Minutes of the Special Meeting of the Calcasieu Ship Channel Funding Management Board held at 2:00 P.M. on June 29, 2022 in the Board Room of the Port of Lake Charles located at 1611 W. Sallier St., Lake Charles, Louisiana.

In attendance and constituting a quorum, were:

 Charles Harper, President

 Richert Self, Vice President

 Renee Lapeyrolerie, Secretary/Treasurer

Absent:

None

Also present:

Jon Ringo, General Counsel

 Channing Hayden, Director of Navigation

 Cameron Landry, Director of Administration and Finance

Mr. Harper called the meeting to order at 2:16 P.M.

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1. Approval of the March 9, 2022 Meeting Minutes.

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Mr. Self offered a motion to approve the March 9, 2021 Meeting Minutes. Ms. Lapeyrolerie seconded the motion and it carried unanimously.

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2. Presentation from the Harbor Safety Committee..

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Mr. Hayden, Director of Navigation of the Port of Lake Charles, spoke about two projects presented to the Harbor Safety Committee and approved by the committee, which consists of all the stakeholders on the channel.

Mr. Hayden stated two projects were considered at the Harbor Safety Committee and advisory committee. One is to extend the east jetty in the gulf another mile or mile and a half to provide protection to vessels who have to make a fairly complicated maneuver in order to go from the 800-foot channel that exists in the gulf to the 400-foot channel that is at first defined by the rock wall jetties and then proceeds into the channel all the way up to City Docks. The purpose of extending the jetty is to give the ship some protection from the set in the gulf that is from the southeast and allow them to make this maneuver more safely.

The second project is a deepening project on whether or not they should ask the Corps of Engineers to study the deepening of the Calcasieu Ship Channel. The advisory committee discussed both of these projects and it was the unanimous recommendation of the advisory committee to move forward with both of these projects. Moving forward only means it is the beginning of the process to get these two projects in front of the Corps of Engineers and eventually in front of Congress for authorization. He is not asking the Board to spend any money right now.

If they get to the point where there is a feasibility study done on one or both of these projects and it is not yet clear whether they will need two studies or just one study, the CORP’s general rule is three by three by three for the studies – cannot cost more than $3 million, cannot take more than three years and the report cannot be more than three inches thick.

If they are unfortunate enough to have to have two studies, the most we would be asking this Board to authorize sometime in the future is $3 million because there is a 50% cost share on each study. They would have to put up $1.5 million for each study.

Before they spent the time, effort and money in making the submission to be included in the WRDA 7001 report to Congress, they wanted to come before the Board and say they expect if this goes forward, there could be an expenditure of $3 million. It could be more if the CORPS decides that this is too complicated for the studies to be included under the three by three by three rule. But, if it is they will have another bite at the apple.

They just wanted to tell the Board what they are doing and get a sense whether the Board thought they were out of their minds or not. The industry has vetted these two projects both at the Harbor Safety Committee and at the advisory committee level and they have survived and come to this Board with the recommendation to allow them to continue knowing that somewhere down the road they are going to be coming to the Board for additional funding.

Mr. Harper said at that time, the Board could vote no. Mr. Hayden agreed.

Mr. Self asked at which point would the Funding Management Board be required to take action. As he recalls, each time they asked the CORPS to do something they have to pre-fund it.

Mr. Hayden said they have got to get on the list. The application they are making is to get on the list that the CORPS gives to Congress that says these are pretty good studies and do not have a problem with any of these. Once they get on that list, then if Congress says okay, then there will be a feasibility study at which point the CORPS will come to them and ask for the cost share. It is going to be in the next WRDA in FY 24. That is two years from now. If they get on the list and make it into WRDA FY 24, they are two years away from spending money.

Mr. Self said the Harbor Safety Committee has vetted and the advisory board has recommended it. What is going to change between now and the point at which a decision would need to be made by the funding board? Mr. Hayden replied that it will have been submitted to the Corps of Engineers. It will have been somewhat vetted by them as to whether or not it is a project that can be done by the Corps of Engineers and if it passes all the CORPS’ tests, it could get submitted into WRDA if someone in Congress decides to authorize this particular project.

Once that happens, then they will go into a feasibility study etc. Mr. Self asked that at some point the Funding Management Board will have to decide as to whether or not to submit the 7001 and then at a later date…Mr. Hayden stated that no, the Funding Management Board is not submitting the 7001 application. It is probably going to come up through the Harbor Safety Committee. Mr. Self stated that this is just the funding side of it. Mr. Hayden said the Board will only be involved in the funding when they get to that point.

