

MILFORD HAVEN PORT AUTHORITY

MINUTES OF 154th BOARD MEETING
HELD AT MHPA OFFICES GORSEWOOD DRIVE
AT 0930 FRIDAY 25th NOVEMBER 2011

Present:

In Attendance:

98. APOLOGIES FOR ABSENCE

99. DECLARATIONS OF INTEREST

100. MINUTES OF PREVIOUS MEETING

101. MATTERS ARISING

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102. SAFETY

Safety

Alan reported on the three accidents which had occurred in the period, none of which were lost time accidents and accordingly the number of lost time accidents for the year to date remained at zero. All three incidents had been investigated and closed out.

Incidents

The high level of incidents involving tugs was discussed. Many failures were of a minor nature and ongoing discussions are taking place with Svitzers to mitigate the number of incidents. It was noted that for every port vessel movement, Svitzers may have up to six vessels involved including tugs and line boats, and that the level of incidents is reflective of this level of activity.

The high number of incidents involving yachts was also discussed. Adverse weather conditions had been a factor in many instances particularly in relation to mooring failures. One possible conclusion being considered by the marine department is that some locations currently used for moorings may in fact be too exposed and not suitable for mooring purposes. The Board will receive an update on this at the next meeting.

ACTION MARK

The recent incident resulting in a release of gas had been down to human error and a full report from STATSCO had been received.

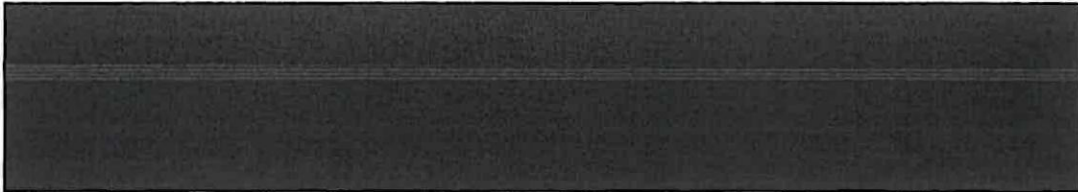
A discussion took place on mooring line failures at South Hook. Recent industry recommendations had been made, and Mark stated that it was preferable that the issue be progressed as an industry issue as opposed to a specifically Milford Haven issue. It was noted that one of the risk control measures implemented is the putting out of additional lines to minimise the risk of breakout and accordingly Mark expressed himself satisfied that adequate measures were being taken to address the issue.



103. SEPTEMBER AND OCTOBER 2011 RESULTS

Paper No. 62/11 was received and noted.

Andy reported that LNG volumes were being closely monitored.



The CAPEX spend for 2011 in the year to date is £572K and it is expected that this will increase significantly by the year end on completion of the CCTV project and the Solar PV installation.

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104. 2012 BUDGET

Mark advised that the Power Station was today scheduled to fire up the first boiler. It was anticipated that thirty LNG ships per annum would be required to service the Power Station. The consensus was that MHPA would have to continue to diversify the business and reduce its dependency on its existing trade.

105. CHIEF EXECUTIVE'S REPORT

Paper No. 64/11 was received and noted.

Solar Panels

The Government had announced a surprise review and reduction in the Feed in Tariffs for systems installed after 12 December. MHPA were therefore seeking to complete approximately £572K of installations by 12 December. It was noted that:

The Board had approved, through the circulation of emails, continuing with the balance of the originally approved £1.3m installation on the basis that these later installations would achieve an IRR.

Andrew commended all the hard work undertaken by the new Energy Manager, Tim James.



CCTV

Members were shown a map where the civil works to support Gate 4 security are being progressed. It was suggested and agreed by Members that a trip would be arranged to view Gate 4, Gate 1 and London Road immediately prior to the January 2012 Board meeting.

Dredging

Dredging costs had come in under budget by some [REDACTED] and the new depth was confirmed as 16.5 metres. It was possible to increase channel and berth depths should Valero require it but this would be undertaken as capital dredging and would require a specific licence.

Supported Groups

Currently the Authority support several organisations:



Pembrokeshire Coastal Forum - this project is supported by PCC, PCNPA and MHPA. MHPA provides office space and £12K and procures additional MHPA-specific community engagement and PR services at a cost of approximately £20K. The PCF produced the 'Marine Code' which provides guidance points to enable watercraft users to enjoy wildlife experiences with minimum impact.

106. MARINE REPORT

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Safe Haven

Notes of a recent meeting that had taken place with Gordon Main and John Cutting were circulated at the meeting. Alec summarised what Gordon Main was seeking, namely -

"All Safehaven is looking for is the preparation of a quantitative risk assessment of the potential risk of LNC marine operations to the onshore population, and for the results of such an assessment to be made public and made available to planners with responsibility for infrastructure and emergency planning".

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Members will recall Safe Haven's approach to Europe citing that, in their view, the marine risks from LNG vessels had not been properly addressed. The response from the European Commission to the UK Government asked if the Consultation Zones produced by the HSE for land planning purposes could be extended to cover the marine area.

