

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, July 23, 2018 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:

Michael G. Eason, President
John LeBlanc, Vice President
Elcie J. Guillory, Secretary/Treasurer
David J. Darbone, Assistant Secretary/Treasurer
Dudley R. Dixon, President
Carl J. Krielow, Commissioner
Thomas L. Lorenzi, Commissioner (arrived at 5:08 p.m.)

Absent:

None

Also Present:

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

Mr. Eason called the meeting to order at 5:01 P.M. and asked Mr. Dixon to give the invocation. Mr. LeBlanc led the Board and audience in the Pledge of Allegiance.

Mr. Eason asked if there was any public comment regarding any items on the agenda. No one asked to address the Board.

Mr. Eason stated this was the first board meeting with new officers. He thanked Mr. Dixon for his leadership the last year as President.

He also recognized the leadership team as they start the next twelve months under his chairmanship. He stated there was about 120 years of experience. That speaks volumes for the continuity that they have had here with the \$42 million revenue they have at the Port. It speaks well for the job they have done over the years. With all of those years of experience, it gives them a very competitive position when they are talking to someone. He looks forward to working with everyone.

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1. Approval of the June 25, 2018 Regular Meeting Minutes.
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Mr. Dixon offered a motion to approve the June 25, 2018 Regular Meeting Minutes. Mr. Guillory seconded the motion and it carried unanimously.

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2. Submission 2018 – 018 authorizing a Security Agreement with the Calcasieu parish Sheriff’s Office.
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Mr. Rase stated occasionally, not often, they have issues with the police force in having an official policeman on duty due to the 24/7 requirement. Our police force has about five or six members left on it. We do have security guards. But in the official capacity, we just have a few police. Occasionally, because of some people being on vacation or sick, we occasionally run short and have to use some of the regular police to help out. They have spoken to the Sheriff’s office and have an “as needed” type of agreement with them, with the hours already agreed to and with the price agreed to as well. So, if they need to have more than what we have in the security force, we can go to the Sheriff’s office and they will supply temporary help to us. It is a one year agreement. It has a one-month cancellation. It is a one year agreement and they are using it as a trial run to see how it works out.

Mr. LeBlanc offered a motion to adopt Resolution 2018 – 018 authorizing a Security Agreement with the Calcasieu Parish Sheriff’s Office. Mr. Dixon seconded the motion and it carried unanimously.

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3. Submission 2018 – 019 authorizing the Executive Director to enter into a Cooperative Endeavor Agreement with the Calcasieu Parish Police Jury and the City of Lake Charles to provide for a flood forecasting and warning system.
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Mr. Rase stated this developed about four or five months ago. The water Institute came in and made a presentation to a group of them. It looks to be very beneficial in that this will actually be something that emergency personnel can use to their benefit. The water Institute will take a look at our geographical watershed of the Contraband Bayou. From that they will be able to judge when there is a particular rain event who will be the first to flood, how much flooding there might be projected off of a 2 inch rain and where that will actually hit in the watershed. This is a project that developed in case they go forward. It should give emergency responders a chance to let people who are in the lower lying areas and tell them if they’re going to expect this much water and this much buildup. It is very beneficial not only to the community, but to the emergency responders. They can go in and have people picked up or even evacuate an area based on the amount of rain that has poured through the area. The Parish is putting up

\$25,000, the City of Lake Charles and the Port are putting up 10,000, and private donations of \$5000 for a total of \$50,000.

Mr. Rase stated staff is asking the Board to approve a CEA with the Parish and the City for the development of the project.

Mr. Eason stated this was a topic of discussion throughout the community. They have all heard this and with the amount of rain they've had these past few years, this is a worthwhile endeavor.

Mr. Darbone offered a motion to adopt Resolution 2018 – 019 authorizing the Executive Director to enter into a Cooperative Endeavor Agreement with the Calcasieu Parish Police Jury and the City of Lake Charles to provide for a flood forecasting and warning system. Mr. Guillory seconded the motion and it carried unanimously.

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- 4. Submission 2018 – 020 authorizing the District to enter into Professional Services Agreement with Meyer & Associates, Inc.
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Mr. Rase stated this item has to do with the Sallier St. railroad that the Port owns on the south side. In order for the Contraband Bayou/Nelson Road extension to come through the railroad has to move from the south side to the north side.

Meyer and Associates have done several rail projects for them and recently the Board approved them to do some of the ladder tracks inside the Port. With that, they would like to make a recommendation that they use Meyer because when they do move the rail tracks to the other side, there will be quite an impact on the services such as drainage, sewage, electrical and so forth.

In doing this, they will reduce their railroad crossings by 18, which is big to the Port and the local community in this area.

Mr. Guillory offered a motion to adopt Resolution 2018 – 020 authorizing the District to enter into a Professional Services Agreement with Meyer & Associates, Inc. Mr. LeBlanc seconded the motion and it carried unanimously.

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- 5. Submission 2018 – 021 authorizing the District to enter into a Professional Services Agreement with Moffatt & Nichol.
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Mr. Rase stated this was about the same situation where they recently had Moffat & Nichol come and take a look at some of the Port's docks underwater. Looking at 4, 5 and 6, the type of structure that is there from the 1920's is no longer an acceptable method of design. The mooring points were rated on average either poor or satisfactory, however the prospect of

utilizing the berths for increasingly larger vessels lead to the necessity to upgrade the current mooring system.

Mr. Rase asked the Board to approve the use of Moffat & Nichol to start the project.

Mr. Guillory offered a motion to adopt Resolution 2018 – 021 authorizing the District to enter into a Professional Services Agreement with Moffat & Nichol. Mr. Dixon seconded the motion.

