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, December 18, 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 (arrived at 5:06 p.m.)

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 5:00 P.M.

Mr. Krielow 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 November 27, 2023 Regular Meeting Minutes.

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Mr. Prudhomme offered a motion to approve the November 27, 2023 Regular Meeting Minutes. Ms. Bayles seconded the motion and it carried unanimously.

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2. Submission 2023 – 066 establishing the Regular Meetings of the Board of Commissioners of the Lake Charles Harbor and Terminal District for the calendar year of 2024.

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Mr. Self stated approval is needed to establish the date and place of regular meetings of the Board of Commissioners of the Lake Charles Harbor and Terminal District for the calendar year 2024. Each year in December staff submits the dates for the regular meetings for the following year for Board approval. They have tried to avoid any holidays and such. Mr. Krielow offered a motion to adopt Resolution 2023 – 066 to establish the Regular Meetings of the Board of Commissioners of the Lake Charles Harbor and Terminal District for the calendar year of 2024. Mr. Prudhomme seconded the motion and it carried unanimously.

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3. Submission 2023 – 067 approving revisions to the Port of Lake Charles Tariff No. 013.

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Mr. Self stated staff requests the Board approve the revisions to the District's Tariff No. 013 for items 650 and 721. The dockage rates and security charge rate revisions bring the District into line with the members of the Gulf Sea Force Marine Terminal conference rates for 2024. These revisions will become effective January 1, 2024. Staff is requesting authorization from the Board to make these updates in accordance with Louisiana revised Statute 34201. The Port is a member of the GSE Ports Marine Terminal conference, which includes 21 ports from Brownsville, Texas around to Florida. At those meetings, the dockage rates and security fees are established and adjusting these rates will move the Port into line with what the rates are for 2024.

Mr. Johnson offered a motion to adopt Resolution 2023 – 067 to approve revisions to the Port of Lake Charles Tariff No. 013. Ms. Bayles seconded the motion and it carried unanimously.

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4. Submission 2023 – 068 approving the Executive Director’s changes to the Lake Charles Harbor and Terminal District’s Employee Handbook.

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Mr. Self stated staff requests Board approval of the Executive Director's changes and additions to the Lake Charles Harbor and Terminal District's employee handbook. Each two years, staff provides any updates that were made to the employee handbook to the Board for approval. There are relatively few changes that made since the last time. These changes mainly get the Port in line with the State Civil Service as it relates to sexual harassment, cyber security, employee substance abuse and drug free work place. Staff also made some minor changes to the uniform guidelines.

Mr. Johnson offered a motion to adopt Resolution 2023 – 068 to approve the Executive Director’s changes to the Lake Charles Harbor and Terminal District’s Employee Handbook. Mr. Krielow seconded the motion.

Mr. Prudhomme asked who staff uses to tweak these changes. Mr. Self stated the changes come directly from Civil Service, but the Port’s Human Resource department is the one that prepares everything. Mr. Prudhomme stated that then there is no third party.

The motion carried unanimously.

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5. Submission 2023 – 069 authorizing the Executive Director to contract with Weiser Security Services to provide supplemental guard services at Port facilities.

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Mr. Self stated staff requests the Board grant the Executive Director authorization to contract with Weiser Security Services to provide supplemental guard services at Port facilities. Prior to 2020, the Port contracted gates guard services. After 2020, staff attempted to bring it back internally. Unfortunately, it is a challenge to keep those positions filled. They had a lot of turnover so chose to go out and contract it again in about 2021. It began being contracted out again and the Port supplements with their own employees.

Mr. Prudhomme offered a motion to adopt Resolution 2023 – 069 to authorize the Executive Director to contract with Weiser Security Services to provide supplemental guard services at Port facilities. Mr. Cradure seconded the motion and it carried unanimously.

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6. Submission 2023 – 070 authorizing the Executive Director to purchase Construction Management, Field Technical and QA/QC services from River West Enterprises, Inc. for the construction of various capital projects for 2024.

