

## Minutes of Meeting June 14, 2018

A Regular Meeting of the Port Commission of Port Freeport was held June 14, 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. Austin Seth, Operations Specialist  
Ms. Lauren McCormick, Public Affairs Manager  
Mr. Scott Tafuri, Safety Coordinator  
Ms. Connie Wiegel, Sales & Marketing Specialist

### Also, present:

Ms. Ann Poninski, P66  
Mr. Bobby Fuller, Texas Port Ministry  
Mr. Jason Foltyn, HDR  
Mr. Bob Arroyave, Brown & Gay Engineer  
Mr. Gavin, Massingill, Carriage House Partners  
Mr. James Clarke, Carriage House Partners  
Mr. James Mathis, Carriage House Partners  
Mr. Drew Masterson, Masterson Advisors  
Ms. Kristin Blomquist, Masterson Advisors  
Ms. Chase Eastland, Masterson Advisors  
Mr. Will Wachel, WSP  
Mr. Paul Shireman, Texas Port Ministry  
Mr. David Eby, Terracon

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 May 24, 2018.

A motion was made by Commissioner Pirtle to approve the minutes as presented. The motion was seconded by Commissioner Terry 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.

Mr. Hogan reported that Port Freeport, along with other agencies, will participate in the Hurricane Expo at the Brazoria County Fairgrounds June 23. Mr. Miura introduced a new employee in his department, Sales & Marketing Specialist Connie Wiegel. Ms. Saathoff reported on Phillips 66's announcement to expand their Sweeny Hub in Old Ocean with the construction of two 150,000 barrel-per-day natural gas liquids fractionators. She also reported on the 2018 Work Plan the Corps released earlier this week. A link has been sent to the Board along with summaries on Texas Port projects which includes both flood control and navigation projects. Texas did receive funds for investigations or construction and there are additional feasibility study funds for the Brazos River and Colorado Locks project. She noted an effort is underway to stop interference by the Office of Management and Budget (OMB) in changing the Corps' work plan. Chairman Mike Simpson of Energy & Water has crafted an amendment to the 2019 Financial Services Appropriations Bill, which is currently being marked up in committee, to stop interference from OMB. Ms. Saathoff reported touring the Great Lakes Dredge vessel, along with Commissioner Hoss, Commissioner Pirtle and Mr. Hull. The dredge is currently operating in the Freeport LNG berthing area. Commissioner Hoss shared pictures from the tour of the dredge. Mr. Durel reported on the two vessels Hoegh brought in Memorial Day weekend, the Hoegh Trove and Hoegh New York. He also shared pictures of Hoegh New York's operation at Dock 7 (a first for the Port) as well as the Hoegh Glovis at Dock 2 which had its first sailing from Freeport. The Port hosted a group of high school leadership students from Fort Bend County schools on June 12. In addition to touring Port facilities, staff members from each department visited with the students about the different jobs at the Port. Ms. Saathoff reported attending the Needville City Council Meeting on June 13 and giving a presentation on Port Freeport. She also spoke to the Rosenberg East End Chamber Infrastructure Committee on June 8. Additionally, she will be giving a presentation to the Highway 36A Coalition Conference in Prairie View A&M on June 18. The Board Workshop is scheduled for June 27 at the Port Freeport Administration Building and a regular meeting will be held June 28. Ms. Saathoff reminded

everyone of the special meeting June 22. Due to the number of meetings requested this month and Commissioner absences expected, Ms. Saathoff asked the Board to consider canceling the July 12 board meeting. After discussing options, the Board elected to cancel the July 12 meeting and move the second meeting to July 19, making this the only meeting for the month of July. Commissioner Hoss inquired about the levee road closure on the south levee. Mr. Hull stated that he spoke with Chris Gallion at the Velasco Drainage District about the closure and reported the existing fence and gate will be moved within 150 feet of FM 1495 to close the entrance and should be complete June 28. The closure is due to ongoing issues with the public entering and trespassing on the property. The Port will still have access.

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 BayTran Luncheon on June 8. He will also attend the Highway 36A Luncheon June 18.

Commissioner Hoss reported attending the dredge tour on June 12.

9. Public Comment – There were no public comments.
10. Receive update from Carriage House Partners, LLC regarding legislative affairs.

