

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, April 25, 2016 in the Board Room of the Port of Lake Charles located at 751 Bayou Pines, Suite A, Lake Charles, Louisiana.

In attendance and constituting a quorum, were:

Barbara M. McManus, President  
Daryl V. Burckel, Vice President  
Michael G. Eason, Assistant Secretary/Treasurer  
Elcie J. Guillory, Commissioner  
John LeBlanc, Commissioner  
Walter M. Sanchez, Commissioner

Absent:

Dudley R. Dixon, Secretary/Treasurer

Also Present:

Bill Rase, Executive Director  
Mike Dees, General Counsel  
Jon Ringo, Assistant General Counsel  
Richert Self, Director of Administration and Finance  
Channing Hayden, Director of Navigation  
Dan Loughney, Director of Marketing and Trade Development  
Todd Henderson, Director of Operations  
Donald Brinkman, Director of Security, Engineering, Maintenance and Development  
Michelle Bolen, Executive Administrative Assistant

Ms. McManus called the meeting to order at 5:00 P.M. and asked Mr. LeBlanc to give the invocation. Mr. Guillory led the Board and audience in the Pledge of Allegiance.

Ms. McManus asked if there was any public comment regarding any items on the agenda. Ms. McManus stated there were no public comments to be heard.

- 1. Submission 2016 – 019 authorizing a lease agreement with Southern Ionics, Inc.  
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Ms. McManus stated the Board would act on Submission 2016 – 019 first.

Ms. McManus asked Mr. Milton Sundbeck, Southern Ionics President, if he wanted to address the Board. Mr. Sundbeck stated they appreciated the forthrightness of the work staff has achieved. They are ready to consummate the lease.

Basically, a brief history is “One man’s problem is another man’s opportunity.” The reason they are here today is Southern Ionics has a manufacturing plant in Houston and here across from W. R. Grace. They pipeline aluminum chemicals to make catalyst. They have two plants in Baton Rouge and one in Mobile, AL.

In January, 2016 they received an email from ALCOA announcing they were shutting down their aluminum refinery in Texas. They received about 200,000 tons a year of material from them. They were stuck. Within two weeks, the other two companies Sherman Alumina and Noranda went bankrupt. This raw material is critical to them. They began to put a team together to figure out how to supply material to the company. There is a company in South America who they are now dealing with and have a good product. They will bring in marine vessels, about one a month, between 15 – 20,000 tons per month. Their business will grow to about 250,000 tons in about three years. They needed a place to be able to off load the material. They looked at different places and are familiar with Lake Charles and found the opportunity. The warehouse is perfect for what they need to offload and onto trucks. This will be a nice simple distribution area for them. Most of their production goes into the manufacture of catalyst. They supply W. R. Grace, Honeywell, and Chevron Grace. They are excited about being here and will be growing the business.

Dr. Burckel offered a motion to authorize a lease agreement with Southern Ionics, Inc. Mr. LeBlanc seconded the motion.

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2. GFOA Award Presentation.  
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Ms. McManus read the GFOA Award press release stating the Port has earned the Certificate of Achievement for Excellence in Financial Reporting and presented the plaque to Mr. Richert Self, Director of Administration and Finance.

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3. Approval of the March 28, 2016 Regular Meeting Minutes.  
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Mr. LeBlanc offered a motion to approve the March 28, 2016 Regular Meeting Minutes. Mr. Guillory seconded the motion and it carried unanimously.

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4. Submission 2016 – 015 accepting the only responsive bid of Scott Equipment Company, LLC to supply one Elgin Sweeper, Model Pelican NP.  
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Mr. Eason offered a motion to adopt Resolution 2016 – 015 to accept the only responsive bid of Scott Equipment Company, LLC. to supply one Elgin Sweeper, Model Pelican NP. Mr. Guillory seconded the motion and it carried unanimously.

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5. Submission 2016 – 016 accepting the lowest responsive bid of Louisiana Cat for one new 2016 Caterpillar 420F2 Backhoe with Mitchell Rail Gear.
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Dr. Burckel offered a motion to adopt Resolution 2016 – 016 to accept the lowest responsive bid of Louisiana Cat for one new 2016 Caterpillar 420F2 Backhoe with Mitchell Rail Gear. Mr. Eason seconded the motion and it carried unanimously.

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6. Submission 2016 – 017 authorizing the Executive Director to amend Resolution 2015 – 049 for the original authorization for the professional services agreement with Moffatt & Nichol Inc.
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Mr. Guillory offered a motion to adopt Resolution 2016 – 017 to authorize the Executive Director to amend Resolution 2015 – 049 for the original authorization for the professional services agreement with Moffatt & Nichol Inc. Mr. LeBlanc seconded the motion and it carried unanimously.

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7. Submission 2016 – 018 authorizing a Foreign-Trade Zone Operating Agreement with BG LNG Services, LLC.
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Mr. LeBlanc offered a motion to adopt Resolution 2016 – 018 to authorize a Foreign-Trade Zone Operating Agreement with BG LNG Services, LLC. Dr. Burckel seconded the motion and it carried unanimously.