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Mr. Self stated staff requests the Board authorize an agreement for owner representation and inspection services with River West for various Port construction projects during fiscal year 2024.

River West provides field technical owner representation services QA/QC work for the Port. The volume of projects and the work that they are doing directly relates to the volume of capital projects that are underway. Staff is budgeting about $172 million in capital projects in 2024, which is by far the largest number dollar amount of capital projects they have had at any one year. The majority of the projects of that $172 million are already underway. In addition, there are three different terminals, which cause an additional challenge, but the costs of those services are included in the capital project so you do not actually see the cost on the income statement. Those that are related to Hurricane Laura and Delta are reimbursable by FEMA.

Mr. Johnson offered a motion to authorize the Executive Director to purchase Construction Management, Field Technical and QA/QC services from River West Enterprises, Inc. for the construction of various capital projects for 2024. Ms. Bayles seconded the motion and it carried unanimously.

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7. Submission 2023 – 071 authorizing a Third Amendment to Ground Lease with Big Lake Fuels, LLC.

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Mr. Self said he would go through the Preamble of the Submission and then give a little update. Also, Alice and Steve are here from Proman to give a presentation and an update on the project.

Big Lake fuels executed their long-term lease in 2018 to operate a methanol plant. Recently, they have reached out to staff that they are very interested in exporting ammonia at the same facility. The ground lease provides their ability to export the liquids. They have requested that staff, in addition to allow the liquid export for this, extend it to December 31, 2026. In return, they have essentially increased the minimum and adjusted the throughput.

He turned to Steve Hirsch and Alice to address the Board.

Mr. Hirsch stated they have had the site for many years now developing a methanol project Big Lake fuels. Over the last year, they have actually come across an even better project that they can do in parallel. It is basically blue ammonia in partnership with Mitsubishi. Mitsubishi is one of the large conglomerates in Japan and front and center and all the work that is going on in decarbonization of the Japan power industry. The expectation is that this product will be exported to Japan to co-fire their and their coal plants. Both the Big Lake Fuels methanol plant and ammonia projects fit within Proman.

While they are the second largest producer of methanol in the world, they are also a top 10 in ammonia in the world. It is one of their core products and expertise. That is one of the main reasons why Mitsubishi chose them and the site here in Lake Charles for this project.

Part of it is going to have a carbon capture so they will be able to bring in carbon dioxide pipelines to the area and then, most importantly, it will be able to share infrastructure with other projects like our methanol project thus making both projects or future projects more feasible. It has been Proman’s model to build not just one project at a time, but to build an industrial comp complex and this is what they hope to do still in Lake Charles.

He gave a brief project status. They have completed the pre-feed, the technology and the feed provider have been selected. they signed announced with Mitsubishi and will have further agreements with them outlining the cooperation during the development process. They are actually planning to start the feed in January. Geotech and topographic surveys and some environmental surveys are underway targeting to complete early next year. The amendment to their lease as Ricky pointed out is critical to the to the next phase of development.

They have plenty of room on the site to be able to have the ammonia facility and the methanol facility in green and blue accordingly, as well as common facilities for administration, warehousing, parking and everything and site security all in the same site.

In terms of timeline, some of you may be familiar with the contract for difference process. in Japan. Ultimately, it is the government who will set some of the tariff differences between the coal price for fuel in Japan and the imported ammonia price. That auction is critical to the success of the project. Unfortunately, the auction is scheduled for the fourth quarter of this year and then the results of the auction may not be known for six to nine months. The timeline for development of the project is extended out into potentially 2026. They think with their partnership being one of the top owner operator of ammonia plants in the world, Mitsubishi being a key partner or key stakeholder in the Japanese power market and auction, they think they are best suited to get these contracts for differences. They have a very a lot of confidence in their ability to succeed, but at the end of the day it will take quite a bit of time to develop it and that is why they are looking for the extension. They have been paying lease payments on time every time for many years and they want to continue to really be a partner of the Port of Lake Charles going into the next few years. The request for the amendment not only gives them the flexibility to be able to develop this project, but it also offers the opportunity to the Port to have additional rent revenues from multiple projects. In short, the amendment is really around three points. One is to change this the fixed portion of the additional rent to a variable based on product. That would increase if they had multiple projects and would give the upside to the Port for new revenue in the future. Also, the requirement for Proman to reach FID from the end of December 2024 to 2026 and finally an assignment from their project company Big Lake fuels to their parent company Proman to allow or account for all this. They are hoping that with the amendment, they will be able to start work next year and be on a successful path to completion.

