

Minutes of Meeting March 26, 2020

Notice is hereby given that in accordance with the order the Office of the Governor issued March 16, 2020, and due to imminent threat to public health and safety and urgent public necessity the Port Freeport Port Commission will conduct a meeting on Thursday, March 26, 2020 at 1:00 p.m. in the Administration Building, 1100 Cherry Street, Freeport, Texas in part by teleconference in order to advance the public health goal of limiting face-to-face meetings (also called "social distancing") to slow the spread of the Coronavirus (COVID-19).

The meeting agenda and agenda packet are posted online at www.portfreeport.com.

Please join the meeting from your computer, tablet or smartphone (For Audio Listening and Document Viewing).

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To speak during the public comment period, participants must dial in by telephone.

All participants will be muted until the meeting begins.

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Please remember the Port Commission can only address those items on the agenda. If you have any other questions, please call Port Freeport at 979-233-2667.

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. Al Durel, Director of Operations
Mr. Jason Hull, Director of Engineering
Mr. Chris Hogan, Director of Protective Services
Mr. Jason Miura, Director of Business & Economic Development
Ms. Missy Bevers, Executive Assistant
Mr. Brandon Robertson, Network Systems Manager
Mr. Mike Quilty, Safety Coordinator
Ms. Lauren McCormick, Public Affairs Manager
Ms. Mary Campus, Controller

Also, present via teleconference:

Mr. Bobby Fuller, Texas Port Ministry
Mr. Will Wachel, WSP
Mr. Bob Arroyave, BGE, Inc.

Commissioner Pirtle stated the following information...

Today's date is March 26, 2020, and the time is 1:00 p.m. This is the regular meeting of the Commissioners of Port Freeport. We are conducting this meeting by telephone conference pursuant to Governor Abbott's order suspending certain provisions of the Texas Open Meetings Act in order to minimize the impact of the coronavirus outbreak. This meeting is being recorded as required by the Texas Open Meetings Act. Following today's meeting written minutes and this recording will be made available to the public.

With the posting of today's meeting a toll-free call in number was indicated on the agenda, along with the agenda packet. Both may be found on the Port's website www.portfreeport.com. Additionally, as posted on the agenda, the public may join the meeting from a computer, tablet or smartphone for audio listening and document viewing only. For audio listening and speaking, participants must dial in by phone using the toll-free call in number.

In the event any member of the public is having any technical difficulty during the meeting, please call (979) 233-2667, press zero and someone will do the best they can to assist you. Please state you need technical assistance regarding the Port Commission Teleconference Meeting.

Being considerate of all participants on this call today, we respectfully request everyone "mute" their phones unless you are speaking. This will prevent unintended disruptions from background noises.

As required by law and as a commitment to transparency we continue to include a public comment section with our meeting. If you would like to participate in the public comment section of our meeting the general guidelines and rules still apply. Those guidelines being:

- Each individual will be permitted to speak for five (5) minutes.
- Members of the public will only be permitted to speak during the posted public comment section.
- Members of the public will not be permitted to participate during agenda items.
- Commissioners cannot engage in discussion with members of the public during public comment.

If any member of the public desires to speak during the public comment section today, please state your name now, so you can be added to the list and called upon momentarily to provide your comments. Please be reminded to speak during the public comment section today, participants must join the meeting using the toll-free call in number.

An Executive Session was noticed on the published agenda. It will be announced prior to this body going into Executive Session. During Executive Session the public will not be permitted to hear the meeting, as is the case under the Texas Open Meetings Act. Following Executive Session, the board will resume the public meeting and adjourn the public meeting.

A roll call will be taken to record the Commissioners, staff and legal counsel in attendance. The Commissioners, staff and legal counsel will announce their name before they speak each time. After each item on the agenda is introduced, I will call upon each commissioner individually for questions or comments and for their vote on each motion at the appropriate time.

Should a participating commissioner be temporarily disconnected, the meeting will be paused to allow time for the commissioner to rejoin the teleconference meeting.

We will now begin our meeting.

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation – Bobby Fuller, Texas Port Ministry
3. Roll Call –Commissioner Pirtle noted that all Commissioners were present online via teleconference. He also noted those present in the board room (at a safe distance) included himself, Ms. Saathoff, Mr. Lowe, Mr. Robertson, Ms. Bevers, Mr. Hull, Mr. Miura, Mr. Durel, Mr. Hogan and Mr. Quilty. Staff participating online included Ms. McCormick, Ms. Miller, Ms. Campus and Jason Cordoba. Bobby Fuller with Texas Port Ministry is participating online as well as Will Wachel with WSP.
4. Approval of minutes from the Regular Meeting held March 12, 2020.

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

5. Receive reports from Executive Staff on activities and matters related to COVID-19 health safety matters, administrative affairs, financial results, facility engineering matters, operations and vessel activity, port safety matters, port security matters, Port tenant updates, USCOE, and other related port affairs.

