

## Minutes of Meeting June 13, 2019

A Regular Meeting of the Port Commission of Port Freeport was held June 13, 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. Singhanian, 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. Al Durel, Director of Operations  
Mr. Jason Hull, Director of Engineering  
Mr. Jason Miura, Director of Business & Economic Development  
Mr. Mike Wilson, Director of Economic Development  
Ms. Missy Bevers, Executive Assistant  
Ms. Mary Campus, Controller  
Mr. Brandon Robertson, Network Systems Manager  
Mr. Cecil Booth, Project Engineer  
Ms. Connie Wiegel, Sales & Marketing Specialist  
Ms. Lauren McCormick, Public Affairs Manager  
Mr. Austin Seth, Operations Specialist

### Also, Present:

Mr. Rick Stephanow, Gulf LNG Services  
Mr. Peter Nemeth, Crain, Caton & James  
Mr. Jason Mills, Terracon  
Captain Billy Burns, Brazos Pilots Association  
Captain Sean Kelly, Brazos Pilots Association  
Captain Matt Krohn, Brazos Pilots Association  
Mr. Jason Foltyn, HDR  
Mr. Mike Hayes, Texas Port Ministry  
Mr. Jack Taylor  
Mr. Rob Giesecke

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation – Mr. Mike Hayes, 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 Briefing – Mr. Austin Seth, Operations Specialist
6. Approval of minutes from the Regular Meeting held May 29, 2019.

A motion was made by Commissioner Pirtle to approve the minutes as presented. The motion was seconded by Commissioner Santos 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 a press release went out announcing Port Freeport as the recipient of the U.S. Department of Transportation Consolidated Rail Infrastructure and Safety Improvements Grant for \$6.3 million. This grant will assist in funding the second phase of the Parcel 14 Rail Project. The Department of Transportation has announced funding opportunity through the Port Infrastructure Development Program. The program has designated \$292.7 million for port projects that will improve safety, efficiency, or reliability of goods movement into, out of, or within a coastal seaport as well as the unloading and handling of cargo. The Port will pursue the available applications which are due September 16. Rear Admiral Paul Thomas will hand over command to Rear Admiral John Nadeau at a Change of Command Ceremony July 23 in New Orleans. Union Pacific will hold their Shortline Railroad & Port Conference in Omaha August 5-7. The AAPA Annual Convention will be held in Norfolk, Virginia October 13-16. Ms. Saathoff attended the American Railway Development Association Conference held in Nashville June 4 where she was a guest speaker on the panel discussing rail developments in ports. Mr. Hull gave an update on the rail development project stating the rail is complete with the last piece of work taking place on Highway 36 with the pavement striping finishing up this week. The Ribbon Cutting Ceremony will take place June 28. Mr. Lowe gave an update on the first issuance of tax bonds from the \$130 million authorized by the voters in May 2018. Pricing will occur later this month. The bonds are rated at AA2 with positive feedback from Moody's on port operations and tax base. This feedback should lead to favorable pricing for the bonds. Actual issuance will net around \$32 million. Ms. Saathoff reminded the Board of the discussions regarding the July meeting dates. The decision was made to cancel the July 11 meeting, hold a Strategic Planning Workshop July 18 and have a regular meeting July 25. The workshop will be posted for 8:00 a.m.

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 36A board meeting, City of Freeport planning meeting and the Port's CAP meeting. He also participated on a conference call with WSP regarding master planning.

Commissioner Hoss reported attending the CAP meeting and met with WSP on master planning.

Commissioner Croft reported his resignation from the Brazoria-Fort Bend Rail District. He also reported attending the Sweeny Community Hospital Foundation board meeting as well as the Old Ocean CAP Meeting of P66/CPChem.

Commissioner Singhania also reported attending the CAP meeting, City of Freeport meeting and met with WSP on master planning. Additionally, he reported on the swearing-in ceremony held June 7 for himself and Commissioner Croft, and the public meeting held regarding the flood zone.

9. Approval of Oath of Office and Surety Bonds for Newly Re-Elected Commissioner Ravi K. Singhanian and Newly Elected Commissioner Dan Croft.

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

10. Election of Officers for the Port Commission for the period June 2019 – May 2021.

Commissioner Kresta asked for nominations for the office of Chairman. Commissioner Hoss made a motion to nominate Shane Pirtle as Chairman. Commissioner Singhanian seconded the motion. Commissioner Kresta asked for further nominations. Commissioner Croft motioned for nominations to cease. Commissioner Kresta asked for a vote with all Commissioners present voting in favor of the nomination.

Newly elected Chairman Pirtle asked for nominations for the office of Vice Chairman. Commissioner Santos made a motion to nominate Commissioner Kresta as Vice Chairman. Commissioner Hoss seconded the motion. Commissioner Pirtle asked for further nominations. Commissioner Singhanian motioned for nominations to cease. Commissioner Pirtle asked for a vote with all Commissioners present voting in favor of the nomination.

Commissioner Pirtle asked for nominations for the office of Secretary. Commissioner Kresta made a motion to nominate Commissioner Santos as Secretary. Commissioner Hoss seconded the motion. Commissioner Pirtle asked for further nominations. Commissioner Singhanian motioned for nominations to cease. Commissioner Pirtle asked for a vote with all Commissioners present voting in favor of the nomination.

Commissioner Pirtle asked for nominations for the office of Assistant Secretary. Commissioner Kresta made a motion to nominate Commissioner Hoss as Assistant Secretary. Commissioner Santos seconded the motion. Commissioner Pirtle asked for further nominations. Commissioner Singhanian motioned for nominations to cease. Commissioner Pirtle asked for a vote with all Commissioners present voting in favor of the nomination.