Ms. Bayles offered a motion to adopt Resolution 2023 – 071 to authorize a Third Amendment to Ground Lease with Big Lake Fuels, LLC. Mr. Cardone seconded the motion. The motion passed 6 to 1 with Mr. Prudhomme voting against the motion.

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8. Submission 2023 – 072 approving the District’s 2024 Operating, Non-Operating and Capital Budget.

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Mr. Self said Board approval is sought to adopt the 2024 operating non-operating capital budget and. He turned the item over to Mr. Landry for his presentation.

Mr. Landry said that starting off with the Traffic Outlook, he did a mock Forecast III. The 2024 budget is to the right. There should be a slide before this. He decided to skip to the operating revenues. Regarding the Operating Revenues and Expenses for 2024, staff anticipates an increase in operating revenues of around $3.5 million. They are looking at $48.1 million in 2024. 2023 is going to be the highest year in revenues. 2024 is going to surpass that or we anticipate it surpasses. On the expense side, staff anticipates a decrease of around $1.4 million putting the Port at $33.6 million. As they receive some of the equipment that they are still waiting on including the loaders, he expects that to increase efficiency and effectively decrease those expenses, so they should see that start to effect in 2024.

Regarding the Traffic Outlook, they are expecting to increase $3.5 million. A good portion of that is driven by the traffic. Most of these commodities staff anticipates being well in line with 2023. There are a couple items to point out. On the top section there is cement in 2023. Staff had forecasted zero tons. The Port actually did start moving that this cement in November. Staff anticipates about 500,000 tons in 2024. That is going to be a nice increase on the revenue side. The other item is at BT-1. The Port had a very great year of petroleum coke movement and anticipate that to continue and actually increase into 2024.

 He wanted to point out a decrease in the interest income. As the Port expend those funds on the big projects that are ongoing, obviously the bank account will decrease. Lower interest will based on a lower balance as well as the economy leveling out. Staff anticipates interest rates to possibly decrease or remain the same, so lower interest on the capital budget.

In the Board’s packet, they will see every Capital project that was budgeted for 2024 and for the next four years following. PYE is Prior Year Expenses. That is what they spent on any projects in 2023 and prior so they were active before 2023. In 2024, they anticipate about $172 million in capital projects. Of that $172 million, only $48 million will be out of pocket in 2024. Also, some of that $48 million some of it is FEMA reimbursable in future years, so even though they expend it in 2024, the Port should get reimbursed in future years for some of that. You can see some of that kind of figured in on the individual projects and in future years so FYE is future years for Port funded they only have about $9 million. That is because a lot of those funds will be being reimbursed in future years.

These are the Port’s continuing projects. It is basically that same kind of breakdown just done a little differently. These are only capital projects not minor projects. On continuing projects for 2024, $159 million of that $170 million is continuing projects and only another $8.7 million will be brand new projects. Then these are the minor projects by department. They have about almost $4 million in minor projects. Smaller things that may need trucks and things like that.

The cash flow outlook which is currently cash and includes restricted is around $93.8 million. The cash flow projected they have net income. Staff is anticipating about $2.7 million in net income and a cash flow of over $15 million, so very good cash flow. Looking at that and keeping that in mind what they have in current $93.8 million cash flow $15 million taking out the restricted funds and capital spending and investments at the end of 2024, staff anticipates to be around $16 million. The bank account should be at $16 million cash.

Mr. Johnson offered a motion to adopt Resolution 2023 – 072 to approve the District’s 2024 Operating, Non-Operating and Capital Budget. Mr. Guidry seconded the motion and it carried unanimously.

