**Louisiana International Deep Water Gulf**

**Transfer Terminal Authority**

**Meeting Minutes-** Adopted December 12, 2016

September 12, 2016 Port of St Bernard Administration Building 1:02 p.m. 1155-1310

**Authority Members in Attendance:**

Senator A.G. Crowe

Dennis Crawford

Scott Becnel

Chris Westbrook

Randall Withers

Matthew Gresham

Captain Ronald Branch

Captain Michael Lorino

Kelvin Dedner

**Guests in Attendance:**

David Fleshman – Roedel Parsons

Larry Roedel- Roedel Parsons

Crystal Hutchinson – LIGTT Administrative Assistant

Sharon Balfour- DOTD

Candace E Stahl- Helms Briscoe

Captain Jake Stahl- Marine Expertise

David Koliski- EDU

Gus Fritchie- Tom Thornhill

Jake Leininger- EDG, Inc

Felix Hoskins – Honorary Board Member

Christine Lowenberg- LMH Consultant

Jim Woodward – Co-Manager, LIGTT Midstream Holdings

Dave Sherman- Jim Woodworth

George Mueller- Jim Woodworth

The Chairman, Senator Crowe, called the meeting to order at 1:02 pm. A roll call was conducted and a quorum was established – members present listed above. Chairman Crowe acknowledged and welcomed guests- listed above.

Commissioner Crawford moved to accept the minutes of the previous meeting and dispense with the reading of the same. Motion carried unanimously.

Presidents Report:

* Chairman Crowe stated that he has nothing new to report.

Treasurers Report:

* Commissioner Becnel directed the board members to the list of expenditures since the last board meeting provided to them and moved to approve the general operating expenses and other expenses since the last meeting. Motion carried unanimously.
* Commissioner Becnel directed the members to the FY2016 and FY 2017 budgets and as provided in their packets. He explained that we are late in approving and submitting the budgets and opens for any discussion of proposed budgets. No discussion at this time.

 Commissioner Becnel moved to adopt FY2016 Budget. Motion carried unanimously.

 Commissioner Dedner moved to adopt FY2017 Budget. Motion carried unanimously.

* Commissioner Becnel introduced new Accounting Procedures needed to remain in compliance with the LLA and moved to adopt. Motion carried unanimously.
* Commissioner Becnel states that a CPA has been hired as agreed upon by the board to provide proper separation of duties as required by the LLA. The CPA will reconcile the LIGTT Bank Account monthly and handle the quarterly and annual Payroll Liability filings. Commissioner Becnel makes motion to ratify the Executive Boards approval of payment to Kelly Smith, CPA for 1st and 2nd quarter Payroll Liability filings and Chairman Crowe’s signature on the Engagement Agreement with Kelly Smith. Motion carries unanimously.

(Commissioner Lorino enters)

Project Update:

* Jim Woodworth gave an update on the progress made since the last board meeting.

 -Mid-August, a Letter of Intent was given to Larrry Reodel

 -They are currently completing due diligence work for the lender on all 5 verticals; dry bulk, liquid bulk, LNG, container, and landside operations

 -John Graves- Senior Engineering Project Advisor is working on vetting for the lender and expects to have final documents delivered to the lender by Wednesday (September 14, 2016) at the latest

 -They have 3 groups from India and two smaller countries that have reached out to them and continue to express interest in both dry and liquid bulk exports

 -Section 10 Permit is complete which includes the Coastal Use Permit. Work on the liquid bulk vertical is expected to begin first however they are paralleling the efforts on the liquid and dry bulk verticals.

 - Current lender is committing up to 2 billion and the use of bond is not anticipated at this time.

 - They still have two of the largest Commodities Brokers in the world that have expressed interest in partnering with the developer.

* Commissioner Branch questions whether the current financing options are with the same lenders as mentioned in previous board meetings. He also questions financing and construction timelines that have been given in the past. Mr. Woodoworth states that the new lender brings a better deal to the table and though it may be taking longer than previously projected to secure the funding it will be in the best interest of the project. Buckman, Buckman, & Reid and Drexel Hamilton are still available if needed as Broker Dealers but the developer expects to go the direct lender route. Commissioner Branch asks for the name of the strategic partner that will be stepping up to take Tom Thornhills place in the development group as mentioned at the last board meeting. This information is not available due to NDA.
* Mr. Roedel acknowledges that some of the questions raised by Commissioner Branch raise some attorney client privilege communication issues that can be addressed, assuming the board votes to go into Executive Session.
* Commissioner Lorino states that he has concerns about the progress of the project specific to the Jones Act and the changes made to the scope of the project as it has shifted from a container port to dry bulk and LNG. He says that until the Jones Act issues are resolved the project cannot move forward. Mr. Woodworth states that from the developer’s standpoint the solution to the Jones Act issue will be for the ships that go up the river to be built in Louisiana. Captain Lorino states that this issue has been discussed for years and that we do not have enough American bottoms to do it and that in addition to that, a waiver will be needed before anyone will commit to building something and four years to get it done. Commissioner Lorino also raised concerns about liability the LIGTT Authority might have in regards to how the developer raises funding for the project and disperses funds raised.
* Commissioner Gresham echo’s Commissioner Lorino’s concerns and adds that the idea of the Project is interfering with marketing efforts and causing confusion for other Louisiana Ports as they try to negotiate trade. He states that Louisiana has one container port and expressed concerns regarding Union issues that may arise with having another container port.
* Mr. Woodward acknowledges the concerns PONO has with the LIGTT and states that the LIGTT does not intend to compete with other ports for business and is designed to service ships that cannot make it upriver. Mr. Woodworth adds that he hope PONO and the LIGTT can work together.
* Mr. Woodworth states that vetting of the lender is addressing all of the issues that have been presented. He also stated that the development group has asked more than once for a solution that would include signed NDA’s between the board members and the development group that would allow for a better flow of information.
* Commissioner Crawford stated that the LIGTT Authority will not have a liability on any funding secured and or spent by LMH or LIGTT Development Partners.
* Mr. Roedel states that as legal counsel, he cannot advise signing any non-disclosure agreements. Any information shared with the board would be subject to public information requests. What can be done and is being done to a certain degree is that the Development Team and their attorneys can supply Roedel Parsons with information about progress being made.