At the request of the Welsh Government, who are taking the lead, Mark had attended the Health and Safety Laboratory (HSL) in Buxton. The HSL provide the models to enable the HSE to produce the Consultation Zones. It was clear that the model was not appropriate for Marine applications. However, they felt that an alternative risk based model was available and might provide a solution. It was now up to the Welsh Government to decide if they wished to proceed. Recognising the sensitivities members were supportive that Mark continues to work with the UK Government though it was agreed that any response to the EU recommendation should come from the UK Government itself and not MHPA unless explicitly directed so to do.

Pollutions

The Chair asked members to consider the statement made in the Marine Report - namely:

"That bearing in mind current legislation, the Harbourmaster is instructed to refuse entry into the Port Limits of any leaking vessel where the degree of such leakage cannot be adequately contained by local resources. Subject to there being no danger of loss of life".

It was explained that this situation had arisen following the 'Sea Empress' incident when, in the eyes of many people, MHPA had been prosecuted inappropriately under the Water Resources Act (WRA). Subsequent to that incident, Harbour authorities throughout the UK were seeking modification of the WRA and harbourmasters had recommended similar policies seeking explicit direction from SOSREP to try to avoid being prosecuted in this way.

Mark indicated that in his view the policy was necessary, and served to make clear to government that the WRA is inhibiting the ability to take what otherwise might be considered the correct action to control and mitigate the effects of any incident. However, David felt it was important for Board Members to review the position and for any decision taken to be formally recorded. Members would consider the position and revert with their view at the next meeting of the Board in January 2012.

ACTION ALL

107. MARKETING REPORT

Paper No. 66/11 was received and noted. The report showed some interesting figures.

Blackbridge



10/11

Proposed Changes to the Renewables Obligation (RO)

Significant changes to the RO scheme were announced in October by the Department of Energy and Climate Change (DECC). The proposals have gone out to consultation and are likely to be introduced in early 2012. The proposals will reduce the general level of support for onshore renewable energy projects, while increasing support to offshore projects. The largest proposed reduction of ROCs would be to pure Bio Mass power stations as outlined in the Marketing Report.

108. ENGINEERING REPORT

Paper No. 67/11 was received and noted.

Urgent Works - MHPA Jetty

The proposed underwater inspection of the jetty had been delayed for a few days as the intended dive boat had sunk.

Urgent Works - PDFT Roadway Cross Head Structure

Fresh cracks on the concrete cross-links had led to concern that the lower link span would have to be closed. However, Andrew expressed himself satisfied that the bridge could remain in operation. £250K had been included in the budget for these works.

Maintenance

The new maintenance regime had not worked quite as well as planned, with some reluctance from managers to proceed with particular projects. With the recruitment of the newly appointed Short Sea Director it was anticipated that a more formal approach to maintenance works would now be adopted.

Concern was expressed that bonuses were being paid at the expense of maintenance work not being undertaken. However it was acknowledged that budgeting had become tighter, and that some of the identified underspend was in fact due to effective contracting. For example, £250K of the positive variance shown had been due to dredging coming in under budget.

Mid Chanel Rock

Andrew advised that consultants are being instructed to proceed with the design for replacement on the basis of the original proposals.

Milford Dock Lock

Six out of nine companies had been selected following the recent pre-qualification questionnaire exercise and these six would be invited to tender. It was anticipated that the appointment would be made at the beginning of January, using the Christmas break as the



14-day challenge period. Commencement of the works was anticipated for the second quarter of 2012 with the project beginning in 2013.

Procurement

Following a recent tender process for the procurement of fuel oil, a saving of £10K had been identified by moving to one supplier.

IT WAS THEREFORE RESOLVED:

To approve the placement of a three year contract for fuel oil supply with Haven Fuels as described in Appendix 'C'.

Savings in other areas had also been identified, namely - diving and decking. Andrew advised that suppliers had been quite accepting of the new regime of looking at expenditure over the whole of the organisation wherever possible. The Procurement Manager continued to maintain a spreadsheet of all savings achieved.

109. HR REPORT

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110. PEMBROKESHIRE MARINE GROUP REPORT

Paper No. 69/11 was received and noted.

The proposed price increases were discussed and it was felt that the recent expenditure on improving the marina facilities justified any increase.

111. IT REPORT

112. ADVISORY COMMITTEE

Paper No. 70/11 was received and noted.

At the Advisory Committee meeting held on the 20th November, Members were advised that MHPA had been specifically tasked with a number of actions including:

'Improved management of **Shipping**, anchoring and mooring within the SAC, including specifically the introduction and implementation of no anchoring and no mooring zones to protect areas of Zostera (eel grass) and Maerl (chalky seaweed) and:

'Improve management of **Recreational** anchoring and mooring within the SAC, including specifically the introduction and implementation of no anchoring and no mooring zones to protect areas of Zostera (eel grass) and Maerl (chalky seaweed)'.
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Following discussion at that meeting, Advisory Committee members decided to advise MHPA that it should proceed with the proposed voluntary no-anchoring scheme.

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113. CALENDAR OF MEETINGS 2012

114. ANY OTHER BUSINESS

115. DATE OF NEXT MEETING

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