

Minutes of Pilot Commission
Port Freeport
April 27, 2023

A Special Meeting of the Pilot Commission of Port Freeport was held April 27, 2023, beginning at 12:24 PM at the Port Freeport Administration Building, 1100 Cherry Street, Freeport, Texas.

This meeting agenda with the agenda packet is posted online at www.portfreeport.com

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Commissioners present in person:

Mr. John Hoss, Chairman
Mr. Rudy Santos, Vice Chairman
Mr. Dan Croft, Secretary
Mr. Rob Giesecke, Asst. Secretary
Mr. Ravi Singhania, Commissioner
Mr. Shane Pirtle, Commissioner

Staff Members present:

Ms. Phyllis Saathoff, Executive Director/CEO
Mr. Al Durel, Director of Operations
Mr. Jason Hull, Director of Engineering
Mr. Chris Hogan, Director of Protective Services
Mr. Brandon Robertson, Network Systems Manager
Ms. Missy Bevers, Executive Assistant
Mr. Austin Seth, Operations Supervisor

Also, present:

Capt. Matthew Krohn, Brazos Pilots Association
Capt. Ross Coviello, Brazos Pilots Association
Mr. Brandon Heasley, Vopak
Ms. Tammy Moss, Brazos Pilots Association
Mr. Chris Moore, Texas Port Ministry
Ms. Karla Clark

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Roll Call.

Commissioner Hoss noted that all Commissioners were present in the Board Room.

3. Public Comment.

There were no comments from the public.

4. Public Testimony.

There was no testimony from the public.

5. Approval of minutes from the Special Meeting held September 22, 2022.

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

6. Receive update from the Channel User Advisory Group.

Captain Krohn began his update by covering the communication fund budget stating the ending balance for Q3 was \$86,628.37 with an ending balance of \$72,244.21 noting that fiscal year ends March 1st. He illustrated the profit and loss annual comparison from March 2022 through February 2023 showing the communication fee to be at \$517,516.08 prior to Freeport LNG incident vs. \$424,902.88 after the incident. He noted that expenses remained average, with equipment being a large contributor last year. He further illustrated the revenue, expenses and balance on the next slide showing that income was steady in Q1 with LNG online, dropping in Q2 (when LNG had their incident) and steady again in Q3 and Q4. Vessel movements decreased slightly because of Freeport LNG but with Phillips and the Port staying constant, there were plenty of movements with the fee being traffic driven vs. size driven. The average comms fee per vessel movement was \$189.95 vs. \$207.21 the prior year. The pilots are currently operating with a 4-dispatcher staff with different rotation schedules to accommodate staff needs. Capt. Krohn stated that within the next two months, there will be a new dispatcher/administration assistant who will be in charge of the administrative duties and serve as a backup dispatcher when needed. He also shared the list of agents and terminals registered for the dispatch system, noting the list is constantly growing. The final slide showed the 4 months reserve fund he spoke to earlier showing the average amount they are looking at is approximately \$146,000 noting as the average month changes, the total amount will decrease/increase as well.

Mr. Brandon Heasley, chairman of the Channel User Advisory Group and terminal manager for Vopak terminal in Freeport gave a brief update stating that based on the past year with Freeport LNG and performance of dispatch, the group voted to maintain for another six months at the \$65 base plus the 0.18 multiplier. This will give the Pilots more time to grow their reserve and the ability to fill the administrative assistant position.

7. Receive update from the Brazos Pilots Association.

Captain Krohn shared a vessel count by terminal for 2022 vs. 2021 showing how the numbers have maintained with the exception of LNG who went from 16% to 8%. Total vessel count was down 10.7% from 1253 to 1118. He then shared the balance for the boat loan as of December 2022 to be \$1,059,473.13 noting the beginning balance was \$2.6 million. Captain noted that prior to Covid, the pilots had increased their training and education. Once Covid hit, training ceased, and they were able to build their balance and perform other medical emergency training for situations such as a pilot falling onto a boat or over the side or a deckhand incident with a lot of medical potential needs. Captain Krohn noted \$38,000 was spent in 2021 with all expenses associated for staff improvement to better support the Port. Additionally, larger forthcoming expenditures will be for ship handling training for 2-3 three pilots. Captain Krohn shared a photo of the BPA Shipyard that is near completion. This will be the new docks for the pilot boats. Inside the facility is a 3,000 square foot open space to work on engines and different components of the pilot boat. An apartment is included upstairs for the deckhands and boatmen to sleep between jobs giving them the ability to stay in the area and increase their quality of life by providing a place to rest other than the boat. They will always have a radio on hand in case of a potential emergency on the channel. The building is located across the canal from the pilot station. Captain Krohn also reported that Brazos Harbor 8 is nearing completion with the fenders installed there as well as at Brazos Harbor 7, noting they are absolutely fantastic. With the new fenders, he stated there is a lot more error room, more safety percentage and more risk mitigation built into the maneuver, the pilots are very happy with them. Captain Krohn put out a notice in February about pilot ladder safety noting that in this industry, a pilot passes every month (in the world) due to pilot ladders. Pilots have been increasing awareness with terminal users, ship's agents, the vessels and the vessel operators to have a properly rigged pilot ladder. Lastly, the NOAA PORTS System went live at the end of 2022 and has been a huge asset for the Pilots.

Commissioner Giesecke inquired how often they have come across a non-compliant pilot ladder prior to the notice going out. Captain Krohn responded that as a pilot on a two-week duty period, he has seen this happen once or twice.

Commissioner Hoss inquired how the expanded facility may have impacted finances. Captain Krohn stated that a small loan was taken out for approximately 15% with the remainder covered in cash, adding that the decision and position was made prior to LNG experiencing its major decrease so the Pilots followed through with their plan.

Commissioner Hoss then asked for two motions from the Commission. The first motion is to approve the new and expanded maintenance facility the Pilots have built and christened. A motion was made by Commissioner Singhania to approve the facility. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

Commissioner Hoss noted for the record that it states within the pilot code, the board must approve such facility.

The second motion is to accept and approve the reports, including financial reports as presented. A motion was made by Commissioner Pirtle to accept and approve the reports. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

9. Adjourn.

With no further business before the Commission, a motion was made by Commissioner Singhanian to adjourn the meeting. The motion was seconded by Commissioner Santos with the meeting adjourned at 12:56 PM.