

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, July 28, 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:

- Harry C. Hank, President
- Kay C. Barnett, Vice President
- Stephen L. Hebert, Assistant Secretary/Treasurer
- David J. Darbone, Commissioner
- Fred R. Godwin, Commissioner
- C. Wade Shaddock, Jr., Commissioner

Absent:

- Mark T. Abraham

Also Present:

- R. Adam McBride, Port Director
- Mike Dees, General Counsel
- Bill Rase, Director of Operations
- Donald Brinkman, Director of Engineering, Maintenance and Development
- Dan Loughney, Director of Marketing and Trade Development
- Channing Hayden, Director of Navigation/Security
- Richert Self, Director of Administration and Finance
- Michelle Bolen, Administrative Assistant

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

Mr. Hank recognized Mr. Hillery Langley and Mr. Lash Chretien to address the Board. Mr. Langley stated that in recognition of the hard work the Board has done they wanted to present a clock to the Board from the ILA. The clock states "Partnership for Progress" and the ILA stated they could not have a better partner. This shows how appreciative the ILA is of the Board's hard work. Mr. Hank thanked Mr. Langley and the ILA.

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1. Approval of the June 23, 2008 Regular Meeting Minutes.
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Mr. Godwin offered a motion to approve the June 23, 2008 Regular Meeting Minutes and the June 5, 2008 Special Meeting Minutes as written. Mr. Shaddock seconded the motion and it carried unanimously.

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- 2. Submission 2008 – 045 approving and levying for the tax year 2008 an ad valorem millage rate of 2.60 mills.
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Mr. Darbone offered a motion to adopt Resolution 2008 – 045 to approve and levy for the tax year 2008 an ad valorem millage rate of 2.60 mills. Ms. Barnett seconded the motion and it carried unanimously.

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- 3. Submission 2008 – 046 authorizing the Lake Charles Harbor and Terminal District to contract with USA Environmental for Naturally Occurring Radioactive Material (NORM) mitigation measures for the Westlake property.
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Mr. Hebert offered a motion to adopt Resolution 2008 – 046 to authorize the Lake Charles Harbor and Terminal District to contract with USA Environmental for Naturally Occurring Radioactive Material (NORM) mitigation measures for the Westlake property. Mr. Darbone seconded the motion and it carried unanimously.

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- 4. Submission 2008 – 047 authorizing the Port Director to enter into an agreement with the State of Louisiana, Department of Transportation and Development, Port Priority Division for assistance in the implementation of port security enhancements.
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Mr. McBride stated to the Board that he wished to defer this submission until the August Board meeting.

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- 5. Submission 2008 – 048 authorizing an Agreement to Purchase or Sell (vacant land) with Gloria Dean Booth, et al.
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Mr. Darbone offered a motion to adopt Resolution 2008 – 048 to authorize an Agreement to Purchase or Sell (vacant land) with Gloria Dean Booth, et al. Mr. Hebert seconded the motion and it carried unanimously.

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6. Submission 2008 – 049 authorizing an Agreement to Purchase and Sell with J1B2 West River, L.L.C.
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Mr. Shaddock offered a motion to adopt Resolution 2008 – 049 to authorize an Agreement to Purchase and Sell with J1B2 West River, L.L.C. Mr. Godwin seconded the motion and it carried unanimously.

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7. Submission 2008 – 050 authorizing a Cooperative Endeavor Agreement with the Chamber Southwest Louisiana and the Southwest Louisiana Economic Development Alliance.
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Mr. Shaddock offered a motion to adopt Resolution 2008 – 050 to authorize a Cooperative Endeavor Agreement with the Chamber Southwest Louisiana and the Southwest Louisiana Economic Development Alliance. Mr. Darbone seconded the motion and it carried unanimously.

