

MILFORD HAVEN PORT AUTHORITY

MINUTES OF 152nd BOARD MEETING
HELD AT MHPA OFFICES GORSEWOOD DRIVE
AT 0930 FRIDAY 22nd JULY 2011

Present:

In Attendance:

64. APOLOGIES FOR ABSENCE

65. DECLARATIONS OF INTEREST

A handwritten signature in black ink, appearing to read 'Andy Benson', is located in the bottom right corner of the page.

66. MINUTES OF PREVIOUS MEETING

67. MATTERS ARISING

68. SAFETY

Safety

The decking at the Marina is in the process of being replaced and regular inspections are undertaken with any defects reported and acted upon.

I

Incidents

Alan reported that the two Port Incidents are leisure related and of the 10 Near Misses 50% are also leisure related.

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Security

69. MAY AND JUNE 2011 RESULTS

64B

Gas volumes have fallen over the summer but it is expected that volumes will go up later in the year, replicating the pattern of the first quarter.

The Chairman suggested that Pembroke Power Station is a potential upside which is not in the forecast. The hot commissioning of the power station (which will involve burning gas) is expected to start later in the year and when commissioned, the volume of LNG arrivals should increase.

Pensions

70. CHIEF EXECUTIVE'S REPORT

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Pembroke Port

Plans are also underway to secure RWE business for the construction and maintenance of the Bristol Channel wind farms. The Chairman explained that any deal would be based on the principle of RWE leasing the whole of the Gate 1 site. The port would also earn pilotage and conservancy charges from vessels using Gate 1.

PDFT

Marina

Charitable Groups

Pembrokeshire County Council Meeting

PCC do not want to move with the Blackbridge project until they see a viable costed business plan from a developer. We pointed that a key ingredient of such a plan was the holding cost (either purchased or leased) of the Blackbridge site. As yet this is still an unknown quantity. However, they are going to give more thought to this.

Dick informed that RWE gave a presentation to Pembrokeshire and Carmarthen County Council, indicating their Atlantic Array plans, and PCC has since informed Dick that they will support us on this project.

71. MARINE REPORT

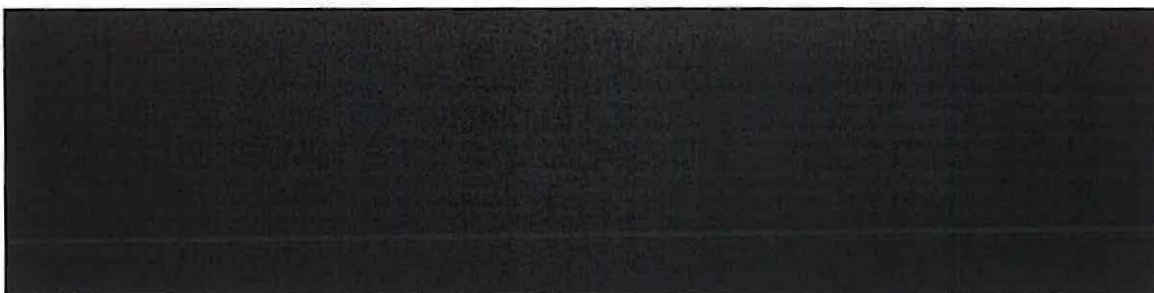
LNG

A LNG mooring line failure had occurred the previous day, during a berthing operation, and is not connected directly in the same way as previous problems.

