

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, January 26, 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:

Harry C. Hank, President  
Kay C. Barnett, Vice President  
David J. Darbone, Commissioner  
Fred R. Godwin, Commissioner  
C. Wade Shaddock, Jr., Commissioner

Absent:

Stephen L. Hebert, Assistant Secretary/Treasurer  
Mark T. Abraham, Secretary/Treasurer

Also Present:

R. Adam McBride, Port Director  
Michael Dees, General Counsel  
Richert Self, Director of Administration and Finance

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

Mr. Hank 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 December 19, 2008 and December 26, 2008 Special Meeting Minutes.
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Mr. Shaddock offered a motion to approve the December 19, 2008 and the December 26, 2008 Special Meeting Minutes as written. Ms. Barnett seconded the motion and it carried unanimously.

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2. Submission 2009 – 001 authorizing attendance of Commissioners to attend the Washington Economic Development Conference in Washington, DC.
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Ms. Barnett offered a motion to adopt Resolution 2009 – 001 to authorize attendance of Commissioners Harry C. Hank, David J. Darbone and Fred R. Godwin to attend the Washington Economic Development Conference in Washington, DC from January 28 – February 1, 2009. Mr. Shaddock seconded the motion and it carried unanimously.

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3. Submission 2009 – 002 left intentionally blank.
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This submission was deleted from the agenda before the Regular Board meeting.

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4. Submission 2009 – 003 accepting the lowest responsive bid of Scott-Macon Equipment Louisiana, Inc. in the amount of \$124,868.20 for a new carry deck crane.
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Mr. Darbone offered a motion to adopt Resolution accept the lowest responsive bid of Scott-Macon Equipment Louisiana, Inc. in the amount of \$124,868.20 for a new carry deck crane. Mr. Shaddock seconded the motion and it carried unanimously.

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5. Submission 2009 – 004 accepting the lowest responsive bid of Alfred Palma, LLC. In the amount of \$1,101,800.00 for the Bulk Terminal No. 1 Conveyor System.
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Mr. Godwin offered a motion to adopt Resolution to accept the lowest responsive bid of Alfred Palma, LLC, in the amount of \$1,101,800.00 for the Bulk Terminal No. 1 Conveyor System. Ms. Barnett seconded the motion and it carried unanimously.

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6. Submission 2009 – 005 accepting the lowest responsive bid of Horsley Specialties, Inc. in the amount of \$2,189,801 for the disposal of dirt at BT-1.
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Mr. Darbone stated there was some confusion regarding the specifications on bidding on yardage versus tonnage and asked if there was a conversion rate to change from yardage to tonnage. Mr. McBride replied the specifications stated the bid should be per yard. No conversion rate was used.

Mr. Darbone asked if the specifications required the winning bidder to use a Louisiana DEQ licensed facility and if the winning company would be hauling the dirt to Texas. Mr. McBride said the company must meet Louisiana State DEQ rules for transportation of hazardous material and it must deliver the dirt to a Type I or Type II disposal area within Texas or Louisiana. The tonnage price is typically used for transportation of the dirt.

Mr. Darbone stated that when they use district funds if they could consider using sites locally. Mr. McBride stated that Horsley Inc. does operate in Lake Charles. Their corporate office is in South Dakota but the employees working on the project would be local.

Mr. Darbone asked how the Port ensures the winning bid is for the amount specified. What happens if it is more dirt than what was calculated? Will there be another change order?

Mr. McBride stated there will be a change order if there is a change of volume that exceeds the original bid and that would be for whoever won the contract. The calculation on the amount of dirt was based on a topographical survey but there will be a specified rate for an overage.

Mr. Darbone stated he initially thought this was a low bid or a professional service bid but that is not the case. Mr. McBride stated this fell under the category of an Environmental Services bid in which the Commissioners can select on the basis they feel appropriate.

Mr. Darbone noted that the DBE started January 1, 2009 and the bid for the dirt work was December 31, 2008. The DBE groups missed the bid by one day.

Mr. Dees explained the differences between the low bid laws.

Mr. Hank recognized Mr. Mitch Darbonne of Horsley Specialties, Inc. to address the Board. Mr. Darbonne stated he had spoken with Waste Management and they had two sites – one in Newton, TX and one in Carlyss, LA. He has since found out there is another site north of Oakdale, LA. They will be transporting the dirt to a Louisiana landfill.

