

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, February 22, 2010, 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
Michael K. Dees, General Counsel
Richert Self, Director of Administration and Finance
Donald Brinkman, Director of Engineering, Maintenance and Development
Bill Rase, Director of Operations
Dan Loughney, Director of Sales and Marketing
Michelle Bolen, Administrative Assistant

Ms. Barnett called the meeting to order at 5:00 P.M. Mr. Abraham gave the invocation and Mr. Sanchez 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.

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1. Approval of the January 25, 2010 Regular Meeting Minutes and the January 27, 2010 Special Meeting Minutes.
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Mr. Sanchez offered a motion to approve the January 25, 2010 Regular Meeting Minutes and January 27, 2010 Special Meeting Minutes as written. Mr. Darbone seconded the motion and it carried unanimously.

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2. Submission 2010 – 003 approving the purchase of one new Caterpillar 939HST with attachments.
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Mr. Darbone offered a motion to adopt Resolution 2010 – 003 to approve the purchase of one new Caterpillar 939HST with attachments. Mr. Hank seconded the motion and it carried unanimously.

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3. Submission 2010 – 004 approving the lowest responsive bid of Alfred Palma, LLC. in the amount of \$1,302,800.00 with a contingency of \$250,000.00 for the Shop and Office facilities at BT-1.
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Mr. Darbone offered a motion to adopt Resolution 2010 – 004 to approve the lowest responsive bid of Alfred Palma, LLC. in the amount of \$1,302,800.00 with a contingency of \$250,000.00 for the Shop and Office facilities at BT-1. Mr. Sanchez seconded the motion and it carried unanimously.

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4. Submission 2010 – 005 authorizing a change order for water tower inspection services with Corrpro, Inc.
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Mr. Abraham offered a motion to adopt Resolution 2010 – 005 to authorize a change order for water tower inspection services with Corrpro, Inc. Mr. Herford seconded the motion and it carried unanimously.

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5. Submission 2010 – 006 authorizing a lease agreement with Francis Drilling Fluids, Ltd. and any other related agreement in connection therewith.
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Mr. Hank offered a motion to adopt Resolution 2010 – 006 to authorize a lease agreement with Francis Drilling Fluids, Ltd. and any other related agreement in connection therewith. Mr. Sanchez seconded the motion and it carried unanimously.

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- 6. Submission 2010 – 007 authorizing the execution of a Second Supplemental Trust Indenture with respect to the Issuance of \$1,000,000,000 Lake Charles Harbor and Terminal District Revenue Bonds.
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Mr. Shaddock offered a motion to adopt Resolution 2010 – 007 to authorize the execution of a Second Supplemental Trust Indenture with respect to the Issuance of \$1,000,000,000 Lake Charles Harbor and Terminal District Revenue Bonds. Mr. Darbone seconded the motion and it carried unanimously.

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- 7. Administrative, Audit and Personnel Committee
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The Committee met February 22, 2010 in Executive Session to discuss the Port Director vacancy.

Mr. Hank offered Resolution 2010 – 010 to immediately advertise for the position of Port Director and accept applications until March 22, 2010 based on the same criteria as previously advertised from Resolution 2009 – 068 approved at the October 22, 2009 Regular Board meeting. Being a Committee recommendation no second to the motion is needed.

Ms. Barnett recognized Mr. Hillery Langley to address the Board. Mr. Langley, President ILA Local 1998, stated he wanted to let the Board know he thinks Bill Rase does an excellent job and to have them consider the inside employees as well as outside candidates. He would carry on the great job Adam has done.

Being a Committee nomination, no second to the motion is needed. The Board voted as below:

	<u>YEAS</u>	<u>NAYS</u>
Kay C. Barnett	Does Not Vote (Unless in a tie)	
Mark T. Abraham	X	
David J. Darbone	X	
Harry C. Hank	X	
James L. Herford		X
Water M. Sanchez	X	
C. Wade Shaddock	X	

The motion carried with five (5) yeas and one (1) nay.

Mr. Hank also offered Resolution 2010 – 008 to approve Mr. Michael K. Dees, General Counsel, as Interim Port Director effective March 6, 2010, with full authority allowed by law to operate the Port and with the powers and authorizes previously delegated and granted to the Port Director by the Board or to be delegated in the future. Being a Committee motion, no second is needed.

Mr. Dees addressed the Board. He stated he was honored they chose him to act as Interim Port Director and thanked the Board for their confidence in his abilities. He has no desire to be the Port Director but wants to help in any capacity he can.

Mr. Sanchez stated it was important to put someone in the Interim Port Director position who does not want the job and it sends a message to everyone in the Port and any potential candidates outside the area who apply that everyone would have an equal shot and no one would be given a particular advantage for the position.

Mr. Abraham stated he had spoken to Mr. Dees about how he did not want anymore money for taking on the added responsibility. He stated this showed what kind of character Mr. Dees has.

The motion carried unanimously.

Mr. Hank stated there is one more item which is not from the Committee meeting. He transferred the meeting back to President Kay C. Barnett who read Resolution 2010 – 009 recognizing R. Adam McBride for his service to the District and the community as Port Director of the Lake Charles Harbor and Terminal District. Ms. Barnett asked for a motion and second for Resolution 2010 – 009. Mr. Hank offered a motion to adopt Resolution 2010 – 009 recognizing R. Adam McBride for his service to the District and community as Port Director of the Lake Charles Harbor and Terminal District. Mr. Sanchez seconded the motion and it carried unanimously.

Each Board member gave their thanks and appreciation to Mr. McBride for a job well done and to his dedication to the Port.

Mr. McBride thanked the Board and members of the staff for their trust and assistance through the last seven years to make the Port a more productive entity.

8. Port Director Quarterly Expenses Briefing Note.

The Briefing Note on the Port Director’s Quarterly Expenses was rendered to the Board and is on file in the Executive Offices.

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9. Housekeeping and Maintenance concerning Bagged Cargo at City Docks Briefing Note.
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The Briefing Note on the Housekeeping and Maintenance concerning Bagged Cargo at City Docks was rendered to the Board and is on file in the Executive Offices.

Ms. Barnett recognized Mr. Tom Flanagan, J. J. Flanagan Shipping Company, to address the Board. Mr. Flanagan stated they are fully aware of the problems mentioned by the Port Director and are trying to address the incidents as best they could and hope to correct any problems.

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10. Impact of Announced Federal Budget Reductions Briefing Note.
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The Briefing Note on the Impact of Announced Federal Budget Reductions was rendered to the Board and is on file in the Executive Offices.

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11. Bagged Cargo Operations at City Docks Briefing Note.
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The Briefing Note on the Bagged Cargo Operations at City Docks was rendered to the Board and is on file in the Executive Offices.

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12. January Financials Briefing Note.
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The Briefing Note on the District's January Financials was rendered to the Board and is on file in the Executive Offices.

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13. 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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14. 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.

- 15. Monthly Staff report from Director of Navigation and Security.

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

- 16. Monthly Staff report from Director of Terminal Operations.

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

Mr. Barnett stated she wanted to recognize Mr. Bill Rase for his hard work to get the Francis Drilling negotiations worked out.

- 17. 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.

- 18. 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.

- 19. 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.

- 20. 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.

21. Executive Session.

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

Ms. Barnett stated the Board would not need to meet in Executive Session.

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

There being no further business to come before the Board, Ms. Barnett asked for a motion to adjourn. Mr. Herford offered a motion to adjourn. Mr. Hank seconded the motion and it carried unanimously.

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