wilson, General Manager with Associated Terminals, addressed the Board. He said he wanted extend his presence to the Board and if they have any direct questions while they are here in the room. He has two other colleagues here both from the ocean freight side and also terminal handling side that they can really answer any questions the Board may have.

Mr. Lorenzi said they are going to table matter. This item was tabled.

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3. Submission 2023 – 060 authorizing the Executive Director to enter into a service agreement with Terracon Consultants, Inc. for construction materials, engineering and testing services for the Berths 4, 5, & 6 Wharf and Shed Reconstruction at City Docks.

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Mr. Self stated staff request the Board to authorize the Executive Director to enter into a service agreement with Terracon Consultants to provide construction materials and engineering and testing services for the Berths 4, 5 and 6 Wharf and Shed reconstruction at City Docks. As part of the 4, 5 and 6 project, the Port uses a consultant to perform testing to ensure that the project is built and using materials that are required by the bid documents and by design by the designing engineers. They look into things such as the foundations and the concrete structural steel. Staff received solicited a couple different firms and received a response from Thompson Engineering, Southwestern Construction Materials Testing and Terracon. Terracon’s cost was $34,320 plus a $50,000 contingency and it is built in as part of the 4, 5 and 6 project budgeted.

Mr. Krielow offered a motion to adopt Resolution 2023 – 060 to authorize the Executive Director to enter into a service agreement with Terracon Consultants, Inc. for construction materials, engineering and testing services for the Berths 4, 5, & 6 Wharf and Shed Reconstruction at City Docks. Mr. Johnson seconded the motion and it carried unanimously.

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4. Submission 2023 – 061 accepting the contract of Boh Bros. Construction Co., L.L.C. as complete for the Rehabilitation of Berths 2 & 3 at City Docks; Port Project No. CP16008, State Project No. H.013162.

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Mr. Self stated staff requests the Board of Commissioners to accept as complete the rehabilitation of Berths 2 and 3 at City Docks; Port project Number CP16008, State Project Number H.013162. Meyer was the engineer on the project they have certified that the Berths 2 and 3 project is substantially complete. Port Priority requires the Board consider the acceptance of final completion and it basically enables Bo Brothers to receive their retainage MO.

Ms. Bayles offered a motion to adopt Resolution 2023 – 061 to accept the contract of Boh Bros. Construction Co., L.L.C. as complete for the Rehabilitation of Berths 2 & 3 at City Docks; Port Project No. CP16008, State Project No. H.013162. Mr. Guidry seconded the motion and it carried unanimously.

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5. Submission 2023 – 062 authorizing the Executive Director to enter into an Option to Lease with Pelorus Solutions.

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Mr. Self stated Pelorus would like to enter into an option to import bulk cement near the Berth 2 and 3 project. The option term is for 12 months. Included with that are option payments in the amount of $8,000 for months 1 – 3, $10,000 for months 4 – 6, $12,000 for months 7 – 9 and $25,000 for months 10 – 12. It contemplates a lease agreement, which would include an initial term of 20 years along with three additional option payments. There is a throughput of $1.74 per ton on a sliding scale, but it does include a 500,000-ton minimum and it includes 3 to 4 acres at City Docks generating about $90-120,000 in rent depending on the number of the acres exact footprint.

Mr. Krielow offered a motion to adopt Resolution 2023 – 062 to authorize the Executive Director to enter into an Option to Lease with Pelorus Solutions. Mr. Cradure seconded the motion.

Mr. Prudhomme asked if the Port’s infrastructure is sufficient to satisfy these. Mr. Pestello replied that it is. They would actually be utilizing for ship loading. They would utilize Berths 2 and 3, which was just approved on the final acceptance. They would have to do substantial capital improvements themselves to actually build the conveyor, the unloader and rail loading station, so they would have to invest significantly to be able to accommodate this project. Mr. Guidry asked what the amount of cost that would probably cost them to do that for the infrastructure. It seems like it is going to be a lot of money. Mr. Pestello said that ballpark is $50 to 60 million. It will be a big project.

The motion and carried unanimously.

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6. Submission 2023 – 063 authorizing the District to amend the professional services agreement with CSRS Disaster Recovery Management.

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Mr. Self stated staff requests The Board to authorize the Executive Director to amend the Professional Services Agreement with CSRS for hurricane recovery and grant management from Hurricanes Laura and Delta and Winter Storm Yuri. This extension request is not a request for additional dollars. Everything is still included under the original authorization. This is just a time extension. When the Board originally approved the contract with CSRS, it was for a fixed period of 36 months and they are approaching that pretty quickly. This is just an extension of time, but no extra dollars and no additional dollars.

Ms. Bayles offered a motion to adopt Resolution 2023 – 063 to authorize the District to amend the professional services agreement with CSRS Disaster Recovery Management. Mr. Prudhomme seconded the motion and it carried unanimously.

