

Minutes of Meeting July 13, 2017

A Regular Meeting of the Port Commission of Port Freeport was held July 13, 2017 beginning at 3:11 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

Commissioners present:

Mr. Paul Kresta, Chairman
Mr. John Hoss, Vice Chairman
Mr. Shane Pirtle, Secretary
Mr. Bill Terry, Asst. Secretary
Mr. Rudy Santos, Commissioner
Mr. Ravi Singhania, Commissioner

Staff Members Present:

Mr. Jason Cordoba, Legal Counsel
Ms. Phyllis Saathoff, Executive Director/CEO
Mr. Al Durel, Director of Operations
Mr. Jason Hull, Director of Engineering
Mr. Chris Hogan, Director of Protective Services
Mr. Mike Wilson, Director of Economic Development
Mr. Jason Miura, Director of Business & Economic Development
Ms. Mary Campus, Controller
Mr. Brandon Robertson, Network Systems Manager
Mr. Nick Malambri, Engineering Specialist
Ms. Callie Cole, Accounting Clerk
Ms. Lauren McCormick, Marketing Specialist

Also present:

Mr. Jeff Strader, Consultant
Mr. Bob Arroyave, Brown & Gay Engineer
Mr. Bobby Fuller, Texas Port Ministry
Mr. David Eby, Terracon
Mr. Steve Huttman, G&H Towing

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation – Mr. Bobby Fuller, Texas Port Ministry
3. Pledge of Allegiance: U.S. Flag & Texas Flag
4. Roll Call.
Commissioner Kresta noted that all Commissioners were present.
5. Safety Exit Briefing and Safety Moment – Chris Hogan.

6. Approval of minutes from the Regular Meeting held June 22, 2017.

A motion was made by Commissioner Pirtle to approve the minutes as presented. The motion was seconded by Commissioner Singhania with all Commissioners present voting in favor of the motion.

7. Discussion regarding the July 27, 2017 Port Commission meeting.

Commissioner Kresta noted that some Commissioners will not be able to attend the July 27 meeting due to prior out of town commitments. After a brief discussion, the Port Commission agreed to cancel the meeting. The next regularly scheduled meeting will be August 10.

8. Receive report from Executive Director/CEO on activities and matters related to administrative affairs. Port tenant updates, USCOE, rail issues, AAPA Committees, leases, contracts, upcoming Port and civic events and other related administrative affairs.

Ms. Saathoff stated the upcoming agency decision milestone meeting to be held with the Corps regarding the channel project is July 31 at 1:45 p.m. Staff will attend the meeting at the Galveston District Office. The Colonel has signed a 217A Agreement which is needed to raise the levee of the dredge material placement site that will be used for the channel project and dredging for berth project. The agreement will be on the next agenda for approval. Ms. Saathoff reported attending the Change of Command Ceremony in Dallas at Southwest Division along with Jason Hull. Colonel Owen will be attending the Stakeholder Meeting in August at the Galveston District. Details will follow. Ms. Saathoff will participate on a panel at the Galveston County Transportation Summit in August. The panel will be moderated by Senator Taylor. The invited luncheon speaker is George P. Bush. Details will follow. Special Session of the state Legislature will begin July 18. Items of focus include teacher salaries, establishing commission to review improvements to public school finance system, reforming ad valorem property tax laws, giving state government spending limit, multiple occupancy of changing room/bathrooms, private property rights of landowners and reforming laws that govern the issuance of permits by political subdivisions. Lastly, Ms. Saathoff updated the Board on the modified entrance to 5th Street from FM 1495 stating staff has been diligently pressing TxDOT to get the permit in order to move forward with construction. Freeport LNG announced this week they filed their application for the 4th production train liquefaction at their site.

At the request of Ms. Saathoff, Mr. Chris Hogan updated the Board on Port Security Grants stating grants will be reviewed Monday, July 17 by the executive work group. The group will make recommendations to the Captain of the Port who will then submit to DC with his approval. 18 different agencies applied for grants with a total of 44 projects.

Ms. Saathoff called upon Mr. Jason Miura. He reported on representatives from Matagorda County who came to the Port July 11 for a presentation and tour of the Port.

9. Receive report from Commissioners on matters related to meetings and conferences attended, Port presentations and other related Port Commission matters.

Commissioner Singhania reported attending a Maiden Voyage presentation July 6 for the Clipper Freeport at the Phillips Terminal. The next Rail District meeting will be held July 21 in Richmond.

He also thanked Ms. Saathoff and staff for efforts put forth in preparing documents, etc. for the recent Pilot Commission meetings.

10. Public Comment

Capt. Steven J. Huttman with G&H Towing addressed the Commission requesting support on the tug expansion of the Freeport Harbor Tug Dock.

11. Approval of a Professional Services Agreement with HDR Engineering for the Levee Stabilization & Wave Barrier Relocation Project.

Mr. Hull stated the PSA is for the levee stabilization on the Dow thumb which is needed for the Freeport Harbor Channel Improvement Project. The agreement covers topographic and hydrographic surveying, soil sampling, permitting, geotechnical engineering, wave barrier analysis and wave barrier relocation engineering and design. It is staff's recommendation the Port Commission authorize the CEO to execute a Professional Services Agreement with HDR for an amount not to exceed \$1,929,320.00.

A motion was made by Commissioner Singhania to approve the agreement. The motion was seconded by Commissioner Hoss with all Commissioners present voting in favor of the motion.