Consultants Gavin Massingill, James Clarke and James Mathis with Carriage House Partners updated the Board on legislative affairs and events taking place in the interim. Mr. Mathis gave a political overview of the primaries stating Texas saw a record turnout, however it only included 17% of the registered voters in the state. Texas will see its first Democrat Party runoff for governor since 1990. House Speaker Joe Straus has announced he is not seeking re-election. Mr. Clarke gave an update on interim activities. The Transportation Commission met in May to consider rules to implement the ship channel improvement revolving fund. The comment period for these rules is open through July 9. Looking toward the next session, Mr. Massingill highlighted issues that will be on the forefront. This includes difficult budget issues such as Medicaid enrollment, Harvey, school finance and school security. The continuation of eminent domain from last session will also be a big item of discussion. Issues of interest to the Port include coastal barrier, port funding and the ship channel improvement revolving fund. Next steps for Port Freeport is to start planning the legislative agenda for next session. Mr. Massingill suggested staff discuss priorities and strategic needs for the next legislative cycle, then meet with CHP to develop a strategy and draft legislation, if needed. He also noted the GLO has identified possible Harvey money for improvements, specifically the Freeport portion of the Sabine to Galveston study. The Corps has not released their final rule on the funds but is expected later this month. The GLO indicated they would like to tour Port Freeport and use that opportunity to brief staff.

11. Discuss and consider award of contract to Masterson Advisors LLC for financial advisory services.

After meeting with the Finance Committee to review proposals submitted, Mr. Mannion presented an agreement with Masterson Advisors for financial advisory services. The scope of services with this agreement includes advising the Port on market terms, market structure,

options for executing and financing in the public bond markets. It is staff's recommendation the Board approve the agreement with Masterson Advisors and terminate the current agreement with Hilltop Securities.

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

12. Approval of a Professional Services Agreement with Rain Bowen for Asbestos Survey & Remediation Design for the East End Properties 2018 project, for an amount not to exceed \$25,000.00.

Mr. Hull presented a proposal with Rain Bowen for asbestos testing of 15 Port-owned properties which is required before the properties can be demolished. Once this testing is complete, staff will request a proposal for air-quality monitoring. The Strategic Planning Advisory Committee reviewed the proposal and recommends approval of the agreement presented by staff.

A motion was made by Commissioner Terry to approve the agreement as presented. The motion was seconded by Commissioner Santos 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. Discussion and consultation with attorney regarding bidding schedule for Pipeline Right-of-Way Easement across the following described land owned by the Port:

- (1) Lots 13A & 14, B.C.I.C. Subdivision, No.3 ASA Mitchell Survey, Abstract 98, Brazoria County, Texas;
- (2) Lot 116, B.C.I.C. Division 8 Subdivision, Frederick Calvit Jr. Survey, Abstract 51, Brazoria County, Texas;
- (3) Lots 105 and 108, B.C.I.C. Division 8 Subdivision, Frederick Calvit Jr. Survey, Abstract 51, Brazoria County, Texas;
- (4) Lots 118, 119, 120 and 121, B.C.I.C. Division 8 Subdivision, Frederick Calvit Jr. Survey, Abstract 51, Brazoria County, Texas;
- (5) Lots 8, 9 and 10, Block 70, Quintana Subdivision, Stephen F. Austin Survey, Abstract 28, Brazoria County, Texas;
- (6) Lots 7, 8, 9, 10, 11 and 12, Block 31, Quintana Subdivision, Stephen F. Austin Survey, Abstract 28, Brazoria County, Texas;
- (7) Lots 7, 8, 9, 10, 11 and 12, Block 93, Quintana Subdivision, Stephen F. Austin Survey, Abstract 28, Brazoria County, Texas.

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

1. Discussion regarding the terms and conditions of a Purchase Contract for property located at 712 N. Avenue D.
  2. 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.
  3. 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 2<sup>nd</sup> Street; Terminal Street and East 8<sup>th</sup> Street in Freeport, Texas.
  4. 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.
  5. 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, 35 and 38.
- C. 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.
- D. 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.
14. RECONVENE OPEN SESSION to review and consider the following:
15. Approval of a Purchase Contract for property located at 712 N. Avenue D.

Since the contract presented was not in line with the Port's standard contract, a motion was made by Commissioner Hoss to have the Board authorize the Port's attorney to draft the appropriate documents for this transaction and proceed forward. The motion was seconded by Commissioner Singhanian with all Commissioners present voting in favor of the motion.

16. 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:

303 E. 2<sup>nd</sup> Street, Freeport, TX (East End Property) and 1621 N. Avenue T, Freeport, TX (Avenue T Property)

A motion was made by Commissioner Terry to authorize transactions necessary. The motion was seconded by Commissioner Hoss with all Commissioners present voting in favor of the motion.

17. Adjourn.

With no further business before the Commission, the meeting adjourned at 7:51 p.m.