Mr. Shaddock agreed with the philosophy of Mr. Darbone regarding giving credit to DBE's and to local people but should approve Horsley Specialties for this project.

Mr. Shaddock offered a motion to adopt Resolution 2009 – 005 to accept the lowest responsive bid of Horsley Specialties, Inc. in the amount of \$2,189,801.00 for the disposal of dirt at BT-1. Ms. Barnett seconded the motion and it carried unanimously.

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- 7. Submission 2009 – 006 accepting the lowest responsive bid of Purvis Industries in the amount of \$176,893.00 for new conveyor belting at BT-1.
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Mr. Godwin offered a motion to adopt Resolution 2009 – 006 to accept the lowest responsive bid of Purvis Industries in the amount of \$176,893.00 for new conveyor belting at BT-1. Mr. Darbone seconded the motion and it carried unanimously.

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- 8. Submission 2009 – 007 amending Resolution 2008 – 103 to authorize the incurring debt and issuance of not exceeding \$166,000 of Lake Charles Harbor and Terminal District Certificates of Indebtedness.
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Mr. Godwin offered a motion to adopt Resolution 2009 – 007 to amend Resolution 2008 – 103 to authorize the incurring debt and issuance of not exceeding \$166,000 of Lake Charles Harbor and Terminal District Certificates of Indebtedness. Mr. Shaddock seconded the motion and it carried unanimously.

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- 9. Submission 2009 – 009 declaring the need to expropriate a tract of property owned by the Witler heirs located within the publicly dedicated right-away of Joe LeDoux Road running south of Lincoln Road.
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Mr. Godwin offered a motion to adopt Resolution 2009 – 009 to declare the need to expropriate a tract of property owned by the Witler heirs located within the publicly dedicated right-away of Joe LeDoux Road running south of Lincoln Road. Mr. Darbone seconded the motion and it carried unanimously. Mr. Hank voted on this motion as a 2/3rds majority was required.

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- 10. Administration, Personnel and Audit Committee
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The Administration, Personnel and Audit Committee met on January 21, 2009 to discuss the District Employee Handbook. The Committee reviews the changes made in the handbook every two years.

Two changes were made to the Handbook.

The first change was to the employee probationary period. It now requires a mandatory 12 months before an employee can become permanent.

The second change was to the District Travel and Hospitality Policy regarding compliance with the Internal Revenue Service per diem rates.

One other change was brought up at the meeting. Mr. McBride stated he would like a change to the District Travel and Hospitality Policy’s Schedule “B” to state the following:

“Once per year, the Port Director, in consultation with the Board President, shall prepare a list of the expected trade educational and industry conferences or seminars, which may be of benefit to Board members in the following year. Every Board member shall have at least one opportunity to participate in a trade, educational, or industry event from the prepared list each year.”

Ms. Barnett offered a motion to adopt Resolution 2009 – 008 to approve the revisions to the District Employee Handbook. Being a Committee recommendation, no second to the motion is needed. The motion passed unanimously.

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- 11. Port Director quarterly hospitality expenses ending December 31, 2008.
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The briefing note on the Port Director’s quarterly hospitality expenses ending December 31, 2008 was rendered to the Board and is on file in the Executive Offices.

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- 12. Gov. Deals Auction Site Briefing Note.
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The briefing note on Government Deals Auction Site was rendered to the Board and is on file in the Executive Offices.

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- 13. Disadvantaged Business Enterprises (DBE) Goals Briefing Note.
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The briefing note on the Disadvantaged Business Enterprises (DBE) was rendered to the Board and is on file in the Executive Offices.

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- 14. December 2008 Financials Briefing Note.
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The briefing note on the December 2008 Financials was rendered to the Board and is on file in the Executive Offices.

- 15. 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.

- 16. 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.

- 17. 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.

- 18. 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.

- 19. Monthly Staff report from Director of Marketing and Trade  
Development.  
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The Director of Marketing and Trade Development's Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

Mr. Hank commented on the USDA PL-480 cargo the Port received on Solicitation 128 and commended the Marketing Department for their efforts.

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

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

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

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

Mr. Hank stated there would be no Executive Session.

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24. 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 Mr. Godwin seconded by Ms. Barnett 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.

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H. C. Hank, President

ATTEST:

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Mark T. Abraham, Secretary/ Treasurer