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9. Submission 2023 – 073 approving a stevedore license for Associated Terminals Pangea Logistics, LLC.

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Mr. Ringo said this item was placed on the table at the last meeting. If the Board decides to discuss it at this meeting, it simply needs to be called from the table. They just need to follow the steps. It needs a motion to call from the table, which must be seconded. That motion is not up for debate. That just brings it to the table up for debate. Then when that is voted on, it requires a majority vote to call it from the table. Once that is done, then the Board can have whatever discussion it wants on the motion. It will then be voted on for approval.

Mr. Krielow offered a motion for Resolution 2023 – 073 to be called from the table. Mr. Prudhomme seconded the motion and it carried unanimously.

Mr. Lorenzi asked if there was any comment from the administration on that. Mr. Self stated that this is similar to last month. Staff received a stevedore permit from Associated Terminals Pangea Logistics. Everything that they have submitted complies with what staff would require for a stevedore permit to be approved by the Board. They paid the $7,500 fee, provided the associated Insurance and it is up to the Board to make a decision as to whether not you want to approve it.

MR. Lorenzi called for a motion. Mr. Krielow offered a motion to adopt Resolution 2023 – 073 to approve a stevedore license for Associated Terminals Pangea Logistics, LLC. Mr. Prudhomme seconded the motion.

Mr. Lorenzi asked if any Commissioners want to address the matter first. There were none. He stated there were four people who wanted to address the Board on the matter.

Mr. Lorenzi called upon Mr. Reese Wilson with Associated Terminals.

Mr. Wilson stated he is the general manager of Associated Terminals Pangea Logistics. It is a joint venture company between Associated Terminals and Pangea Logistics Solutions. Their major footprint is primarily in the Mississippi River Region where they handle about 25 million tons of imports and exports cargo throughout there. They employ just over a thousand people in Louisiana. On the Pangea side, they have Neil McLaughlin who will speak more to that after him, but he is here just to advocate for this company. They believe in the growth here regionally geographically. If anyone is able to look them up a little bit or have any questions regarding them as an entity, he would be happy to answer them. They really want to be a strategic partner of the Port here in Lake Charles and just wanted to open it up to the Board if they had any questions or concerns for him.

Mr. Lorenzi said next is Mr. Neil McLaughlin representing ATP.

Mr. McLaughlin stated is the director of projects for Associated Terminals Pangea. As they just heard, it is a joint venture company between Associated Terminals and Pangea Logistics. He represents the Pangea Logistics side of the company. He knows staff is with their application but just wanted to give them a little bit of background while he is here together.

Pangea Logistics is a shipping company, logistics company and a stevedoring company. They have a Director of Health, Safety and Environment. They are active in ports throughout the Gulf Crescent, Florida and the Eastern Seaboard. They take those aspects of their operation extremely seriously. The reason he just mentioned and brought to the Board’s attention the fact that Pangea spans both the shipping logistics and stevedore aspects of the maritime supply chain is increasingly they find their customers are looking for those solutions. They think that that is something that is very valuable and can be very beneficial to this Port as this Port grows in the years ahead. He thanked the Board and asked if there were questions.

Mr. Cradure stated the International Long Shoreman Association has been here for many years. Some of those are in the audience here. They have been struggling in the past getting employees approved. Things that have happened over the years is that the industry requires safety certifications and, in their case, it is called work numbers. So, the work happens so fast when they need more people by the time they try to get the work numbers, the work is gone. It is exhausted and the employees have not been able to be assigned. When he came on board along with Mr. Guidry, they started working with the ILA to help them. Some of their international and regional folks got together with the Port of Lake Charles and some other organizations. They are fixing that. They actually got 10 people approved today. So, the want is there. The system just kind of messed them up for a little bit.

