

Minutes of Meeting March 8, 2018

A Regular Meeting of the Port Commission of Port Freeport was held March 8, 2018 beginning at 3:00 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

Commissioners present:

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

Staff Members Present:

Mr. Jason Cordoba, Legal Counsel
Ms. Phyllis Saathoff, Executive Director/CEO
Mr. Jason Hull, Director of Engineering
Mr. Al Durel, Director of Operations
Mr. Mike Wilson, Director of Economic Development
Mr. Jason Miura, Director of Business & Economic Development
Ms. Mary Campus, Controller
Mr. John Mannion, Chief Financial Officer
Ms. Missy Bevers, Executive Assistant
Mr. Jason Caywood, Security Technician
Mr. Nick Malambri, Engineering Specialist
Mr. Cecil Booth, Project Engineer
Ms. Lauren McCormick, Public Affairs Manager
Mr. Scott Tafuri, Safety Coordinator

Also, present:

Mr. Bobby Fuller, Texas Port Ministry
Mr. Jason Foltyn, HDR
Mr. Chris Sallese, Dannenbaum Engineering
Mr. Bob Arroyave, Brown & Gay Engineer
Commissioner Dude Payne, Brazoria County
Commissioner David Linder, Brazoria County
Ms. Ann Poninski, P66

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. – All Commissioners were present.

5. Safety Briefing – Mr. Chris Hogan, Director of Protective Services
6. Approval of minutes from the Regular Meeting held February 15, 2018 and the Special Meeting held February 27, 2018.

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

7. Receive report from Executive Director/CEO and/or Port staff 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 reported attending the Port Authority Advisory Committee meeting and the Texas Ports Association meeting in Austin March 1. Gulf Stream Marine announced its acquisition by Logistec, effective March 1. Ms. Saathoff met with the President/CEO of Logistec and members of Gulf Stream Marine following the announcement. The Texas Ports Innovation and Infrastructure Committee will hold a hearing March 26 in Galveston. Ms. Saathoff will testify at the hearing to address the structure and duties of the Port Authority Advisory Committee; she is the current Chair. The Port has been working to inform the public about the May 5 bond referendum on the ballot and educate the voters on how the funds will be spent to improve the Freeport Harbor Channel Improvement Project to meet the local sponsor obligation of the federal cost-shared project. Ms. Lauren McCormick, Public Affairs Manager, briefly outlined upcoming speaking events with various groups in the community. Ms. Saathoff also reported attending the Junior Achievement Celebrity Waiter event March 3, and noted she and Commissioner Singhania will be attending the AAPA Spring Conference in Washington, DC the week of March 19.

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

Commissioner Pirtle reported attending the Highway 36A Coalition, Commissioner Andy Meyers breakfast, and an event as former Mayor of Lake Jackson. He also noted Lake Jackson's Diamond Jubilee upcoming event March 24-25.

9. Public Comment – There were no public comments.
 - A. Melanie Oldham – Ms. Oldham was not present.
10. 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 an Interlocal Agreement between Port Freeport and Brazoria County.

2. Consultation with attorney regarding Reimbursement and Indemnity Agreement between Port Freeport and Tenaris Global Services (U.S.A.) Corporation.
3. Consultation with attorney regarding an Interlocal Agreement between Port Freeport and Texas Department of Transportation.

B. Under authority of Section 551.072 (Deliberation Concerning Real Property Matters) for discussion regarding:

1. 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.
2. 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.
3. 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.
4. 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 551.076 (Deliberation of Security Matters) for discussion regarding:

1. Discussion regarding issues related to the deployment, or specific occasions for implementation of security personnel or devices or security audit and services.

D. Under authority of Section 551.074 (Deliberation of Personnel Matters) for discussion regarding:

1. Deliberation regarding the appointment, employment, evaluation, reassignment, duties of a public officer or employee: Executive Director/CEO.

