

Minutes of Meeting August 22, 2019

A Regular Meeting of the Port Commission of Port Freeport was held August 22, 2019 beginning at 1:20 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

Commissioners present:

Mr. Shane Pirtle, Chairman
Mr. Paul Kresta, Vice Chairman
Mr. Rudy Santos, Secretary
Mr. John Hoss, Asst. Secretary
Mr. Ravi K. Singhania, Commissioner
Mr. Dan Croft, Commissioner

Staff Members Present:

Mr. Jason Cordoba, Legal Counsel
Ms. Phyllis Saathoff, Executive Director/CEO
Mr. Rob Lowe, Director of Administration/CFO
Mr. Jason Hull, Director of Engineering
Mr. Al Durel, Director of Operations
Mr. Mike Wilson, Director of Economic Development
Mr. Chris Hogan, Director of Protective Services
Mr. Jason Miura, Director of Business & Economic Development
Ms. Missy Bevers, Executive Assistant
Ms. Mary Campus, Controller
Mr. Brandon Robertson, Network Systems Manager
Mr. Mike Quilty, Safety Coordinator
Mr. Jesse Hibbetts, Operations Manager
Mr. Austin Seth, Operations Specialist
Ms. Lauren McCormick, Public Affairs Manager
Ms. Connie Wiegel, Sales & Marketing Specialist
Ms. Jo Beth Griffin, Public Affairs Assistant

Also, present:

Mr. Bob Arroyave, Brown & Gay Engineers
Mr. Bobby Fuller, Texas Port Ministry
Mr. Paul Shireman, Texas Port Ministry
Mr. Rick Stephanow, Gulf LNG Services
Ms. Citalli Martinez, WGMA
Mr. Jason Foltyn, HDR
Mr. James Nash, Horizon Terminal Services
Mr. Rob Gieseke
Mr. Peter Nemeth, Crain, Craton & James

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 Pirtle noted that all Commissioners were present.
5. Safety Briefing – Mr. Mike Quilty, Safety Coordinator
6. Approval of minutes from the Regular Meeting held August 8, 2019.

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

7. Reports from Executive Staff:

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

Ms. Saathoff started by asking Captain Billy Burns with the Brazos Pilots Association to give an update on the Pilot Dispatch System and Quarterly Advisory Group meeting held August 15. Captain Burns gave a presentation covering financials, dispatchers, registered users for the dispatch system (terminal and agents) as well as a snapshot of information the users see in the system. Ms. Saathoff stated the next Quarterly Advisory Group meeting will be November 13th. She also stated the next tax rate hearing will be held August 29 at 8:00 a.m. Following the hearing, a budget workshop will be held. The tax rate will be adopted at the regular Board Meeting September 12 at 1:00 p.m. Freeport LNG has announced the Train 1 production has commenced and expect the first vessel to receive cargo from the facility to be August 29. They have several other vessels already scheduled for the month of September. Ms. Saathoff also reported on the trip to Washington, DC for meetings with the Federal Maritime Commission adding that staff will head back to WDC early October to meet with Corps Headquarters and the ASA's office regarding the 2020 Work Plan. Ms. Saathoff spoke at the 36A Infrastructure Conference August 19. Ms. McCormick reported the Port's annual golf tournament that will be held October 21 has nearly reached 50% of the goal at \$33,000 and has filled half of the team slots. She also reminded staff the CAP Meeting is scheduled for September 10 at ABC Building with the Pilots giving an update.

- B. Receive report from Director of Administration/CFO on monthly activity and matters related to financial results, investments, insurance, leases, real property matters and other related administrative affairs.

Mr. Lowe gave a brief financial presentation and update to the Commission.

- C. Receive report from Director of Engineering on activities and matters related to Freeport Harbor Federal Channel, capital projects, Hydrographic Report and other related facility engineering matters.

Mr. Hull stated that staff will advertise for bids for Berth 8 wharf and associated dredging August 26. Since staff is still waiting for the 204C Agreement from the Corps, the channel dredging portion will be a separate bid package. This agreement must be in place before the channel is bid in order to receive credit. Mr. Hull submitted the Placement Area 1 real estate application to the Corps proposing one million cubic yards of material out of the placement area, using it for common fill at no cost to the

taxpayer in accordance with all Galveston District requirements. He also shared a photo of current construction on Velasco Terminal Area 3.

- D. Receive report from Director of Operations on activities and matters related to operations, vessel activity, tonnage and other related port operation matters.