Pilotage

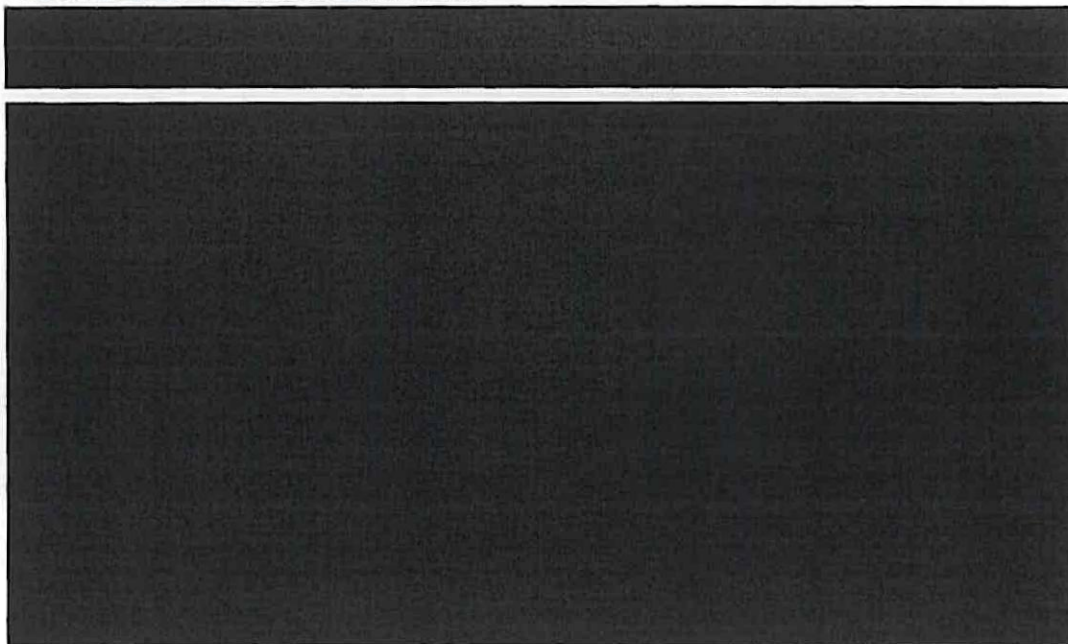
72. MARKETING REPORT

Paper No. 43/11 was received and noted.



413

The Government's White Paper entitled 'Electricity Market Reform' published on 12th July 2011 is looking positive. The Government's Strategic Document, which will clarify bio energy strategic plans, is due in October.



73. ENGINEERING REPORT

Procurement Manager

Energy Development Manager

Tim James, newly appointed Energy Development Manager, is well ahead with the solar panel contracts. Of the tenders returned, three contractors will be interviewed.

Urgent Works

During a dive survey on the MHPA jetty, a crack at the head of one the piles was noted. The piles are designed so that one can be taken out for repair without any effect on operations.

Milford Dock Lock

The new lock will be formally announced at the Marina's 20th anniversary celebrations planned for 20th August 2011.

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Andrew advised that early contractor involvement will be taken up so that the contractor is part of the physical design.

The lock will be fitted without any interruption to service.

As part of the terms for the grant, all money must be expended before the end of 2013.

Mid Channel Rock

In answer to Paddy's query, Andrew confirmed that there would be an impact on the estimated cost to MCR repairs since the sample taken was of sound quality and therefore costs will probably be less.

74. HR REPORT

Pensions

75. PEMBROKESHIRE MARINE GROUP REPORT

Paper No. 46/11 was received and noted.

Alec reported that the Authority is driving a process for planning and developing MHPA's property assets around Milford and Gorsewood Drive. PMG's paper has some aspirational artists' impressions of development on the dock wall. Alec indicated that these pictures should be disregarded.

Planning consultants have been appointed to identify how all MHPA's waterfront properties can be organically and commercially developed.

Janet commended the Marina's new website and its professionalism. Alec advised that this has been driven by Anna Malloy, MHPA's PR & Communications Officer, and her team.

Anne reminded Members that the visual impact of the sea was an important factor of the Marina and that this should be borne in mind with regard to any plans which could restrict riverside views... Alec accepted this but reminded Members that the Marina Sea Wall is probably the single most valuable piece of estate MHPA own at the moment.



76. POLLUTION BOATS

Paper No. 47/11 was received and noted.

Mark reported that the decision to sell "Sea Mop" would be reviewed after the refit of "Sea Sweep". Mark is currently researching a state-of-the-art new build to possibly replace both vessels.