Mr. Self asked from the previous meeting, there was a discussion by Chris from DOT that he mentioned that the cost share increases pretty substantially for the pipeline removal if they go to 45 feet. They understood it was maybe 50-50 or even… Mr. Hayden said the difference is there are different criteria if they are going to 45 feet, 50 feet, 55 feet and above. There are different cost shares. They are only going to ask up to 45 feet. They are going to seek authorization for 45 feet knowing that if they build this, they are probably only going to build deep in the channel by two feet. They will be under the higher cost burdens. They will not face the higher cost burdens. Chris explained to him before the meeting that the state requires anyone who put a pipeline in to acknowledge that they have to remove it if the channel needs to be deepened. He does not know if that is going to apply to all pipelines on the Calcasieu. The CORPS has identified 48 pipelines on the inside reach of the channel and 10 pipelines in the gulf He has no idea when they were put in or who was grandfathered etc. In the 15 years he has been here, they have tried to make sure that all pipelines that were put under the channel were buried at least about 60 feet. Some of them have gone much deeper. He has seen people bury their pipeline 90 feet. He does not know exactly how many have to be moved how many have been grandfathered how many have been covered under the state requirements that they moved the pipeline. All of that will come out during the feasibility study.

Ms. Lapeyrolerie asked if it was relocate or remove regarding the pipelines. Mr. Hayden said if it is an abandoned pipeline, it will just be removed. It will not be relocated. Mr. Self asked if hypothetically, using the CORPS $1.5 billion number to relocate or remove, that would be picked up by the pipeline companies. Mr. Hayden stated he could not answer that without further research.

Mr. Harper said a lot of times if it is an easement, the easement will provide the terms. It could be a permit issue with DNR. Mr. Hayden said that in some cases the person who laid the pipeline, who got the original permit may not be in business anymore. He does not know how to handle it at this point. He cannot answer the question.

These are order of magnitude numbers. They talked between $200 and $400 million dollars on the east jetty. They talked $2 billion on the deepening to 42 feet, which included the pipeline removal and relocation dredging. There was not a lot of information on where they would put the additional material that is dredged. That is a cost that is still unknown.

Mr. Self asked regarding the other $500 million dollars estimate for the deepening, if it is a 50- 50 cost share. Mr. Hayden stated it was not. It is 100% federal as he understands.

Mr. Self said that other than the cost to provide…Mr. Hayden said disposal sites and to remove the pipeline, which may have been covered by the state in the way they issued that permit.

Mr. Harper asked that the way he understands this, there is really nothing for the Board to do here. Mr. Hayden agreed there was not unless it is the sense of the Board that this is something that they should not even investigate. It will save a lot of people a lot of work. However, if the Board thinks it is a reasonable thing to proceed with then they will try and get it in by August 31st. Mr. Harper stated then they will come to this Board whenever they have a number. Mr. Hayden agreed. Mr. Harper said he sat through the first discussion in the very lengthy and detailed presentations and it makes sense to him that there is nothing going through his mind saying he was crazy.

He asked the other Board members their thoughts. They agreed. Mr. Harper stated that they are not going to just go what do they mean when they come to Board. with the number.

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3. Financial Report.

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Mr. Landry said currently in the account there is roughly $12.7 million and outstanding right now, there are two industries that have not paid adding up to about $500,000 outstanding.

They are also waiting on the state’s share of $5 million. That is the current standing. Mr. Self said the current balance is $12.7 million and are waiting on $5.5 million. Mr. Landry agreed. Ms. Lapeyrolerie asked where does the state share come from. Mr. Self replied that it comes from the Governor's Ms. Lapeyrolerie asked specifically from what department the $5 million comes from. Mr. Self replied it comes from DOTD. Mr. Ringo stated they have a cooperative endeavor agreement with DOTD that facilitates the funding from the state. Once it is appropriated, they get that money from DOTD. Ms. Lapeyrolerie asked if this has to do with the fiscal calendar. Is that a reason the Board has not gotten the funding? Mr. Ringo replied that it was. There is no problem as they should get it as soon as the fiscal is over.

Mr. Ringo stated he wanted to give the Board a quick update on their activities. They are still in the process of acquiring the rights to disposal area 12Aa and 12B. They are in negotiations with the landowner. The CORPS has actually initiated expropriation proceedings on that property. That is moving along. They are still hoping to resolve that matter in a way that benefits all parties. That is 12A.

He stated that 12A and B have proven to be costlier than originally estimated. He hopes that is not indicative of how all these disposal area acquisitions will go. Originally they estimated about $6 million and are well beyond that now in the negotiations.

It is more property than initially thought, but they are moving along on acquiring that property. After they move a little farther along on 12A and B, they hope to move on to some of the other disposal areas that have withdrawal clauses in their easements.

Those are disposal area 13, possibly 8, 9 and so on. This comes into play when considering taking on additional projects like a deepening project. They are still trying to acquire the property rights for the disposal capacity needed now.

They will be able to spend the money that is in the fund to keep them under that $20 million cap, but when talking about a local cost share of $1.5 billion, a lot will have to change. That does not mean they should not take this first step and go on down the line and figure out if this is feasible. They just need to keep that in mind that it is going to be that they will need a lot of help from the state, federal grants and local industry. Everyone is going to have to lift a little bit on this one.

The Financial report was rendered to the Board and is on file in the Executive office.

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4. Other matters which may properly come before the Board

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There being no further business to come before the Board, on a motion made by Ms. Lapeyrolerie seconded by Mr. Self and approved unanimously among those present, the meeting adjourned at 2:35 p.m.

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 CHARLES HARPER

 President

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RENEE LAPEYROLERIE

Secretary/Treasurer