Executive Director/CEO

Ms. Saathoff stated that COVID-19 has been the focus since the last meeting. Staff has been working to ensure the health and well-being of all port employees, workers at the port and those necessary for the movement of the global commerce in our region and community. Staff has implemented various preventative procedures to reduce risk spread of the virus and if there were a situation of a suspected case, it could be contained quickly and addressed. Staff has also been in communication with all tenants, stevedores, ILA, other support groups associated with the movement of commerce as well as other private terminals along the harbor to ensure they have necessary procedures in place as well. Staff also continues to use various platforms to spread the word that Port Freeport is open for terminal operations and vessels are moving in the Freeport Harbor. Working with WGMA, Houston Port Bureau, Port Freeport CAP, customer's tenants, local municipalities and others to get consistent and accurate information out about Port Freeport. Procedures will be adjusted as necessary tonnage the situation as it continues to develop. Brazoria County Judge Sebesta issued a stay safe at home order that takes effect March 26 at 6:00 p.m. The transportation industry and Port are exempt from this order. Staff has been instructed to carry their Port ID as well as their state issued ID. Letters have also been provided that acknowledge the exemption. Ms. Saathoff noted the Administration Building has been working with a reduced staff. Twice-a-

day phone calls are in place with those working from home to establish expectations and deliverables. Attention to all internal controls are still in place so nothing is compromised, and Port business continues in an efficient manner. Ms. Saathoff asked Ms. McCormick to give an update on the 20th Annual Take-A-Child Fishing tournament scheduled for May 9. Ms. McCormick reported that staff continues to monitor the situation and has alternative options in place if needed and plans to make a final decision next week. She also reported the team has exceeded their goal to raise \$40,000 in sponsorships. A Facebook campaign is currently running that recognizes all participating sponsors. Ms. McCormick also introduced the newest member of the public affairs team, Ms. Marilyn Miller, who joined the Port March 23. Ms. Saathoff shared pictures from the first Grimaldi ConRo vessel that called the Port March 22. Regarding the channel project, the Port received the USCOE Galveston District's draft of the Project Partnership Agreement March 20. Staff is reviewing the draft and the goal is to have it returned to Galveston with comments by COB March 27. As mentioned in her written report, the AAPA Spring Conference was cancelled due to COVID-19. Short conference calls were held with the senate and house appropriations staff and we were given the opportunity to thank them for the additional funds they have given the Corps and appropriations the last couple of years regarding the channel project and asked for the support to continue so that projects can be constructed in a timely fashion. Ms. Saathoff noted that no meetings or community events are scheduled for the next two weeks. Beginning March 27, the Port Administration Building will be closed to public access through April 3. Ms. Saathoff also noted that the only steps recently taken regarding the east end acquisition is that initial offer letters were recently sent out and a few transactions have been completed.

Commissioner Singhania complicated the public affairs team for their communication efforts via email and the website. He also complicated Jason Miura for bringing the Grimaldi business to Port Freeport.

Chief Financial Officer

Mr. Lowe gave a presentation regarding February results.

Director of Engineering

Mr. Hull shared photos from current construction projects which include the Berth 8 project where demolition and excavation has started in the area of the old tie back system, the pavement replacement area west of warehouse 51 and the Velasco Terminal Area 3 project that is now complete. He also noted the Parcel 14 20-acre car lot estimated completion is the end of April or May.

Director of Operations

Mr. Durel stated that vessel activity continues to be steady with next month looking to be the same. He noted a line item was added in his written report to show total vessel calls for the entire port. To date, the port has seen a total of 91 vessel calls port wide, 37 of which were handled by Port Freeport. He also shared photos of the ZPMC Crane #1 and updated the Port Commission on a transformer issue which resulted in shutting the entire crane down. Electricians from Saber as well as technicians from ABB came in to assist with the issue. Staff ultimately decided to use a portable generator until a new transformer is located. A possible compatible transformer has been located however ABB has to determine if it will work. If it is compatible, the crane should be back together in a month. A new transformer could take at minimum 3 months to arrive, possibly longer with the COVID-19 situation. Mr. Durel stated that COVID-19 is consuming most if not all each day for Mr. Hogan and Mr.

Quilty who participate on the state and local calls and keep tenants, stevedores, etc. updated. Continuously updating operations inside the port to minimize risk and keep everything running.

Director of Business & Economic Development

Mr. Miura submitted a written report to the Board and had nothing further to report.

6. Public Comment – There were no public comments.
7. Approval of financial reports presented for the period ending February 29, 2020.

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

8. Approval of an agreement with Texas Gulf Bank for Port Freeport depository services for a 3-year term beginning April 1, 2020, and one 2-year option renewal term.

Mr. Lowe stated that staff previously met with the Finance Committee to discuss the bids received and recommends awarding the bank depository to Texas Gulf Bank for a 3-year term with one 2-year renewal. Commissioner Pirtle noted that Commissioner Croft will be abstaining from discussion and vote on this matter.

A motion was made by Commissioner Singhania to accept Texas Gulf Bank for depository services beginning April 1, 2020 with one 2-year option renewal. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion, and Commissioner Croft abstaining.

9. Approval of an electrical easement to CenterPoint Energy for new electrical service on Parcel 14.

Mr. Hull stated that at this time he does not have an easement document from CenterPoint but the agreement will be the same as previously approved easements with CenterPoint, and will include reverter language stating that in the event the electrical easement is no longer needed, the Port will pay CenterPoint to remove the infrastructure and the easement will be abandoned. He also shared a photo of the area where the easement will exist which is 10-foot wide ground easement with a 15-foot aerial easement. Staff recommends approval

A motion was made by Commissioner Santos to accept staff's recommendation and approve the easement. The motion was seconded by Commissioner Hoss with all Commissioners present voting in favor of the motion.

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 551.072 (Deliberation Concerning Real Property Matters) for discussion regarding:

1. 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.
2. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcels 6, 7 and 19.

11. RECONVENE OPEN SESSION:

Commissioner Hoss lost connection during latter part of Executive Session and did not reconnect for remainder of meeting.

12. Adjourn.

With no further business before the Commission, the meeting adjourned at 3:09 PM.