RESOLVED:

SUBJECT TO REACHING AGREEMENT OVER A NEW CONTRACT WITH THE OIL COMPANIES THE FOLLOWING WERE APPROVED:

- (a) We reduce from three pollution control vessels to two;
- (b) The 'Sea Sweep' is refitted at a cost of some £280K;
- (c) Once satisfactorily completed, the 'Sea Mop' is considered for disposal;
- (d) The new contract with the oil companies to be co-terminus with the estimated life span of the refurbished asset - 10-15 years.

77. LONDON ROAD SITE ACQUISITION REPORT

Paper No. 48/11 was received and noted.

Members voiced concern over the acquisition of the site suggesting that there was no financial or strategic rationale behind this purchase, with Ray noting that since Gate 4 had been purchased only half of the planned developments had actually occurred.

Paddy advised that although a lorry park was a non starter, Nolan's were interested in opening a satellite base closer to the port.

Dick will investigate the possibility of relocating to London Road any businesses which will have to vacate Gate 1 if RWE take up the option for that site.

It was agreed to proceed with this purchase but to be mindful of the Authority's need to have an income stream from the acquisition as quickly as possible.

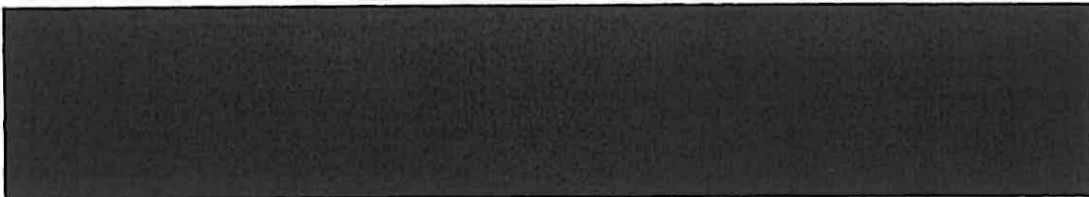
RESOLVED:

To approve the purchase of Atlantic Industries' property at London Road, Pembroke Dock, for debts owed to MHPA

78.

LB

Discussion followed on whether the purchase constituted a coherent site and what its potential was if Blackbridge does not go ahead.



Anne informed the meeting that there is a community license to pick daffodils on part of the site.

RESOLVED:

To provide a loan of approximately [REDACTED] pounds to MHPL for the sole purpose of the purchase of land at Waterston, Pembrokeshire from Waterston Developments Ltd, a subsidiary of 4Gas, and to approve the acquisition of the 4Gas land.

79. ANY OTHER BUSINESS

80. DATE OF NEXT MEETING



MILFORD HAVEN PORT AUTHORITY

MINUTES OF 153rd BOARD MEETING
HELD AT MHPA OFFICES GORSEWOOD DRIVE
AT 0930 FRIDAY 30th SEPTEMBER 2011

Present:

In Attendance:

81. APOLOGIES FOR ABSENCE

82. DECLARATIONS OF INTEREST

83. MINUTES OF PREVIOUS MEETING

Page 9, 2nd para – should read – “The lock will be fitted with minimal interruption to service.”

A handwritten signature, possibly reading 'JGB', is located in the bottom right corner of the page.

84. MATTERS ARISING

85. SAFETY

Incidents

Alan's report showed 4 Port Incidents and 24 Near Misses in the period.

The SMS system had now incorporated the environmental aspect of operations and was now known as 'SEMS'.

Mooring line failures of HMPE ropes were discussed and Mark advised that MHPA had recently participated in an industry study with the manufacturers as to why these failures were occurring. This was a sensitive issue and Mark's view was that MHPA should work with the industry rather than take a unilateral approach. Contingency measures are in place to contain any risk.

86. RISK REGISTER

Paper No. 51/11 was received and noted.

The risk of asbestos was discussed and it was noted that MHPA have trained personnel to identify and monitor asbestos. Generally, the presence of asbestos can be acceptable provided it is in a fully bonded form and is not disturbed. Where it is identified that remedial action is necessary, appropriately skilled and qualified contractors would be used.

