

Minutes of Meeting January 9, 2020

A Regular Meeting of the Port Commission of Port Freeport was held January 9, 2020 beginning at 1:00 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 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. 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. Cecil Booth, Project Engineer
Mr. Nick Malambri, Engineering Specialist
Mr. Mike Quilty, Safety Coordinator
Mr. Jesse Hibbetts, Operations Manager
Ms. Tricia Vela, Receptionist

Also, present:

Capt. Ross Coviello, Brazos Pilots Association
Mr. David Eby, Terracon
Mr. Bob Arroyave, BGE, Inc.
Mr. Bobby Fuller, Texas Port Ministry
Mr. Jason Foltyn, HDR Engineering
Mr. Murray Starkel, Ecological Service Partners
Mr. Charles Klinge, Ecological Service Partners
Mr. Marcelo Moecye, BGE
Mr. Rick Stephanow, Gulf LNG Services
Ms. Dianna Kile
Mr. & Mrs. Robert Hobbs
Ms. Lisa Diehl

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 December 12, 2019.

A motion was made by Commissioner Hoss to approve the minutes as presented. The motion was seconded by Commissioner Croft 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 matters and meetings, AAPA Committees, leases, contracts, upcoming Port and civic events and other related administrative affairs.

Ms. Saathoff gave an update of ongoing matters in Washington, DC. She also shared a picture of a full harbor December 30 with two LNG ships in Berth 2, two LPG ships in Berth 3, at least three chemical tankers, an inbound Ro/Ro ship, container ship, aggregate ship and steel ship. The Brazos Pilots recently reported the Port saw 1,034 vessel calls in calendar year 2019 which is more than a 10% increase over the prior year. Continued increase is expected for 2020 based on increased activity from the Freeport LNG terminals as Trains 2 and 3 are put into commercial operations. BG Owen approved the Memorandum of Agreement for the technical assistance for the FHCIP and in doing so, delegated his signing authority to Col. Vail at the District office. A special meeting will need to be held to approve the agreement and return it to the Corps by January 15th. After a brief discussion, the board elected to hold the special meeting Monday, January 13 at 8:00 a.m. The Brazos Pilots announced their elections of officers with Capt. Daniel Blanton elected President, Capt. Matthew Krohn - Vice President and Capt. Billy Burns – Treasurer. Mr. Miura gave a brief update regarding IMO 2020 and the Jan 1 worldwide requirement for ships to be operating with scrubbers, using low-sulfur fuel or have engines that use other “clean” fuels. The USCG is the federal agency that is responsible for compliance enforcement for U.S. ports including Port Freeport.

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

Commissioner Singhania reported attending the Rail District meeting.

Along with Ms. Saathoff and Commissioner Hoss, Commissioner Pirtle reported attending the Rail District engineering meeting. He also attended Friends of the River meeting.

Commissioner Hoss inquired about moving forward with the maintenance dredging of the mouth of the San Bernard River since it is naturally open and requested an update on the

channel dredging currently taking place. Mr. Hull first noted the area of the San Bernard River that is maintained by the Corps of Engineers and the area that is not. Without a permit, no one can touch the dredging. Regarding the current entrance channel maintenance dredging, Mr. Hull stated Manson began dredging in November with the dredges Bayport and Newport working together on the project. The Newport is currently under repair but will return. Estimated completion is February.

9. Public Comment – Ms. Lisa Hobbs addressed the Board regarding her residence at 214 E. 7th Street in Freeport.
10. Approval of financial reports presented for the period ending November 30, 2019.

Mr. Lowe gave a brief presentation regarding November financials, and update to the Commission.

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

11. Discuss and consider award of contract to Covenant K9 Detection Services for security canine contract services.

Mr. Hogan stated that staff submitted a scope of work for security canine contract services to seven firms and received three quotes in return with the lowest bid submitted by Covenant K9 Detection Services in the amount of \$28,500. The services include detection of narcotics, explosives, firearms, as well as vapor (explosives and movement). It also acts as a visual deterrent to discourage criminals from attempting to transport contraband through the Port. The contract runs through September 30, 2020. Staff recommends approval of the contract and requests authorization for the Executive Director/CEO to execute said contract.

A motion was made by Commissioner Kresta to approve the contract as recommended by staff. 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 Ecological Service Partners to prepare a report for Port owned properties to be used as potential compensatory mitigation sites for an amount not to exceed \$175,000.

Mr. Hull stated a proposal was submitted by Ecological Service Partners in the amount of \$175,000 and added that the budgeted amount for this project is \$150,000 so the proposal does exceed the budget. The committee reviewed this proposal and recommended it go to full Board for consideration. The proposal includes an assessment of all Port-owned property to determine which areas are the best for potential mitigation sites. The soil will also be evaluated to determine which area best matches sediment on PA 85. Once that is determined, an analysis will be done to determine the best way to remove sediment and place it in the mitigation site. Mr. Hull noted there is no permitting, engineering documents or specs prepared under this contract. It is an evaluation only. Mr. Murray Starkel with Ecological Service Partners gave a brief rundown of his background experience and reiterated the scope of work for this project to recommend which site is best suited to move forward with.

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

13. Approval of Executive Director/CEO and Commissioners travel for the months of January – May 2020.

Ms. Saathoff anticipates traveling to Washington to further promote the channel project and other matters as well as attend the National Waterways Conference Legislative Summit and the AAPA Spring Conference, both to be held in March. The AAPA Commissioners and Governing Ports Seminar will take place in May, and Ms. Saathoff will be speaking at the Urban Counties Conference January 15-16 and will be traveling to the East Coast for customer meetings.

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

14. 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 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 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 or adjacent to 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 or real property located by 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, 14, 19, 27, 31, 34, 35 and 38.

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

16. Approval of Right of Way Service Agreement with Property Acquisition Services, LLC for relocation services

Mr. Lowe stated the agreement is for relocation services related to East End acquisitions which includes residential moves as well as contents of the property. Additionally, the service will provide assistance in locating other housing for the individuals.

A motion was made by Commissioner Hoss to approve the agreement as recommended by staff for an amount not to exceed \$50,000. The motion was seconded by Commissioner Kresta with all Commissioners present voting in favor of the motion.

17. Approval of an Agreement with CBRE, Inc. for property appraisal services.

Mr. Lowe stated this appraisal company comes recommended by legal counsel to perform appraisals related to East End acquisitions.

A motion was made by Commissioner Santos to approve the agreement for an amount not to exceed \$100,000. The motion was seconded by Commissioner Singhanian with all Commissioners present voting in favor of the motion.

18. Approval of an Agreement with Bolton, Baer & White for property appraisal services.

A motion was made by Commissioner to approve the agreement for an amount not to exceed \$100,000. The motion was seconded by Commissioner with all Commissioners present voting in favor of the motion.

19. Approval of an extension to the Professional Services Agreement with Dianna Kile consulting services.

A motion was made by Commissioner Singhanian to approve the extension for an amount not to exceed \$50,000. The motion was seconded by Commissioner Hoss with all Commissioners present voting in favor of the motion.

20. Adjourn.

With no further business before the Commission, the meeting adjourned at 5:43 p.m.