Mr. LeBlanc asked if they were going to do the study or come up with a preliminary. Mr. Rase stated they will come up with a design. Mr. LeBlanc stated he was not sure if they were going to do a design as it just said study. He wanted to make sure they were going to do the design for everything.

The motion carried unanimously.

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6. Submission 2018 – 022 authorizing the Lake Charles Harbor and Terminal District to enter into a Cooperative Endeavor Agreement with the State of Louisiana, Department of Transportation and Development.
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Mr. Rase stated this leads back to the Nelson Road extension and railroad track. The Port, about 5 – 6 years ago, had agreed that they would contribute \$1 million to the project for the movement of the railroad. The cap would be \$1 million. This is a Cooperative Endeavor Agreement to enter into with DOTD for that. DOTD does not have any expertise in rail and does not have an outside consultant that they are interested in. There is no one in their shop that they generally do rail with, so they have asked the Port to undertake the process of doing the rail. That is why staff asked Meyer to be involved with the project because of the interface that will have to be done between the Sallier St. project and the Contraband Bayou Bridge coming across and the rail. The rail has to be the first one to move. The Port has worked out the funding and what they will do with the Ports Priority Program issue. By doing that the Port will do the work and submit the cost to DOTD. DOTD will pay the Port a percentage of what the Port does. Some costs are attributed to the State, where the Port will not have to contribute anything. The Port's cap is \$1 million. The acquisition of property, design package falls under DOTD and not part of the Port. The Port is contributing \$1 million. They will follow the Ports Priority method of submitting their expenses in as they are incurred.

Mr. Darbone offered a motion to adopt Resolution 2018 – 022 authorizing the Lake Charles Harbor and Terminal District to enter into a Cooperative Endeavor Agreement with the State of Louisiana, Department of Transportation and Development. Mr. Lorenzi seconded the motion and it carried unanimously.

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7. Submission 2018 – 023 authorizing the District to enter into a Professional Services Agreement for construction management at-risk pre-construction services with Boh Bros Construction.
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Mr. Rase stated this submission is related to Docks 2 and 3 and the reconstruction of those docks.

He stated that the State does allow now that you can take and go through an applicant and pick three to actually interview. They interviewed three and picked Boh Bros. that best met their criteria they would like to see win the construction. It gives them a hard and fast number and they know what their number will be when construction starts.

Mr. Brinkman stated this is all of the preconstruction services, so, they are like their estimating team onboard. It is live estimating. They provide a cost and that is how they get to the number that Mr. Rase described, the guaranteed maximum price. If that falls in line with our engineer's estimate or outside of the Port's budget, we have an option to press the reset button and go out for public bid and accept the lowest bid. This is just for the preconstruction services and if they agree upon a GNP – Guaranteed Maximum Price, they will come back to the Board for that next step.

Mr. Krielow asked the price of the budget. Mr. Brinkman stated it was roughly \$30 million.

Mr. Krielow asked that in the selection process, he knows they had to take five individuals and look at their scoresheet and apply the score to come up with the three finalists from the applicants and from there they did an interview. Mr. Brinkman stated that was correct. Mr. Krielow asked if it was the same five members who interviewed as well. Mr. Brinkman said it was.

Mr. Krielow stated that as he understands it, basically Boh Bros. had the more or less in-house package where one or the others had subcontractors involved. Mr. Brinkman stated that was correct. He said they had about a 90% estimate of them self-performing all of the work. They liked that.

Mr. Dixon offered a motion to adopt Resolution 2018 – 023 authorizing the District to enter into a Professional Services Agreement with Boh Bros Construction. Mr. Krielow seconded the motion and it carried unanimously.

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8. Administration, Personnel and Audit Committee Meeting
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The Committee met on July 18, 2018 to discuss the Forecast II. Mr. Dixon asked Mr. Self to present the Forecast II. Mr. Self presented the Forecast II. A copy of the Forecast is on file in the Executive Offices.

Mr. Dixon also stated he would like to make a motion to accept the Forecast II. Mr. Guillory seconded the motion and it carried unanimously.

9. Forecast II Briefing Note

The Forecast II Briefing Note was rendered to the Board and is on file in the Executive Offices.

10. Monthly Staff report from Deputy Executive Director Monthly Report.

The Deputy Executive Director's Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

11. Monthly Staff report from Director of Navigation.

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

12. Monthly Staff report from Director of Operations.

Mr. LeBlanc asked for an update on the IFG repairs. Mr. Henderson stated they should start unloading Tuesday (July 24, 2018).

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

13. Monthly Staff report from Director of Marketing and Trade Development.

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

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

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.

15. Monthly Staff report from the State Port Lobbyist.

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

16. Executive Session

Mr. Eason asked for a motion and second to enter into Executive Session. Mr. Krielow offered a motion to enter into Executive Session. Mr. Leblanc seconded the motion and it carried unanimously. The Board entered into Executive Session at 5:24 p.m.

- Suit against the Port of Lake Charles – Suit No. 2013-001091-14th JDC, State of LA.
- Suit against the Port of Lake Charles – Suit No. 2014-004268-14th 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.
- LCHTD vs IFG Port Holding, LLC – Case: 2:16-cv-00785 U S District Court, Western District of Louisiana, Lake Charles Division

The Board returned from Executive Session and entered into Regular Session at 7:19 p.m.

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

There being no further business to come before the Board, Mr. Eason adjourned the meeting at 7:19 p.m.

All discussions held on the above items were recorded using the FTR Gold program, and saved on the District's main file server in the District's office.

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.

Michael G. Eason, Vice President

ATTEST:

ELCIE J. GUILLORY, Secretary/ Treasurer