87. JULY AND AUGUST 2011 RESULTS

Paper No. 52/11 was received and noted.

The proposed Ras Laffan maintenance scheduled for November has led to a reduction in the forecast. The current forecast nonetheless speculatively includes total gas volumes that are higher than being indicated by South Hook, on the basis that UK demand for gas from the Milford Haven Terminals will lead to the terminals procuring some additional gas from third parties.

Two large CAPEX projects discussed at the last board meeting are underway - CCTV and marina decking.

88. CHIEF EXECUTIVE'S REPORT

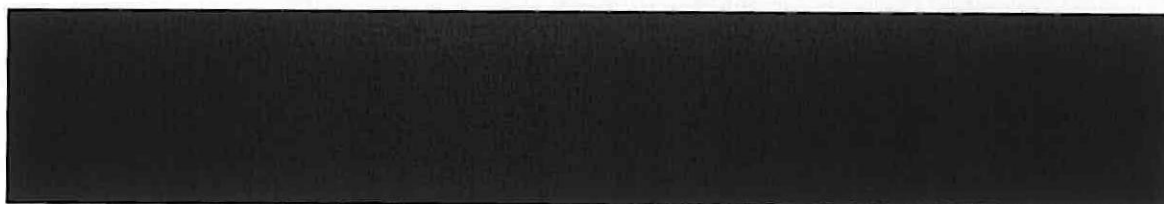
Pembroke Port

It was noted that the principal prospect for substantially changing the performance at Pembroke Port would be to secure the RWE wind array project for Gate 1.

Cruise

It was noted that although cruise operations were in cash terms currently cost neutral and therefore of no direct financial benefit to MHPA, they delivered a wider benefit to Pembrokeshire. It was also felt that it would be helpful to the case to be made for the Blackbridge development if the availability of a new berth could enable the port's current small presence in the cruise market to be significantly expanded. Anne felt that it was appropriate to look at the overall strategy for cruise vessels at Milford Haven and **it was therefore agreed that** a presentation on cruise developments be given at the November strategy day.

Expenditure Approvals



KB

RESOLVED:

To proceed with the purchase of the Garage adjacent to Quay Stores (), subject to due diligence checks revealing no contamination of the site) and the Smokehouse Quay freehold at an overall cost for both sites of ()

Although it was initially proposed in the budget that the re-decking and replacement of bollards in the marina should be done in two phases, during the procurement process it was decided that it should be done as one single phase and it was therefore

RESOLVED:

to proceed with the full decking renewal for £460k.

89. MARINE REPORT

Dredging

A five year dredging disposal licence had finally been achieved which was to be commended.

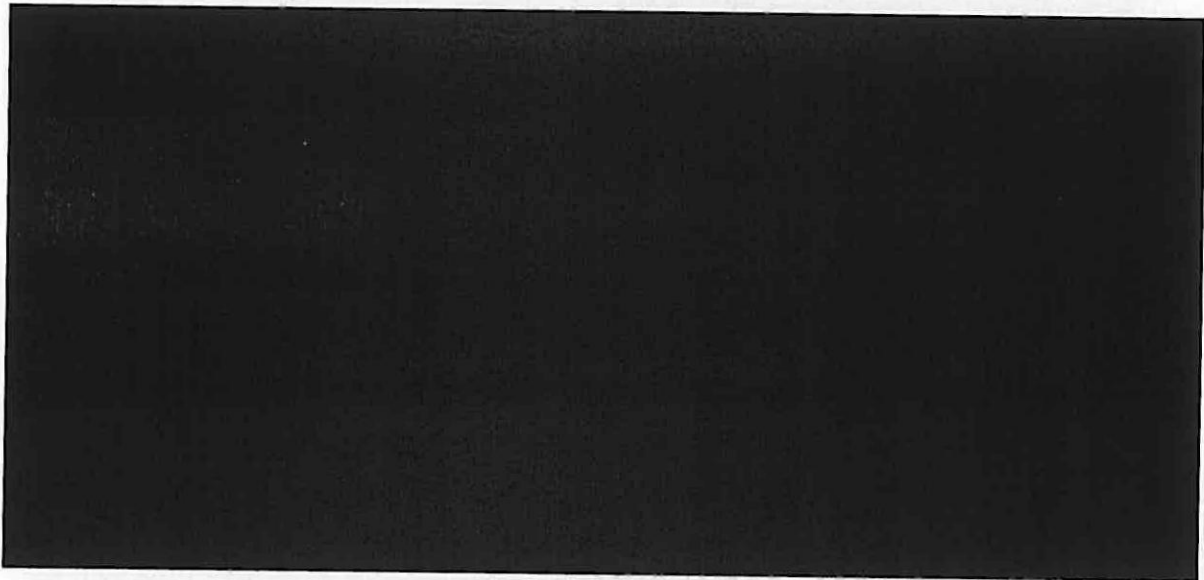
Alec advised that MHPA are responsible for Issuing Marine Works Licences which have the potential to carry significant liability and, with this in mind, MWL fees were to be reviewed.

