COLUMBIA PORT COMMISSION Nov. 17th, 2022 MINUTES

 MEETING:

COMMISSIONERS: DARRON MCGUFFEE, President; Bruce Frazier, Mark McKee, Monty Adams, Jr. DIRECTOR: GREG RICHARDSON

Meeting was called to order by Darron McGuffee, Port President at the Police Jury Meeting Room in the Caldwell Parish Courthouse.

READING OF THE MINUTES, **motion was made by Bruce Frazier, and seconded by Charles Hearns to adopt the minutes**

**Reading Bank Statements, motion was made by Charles Hearns, and seconded by Mark McKee to accept the bank statements motion passed.**

 ITEMS DISCUSSED DURING MEETING Greg informed the Commission of activities since last port meeting:

* Greg informed Commissioner we were not award our PIDP Grant, only 1 grant was awarded in the state and it was awarded to Morgan City. Greg Discussed status of Grants and ongoing activities associated with implementing the awarded grants . Still waiting to hear about the MDPG grant Rural ($30 million) should be awarded before the end of the year.
* Greg informed commissioners of meeting with Bond Attorney on Nov. 2nd and discussed the possibility of borrowing and additional $2.5 million for land purchase and engineering for phase 2 of the FOIK Infrastructure project. Activities associated with requesting a second bond was placed on hold until issue with LGF has been resolved.
* Greg discussed the award of the Project to Progressive Construction and activities associated with getting the project started. The current holdup are the bell south phone line and the Eastside water line must be relocated.
* Greg Informed Commission about upcoming meeting at 1 pm with Union Pacific to discuss railroad crossing.
* Greg informed Commission that ground breaking ceremony would be held on Dec 8,11 am at cottonseed warehouse at the Port.
* Spent significant time discussing LGF interpretation of our Lease. The Port had signed a lease which was revised to incorporate Strategic Biofuels into the document. *Greg relayed his discussion with Bob about $160,000 lease payment to the Port which was due prior to the end of the year for 2023FY. Bob pointed out section 3. Terms/options to extend paragraph b.* The initial term of this lease (being the initial portion of the Full term) shall commence on the effective date hereof and extend for an indefinite period, it being understood by the Parties that the Initial Term shall end on either (1) the last day of the calendar month during which LGF shall achieve “Financial close” indicating commitment to LGF of the necessary financing to initiate and complete construction of the bio-refinery referred to in Paragraph, 1 above, or (2) December 31, 2023, whichever is earlier.

*Our initial lease was signed July and submitted to LaDOTD as part of our grant application. In September bob stated that the lease needs to be revised to supersede the purchase option we had provided Strategic Biofuels. Modifications were made by LGF and reviewed by myself and the Port Attorney and the agreement signed October 4th. The paragraph mentioned above was added in this revised lease. At no time was it discussed that the Port was reducing the payments owed to the port for release of the purchase offer we had given Strategic Biofuels. The Port’s Attorney believe the lease would hold up in court that LGF would be responsible for paying but litigation is not an option at this point.*

***I am responsible for the documents I ask my commissioners to sign and this issue is solely my responsibility. I would like to think this is a communication issue between the parties for which I am to blame and will leave it as such.***

*I informed LGF that the intent of both leases and the work that has been performed on the behalf of LGF was predicated on the Port receiving these funds. LGF was aware of the terms of our Bond and the commitment the Port made to satisfy the debit to the bond commission utilizing LGF lease payment. Greg pointed out that this had to be resolved to ensure the Port’s ability to move the project forward. Bob had been more than agreeable, however at this time LGF has not budgeted the funds to pay within timeframe of the intent of our agreement due to the fact they have not reached FID*.

After additional discussions Greg recommended that the Port Commission waits until December of 2023 to demand payment in accordance with the revised lease, However the Port has the rights granted by the lease to request a letter of Credit to the Port to cover expenses incurred by the Port on behalf of LGF. **Motion was made by Charles Hearns and seconded by Bruce Frazier the LGF provide the Port with a letter of credit to ensure the Port is able to be reimbursed for expenses occurred which are directly related to demands by LGF. Which include Loan interest ($20,000), Lost of farm revenue ($13,000), Engineering ($100,00) motion passed.**

* Motion made by Charles Hearns and seconded by Bruce Frazier to pay all outstanding bills presented to the commissioners motion passed.
* Greg had to leave meeting at 12:45 to go the meeting with Union Pacific.

**Motion was made by Bruce Frazier to adjourn the meeting second by Mark McKee motion passed meeting was adjourned.**