

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, December 21, 2009, in the Board Room of the Port of Lake Charles located at 150 Marine Street, Lake Charles, Louisiana.

In attendance and constituting a quorum, were:

Kay C. Barnett, President
Mark T. Abraham, Vice President
David J. Darbone, Secretary/Treasurer
Harry C. Hank, Assistant Secretary/Treasurer
James L. Herford, Commissioner
Walt M. Sanchez, Commissioner
C. Wade Shaddock, Jr., Commissioner

Absent:

None

Also Present:

R. Adam McBride, Port Director
Richert Self, Director of Administration and Finance
Donald Brinkman, Director of Engineering, Maintenance and Development
Bill Rase, Director of Operations
Derek Schierloh, Marketing Manager
Michelle Bolen, Administrative Assistant

Ms. Barnett called the meeting to order at 5:00 P.M. Mr. Abraham gave the invocation and Mr. Hank led the Board and audience in the Pledge of Allegiance.

Ms. Barnett made a statement reminding the Public of the Port's procedure for the Public to address an agenda item to the Board.

- 1. Approval of the November 23, 2009 Regular Meeting Minutes.

Mr. Sanchez offered a motion to approve the November 23, 2009 Regular Meeting Minutes as written. Mr. Shaddock seconded the motion and it carried unanimously.

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2. Submission 2009 – 072 establishing the Regular Meetings of the Board of Commissioners of Lake Charles Harbor and Terminal District for the calendar year 2010.
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Mr. Herford offered a motion to adopt Resolution 2009 – 072 to establish the Regular Meetings of the Board of Commissioners of Lake Charles Harbor and Terminal District for the calendar year 2010. Mr. Hank seconded the motion and it carried unanimously.

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3. Submission 2009 – 073 authorizing attendance of Board Commissioners at the annual Washington Economic Development Conference being held January 21 – 24, 2010.
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Mr. Shaddock offered a motion to adopt Resolution 2009 – 073 to authorize the attendance of Board Commissioners at the annual Washington Economic Development Conference being held January 21 – 24, 2010. Mr. Sanchez seconded the motion and it carried unanimously.

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4. Submission 2009 – 074 accepting the lowest responsive bid of L.M. Daigle Oil Distributors, LLC. to supply motor fuel.
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Mr. Darbone offered a motion to adopt Resolution 2009 – 074 to accept the lowest responsive bid of L.M. Daigle Oil Distributors, LLC. to supply motor fuel. Mr. Hank seconded the motion and it carried unanimously.

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5. Submission 2009 – 075 authorizing the Port to fund the repair and replacement of a railroad crossing cabinet damaged by *Hurricane Ike*.
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Mr. Sanchez offered a motion to adopt Resolution 2009 – 075 to authorize the Port to fund the repair and replacement of a railroad crossing cabinet damaged by *Hurricane Ike*. Mr. Herford seconded the motion and it carried unanimously.

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6. Submission 2009 – 076 authorizing a Joint Services Agreement with the City of Sulphur, Louisiana.
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Mr. Shaddock offered a motion to adopt Resolution 2009 – 076 to authorize a Joint Services Agreement Services Agreement with the City of Sulphur, Louisiana. Mr. Darbone seconded the motion and it carried unanimously.

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7. Submission 2009 – 077 authorizing the entering into of amendments to the Lease Agreement and Ground Lease relating to the \$35,000,000, Lake Charles Harbor and Terminal District Variable Rate Dock and Wharf Revenue Bonds.
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Mr. Hank offered a motion to adopt Resolution 2009 – 077 to authorize the entering into of amendments to the Lease Agreement and Ground Lease relating to the \$35,000,000, Lake Charles Harbor and Terminal District Variable Rate Dock and Wharf Revenue Bonds. Mr. Herford seconded the motion and it carried unanimously.

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8. Submission 2009 – 078 approving a stevedore license for James J. Flanagan Shipping Corporation, Lake Charles Stevedores, LLC. and Empire Stevedoring (LA) Inc.
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Mr. Herford offered a motion to adopt Resolution 2009 – 078 to approve a stevedore license for James J. Flanagan Shipping Corporation, Lake Charles Stevedores, LLC. and Empire Stevedoring (LA) Inc. Mr. Darbone seconded the motion and it carried unanimously.

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9. Submission 2009 – 079 approving revisions to the District's Tariff No. 012.
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Ms. Barnett asked Mr. Tom Flanagan of James J. Flanagan Shipping Corporation to address the Board concerning the rate changes in the Tariff.

Mr. Flanagan stated that 2009 was a tougher and more competitive year than 2008. They lowered their rates mid year and foresee doing that in 2010. He said the truck fee is billed to them. He said no one really spoke to him about the changes and only found out about them last Friday before this Board meeting. He would like the opportunity to talk about it. The rice industry, in anticipation of hearing from them, sent letters expressing their concern as well. He urged caution and deliberation on the issue since everyone is having a hard time right now.