Pollutions

David sought and received clarification that the naval architect was being consulted in regard to the redesign of the Seasweep and not in respect of a new build.

90. MARKETING REPORT

Paper No. 55/11 was received and noted. The report showed some interesting figures.



CEFETRA AFS

The first CEFETRA shipment of some 3,000 tons was scheduled for delivery the following week, with another three shipments in the pipeline.

RWE Atlantic Array Wind Farms

Dick informed Members that a recent meeting had taken place with RWE Atlantic Array in which six proposals had been discussed.

Though as yet unconfirmed, Members were advised that it was believed Pembroke Port was the preferred port for facilitating all aspects of the project.

Danny advised caution but he did believe that the UK government would not walk away from renewable energy. He also highlighted that it was not a given that local employees would benefit from any new developments as had recently proved to be the case.

Andrew stated that although RWE could not commit at the present time, he believed MHPA were in with a good chance - RWE had requested more detailed financial proposals and the premise had been established that RWE would need to underwrite the costs associated with planning and developing the project up to the point that contracts for the full project were signed.

The video showing Pembroke Port's ability to handle the construction of the wind turbines was shown to members. It was noted that although it would be more cost efficient to construct the turbines at sea, RWE's preferred contractors would prefer to assemble the units on land. The presentation had shown that MHPA were more than capable of meeting this challenge.

Tidal Energy Delta Stream

Dick advised that the Tidal Energy Delta Stream project continued to progress.

Mustang Marine

It was anticipated that the lease for an additional building for Mustang Marine would be signed on the 17th October 2011.

The Chairman summarised by stating that all four forms of renewables that are being progressed by MHPA (wind farm; wood chip; solar and tidal) were a good demonstration of attempts to diversify the business away from petroleum-based products.

91. ENGINEERING REPORT

Paper No. 56/11 was received and noted.

Personnel

In addition, a saving of £50K had already been achieved on the marina decking.

Dredging

Andrew expressed his gratitude to the efforts of Dave Levell, Environmental Manager, and Martin Maloney, Dredging Consultant in obtaining the five year dredging disposal licence. A good relationship had now been established with the Welsh Government's Marine Consents Unit which should pave the way for easier future developments.

RESOLVED:

to approve the placing of an order with UK Dredging in the sum of [REDACTED] (based on negotiated rates following the 2010 works), the budgeted sum for this work being £600,000).



Andrew advised that dredging works were progressing well. Interestingly the recent multi beam surveys had revealed images of two wrecks. Divers would be employed to inspect and determine exactly what they were. A Notice to Mariners had been issued warning mariners of an exclusion zone around these areas.

Re-decking works at Milford marina, which were being undertaken by Ship Repairers during quiet spells, were progressing well. In response to a query regarding the proposed new dry stack facility, members were advised that there was no particular delay and that the facility could be erected quite quickly.