He had this last month out of concern for them that it was a non-union company coming in. After meeting with some people that are going to speak tonight, they understood that Associated Terminals might be interested to be able to get the work going forward and actually would speak to the ILA about a possible contract or providing employees in that they would not be strictly non-union and opposed to union. He wanted to ask them to say if that information is accurate. Would they be interested in speaking with the ILA if they could provide quality employees in a timely manner. Mr. McLaughlin replied that he thought they are open to all discussions. Just for the record, they are a non-union stevedore company. They pay fair wages. They put a big emphasis on training their employees. They put a big emphasis on that because it behooves them to do so. On wherever they operate, building a local workforce. They do not want to bring employees in from different locations. They want to build a local workforce so if there is a way that they can potentially work together they are definitely open to those discussions.

Mr. Guidry asked if his understanding is correct in that they would be willing to sit down with the ILA and have a conversation with them. Mr. McLaughlin replied that he personally cannot speak their entire organization, but they are open to the concept and that is something that they can discuss and then come back to the Board on that.

Mr. Mark Pousson was called to address the Board. He stated he was with South Louisiana Rail Facility. They are working down at the Turning Basin doing barge loading. They personally reached out to Associated Terminals to have them help with his barge logistics. In today's world, it is very difficult and they are able to help them with that. They reached out to them to step forward to do that. They certainly support local labor. Mr. Johnson asked that in Mr. Pousson’s dealing with them specifically, kind of piggybacking on the question that the Board just asked about being open for discussions for helping some of those things, they were responsive? Mr. Pousson replied that they were absolutely.

Mr. Lorenzi called upon Mr. Tom Flanigan to address the Board.

Mr. Flanagan thanked the Board for its service. He has two companies here. His family has been in the stevedoring business since 1896. They operate here as Flanigan. He has worked here on the docks for over 50 years starting with his father. His sister company, Lake Charles Stevedores, has been here since there was a public Port. He is not here to speak against anybody, but he would like to speak on an issue that he thinks a lot of port authorities, staff and boards and he has worked with many on the coast in his career, lose sight of the importance of having a local maritime community. 90% of the potential customers that are looking to do business here call him or other local companies to gain the information that they need. They do the tough jobs, not just the cream of the crop jobs, everything that comes up and having a local business in a port such as Lake Charles, which is a regional Port, is really important and he would just ask this Bboard to please do not lose sight of the importance of a local industry that is here. He supports local labor and has been working with them over the years to change and improve and move forward. He has immense respect for this Board. He has seen the changes in the Board and numerous revolutions in the board. He has seen a lot of bad mistakes with unintentional consequences when not all the information is there. It would be sad to see the local…There is not enough work right now for even the two companies that are here to make a living. If they just overload this Port like ants on top of ants, the rates are not going to go down, the service is not going to go down. If you had a room full of terminal operators here, they would look at this facility and realize it is only a certain size. You cannot stack people on people. He thinks the results would be counterproductive. If a company is just coming here to take the work that is here, it is counterproductive. He is not here in opposition. He just felt the need to make a comment about local business. Obviously, he believes in that because he is working hard every day in his family business. It makes a difference. He wants Mr. Pousson, who he has a high regard for and is a first-class person, to be successful and wants the Port to be successful. That is really all he had to say and thanked the Board.

Mr. Guidry asked Mr. Pousson that he had mentioned something about them coming on board and being able to help him in an area to where he was lacking a little bit. He asked if Mr. Pousson would explain that to him a little bit about what he was talking about. Mr. Pousson stated that down at the Turning Basin, they are loading barges. With river issues in New Orleans and how those barges get to them and when they get to them going through the different channels to get those barges secured and get them to them, they felt like Pangea could help get them to them and faster and more of them. They have several times had to turn down business because he could not get barges. One of their customers recommended Pangea to help facilitate his relationship with his current customers. Mr. Guidry asked if that also would help with his employment. Mr. Pousson stated that was correct. The last vessel loaded was the highest price vessel they have ever loaded. This next vessel coming here at the City Docks is the also the highest price and the largest vessel they will ever load. Sonic Stevedores uses labor to load those. It is a continual climb. Mr. Cradure asked if this was much better for the local rice farmers in this area. Mr. Pousson stated that was correct. Mr. Cradure asked if his organization had about 200 members. Mr. Pousson stated that was correct.