12. Approval regarding the 2017 Port Freeport Golf Tournament budget and benefactor.

Mr. Miura stated the 2017 golf tournament will be held October 30 at Wilderness Golf Course in Lake Jackson adding that it is staff's recommendation that the proceeds from the tournament go to Texas Port Ministry as benefactor.

Commissioner Hoss asked if the motion was to include authorization for a separate sponsorship agreement.

Commissioner Singhania then made a motion to approve staff's recommendation as presented and discussed in Finance Advisory Committee that Texas Port Ministry be the sole benefactor of the net proceeds of the golf tournament, and the Port's contribution of \$2,500 will be a Platinum Level Sponsorship. The motion was seconded by Commissioner Hoss with all Commissioners present voting in favor of the motion.

13. EXECUTIVE SESSION in accordance with Subchapter D of the Open Meetings Act, Texas Government Code Section 551.001, et. seq., to review and consider the following:

A. Under authority of Section 551.071 (consultation with attorney) for discussion regarding:

1. Consultation with attorney regarding the terms and conditions of a Memorandum of Understanding (MOU) with Dow Chemical Company.

B. Under authority of Section 551.072 (deliberation of real property) for discussion regarding:

1. Discussion regarding the issuance of a "No Objection" letter to G&H Towing to renovate and expand their tug dock facility.
2. Discussion regarding the terms and conditions of a Lease Agreement between Port Freeport and Customs Border Protection (CBP).

3. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcels 7, 8, 10, 26, and 37.
4. Discussion regarding the potential exchange, lease or value of real property located in Freeport, Texas, including but not limited to the area known as the East End of Freeport and bordered by the following streets: FM 1495; East 2nd Street; Terminal Street and East 8th Street in Freeport, Texas.
5. The potential purchase, exchange, lease or value of real property located at Port Freeport, including but not limited to the real property located at and contiguous to Berths 1, 2, 5 and 7.
6. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcels 4, 5, 6, 9, 14, 19, 27, 31, 34, and 38.

C. Under authority of Section 551.074 (deliberation of personnel matters) for discussion regarding:

1. Discussion regarding the goals and performance of the Executive Director/CEO.

14. RECONVENE OPEN SESSION to review and consider the following:

15. Approval of the issuance of a “No Objection” letter to G&H Towing to renovate and expand their tug dock facility.

G&H Towing has submitted a plan for tug dock expansion. Staff advised them of certain requirements and they have met those requirements. It is staff’s recommendation the Port commission approve issuing a letter of no objection to the Corps of Engineers for the project to proceed.

Captain Huttman with G&H Towing explained the expansion and use of tugs in the future for Freeport LNG and Port Freeport. He described the bollard pull of the tugs and how the new design provides enhanced maneuverability working from the bow and stern of vessels. This newer generation tug is being used in Houston now. He also stated that G&H Towing paid to have the simulator at the San Jacinto College Maritime Campus programed specifically for these tugs. He invited the Port Commission to come see the simulator.

A motion was made by Commissioner Terry to approve the letter. The motion was seconded by Commissioner Pirtle with all Commissioners present voting in favor of the motion.

16. Approval of Memorandum of Understanding (MOU) with Dow Chemical Company to secure our ability for our contractors to work inside Plant A.

Mr. Hull stated the MOU is necessary for the levee stabilization wall. Contractors need ability to enter Plant A to proceed with the work on this project. It is staff’s recommendation the MOU be approved and the CEO execute the agreement with Dow Chemical.

A motion was made by Commissioner Pirtle to approve the MOU. The motion was seconded by Commissioner Singhania with all Commissioners present voting in favor of the motion.

17. Approval regarding the Assignment of Brazos River Fleeting Lease Agreement to Kirby Inland Marine, LP.

At this time, Commissioners Kresta and Terry abstained from discussion and voting on this item.

A motion was made by Commissioner Santos to approve the agreement. The motion was seconded by Commissioner Pirtle with all Commissioners present voting in favor of the motion, and Commissioners Kresta and Terry abstaining.

18. Approval of a Lease Agreement between Port Freeport and Customs Border Protection (CBP).

Modifications are being made to the Emergency Operations Center to accommodate CBP staff here at Port Freeport. A lease agreement needs to be executed with CBP for occupancy of the space. Completion of the space is estimated for October 4th. It is staff's recommendation the Port Commission approve and execute the agreement which has been reviewed by legal counsel.

A motion was made by Commissioner Hoss to approve the lease agreement. The motion was seconded by Commissioner Pirtle with all Commissioners present voting in favor of the motion.

19. Discuss and consider issuance of Notice to Proceed to James Construction for the Parcel 14 Rail Development project in the amount of not to exceed \$21,286,265.94.

This contract was approved subject to the Port Commission authorizing management to issue the notice to proceed. Mr. Hull is requesting approval to issue the Notice to Proceed.

Commissioner Terry suggested a ceremony be held to commemorate Parcel 14 Development.

A motion was made by Commissioner Singhanian to approve the notice. The motion was seconded by Commissioner Hoss with all Commissioners present voting in favor of the motion.

20. Discuss and consider approval of a Purchase Order to Vulcan Materials for the purchase of Limestone at our contracted rate, in the amount of not to exceed \$2,065,000.00 to be used on the Parcel 14 project.

A motion was made by Commissioner Pirtle to approve the purchase order. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion.

21. Adjourn.

With no further business before the Commission, the meeting adjourned at 7:55p.m.