Mid Channel Rock

Andrew advised that the design work completed for the replacement of the mid-channel rock marker would not become outdated but the navigational specification may need adjustment over any period of time.

92. HR REPORT

Paper No. 57/11 was received and noted.

93. PEMBROKESHIRE MARINE GROUP REPORT

Paper No. 58/11 was received and noted.

94. SOLAR PANEL REPORT

Paper No. 59/11 was received and noted.

The tender for the installation of PV arrays on Port Authority buildings had come down to three bidders. The tender process looked for a 50/50 on price and quality. The Green Electrician (TGE) had won on price but it was also the intention to set up TGE locally - TGE (South West) - leading to local employment which had led to the placing of the contract with them. TGE appeared to be financially sound and would bring with them a great deal of professionalism and expertise.

IT WAS THEREFORE RESOLVED:

to award the solar contract to The Green Electrician at a price of £ [REDACTED]

In response to a query on how the previously proposed project involving schools was proceeding, Members were advised that the project was likely to go ahead but in a different format to that originally envisaged.

95. CAPEX PROPOSAL - PURCHASE OF MECHANICAL HANDLING EQUIPMENT FOR PEMBROKE PORT GATE 1

Paper No. 60/11 was received and noted.

96. ANY OTHER BUSINESS

97. DATE OF NEXT MEETING

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

2

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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.

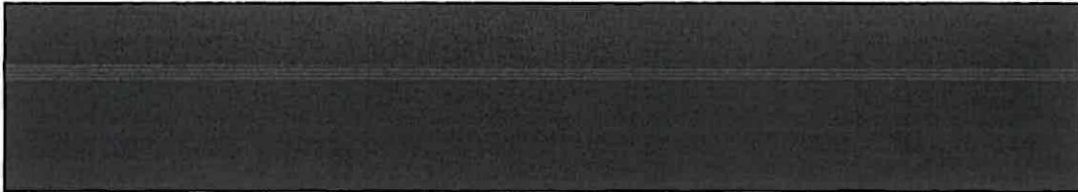
A discussion took place on mooring line failures at South Hook. Recent industry recommendations had been made, and Mark stated that it was preferable that the issue be progressed as an industry issue as opposed to a specifically Milford Haven issue. It was noted that one of the risk control measures 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)'.
'

Following discussion at that meeting, Advisory Committee members decided to advise MHPA that it should proceed with the proposed voluntary no-anchoring scheme.



113. CALENDAR OF MEETINGS 2012

114. ANY OTHER BUSINESS

115. DATE OF NEXT MEETING

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MILFORD HAVEN PORT AUTHORITY

MINUTES OF 155th BOARD MEETING
HELD AT MHPA OFFICES GORSEWOOD DRIVE
AT 1000 FRIDAY 27th JANUARY 2012

Present:

In Attendance:

1. APOLOGIES FOR ABSENCE



2. DECLARATIONS OF INTEREST

3. MINUTES OF PREVIOUS MEETING

4. MATTERS ARISING

➤

➤

➤ David apprised Board Members that the refineries had not yet reverted with any suggestions for improved customer service. However, it was noted that discussions were taking place with Valero over the possible requirement to dredge to accommodate larger vessels.

➤ Board members had considered the policy whereby the Harbourmaster is instructed to refuse entry into Port Limits of any leaking vessel where the degree of such leakage could not be adequately contained by local resources, subject to there being no danger of loss of life and no specific instruction from SOSREP and **reaffirmed their approval of the policy as it stood.**

Part A

5. SAFETY, SECURITY AND ENVIRONMENTAL REPORT

Safety

Other incidents occurring within the period included damage to the Caisson gate at Milford Lock, and fire damage within the cab of one of the Tug Masters at PDFT.



The tugmaster fire was centred on the wiring loom and happened to occur over the holiday period when no staff were on site. The Board was informed that the repair costs were £60K, which, given the tugmaster's age, would be uneconomical. Accordingly it is intended to purchase a replacement tugmaster and use the damaged tugmaster for spares. In view of the impact on no-claims rebates, a decision had not yet been taken on whether to make an insurance claim.