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 7. October 2023 Financials Briefing Note.

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The October 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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Mr. Landry stated there was not a whole lot to report. They did have an additional obligated amount of another $2.3 million and are getting very close to being complete with obligated projects. The Port is well over 95% with less than $5 million left to be obligated, so they are getting very near the end. The extension for CSRS is for those last few projects to get done over the next few months.

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

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 9. Administration, Personnel and Audit Committee

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Mr. Prudhomme stated the Committee met on October 20, 2023 in Executive Session concerning the Executive Director and Executive Counsel performance evaluations.

Mr. Prudhomme stated the Committee approved an evaluation rating of “Exceeds Expectations” for the year 2023 and a 6% salary and market adjustment increase to be effective January 1, 2024 for the Executive Director and approved an extension of the Executive Director’s contract until May 31, 2026 under the same general conditions of his current contract.

Mr. Prudhomme stated the Committee approved an evaluation rating of “Exceeds Expectations” for the year 2023 and a 6% salary adjustment increase to be effective January 1, 2024 for the Executive Counsel.

Mr. Prudhomme offered a motion to recommend to the full Board to adopt Resolution 2023 – 064 approving an evaluation rating and salary adjustment for the Executive Director and Executive Counsel. Being a Committee nomination, no second to the motion is needed. The motion carried unanimously.

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

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Mr. Landry stated he and his department have been working on the budget. He sent the Board a preliminary financial statemen. Coming tomorrow will be the Capital Project and the Board will see a breakdown of all the capital projects ongoing and the new projects. Also, in the coming days, he will send some more detail on what is included in those financials.

He also has a call with the Port’s representatives from Gallagher on Thursday. They seem pretty optimistic about the Port’s upcoming property insurance premium. He is not sure what that means yet and will find out more on Thursday. Mr. Johnson asked about the contract with Gallagher. Mr. Landry stated the contract was up in March. Mr. Johnson asked if there is going to be an RFP. He asked how is that renewal and what is the plan on how that is going to be done. Mr. Ringo replied that staff can certainly bring it back to the Board for approval and any kind of extension or Mr. Self has the authority to enter into contracts for less than a year up to a certain amount. Mr. Self stated this was a three-year contract originally, which is which is why it came to the Board. Staff really has not discussed that. Mr. Johnson asked that he was just curious, but it does terminate at the end of March in 2024. Mr. Ringo said that is true and will hear more about that in the coming months.

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 stated he would like to tell the Board about what is going on in the channel. The rebuilding of Disposal Area 7 is about to be complete and the CORPS will start on Disposal Area 2 in January. The dredging of Miles 5 to 17 is expected to be completed in March of ’24. That includes two beneficial use sites where the CORPS is using material dredged from the channel to rebuild marsh down in Cameron. Bar channel dredging will begin in December or January. Preliminary work on the 17 to 36 contract will begin in December. Preliminary work of a survey of the disposal sites, rebuilding of levees etc... Once all that is completed, then the channel will be dredged from mile 17, which is right around Sempra, to mile 36, which is around City Docks up to the I-10 Bridge.

Short rock work on disposal area 7, 10 and 11 are included in the president's FY24 budget, which they all know that it is sort of stuck in Congress. When that budget is finally passed they will see if those funds remained in the budget.

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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 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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Mr. Chretien said he had two groups visit the port this week. Tomorrow Waste Management is coming in to look at a rail project coming from the East Coast at the Industrial Park East. He also has a different group from Baton Rouge coming in on Thursday to look at the same property and the warehouse for a fabrication facility.

They have two projects out for bid right now. One is a large aggregate company. They want to bring in about a million tons of aggregate through the City Docks facility as well as a project cargo shipment for SAR shipping.

He is also working on the permitting for the tug line handlers as well as vessel agencies for 2024.

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 that projects are slowly progressing. They are at that time of year where the weather and holidays are really slowing them down, but they are pushing through. The new Warehouse project, AKA Warehouse 300, with Alfred Palma is moving forward nicely. They have managed to keep pushing forward with the foundation and are currently ahead of schedule with the drilled shaft work.

Mr. Chuck Stutes with Meyer and Associates is helping staff to keep moving that project forward with some submittals and RFI’s. As a reminder, once complete that is going to be the largest and most modern warehouse at City Docks with 176,000 square feet, 2 truck loading docks, a rail loading dock and 1,200 psi floating. It is going to be the most modern facility at City Docks and is being funded by a combination of FEMA, Port Priority and District funds. It is very exciting. It is going to be a great project once complete in about 12 months.

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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The Federal 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. Prudhomme offered a motion to enter into Executive Session. Mr. Krielow seconded the motion and it carried unanimously. The Board entered into Executive Session at 5:25 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 6:08 p.m.

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

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 6:09 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