

Minutes of Pilot Commission
Port Freeport
March 28, 2024

A Special Meeting of the Pilot Commission of Port Freeport was held March 28, 2024, beginning at 12:20 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

Join Zoom Meeting

<https://us02web.zoom.us/j/81179001003?pwd=NjZSZG4xSmhrNTZsWTUya01EbkQ1Zz09>

Meeting ID: 811 7900 1003

Passcode: 313862

Dial by your location

• +1 346 248 7799 US (Houston)

Meeting ID: 811 7900 1003

Find your local number: <https://us02web.zoom.us/u/kdAmAbo3H6>

Commissioners present in person:

Mr. Ravi Singhania, Commissioner
Mr. Rob Giesecke, Vice Chairman
Ms. Barbara Fratila, Secretary/Treasurer
Mr. Rudy Santos, Commissioner
Mr. Dan Croft, 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. Chris Hogan, Director of Protective Services
Mr. Brandon Robertson, Director of Information Technology
Ms. Missy Bevers, Executive Assistant
Mr. Jesse Hibbetts, Operations Manager

Also, present:

Capt. Ross Coviello, Brazos Pilots Association
Capt. Sean Kelly, Brazos Pilots Association

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 Meetings held December 14, 2023.

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

6. Review and consider the reappointment of Captain Ross Coviello as Branch Pilot for the Ports for the Ports of Brazoria County.

Mr. Durel stated that Capt. Coviello's application was submitted timely and in full form. Staff has reviewed and finds all documents to be in place and the application to be complete. Staff recommends approval. Mr. Saathoff commented that she supports Capt. Coviello continuing to move vessels in and out of Port Freeport in a safe and efficient manner. Commissioner Singhania concurred.

A motion was made by Commissioner Santos to reappoint Captain Ross Coviello as Branch Pilot for the Port Freeport. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

7. Review and consider the reappointment of Captain Sean Kelly as Branch Pilot for the Ports for the Ports of Brazoria County.

Mr. Durel stated that Capt. Kelly's application was also submitted timely and in full form. Staff has reviewed and finds all documents to be in order and the application to be complete. Staff recommends approval. Commissioner Fratila asked for clarification to an item on Page 4 of the application where it asks if you or your spouse are related to a state or local official, both yes and no boxes are checked. Capt. Kelly stated the answer is no. Staff will make the adjustment.

A motion was made by Commissioner Fratila to reappoint Captain Sean Kelly as Branch Pilot for the Port Freeport. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

8. Receive update from the Channel User Advisory Group.

Before beginning the update, Capt. Coviello thanked the Port Commission for voting to renew both he and Capt. Kelly's commissions and appointment by the Governor. They appreciate the opportunity to continue to safely navigate vessels on the Freeport Harbor Channel and look forward to a continued working relationship as the Port continues to grow.

Capt. Coviello then reported on the Channel User Advisory Group noting the group meets quarterly with the Pilots and the group present semiannually a report to the Pilot Board to either keep or modify the communications fee established to run the dispatch center as well as present a traffic report. He noted the report is based on fiscal year numbers for comms, which runs March – March vs. calendar year. The communication fund budget beginning balance (March

2023) was \$72,224.21 with the ending balance of \$73,231.97 (February 2024). Income and expense are where they need to be for operating this service, with income at \$484,196.56 and expenses at \$483,208.80. A quarterly snapshot for fiscal year communications show income for Q4 just at \$124,000 while total expenses were at \$127,557. Capt. Coviello noted the disparity in Q3 stating there were a lot of IT services in that quarter due to the move of the dispatch center to Lake Jackson. The following slide shows profit and loss annual comparison for previous FY22 and FY23 noting the difference in the communication fee income up from \$425,000 to \$484,000 which was due to no LNG vessels in 2022. Expenses went up about 2% which is in line with overall cost increase. Vessel movements for 2023 was up to 2403 movements vs. 2191 movements for 2022 with Vopak (25%), Brazos Harbor (24%), LNG (17%) and Phillips (21%) traffic almost evenly distributed and Seaway at 11% and BASF at 2%. Capt. Coviello also shared a current list of 227 registered users for Pilot Dispatch which is made up of 156 terminals and 71 agents. He noted the pilots continue to receive positive feedback from all users and how invaluable the system is to everyone.

Mr. Brandon Heasley, chairman of the Channel User Advisory Group joined the meeting via Zoom to give an update and recommendation to the Pilot Board. He stated the group voted to maintain the current rate ($\$65 + \text{units} \times \0.18 per movement) for the 2024 fiscal year. He added that the driving factors for this decision was to make sure they are staying within the 5% and to give them more time to assess as they are trying to keep it at an even number. The group also discussed long term initiatives and capital expenditures to ensure when they need the money it will be made available. The group has done well managing with the original rate and will hold it for 2024.

Ms. Saathoff commented that she appreciates the statistics and presentation on the vessel activity noting the data that is available from the dispatch system is very helpful.

Commissioner Croft inquired about the number of members in the Channel User Advisory Group. Capt. Coviello stated the group is made up of members from every terminal in the Port which includes Phillips 66, Freeport LNG, BASF, Port Freeport, Seaway Enterprise. A representative or designee from each stakeholder attends the meetings so that everyone is represented when the group makes a recommendation to the Pilot Board regarding the rates/fees.

9. Receive update from the Brazos Pilots Association.

Capt. Coviello combined this update under the previous agenda item.

10. Adjourn.

With no further business before the Commission, the meeting adjourned at 12:43 PM.