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8. Submission 2008 – 051 approving the republishing an implementation of the amended District Tariff No. 012.
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Mr. Hank recognized Mr. Tom Flanagan to address the Board. Mr. Flanagan stated he wanted to make a few comments for their consideration. At the last Board meeting there was discussion brought forth concerning the difference between agency and stevedoring requirements in the Port. He felt that there was at least some consideration of that. His company is both an agency and stevedore. As such they have to comply with both. There are good reasons to consider things such as financials, insurance and safety. A stevedoring operation is a huge exposure to the Port – financially and to the shipping community. There was a company a few months ago that was given a permit that went bankrupt and brought down a small fuel supplier. It defrauded the union pension fund over \$180,000 and could not make payroll and did not have insurance or a safety plan. There are a lot of things on the agency side of it although somewhat onerous at times for them to comply with but he thinks it deserves some consideration.

He is asking that the Board fully consider this in their decision.

After much discussion, Mr. Godwin offered a motion to adopt Resolution 2008 – 051 to approve the republishing an implementation of the amended District Tariff No. 012. Mr. Shaddock seconded the motion.

Ms. Barnet, Mr. Darbone and Mr. Hebert expressed their desire to wait until they had more information before they would vote for the changes. They wanted to keep the moratorium in place until more information was available to them.

The motion did not pass. The voting result was as follows:

Ms. Barnett	No
Mr. Darbone	No
Mr. Hebert	No
Mr. Godwin	Yes
Mr. Shaddock	Yes

Mr. Hank did not vote as it would have resulted in a tie vote.

Mr. McBride asked the Board what instructions should be taken by him since the Resolution did not pass.

The Board agreed to extend the Moratorium on stevedoring permits to its full 90-day maximum and return at the August Regular meeting.

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9. Submission 2008 – 053 authorizing an Amendment to Agreement for Stevedore Services with Lake Charles Stevedores, Inc.

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Mr. Godwin offered a motion to adopt Resolution 2008 – 053 to authorize an Amendment to Agreement for Stevedore Services with Lake Charles Stevedores, Inc. Mr. Godwin seconded the motion and it carried unanimously.

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10. Administration, Personnel and Audit Committee

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The Administration, Personnel and Audit Committee met in Executive Session on July 8, 2008 to discuss the Port Director evaluation, contract and retention.

Ms. Barnett offered a motion to adopt Resolution 2008 – 052 to recommend to the Board to adopt the Port Director’s evaluation as meeting all of the requirements of the statutory obligations and receiving a rating of 4.08 out of 5 on his 360 degree evaluation and to recommend the to the Board to approve that the current Port Director’s contract be replaced with a new contract for 3 years retroactive to July 1, 2008 and that the stated beginning salary will be \$208,700. Being a Committee recommendation, no second to the motion is needed. The motion carried unanimously.

The Administration, Personnel and Audit Committee also met on July 23, 2008 to discuss the District’s Banking Services Agreement and the Forecast II.

Ms. Barnett offered a motion to adopt Resolution 2008 – 054 to authorize the extension of the Banking Services Agreement to Capital One, N.A. for a three-year period ending on

December 31, 2011. Being a Committee recommendation, no second to the motion is needed. The motion carried unanimously.

The Committee discussed the Forecast II which was explained in more detail in the Forecast II Briefing Note.

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11. City Dock Cargo Briefing Note.  
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The Briefing Note regarding City Dock Cargo was rendered to the Board and is on file in the Executive Offices.

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

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

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14. 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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15. 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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16. 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.

- 17. 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.

- 18. 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.

- 19. 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.

- 20. 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.

- 21. Monthly Staff report from the National Port Lobbyist.  
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The National Port Lobbyist's Monthly Staff Report was not rendered to the Board.

- 22. 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 asked for a motion to enter into Executive Session. Mr. Godwin offered a motion to enter into Executive Session. Ms. Barnett seconded the motion and it carried unanimously. The Board entered into Executive Session at 6:20 p.m.

The Board returned from Executive Session at 6:10 p.m.

No action was taken.

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23. 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. Darbone seconded by Mr. Godwin and approved unanimously among those present the meeting resumed regular session and adjourned at 6:38 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.

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H. C. Hank, President

ATTEST:

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Stephen L. Hebert, Assistant Secretary/ Treasurer