

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, June 23, 2008, 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:

David J. Darbone, President
Harry C. Hank, Vice President
Stephen L. Hebert, Secretary/Treasurer
Mark T. Abraham, Commissioner
Fred R. Godwin, Commissioner
C. Wade Shaddock, Jr., Commissioner

Absent:

Kay C. Barnett, Assistant Secretary/Treasurer

Also Present:

R. Adam McBride, Port Director
Mike Dees, General Counsel
Dan Loughney, Director of Marketing and Trade Development
Channing Hayden, Director of Navigation/Security
Lisa Talbot, Accounting Manager
Michelle Bolen, Administrative Assistant

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

Mr. Darbone 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 May 27, 2008 Regular Meeting Minutes and the June 5, 2008 Special Meeting Minutes.
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Mr. Godwin offered a motion to approve the May 27, 2008 Regular Meeting Minutes and the June 5, 2008 Special Meeting Minutes as written. Mr. Hank seconded the motion and it carried unanimously.

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2. Submission 2008 – 040 approving the Board of Commissioners election of officers for the year July 1, 2008 – July 1, 2009.
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Mr. Shaddock offered a motion to adopt Resolution 2008 – 040 to approve the nominations of Mr. Harry C. Hank as President, Ms. Kay C. Barnett as Vice President, Mr. Mark T. Abraham as Secretary/Treasurer and Mr. Stephen L. Hebert as Assistant Secretary/Treasurer as officers of the Board of Commissioners for the year July 1, 2008 – July 12, 2009. Mr. Godwin seconded the motion and it carried unanimously

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3. Submission 2008 – 041 approving the *American Press* as the District's Official Journal.
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Mr. Hebert offered a motion to adopt Resolution 2008 – 041 to approve the American Press as the District's Official Journal. Mr. Shaddock seconded the motion and it carried unanimously.

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4. Submission 2008 – 042 authorizing an Amendment to Agreement for Stevedores Services with Lake Charles Stevedores, Inc.
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Mr. McBride stated to the Board that he wished to defer this submission until the July Board meeting so he could confer with Mr. Tom Flanagan regarding this issue.

Mr. Godwin offered a motion to defer the Amendment to Agreement for Stevedores Services until the July Regular Board meeting. Mr. Shaddock seconded the motion and it carried unanimously.

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5. Submission 2008 – 043 accepting the lowest responsive bid for a new hydraulic material handler.
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Mr. Godwin offered a motion to adopt Resolution 2008 – 043 to accept the lowest responsive bid from Heavy Machines, Inc. in the amount of \$755,000 for a new hydraulic material handler. Mr. Hebert seconded the motion and it carried unanimously.

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6. Submission 2008 – 044 appointing R. Adam McBride and Richert L. Self as authorized representatives of the Lake Charles Harbor and Terminal District with regard to the bond indenture.
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Mr. Hank offered a motion to adopt Resolution 2008 – 044 to appoint R. Adam McBride and Richert L. Self as authorized representatives of the Lake Charles Harbor and Terminal District with regard to the bond indenture. Mr. Abraham seconded the motion and it carried unanimously.

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9. Administration, Personnel and Audit Committee
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The Administration, Personnel and Audit Committee met on June 16, 2008 to discuss the audited financials as of and for the year ended December 31, 2007.

Mr. Jason Guillory, McElroy, Quirk and Burch, APC addressed the Board stating the District’s audit report received and unqualified rating and the financial statements were in their opinion stated fairly.

Ms. Barnett offered a motion to adopt Resolution 2008 – 038 to approve the audited financials as of and for the year ended December 31, 2007. Being a Committee nomination, no second to the motion is required. The motion passed unanimously.

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

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11. Channel Dredging: Landowner Issues Briefing Note.
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The Briefing Note regarding the Channel Dredging Landowner Issues was rendered to the Board and is on file in the Executive Offices.

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12. April 2008 Financials Briefing Note.
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The Briefing Note regarding the 2008 Forecast 1 Financials was rendered to the Board and is on file in the Executive Offices.

13. Lake Charles Stevedores Presentation.

Mr. Tom Flanagan, President, James J. Flanagan Shipping Corporation, addressed the Board. He gave the Board a report of activities occurring with Gearbulk and all of the other positive things happening at the Port.

Mr. Darbone thanked him for giving a positive report.

Mr. Abraham commended Mr. Flanagan and the ILA for working together, even getting outside help, to make gangs and encouraged them to continue to keep up the "team effort".

Mr. Flanagan stated he did want to clear an issue with the Board. He stated that when he called the stevedoring company to sublet the business from them, they told him the Port had solicited the cargo. He has since been informed that was not true. He wanted to make sure the Board knew he did not say that but that he was told that by the other company.

Mr. McBride stated staff is currently collecting the tariff stipulations that exist in a wide range of gulf ports with respect to the issuance of stevedoring permits in order that he can advise the Board in some reasonable period of time on what the standards are and how they are applied. The Port's tariff requires the issuances of three types of permits: stevedoring, agency and tug boat. They are looking specifically at stevedoring permits. In the next month or two staff will be able to advise the Board on what steps are recommended. However, in the mean time staff would like to know what the status is for any other stevedoring permits that are submitted.

Mr. Darbone stated the Board needed to review the tariff and called for a motion to suspend issuing permits during this review period of the tariff.

Mr. Abraham offered a motion to put a moratorium to not issue a stevedoring permit for 90 days to new stevedore companies until the tariff is reviewed. Ms. Barnett seconded the motion and it carried unanimously.

14. Monthly Staff report from General Counsel.

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

15. Monthly Staff report from Director of Administration and Finance.

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

- 16. 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.

- 17. 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.

- 18. 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.

- 19. 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.

- 20. 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.

- 21. 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.

22. Executive Session.

- a. West Cameron Port Authority Litigation
- b. Discussion of Potential Litigation with F. Miller and Sons, LLC., et al
- c. Discussion of threatened litigation concerning Disposal Area 16N and other property acquisitions

Mr. Darbone asked for a motion to enter into Executive Session. Mr. Hank offered a motion to enter into Executive Session. Mr. Godwin seconded the motion and it carried unanimously. The Board entered into Executive Session at 5:55 p.m.

The Board returned from Executive Session at 6:47 p.m.

No action was taken.

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

There being no further business to come before the Board, on a motion made by Ms. Barnett seconded by Mr. Shaddock and approved unanimously among those present the meeting resumed regular session and adjourned at 6:48 p.m.

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.

David J. Darbone, President

ATTEST:

Stephen L. Hebert, Secretary/ Treasurer