

Minutes of Pilot Commission
Port Freeport
October 19, 2023

A Special Meeting of the Pilot Commission of Port Freeport was held October 19, 2023, beginning at 12:15 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. Rudy Santos, Vice Chairman
Mr. Dan Croft, Secretary/Treasurer
Mr. Ravi Singhania, Commissioner
Mr. Rob Giesecke, Commissioner
Ms. Barbara Fratila, Commissioner
Mr. Kim Kincannon, Commissioner

Staff Members present:

Ms. Phyllis Saathoff, Executive Director/CEO
Mr. Rob Lowe, Chief Financial Officer
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. Don Mullett, Crane Maintenance Manager
Mr. Jesse Hibbetts, Operations Manager
Mr. Austin Seth, Operations Supervisor

Also, present:

Capt. Matthew Krohn, Brazos Pilots Association
Capt. Ross Coviello, Brazos Pilots Association
Mr. Brandon Heasley, Vopak
Mr. Paul Bridges, Paul Bridges & Associates
Ms. Ann Poninski, P66

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 Singhania 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.

Commissioner Singhania there would be no action on this item as there was an oversight and the wrong minutes were noted here.

6. Election of Chairman, Vice Chairman, and Secretary/Treasurer for the period, June 2023-May 2025.

Commissioner Singhania stated this item is done every two years noting it has been common practice for the officers for the Pilot Commission to mirror the officers for Port Commission in an effort to keep continuity between the two commissions and reduce confusion. The officer positions for the Pilot Commission include Chairman, Vice Chairman and Secretary/Treasurer. Commissioner Singhania then asked for a motion to approve said positions with Commissioner Singhania as Chairman, Commissioner Giesecke as Vice Chairman and Commissioner Fratila as Secretary/Treasurer.

A motion was made by Commissioner Giesecke to approve the officers as stated above. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

7. Receive update from the Channel User Advisory Group.

Captain Krohn began his update by sharing the mandate that was adopted during the last rate request in 2021 explaining the Channel User Advisory Group meets quarterly to go over anything happening in the channel to dispatch matters. The group then reports to the Commission semi-annually. He then went over the communication fund budget stating the ending balance for Q4 was \$72,244.21 (FY ends March 1st) noting it was a year of decline due to LNG being offline. He illustrated the profit and loss annual comparison from Sept. 2022-Feb 2023 (\$182,529.17) vs. Mar. 2023-August 2023 showing the communication fee to be at \$240,301.26. He further illustrated the revenue, expenses and balance on the next slide the highlighting the IT services explaining that anytime the Pilots have a customer who wants to see a change or see something new with the service, or they have a need that needs to be met by DataPoints or Metrix, they provide it immediately at a cost of approximately \$6,000-\$8,000 per task. He noted that payroll has stayed constant but did add an administrative assistant who is in charge of dispatch day-to-day. Vessel movements went up in March trending up from where they were last year with numbers extending across the board. Car carriers have come back up,

crude oil has steadied at about 10-16 ships monthly with LNG at 18, the Port averaging 25-30 ships and Phillips regular at 20-22 vessels. The pilots are currently operating with a 4-dispatcher staff with different rotation schedules to accommodate staff needs as well as the new administrative assistant. He also shared the list of agents and terminals registered for the dispatch system, noting the list is constantly growing with the dredge company being the newest addition which has helped their process tremendously being able to see movements, etc. Capt. Krohn stated that recently they had a situation at their old station where they found mold and needed to move dispatch to a new location. They explored different avenues for the most cost-effective place to move the dispatch center ultimately identifying a commercial rental in Lake Jackson. With room in the budget under comms fees, they were able to secure the rental for \$3,000/month noting that because of its location it insulates them from the storms and heavy weather that moves in at times and doesn't take them in and out of operation. It's a centralized location in Lake Jackson with approximately 2400 square feet. They presented it to the Channel User Advisory Group at their last meeting, had the location approved and moved in recently. However, he still needs to get it approved as a location on their portfolio for the Pilots. He noted the boat house is still there and the boats are stationed on the water so there is a presence there and available as a backup location should something happen with the Lake Jackson location.

Mr. Brandon Heasley, chairman of the Channel User Advisory Group and terminal manager for Vopak terminal in Freeport stated that in addition to the slides Captain Krohn presented, the group voted to maintain and approved the \$3,000/monthly rental fee for the dispatch center relocation. There were no other updates from the channel users.

8. Approval of new location for dispatch center.

The Pilots have secured a building in Lake Jackson for \$3,000/month but is within the budget under the comms fee. They are not increasing the fee, but using the money that is currently coming in and earmarking it for the rental. Commissioner Santos inquired if the Lake Jackson location will be the permanent location for dispatch or temporary. Captain Krohn stated it could be a temporary situation, but they will need to see if it works for about 3-4 months. It all goes well; it will be permanent. If it does not, they will need to find something else. Plans for the old pilot station are undetermined at this time. The lease is for 3 years with different mitigating factors incorporated should they need to get out of it early if it doesn't work.

A motion was made by Commissioner Santos to approve the new location for dispatch center. The motion was seconded by Commissioner Fratila with all Commissioners present voting in favor of the motion.

7. Receive update from the Brazos Pilots Association.

Captain Krohn shared a YTD vessel count by terminal as of Sept 2023 showing BASF at 2%, Brazos Harbor 24% and Vopak 26% with LNG at 15%, Seaway 11% and Phillips at 22% for a total vessel count of 849 for this calendar year, expecting 1250 by calendar year end. He then shared the balance for the boat loan as of December 2022 was \$1,059,473.13 noting the new balance as of September 2023 is now \$796,839.37. With regard to education and training, Captain Krohn stated they grew the account back in 2020 noting that during Covid, training ceased, and they were able to build their balance. That has now changed with income into the

account at \$56,068.24 and expenses at \$118,432.18 for an ending balance as of Sept 2023 at \$55,763.27. Education and training this year has included the following:

- Medical/Trauma Training (Joint Exercise with Freeport Fire & EMS)
- Captain Krohn – Warsash Maritime Manned Models Shiphandling Training
- Captain Niday – Port Revel Manned Models Shiphandling Training
- Captain Coviello – Echelon Front/Maritime Pilots Institute Leadership Development Training

Captain Krohn also shared pictures from the training with Freeport Fire & EMS as well as trainings he and Captain Coviello attended.

Commissioner Croft inquired about the NOAA chart updates. Captain Krohn stated that it has been troublesome to have Berth 8 added to the chart with the regional contact from NOAA not as effective as the previous adding that he may have to fly to Washington, DC to have an in-person conversation with NOAA to have the chart updated. They have also been trying to work with NOAA as the new channel is implemented to have the chart updated as each portion is complete noting there seems to be about a 6-month wait before new items are added.

Commissioner Croft also inquired about the Rice's whale issue asking if there were any new developments. Captain Krohn stated the subject has come up that eventually speed restrictions will be implemented outside the port area. The driver is to make sure the vessels are moving no more than 10 knots offshore which is terrible for operations an efficiency. They are also requiring the pilot boat to go 10 knots or less which is severely detrimental. This means a pilot is going on a pilot boat an hour and a half before he is needed on a ship, soaking up pilot hours, increasing fuel consumption just to get the same level of operations in place today. This is not a necessary task/step to solving the problem. The critical habitat area is currently not part of our waterway, but it is coming this way so we need to make sure it does not become part of our waterway so we can keep it efficient.

9. Adjourn.

With no further business before the Commission, the meeting adjourned at 12:54 PM.