Roedel Parsons has communicated to the developer several times that the need to confirm signed financial commitment for the project in its entirety and certainly Phase 1 which was publicly announced more than a year ago has moved from important to urgent. A letter of intent has been supplied to the firm to indicate there is a lender who may be willing to commit substantial money to the project. But what has been asked for repeatedly and what was hoped for today would be a signed commitment from a lender to at least cover Phase 1.

Items for discussion:

* Commissioner Becnel makes motion to approve and ratify Contract for Professional Legal Services by Roedel Parsons for July 1, 2016- June 30, 2017; and the Amend the prior Roedel Parsons contract for July 1, 2014-June 30, 2016. Commissioner Lorino questions how these contracts are paid. Commissioner Becnel explains that this and all other expenses of the board are budgeted and paid out of the LIGTT Authority account. The funds in the LIGTT Banking account come for the sub-lease payment the Authority receives monthly from the developer as agreed upon in the development agreement. Commissioner Crowe asks if there are any more questions regarding the matter and there are none. Commissioner Becnel continues with the motion which is seconded by Commissioner Crawford. Motion carried unanimously.
* After discussion of the 2016 AAPA Convention whether or not the expense is in the best interest of the board, Commissioner Becnel recommends the board move forward with joining the AAPA, sponsoring the event, and sending two commissioners to the event. Motion is made by Commissioner Becnel allocate up to $10,000 to join the AAPA ($1,650), Sponsor the AAPA Convention at the Supporter Sponsor level ($5,000), and send two commissioners to participate in the AAPA Convention representing the LIGTT ($1,500 per person). Motion is seconded by Commissioner Westbrook and carries without opposition.

Chairman Crowe encourages the Developer participate in this event as well.

* Board members are reminded of Ethics Training requirements and the December 31, 2016 deadline for completing the training.
* LLA Audit Process is still underway. Board members will be issued a full report once the process is complete.
* Chairman Crowe asks Mr. Roedel to discuss the need for technical consultants and selecting a three member advisory committee to interview and vet applicants. Mr. Roedel states that these two points are premised on financing and can be discussed together. At the point in time that financing is confirmed it will be important for the board to retain a technical consultant so that as the project moves forward we have the expertise available to evaluate designs, specifications, and construction process. Along with that would be the need to appoint an Advisory Committee of something less than a quorum to vet applicants and make recommendations to the board. This is probably premature in that financing has not been confirmed. At the point the financing is confirmed, this will be very important.

Commissioner Becnel raises concerns as to how the board would be able to hire anyone with the current budget and minimal surplus of funds. Chairman Crowe adds that though funds are not available at this time to hire consultants, establishing the Advisory Committee now would allow them to begin working on criteria for vetting applicants so that they are prepared when financing confirmed.

Chairman Crowe makes motion to select a three member Advisory Committee, contingent on securing of funds, to interview, vet, and recommend consultants to the board. Motion carries with no opposition. Commissioners are instructed to contact Crystal if they are interested in serving on the Advisory Committee.

* Protocol for addressing information requests is discussed. In an effort to make sure that information shared is consistent, all requests need to be run by the board. If you are approached with a request, please forward it to Crystal and she will follow up appropriately. We hope to have a standardized presentation available soon that can be distributed to all board members.

Other Items for Discussion:

* Felix “Boopie” Hoskins, Jr. is introduced and presented with a framed certificate acknowledging him being named an Honorary Board Member of the LIGTT Authority.

At 2:04 p.m., pursuant to La R.S. 42:16 and 17 (2), a motion is made by Commissioner Crawford, seconded by Commissioner Becnel to enter into Executive Session.

At 2:33 p.m. regular meeting is called to order. With no other business to come before the board Mr. Roedel states for the record that there were no motions made, no votes taken, no official actions taken in the context of the Executive Session.

Meeting adjourned at 2:35 p.m.

Crystal Hutchinson

Administrative Assistant