Mr. Durel stated that Operations is anxiously awaiting the first Freeport LNG vessel and continues to monitor the arrival. He also reported a new Gottwald crane operator has been hired, Marvin Setzer. A tenant safety meeting was held August 14 with guest speaker Rich Oberosky with Sqwincher whose company handles electrolyte beverages and supplements. The installation of safety awareness banners/slogans were also discussed and voted on at the meeting. Mr. Durel shared photos of the chosen slogans adding that one banner will be seen as you enter the Port and the other seen as you exit. These banners will also be offered to the tenants.

- E. Receive report from Director of Business & Economic Development on activities and matters related to industry meetings, sales reports, advertising, web activity, Foreign-Trade Zone, Rail District and other ocean transportation related matters.

Mr. Miura presented his written report to the Commissioners and had no other comments.

- 8. Receive report from Commissioners on matters related to:

- A. August 8 Personnel Advisory Committee – Commissioner Kresta reported the committee received a presentation regarding the budget and discussed policies 5.1-5.4 which will be brought to the Board for approval at a later date.
- B. August 8 & 22 Finance Advisory Committee – Commissioner Singhania reported the committee reviewed the Breakbulk Conference budget and discussed revenue budget August 8. Today’s meeting included review of the CP Chem tax abatement application, Parcel 14 property insurance as well as the financial ratios.
- C. Meetings and conferences attended, Port presentations, Rail District and other related Port Commission matters.

Commissioner Hoss reported attending the 36A Conference.

Commissioner Croft reported attending joint CAP Meeting hosted by Phillips 66/CP Chem. He also mentioned a program he came across on the Science Channel – Mega Machines program on RO/RO.

Commissioner Singhania reported attending the joint CAP Meeting as well as Friends of the River meeting and noted Ms. Saathoff will be speaking at the next meeting, September 14. He also attended the Port Bureau Maritime Dinner, Rail District meeting, 36A Conference and ACIT/ABC Legislative Update Luncheon.

Commissioner Pirtle reported attending the BCCA Meeting, ACIT/ABC Luncheon and the 36A Conference.

- 9. Public Comment – There were no public comments.
- 10. Approval of financial reports presented for the period ending July 31, 2019.

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

11. Receive presentation from BBC Chartering regarding the Maritime Workers Emergency Medical Fund.

This item was tabled.

12. Adoption of a Resolution confirming Port Freeport's ability to match funds for MARAD Port Infrastructure Grant for Velasco Terminal.

Mr. Wilson stated the resolution is the next step in the application process in applying for the grant. The resolution states if Port Freeport is awarded the grant and moves forward with the project, the Port will have the matching funds to complete the project. The project includes the stabilization of Areas 5 and 6 with concrete and relocating the rail in Area 6. The total project is \$25 million with the Port's match to be \$7.5 million.

A motion was made by Commissioner Hoss to approve the resolution confirming Port Freeport's ability to match funds for MARAD Port Infrastructure Grant for Velasco Terminal. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion.

13. Approval of a Construction Contract with Prism Response, LLC for the East End Properties 2019 project for an amount not to exceed \$113,540.00.

Mr. Hull stated three bids were opened August 15 for a project to demolish 9 structures on the East End. Prism Response submitted the best and lowest bid. Mr. Hull recommends acceptance of the bid and award a demolition contract that includes asbestos abatement to Prism Response, LLC in amount \$113,540.00

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

14. Approval of a Professional Services Agreement with Rain Bowen Environmental, LLC for the East End Properties 2019 project for air quality monitoring, for an amount not to exceed \$11,600.00.

Mr. Hull stated this agreement is to perform air quality monitoring during the abatement portion of the East End project. Mr. Hull recommends approval of the agreement in an amount not to exceed \$11,600.00 to Rain Bowen Environmental, LLC.

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

15. 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 to discuss potential litigation.
2. Consultation with attorney to discuss potential litigation.

3. Consultation with attorney and discussion regarding legal matters arising out of Texas Transportation Code, Title 4 Navigation, Subtitle A Waterways and Ports, Chapter 52 Texas Deepwater Port Procedures Act.

B. Under authority of Section 551.072 (Deliberation of 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. 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.
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 2nd Street; Terminal Street and East 8th Street in Freeport, Texas.
4. The potential exchange, lease, or value or real property located at Port Freeport, including but not limited to Parcel 14.
5. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcels 4, 5, 6, 9, 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 including but not limited to: Executive Director/CEO.

16. RECONVENE OPEN SESSION:

17. Adjourn.

With no further business before the Commission, the meeting adjourned at 7:19 PM.