Mr. McBride stated staff announced the rate adjustments at the November Board meeting and a complete document was made available on November 25, 2009 to J. J. Flanagan and Lake Charles Stevedores by mail. It was also on the Port's website. He stated they should have had the information over the last month. He does regret though if somehow they did not obtain the information until last Friday because it was sent out almost four weeks ago to both locations.

Mr. Flanagan stated he thought he was at the last meeting and knew there were some changes but did not know there would be a 25% increase on a key item at one time. He did not know about that. However, if Mr. McBride said he sent the information, he was sure he did but he was not aware of it.

Mr. Flanagan asked the Board to consider holding off on the rate adjustments.

Mr. Shaddock offered a motion to adopt Resolution 2009 – 079 to approve revisions to the District's Tariff No. 012. Mr. Sanchez seconded the motion and it carried unanimously.

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- 10. Submission 2009 – 080 authorizing a Memorandum of Understanding with the Governor's Office of Homeland Security and Emergency Preparedness.
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Mr. Darbone offered a motion to adopt Resolution 2009 – 080 to authorize a Memorandum of Understanding with the Governor's Office of Homeland Security and Emergency Preparedness. Mr. Hank seconded the motion and it carried unanimously.

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- 11. Submission 2009 – 081 authorizing the execution of a Partial Proof of Loss, Addendum to Partial Proof of Loss and Payment Authority to Lloyds of London for damages resulting from *Hurricane Ike*.
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Mr. Abraham offered a motion to adopt Resolution 2009 – 081 to authorize the execution of a Partial Proof of Loss, Addendum to Partial Proof of Loss and Payment Authority to Lloyds of London for damages resulting from *Hurricane Ike*. Mr. Darbone seconded the motion and it carried unanimously.

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- 12. Administrative, Audit and Personnel Committee
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Mr. Hank stated the Committee met on December 9, 2009. The purpose of the meeting was to finalize the General Counsel's annual performance evaluation. Mr. Hank offered a motion to approve Resolution 2009 - 082 to recommend to the Board to accept the evaluation rating of 4.53 out of a 5 point scale for the year 2009, to approve a 2.5% salary adjustment increase beginning January 1, 2010 and to approve the General Counsel receive the same

retention payment as the other Senior management receive. Being a Committee recommendation no second to the motion is needed. The motion carried unanimously.

Mr. Hank also stated the Committee met December 15, 2009 to discuss the District's 2010 Operating, Non-Operating and Capital Budgets. Mr. Hank asked Mr. Richert Self to present the District's budget to the full Board at the December 21, 2009 Board meeting.

Mr. Hank asked Mr. Self to present the budget.

Mr. Self addressed the Board and presented the District's 2010 Operating, Non-Operating and Capital Budgets. Mr. Hank offered a motion to adopt Resolution 2009 – 083 to approve the 2010 Operating, Non-Operating and Capital Budgets for the Lake Charles Harbor and Terminal District. Being a Committee meeting no second to the motion is needed. The motion carried unanimously.

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- 8. Monthly Staff report from General Counsel.
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The General Counsel's Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

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- 9. 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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- 10. Monthly Staff report from Director of Navigation and Security.
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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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- 11. Monthly Staff report from Director of Terminal Operations.
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The Director of Terminal Operations' Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

- 12. 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.

- 13. Monthly Staff report from Director of Engineering, Maintenance, and Development.

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

- 14. 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.

- 15. Monthly Staff report from the National Port Lobbyist.

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

Ms. Barnett stated there was one matter to discuss before entering into Executive Session. Consideration an appropriate action is to be taken on an amendment of a lease with Lake Charles Cogen. This item requires a unanimous vote from the Board on order to be added to the agenda. Mr. Shaddock offered a motion to add Resolution 2009 – 084 to authorize the entering into of an agreement amending the current lease with Lake Charles Cogen, LLC. Mr. Herford seconded the motion and it carried unanimously. The Lake Charles Cogen item was added to the agenda.

Mr. Darbone offered a motion to adopt Resolution 2009 – 084 to authorize the entering into of an agreement amending the current lease with Lake Charles Cogen, LLC. Mr. Sanchez seconded the motion and it carried unanimously.

Ms. Barnett asked Mr. Cliff Kerr of Lake Charles Cogen, LLC. to address the Board. Mr. Kerr stated they appreciated the Board's cooperation on the amendment and look forward to concluding all agreements with the other companies. They hope to start clearing the site on

January 11, 2010. It will take approximately six months to clear and fill the property before they can start construction.

16. Executive Session.

- a. West Cameron Port Authority Litigation
- b. Discussion of Potential Litigation with F. Miller and Sons, LLC., et al

Mr. Sanchez offered a motion to enter into Executive Session. Mr. Hank seconded the motion and it carried unanimously. The Board entered into Executive Session at 5:53 p.m.

The Board returned from Executive Session at 6:23 p.m. Ms. Barnett stated no action was taken in Executive Session.

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

There being no further business to come before the Board, on a motion made by Mr. Abraham seconded by Mr. Herford and approved unanimously among those present the meeting adjourned.

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.

Kay C. Barnett, President

ATTEST:

David J. Darbone, Secretary/ Treasurer