Mr. Lorenzi asked Mr. Michael Brown to address the Board.

Mr. Michael Brown stated he is right here in Lake Charles and is an ILA member. His family has been in the ILA all of his life - over 55 years. He knows a lot of family members that have made a living right here at this Port. They have a lot of things that they are dealing with trying to get new people in. They are actually being very successful at that. Not only are they being successful at getting people in they are getting the labor out and getting the work out as quickly possible. Even when they are short on labor, they are doing the best that they can to try to make sure that everything is exactly what the Port needs from them, but they have some problems and some issues that they are facing. One of the problems is they are in a very competitive area. They are competing on getting these people in and how they are competing against the industries. It is a shame that they have to compete that hard to try to make sure that their men and women have a good living. He does not have a problem with Pangea. He just wanted to make sure that they are looking out for them and have their interests. If they are pulling together then let us pull together as a team. If they are not pulling together, let them know exactly what they need to do to try to make this situation better.

Mr. Krielow offered a motion to adopt Resolution 2023 – 073 to approve a stevedore license for Associated Terminals Pangea Logistics, LLC. Mr. Prudhomme seconded the motion and it carried unanimously.

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 10. November 2023 Financials Briefing Note.

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

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 11. FEMA/GOHSEP Briefing Note.

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Mr. Landry stated there was not a lot of change. They are getting very close to all of the projects being obligated. They did receive another $200,000 plus and do have around $500,000 almost $600,000 pending reimbursement. A lot of the smaller projects are going through GOHSEP relatively quickly. They are getting those funds. They got $200,000 and another $500,000 so those smaller projects are moving through pretty relatively quickly.

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

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

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Mr. Landry stated he had many discussions with the team at Gallagher. As of their last conversation, it has been great news so far. The premium actually as of now has gone down almost $100,000 and they also worked in a continuity credit continuing with the same kind of companies. Staff expects that the Port’s premium will actually be not just the $100,000 plus decreased but another $240,000 plus decreased. That is great news. For anyone who has dealt with property insurance recently, that is a big deal. Mr. Johnson asked when the continuity credit come up what does he mean when. Is that since the Board’s last meeting? Mr. Landry replied that it was. Gallagher did not really have concrete numbers at the last meeting, but he has had quite a few conversations with them and every time he talks to them it goes down a little bit more. Because the insurance companies are still fighting over this and that, one of the things they added in was that continuity credit.

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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 13. Monthly Staff report from Director of Navigation.

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Mr. Hayden stated staff advised the Board in August of 2022 that the Lake Charles Port Authority as non-federal sponsor for the channel submitted two projects to the Corp of Engineers to be included in its report to Congress. This report is known as the Water Resources Development Act 7001 report. It comes from section 7001. He refers to it as WRDA 7001 report.

Inclusion in this report is a first step toward building these projects and to get Congress to authorize the build of the project. One project is a proposal to extend the East Jetties a mile and a half out into the Gulf to give deep draft vessels coming into the channel protection from the set in the Gulf, the wind and the current that tries to push them out of the channel.

The other is to deepen the project from its current 40 feet to 45 feet in 1-foot increments. A deeper channel provides more under-keel clearance for vessels and therefore a safer transit. These projects were submitted after discussion with the Harbor Safety Committee and with the Calcasieu River Funding Management Board. The Funding Management Board was established by the state legislature and provides funds for the non-federal cost of the of the CORPS Calcasieu River and Pass project. Twenty-two letters of support from various entities accompanied each project proposal. Though dated in February of 2023, the CORPS issued its 2023 WRDA 7001 report about a week and a half ago. The CORPS recommended 12 projects to be authorized by the Water Resources Development Act of 2024 targeted by Congress to pass in August of 2024. Two of those projects are the ones proposed by the Lake Charles Terminal District. Included in the CORPS’ WRDA 7001 report are generally included in a future Water Resources Development Act. Staff feels pretty confident that these two projects will be in the next WRDA that is passed, but there is no absolute guarantee.