A letter of concern had been received from the Chairman of Pilots over the practice of berthing LNG vessels at 0300 hours. A meeting had taken place with management and pilots where it had been agreed that this practice was entirely safe. However, discussions with the terminal operators would take place to see whether more commercially convenient times for berthing could be accommodated.

In response to a query regarding NMR 94/11 when a small release of gas took place at a South Hook loading arm, the Board were advised that the incident had occurred due to a procedural issue. Additional training had since been given to the person involved and the problem should not recur. It was brought to Members' attention that a letter had recently been issued to terminals and all agents giving a timely reminder of the need to retain documentation pertaining to any incident.

The additional measures put in place to prevent line failures at the South Hook terminal appeared to be effective.

6. RISK REGISTER

Paper No. 02/12 was received and noted.

Janet noted that the financial risk of losing a major customer was not listed and suggested that a category for commercial risks be tabulated.

The Board discussed the principle as to whether the information, analysis and commentary being supplied to the Board were sufficient for it to consider itself fully satisfied that significant risks had been identified, assessed and addressed. Members were advised that the Audit Committee had agreed the previous day to introduce an internal audit to test systems.



7. MARINE REPORT

Paper No. 03/12 was received and noted.

Members were updated on the recent collision that took place outwith MHPA jurisdiction between the tanker 'Sea Transporter' and the trawler 'Deborah'. Both vessels had since gone to Falmouth where they would undergo repair. Radar recordings of the incident were being made available to the MAIB.

Lease documentation for the enlargement of Mustang's facilities were due to be signed imminently and progress would then be made with the Oakum building. The Chairman asked that the shoddy fencing be removed from this area.

Power Station

Mark reported that indications were that the Power Station would come on line earlier than expected.

Part B

8. CHIEF EXECUTIVE'S REPORT

Paper No. 04/12 was received and noted.

Results for 2011 had not been as good as anticipated earlier in the year, due to the significant reduction in gas volumes in November and December, but were still significantly ahead of budget. It was clear that revenue relating to gas is volatile and weather dependent. Management are aware of the need to consider CAPEX controls and overheads to mitigate impact on the bottom line. The Ras Laffan shutdown had had an effect and, in relation to the current year, the continuing mild weather and consequential lower gas volume could be expected to have a material adverse impact on turnover and profit in the current year.

Members were advised that re-forecasting is incorporated into the management accounts for each Board meeting.

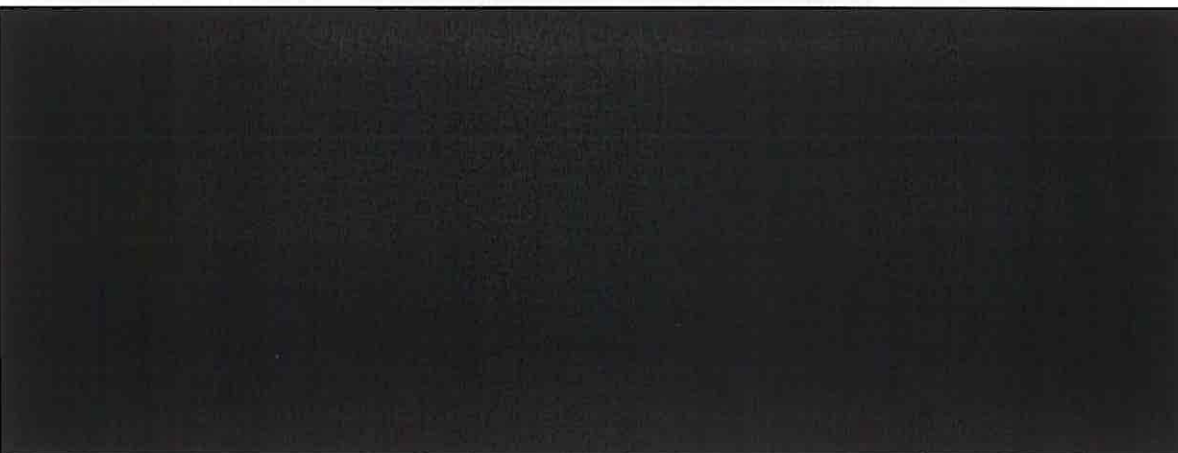
The EU environmental objection process with regard to the Power Station was being monitored by management.