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8. Submission 2016 – 020 authorizing a lease agreement with Driftwood LNG.
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Mr. Eason offered a motion to adopt Resolution 2016 – 020 to authorize a lease agreement with Driftwood LNG. Mr. Sanchez seconded the motion and it carried unanimously.

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9. Submission 2016 – 025 accepting the proposal of Alfred Palma, LLC for demolition of sheds 2 and 3 at City Docks.
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Dr. Burckel offered a motion to adopt Resolution 2016 – 025 to accept the proposal of Alfred Palma, LLC for demolition of sheds 2 and 3 and City Docks. Mr. LeBlanc seconded the motion and it carried unanimously.

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10. Security and Risk Management Committee  
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The Security and Risk Management Committee met on April 7, 2016 to discuss several items.

Mr. Guillory stated the Committee recommended approval of Resolution 2016 – 021 to the full Board at the April 25, 2016 Regular Meeting to authorize the Executive Director to enter into a Cooperative Endeavor Agreement with the City of Lake Charles for police officer training. Being a Committee recommendation, no second is needed. The motion passed unanimously.

Mr. Guillory stated the Committee recommended approval of Resolution 2016 – 022 to the full Board at the April 25, 2016 Regular Meeting to authorize the Executive Director to enter into a lease agreement with the Lake Charles Police Officers Association, Local 830. Being a Committee recommendation, no second is needed.

Mr. Sanchez stated that for the record, he spoke with Mr. Dees and Mr. Ringo about this. Back in January 2015, he began to represent the Lake Charles Police Officers Association in a lawsuit which was filed against the City of Lake Charles. That suit resulted in a favorable ruling with the Police Officers Association but the City has given notice of intent to take an appeal. Because he is on the Board and because he is representing the Police Officers Association, it could create a conflict.

He is going to resolve the conflict by either stop being their counsel, relinquish his position on the Board of Commissioners or work for the Local pro bono. He has chosen to continue with the Local on a pro bono basis. He will finish the appeal for them and not charge them. As long as he does not charge them anything for his professional services that will eliminate the conflict. He has sent an email to the head of the Lake Charles Police Officers Association stating his intentions.

The motion passed unanimously.

Mr. Guillory stated the Committee recommended approval of Resolution 2016 – 023 to the full Board at the April 25, 2016 Regular Meeting to authorize the Executive Director to enter into a Cooperative Endeavor Agreement with the Calcasieu Parish Sheriff's Office for consulting services. Being a Committee recommendation, no second is needed. The motion passed unanimously.

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11. Administration, Audit and Personnel Committee  
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Dr. Burckel stated the Committee met April 20, 2016 to discuss the responses to the Louisiana Compliance Questionnaire and the Forecast I.

Dr. Burckel stated the Committee recommended approval of Resolution 2016 – 024 to the full Board at the April 25, 2016 Regular Meeting to authorize the responses to the Louisiana Compliance Questionnaire. Being a committee recommendation, no second is needed. The motion passed unanimously.

Dr. Burckel also stated the Committee was presented the Forecast I by Mr. Richert Self. He asked Mr. Self to present the Forecast I to the Board. Mr. Self presented the Forecast I. No action was taken on this item at the board meeting.

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12. Executive Director Quarterly Expenses Briefing Note  
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The Briefing Note concerning the Executive Director Quarterly Expenses was rendered to the Board and is on file in the Executive Offices.

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13. 2016 Forecast I Financials Briefing Note  
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The Briefing Note concerning the 2016 Forecast I Financials was rendered to the Board and is on file in the Executive Offices.

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14. Monthly Staff report from Director of Administration and Finance.  
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The Director of Administration and Finance’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 Director of Navigation.  
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The Director of Navigation and Security’s Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

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16. 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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17. Monthly Staff report from Director of Marketing and Trade Development.  
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The Director of Marketing and Trade Development'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 Director of Engineering, Maintenance,  
and Development and Security.  
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The Director of Engineering, Maintenance, and Development and Security's Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

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19. 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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20. Monthly Staff report from the National Port Lobbyist.  
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The National Port Lobbyist's Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

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21. Executive Session  
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- Suit against the Port of Lake Charles – Suit No. 2013-001091-14<sup>th</sup> JDC, State of LA.
- Suit against the Port of Lake Charles – Suit No. 2014-004268-14<sup>th</sup> JDC, State of LA.
- IFG Port Holding, LLC vs LCHTD – Case: 2:16-cv-00146 U S District Court, Western District of Louisiana, Lake Charles Division.

Ms. McManus asked for a motion to enter into Executive Session. Mr. Sanchez offered a motion to enter into Executive Session. Dr. Burckel seconded the motion and it carried unanimously. The Board entered into Executive Session at 5:29 p.m.

The Board returned from Executive Session at 6:04 p.m. No action was taken in Executive Session.

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15. Other Matters which may properly come before the Board.  
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There being no further business to come before the Board, Ms. McManus adjourned the meeting at 6:04 p.m.

All discussions held on the above items were recorded on Compact Disc Number 1, and filed in the Executive Offices of the District.

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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BARBARA M.MCMANUS, President

ATTEST:

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DUDLEY R. DIXON, Secretary/ Treasurer