The CORPS estimates the Jetty Project to cost about $190.6 million. The deepening of the channel will cost about $953 million. The actual cost of the deepening project could be much more depending the cost of securing real estate for the disposal of dredge material and rec relocating pipelines if any. Both costs are born by the non-federal sponsor, which is the Lake Charles Port Authority with funds provided by the Calcasieu River Funding Management Board. Assuming the Calcasieu projects are included in the upcoming WRDA, the projects are then authorized. The federal government has a two-step process. The first thing they do is authorize a project and then they fund it. Just because the project is authorized does not mean it will be funded. Mr. Prudhomme asked who was on the Calcasieu Management Board. Mr. Hayden stated that Mr. Self, a representative from the industry, which at this time is Charlie Harper with CITGO and a representative from the state who was previously Renee Lapeyrolerie. Mr. Prudhomme asked who are the 22 members of that was mentioned. Mr. Hayden said it was not 22 members, it was 22 letters of support. He does not have that level of detail available. He can give it to him later though. Mr. Prudhomme asked him to send it to the Board. Mr. Hayden said he would.

Assuming these projects are included in the upcoming WRDA, that is going to begin a long running process to try and get these projects funded. The first step is going to be asking for funding authorizations in the FY 25 budget to do a feasibility report on each project. Feasibility reports under the CORPS’ current regulations… The CORPS has a habit of changing its way of doing business in the middle of projects and that impacts projects that are in the pipeline. This is what the current requirements are. The feasibility report is to take no more than three years, cost no more than $3 million and be no more than 3 inches thick. This is the so-called 3x3x3 rule. Complicated feasibility studies, which he promises the deepening will probably cost more and take more time and be a lot thicker than what he just described. Federal Law requires non-federal sponsors to pay 50% of the feasibility study cost. If both of them are approved under 3x3x3, the Lake Charles Port Authority will be required to pay $1.5 million each with the money coming from the Calcasieu River Funding Board, which explains why they went to the funding board before they even submitted the projects because if the Funding Board had said, “No dice.” there was no sense in going any further.

Staff and the Picard Group will be monitor monitoring the movement of WRDA 2024 through Congress to ensure that the Port’s projects are in the final legislation and then the appropriate funding requests will be included in future Federal budgets. Mr. Hayden asked if there were any questions. Mr. Johnson asked if he was handicapping it. Mr. Hayden stated that he thinks the I think the odds are the Port will get the extension done. Looking at a $1 billion estimate for the Channel deepening, is going to be a little bit harder. Mr. Cradure asked if that 45 ft would bring in more business opportunity than they have now or would it just be safer. Mr. Hayden said that theoretically, if they go down to 45 ft., the way the CORPS dredges, the Channel will actually be 49 ft. They go down to -45 ft and 2 feet of over-dredging and then there are two foot in there that the dredging contractors put in to make sure they meet the dredging template. If they do not, then they have to bring all their equipment back. So, it will be 49 ft. the day the dredge moves up. It will start shoaling in right after that. Mr. Self said that in all likelihood, most vessels it is just going to decrease the vessel count. He is not aware of any business today that they have lost because the Channel is not at 45 ft. it is just requiring more vessels to not be as loaded as full as they could potentially be loaded. Mr. Hayden said the big issue is what draft will the current dock stand. If he asks Mr. Pestello if he can dredge in front of BT-1 or ask Mr. Henderson if he can dredge in front of BT-1 to 49 ft. he thinks he knows what they are going to tell him. Mr. Pestello said that would be a no. Mr. Ringo said they are going to tell him that they have not done the proper studies. Mr. Hayden said that he is guessing that the same thing is going to happen with most of the other facilities along the river so that the extra 5 ft. will be increased safety for the vessels that are coming in here and increased environmental protection for the area given the vessel calls here. He cannot guarantee that the Port will get any deeper ships going in and out. Mr. Johnson said he would like to note that the new stevedore back there shook his head yes whenever they asked the question. Mr. Ringo stated that ships are only getting bigger. They are only getting bigger and requiring deeper draft. Mr. Pestello said that he would add too is if there is a need for it, people will you increase the strength and depth of their docks. Mr. Prudhomme asked if as well for load capacity. Mr. Pestello said he thought so. Mr. Self said the ability to dredge down to 40 – 49 ft. Mr. Krielow said you could put bigger payloads on ships that are currently calling on the Port of Lake Charles too. Mr. Cradure said that it would be less traffic. Mr. Self said it is all likelihood it is just ships are getting loaded now with less than they could potentially be loaded if they dredge down. Mr. Hayden said all of this will be considered in the feasibility report.