Considerable discussion took place and it was unanimously resolved (including the 3 County Council members)

To proceed with the agreement as drafted and to invite the Cabinet to re-consider its position at the next meeting of the Cabinet on 6th February 2012, emphasising that the Board would be legally obliged to follow (as it is now) the procedures for Board appointment set out in MTP" which are based on the highest standards for accountability.

Planning



Fishguard

A recent objection had been submitted by MHPA to the planning application by Conygar for development in partnership with Stena at Fishguard.

Johnny requested that it be recorded in the Minutes of the meeting that, in his view, our objection, on what he viewed as a strictly planning issue, should be withdrawn.

The Chairman and Deputy Chairman had been aware of the objection made by MHPA and considered it appropriate in the circumstances given that the proposed development at Fishguard was competitive and, could ultimately affect operations by Irish Ferries at Pembroke Port. Johnny stated that it was Welsh Government policy to establish marinas around the Welsh coast. However, the Chief Executive reported that the application envisaged the creation of expansion land for the ferry terminal, that the justifications set out in the planning application for this aspect of the development were misleading, and that the development should probably more properly be consented by means of an HRO or similar. If the development did not involve soft planning or section 106 obligations, the process was fair, and public money was not involved, it is unlikely that our objection would be upheld. However if these conditions are not true the development would distort the market, possibly constitute state aid and result in unfair competition. The Chief Executive indicated that for Board Members not to act in the interests of MHPA as a commercial organisation would be a breach of their fiduciary duty.

Alec suggested there could be other ways to address the issue, one of which would be to invite Stena into discussions to do a deal on a single ferry terminal. The Board confirmed that the Objection should not be withdrawn.



9. FINANCE & HR

Paper No. 05/12 was received and noted.

A positive engineering variance had resulted due to the delay in commencement of the Environmental Impact Assessment for the Port Atlantic project.

| It was confirmed there would be enhanced tax relief on the solar panel spend.

Not comm.
- see next meeting
notes
JHB.


10. CORPORATE AFFAIRS REPORT

11. ANNUAL REPORT AND RESULTS

12. DEEP SEA REPORT

JHB

Members stressed the importance of identifying costs at this juncture prior to the awarding of contracts at the construction stage for Port Atlantic. The project team was due to be formed shortly when work on the project would commence. Consultants would be used in an advisory capacity by the project team.



13. SHORT SEA REPORT

Paper No. 07/12 was received and noted.

The need to press ahead with acquiring more trades despite the impending Atlantic Array project was encouraged as it was crucial to diversify the business. It was noted that it would be a challenge to accommodate all the various business opportunities at Pembroke Port.

14. ENGINEERING REPORT

Paper No. 09/12 was received and noted.

Andrew briefed Members on the latest position regarding engineering. A meeting was due to be held shortly with regard to the dredging survey. The marina re-decking project was progressing well as was the installation of CCTV.

Solar Energy

An addendum on progress of the solar PV installation project was tabled at the meeting. Members were advised that the Court of Appeal had upheld a High Court ruling that the Government cuts to the feed-in tariffs were unlawful. There was the option for DECC to go to the Supreme Court to overturn this decision. This meant that installations that have had solar panels installed and registered by the 3rd March 2012 would receive the original feed-in tariff. MHPA has five weeks to install the panels to secure the higher rates. Every effort was being made to achieve this and Tim James, the Energy Development Manager, was commended for all his efforts.

15. PENSIONS

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16. REMUNERATION COMMITTEE REPORT

17. ANY OTHER BUSINESS

18. DATE OF NEXT MEETING

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