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

12. Discuss and consider granting authority to Executive Director/CEO Phyllis Saathoff to execute any and all documents necessary and required by Stewart Title to close the transactions on the following properties:

512 E. Broad Street, Freeport, TX (East End Property) and 204 Avenue I, Freeport, TX (Avenue I Property)

Mr. Mannion stated this is an East End SWAP property that is ready to close. All documents have been reviewed by legal counsel and it is staff's recommendation the Board authorize the CEO to proceed with transactions associated with closing.

A motion was made by Commissioner Terry to grant authority to CEO to proceed with transactions as necessary. The motion was seconded by Commissioner Hoss with all Commissioners present voting in favor of the motion.

13. Discuss and consider the purchase of Port Freeport Safety Boat.

This item was tabled.

14. Discuss and consider an Interlocal Agreement between Port Freeport and Brazoria County.

Ms. Saathoff recalled the County was successful in obtaining funds made available from the RESTORE Act to reopen the mouth of the San Bernard River. The process requires an application be filed with the State before funds can be released to the County. One of the items required in the state application is to address risk issues regarding maintenance after the project is completed. The County approached the Port about a partnership to address this issue. It was proposed the County and Port agree to share equally the cost of periodic maintenance. After hearing an earlier presentation by Colonel Sallese with Dannenbaum Engineering on the analysis and study of how frequent dredging might be needed, and reviewing the information and data sources, Port agreed to move forward with drafting an Interlocal Agreement to share equally in the cost of periodic maintenance after the project to reopen the mouth of the river is completed. The anticipated maintenance dredge cycle is every 3-5 years. Ms. Saathoff stated the Interlocal Agreement is for 25 years with an automatic renewal unless one of the parties gives notification to not renew. A provision in the agreement states that if feasibility studies are conducted for possible solutions to updating, modernizing or replacing flood gates along the Brazos River and causes this agreement to no longer be appropriate, both parties will revisit the agreement. Brazoria County Commissioners Dude Payne and David Linder, and Chris Sallese with Dannenbaum Engineering updated the Board on the project stating they will soon have the permit to dredge and plans to be ready to start the project once the money is available. The application will be submitted March 15. The County is expected to approve this agreement March 13. Commissioner Payne thanked the Port for their partnership with this agreement. Ms. Saathoff further stated it is staff's recommendation the Board approve the agreement before them.

A motion was made by Commissioner Singhania to approve the Interlocal Agreement as presented by staff. The motion was seconded by Commissioner Hoss with all Commissioners present voting in favor of the motion.

15. Discussion and possible approval of Reimbursement and Indemnity Agreement between Port Freeport and Tenaris Global Services (U.S.A.) Corporation.

Mr. Wilson explained that now that Tenaris has commenced operation of their facility in Bay City, they have requested to use the Heavy Lift Corridor that was extended to their facility in the last session of the State Legislature. This agreement states Tenaris will reimburse the Port in the event there are additional charges for maintenance over and above the normal maintenance of the highway system previously discussed as well as other expenses that may arise. It also confirms the surety bond in place is secured by the current letter of credit as part of their contract with the Port.

Expenses for additional road maintenance related to traffic specific to heavy lift permits will be sent to Tenaris. Staff recommends approval.

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

16. Discussion of an Interlocal Agreement between Port Freeport and Texas Department of Transportation and possible adoption of a Resolution approving and authorizing execution of same.

Mr. Wilson stated this agreement reaffirms the Port's agreement with TxDOT to issue permits via the Heavy Lift Corridor to Tenaris who will be the only active participant in this agreement. The fee for the route is \$60 per load with \$51 going to TxDOT for highway maintenance, \$7 to the software company ProMiles and \$2 to Port Freeport for administrative fees. Staff recommends approval.

A motion was made by Commissioner Hoss to approve agreement and resolution as presented by staff. The motion was seconded by Commissioner Singhanian with all Commissioners present voting in favor of the motion.

17. Adjourn.

With no further business before the Commission, the meeting adjourned at 7:32 p.m.