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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 14. Monthly Staff report from Director of Operations.

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Mr. Henderson said that we do get barite at BT-1 and sometimes the ships are so large and they have such a capacity on them that they split a discharge between New Orleans and here because the Port cannot take it as they have got to get the ship up to 40 ft because it is deeper where they go in New Orleans. They could take a larger they could bring all of that to BT-1 and not have to spit the to discharge in New Orleans.

Recently at City Docks, they did an aluminum hydrate vessel about 20,000 tons. They did two cargo transfers of about 18,000 tons. They did a sodium hydrosulfate vessel, which is the liquids loading and three Lumber ships of about 46,000 cubic meters. They have a structural steel project cargo shipment that should be loading in December at BT-1. They have loaded three coke ships of 12,000 tons. They have unloaded a rutile vessel of 22,000 tons and a calcine barge is on the schedule to finish up the year at BT-1. They have we've got two ships of raw coke going to about 70,000 tons and in a calcine ship so they are trying to get their inventory down before the end of the year.

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

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Staff is currently talking to a company looking to do monthly shipments of agate through the Port of Lake Charles. This can start as early as next month. He has also been talking to BNSF railroad for a cargo opportunity project. He talked to them last week and they are going to bring a team down mid-January to come look at the Port’s sites. He is continuing to work with Matchstic on the rebranding process of the Port logo and signage as well as working on the 2024 permits for the tug boats and line handlers.

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

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Mr. Pestello said he wanted to give an update on conveyor 6A. It is a project that was brought to the Board a few months ago. It was one they were waiting on FEMA approval for the environmental process. It is a recipient project, so it is one they are using some alternative FEMA funds or some excess funds to pay for it. Staff was successful in pushing that project through numerous reviewers at FEMA. However, it got held up on the environmental reviewer desk for multiple weeks until we called checking for an update. Now they are just starting. About two weeks ago now, they started their 30-day tribal review, which means they have to give the tribal tribes a 30-day window to review and make sure the Port is not affecting anything of theirs.

The good thing is this project does not even touch the ground. It is using existing foundations that are behind the BT-1 dock, so they are not touching the water or touching the ground. Staff does not expect anything. He just wanted to let the Board know that it is delayed more than he expected. The issue is they need to get going on the project because they have to have it complete prior to the ship loader arriving next year. He is going to go ahead and move forward the project unless there is any opposition from the Board. Just a reminder that the project is going to take about 255 days to complete. Most of that is going to be fabrication offsite with only a 30-day window of shutdown at the actual BT-1 dock. The Port’s FEMA team still feels very confident the Port will get their category exclusion, since as he mentioned, they Port is not affecting any ground. Also, Mr. Krielow asked a great question if there is something happening some fluke they do not approve the project, could they use those funds for another project and maybe swap the capital budget around, which they would have to come to the Board at that time. But, there is that possibility too since there are 428 recipient funds. Staff can propose different scopes to utilize those funds as needed.

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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17. 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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 18. 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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19. 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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 20. Executive Session and appropriate action in any of the following matters:

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Mr. Johnson offered a motion to enter into Executive Session. Mr. Krielow seconded the motion and it carried unanimously. The Board entered into Executive Session at 6:06 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.

There being no further business to come before the Board, Mr. Lorenzi asked for a motion to adjourn. Mr. Johnson offered a motion to adjourn. Mr. Prudhomme seconded the motion and it carried unanimously. The meeting adjourned at 6:21 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