At this time, Commissioner Pirtle thanked the former Chairman for his service the last two years and presented him with a commemorative plaque in recognition of his outstanding leadership and commitment during his term.

11. Public Comment – There were no public comments.

12. Approval of a Professional Services Agreement with HDR Inc. for the Docks 1,2, 3 and 5 Floodwall Modifications project, for an amount not to exceed \$575,650.00.

Mr. Hull stated in 2009 the Corps relocated a flood protection wall from its original 1972 location to the quay on Docks 1, 2, 3 and 5. Since its installation, it has been struck several times and has also been in the way of vessel operations. In 2012, the Velasco Drainage District conducted a study that found the Corps design and construction did not meet Corps requirements. The PSA will fix the alignment back to the original location and will be movable and designed in a way that it can be removed when needed to load and unload vessels. The fee proposal from HDR is for design, permitting, construction observation and materials testing of the floodwall. Staff has reviewed the proposal and recommends approval of the agreement.

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

13. Approval of a Professional Services Agreement with HDR Inc for the FHCIP Reach 2 Design and Permitting project, for an amount not to exceed \$2,698,800.00.

Mr. Hull stated this PSA for the Freeport Harbor Channel Improvement Project includes the design, sediment testing and geotechnical testing of Reach 2 of the project. The Port will receive work-in-kind credit toward the Freeport Harbor Channel Improvement Project for this work. Mr. Hull noted the Port will have to pay additional funds to the Corps through a 204C Agreement for technical review of this work which are not eligible for work-in-kind credit. This proposal does not include those additional funds. Staff has reviewed the proposal and recommends approval.

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

14. Adoption of a Resolution approving the acceptance of the Port's portion of proceeds received from high bidders on delinquent tax property held in trust by Brazoria County, Texas and authorizing the Chairman to join in conveyance to high bidders.

A motion was made by Commissioner Kresta to approve the resolution. The motion was seconded by Commissioner Singhanian 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.
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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.
4. Discussion regarding appointment of Port Freeport representative to Brazoria-Fort Bend Rail District.
5. Discussion regarding appointments to the Board of Directors for the Brazos Harbor Industrial Development Corporation.
6. Consultation and discussion with attorney regarding legal matters arising out of Memorandum of Agreement between U.S. Army Corps of Engineers, Galveston District and Port Freeport for the release of the interests of the United States in portions of four designated tracts of land, including tracts designated as Freeport Harbor Project Tract Numbers 1, 12 and 14, and Freeport Harbor 45-Foot Project Tract 200E, with associated costs estimated to be \$73,750.

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 2<sup>nd</sup> Street; Terminal Street and East 8<sup>th</sup> 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 to review and consider the following:

17. Approval of a Purchase Contract for property located at 415 E. Broad Street.

Mr. Cordoba stated this transaction is for the purchase of property at 415 E. Broad Street in the amount of \$163,900. The proceeds would be utilized by the owner to purchase a new home which is similar to the swap agreements the Port has previously approved. As a result of this transaction, the Port will acquire title to 415 E. Broad and the \$163,900 will be held in escrow to acquire title to a newly built home. The Board's approval and Port's performance of this contract is contingent on closing on the new property being acquired by the seller.

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

18. Approval of a Purchase Contract for property located at 323 E. Second Street.

Mr. Cordoba stated this transaction is a similar transaction for property owned at 323 E. Second Street. The purchase price for this property is \$163,900. The proceeds will be utilized for a new home to be built in Oyster Creek. The Port's obligation to close this transaction is contingent on the seller making an agreement with the builder of the house on the Oyster Creek property and that transaction closing. This house has not been built. The Port will not close on this property until the new home is built. Mr. Cordoba recommends that any requests made by the seller for the new home be handled between her and the builder as it is a transaction between her and the builder.

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

19. Discuss and consider appointment of representative to the Board of Directors for the Brazoria-Fort Bend Rail District.

Commissioner Croft made a motion to appoint Jack Taylor to the Brazoria-Fort Bend Rail District as a representative for Port Freeport. He noted that Mr. Taylor has been a supporter of the rail and the Port for

the last several years, has been an active CAP member and regularly attends the Rail District meetings. The motion was seconded by Commissioner Singhania with all Commissioners present voting in favor of the motion.

20. Approval of Memorandum of Agreement between U.S. Army Corps of Engineers, Galveston District and Port Freeport for the release of the interests of the United States in portion of four designated tracks of land, including tracts designated as Freeport Harbor Project Tract Numbers 1, 12 ad 14, and Freeport Harbor 45-Foot Project Tract 200E, with associated costs estimated to be \$73,750.

Approximately 3 years ago, the Corps brought to the Port's attention there were some easements from the 1930s that covered portions of the Port that no one knew about. It came to light when the Port applied for a permit to build Docks 8 and 9 on Velasco Terminal. This agreement will dispose of those easements and explains what each party is responsible for completing. The Corps will a disposal report while the Port will provide a title report and boundary surveying for the property. Staff and legal counsel have reviewed this agreement and recommend approval. Ms. Saathoff noted the Port is obligated to reimburse the Corps for all costs associated for their review and the estimated cost is \$73,750.

A motion was made by Commissioner Kresta to approve the agreement as presented for an amount not to exceed \$75,000. The motion was seconded by Commissioner Hoss with all Commissioners present voting in favor of the motion.

21. Adjourn.

With no further business before the Commission, the meeting adjourned at 6:00 PM.