

Minutes of Port Commission Regular Meeting  
April 28, 2022  
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held April 28, 2022, beginning at 2:39 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

**This meeting agenda with the agenda packet is posted online at [www.portfreeport.com](http://www.portfreeport.com)**

The meeting will be conducted pursuant to Section 551.127 of the Texas Government Code titled "Videoconference Call." A quorum of the Port Commission, including the presiding officer, will be present at the Commissioner Meeting Room located at 1100 Cherry Street, Freeport, Texas. The public will be permitted to attend the meeting in person or by videoconference.

The videoconference is available online as follows:

Join Zoom Meeting

<https://us02web.zoom.us/j/83472506062?pwd=NzQ5QWpKeG5ZQ0x3N2U0M01DMDQ1QT09>

Meeting ID: 834 7250 6062

Passcode: 312586

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Find your local number: <https://us02web.zoom.us/u/kgKaGgW4b>

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:

Mr. Peter Nemeth, Interim Legal Counsel  
Ms. Phyllis Saathoff, Executive Director/CEO  
Mr. Rob Lowe, Director of Administration/CFO  
Mr. Al Durel, Director of Operations  
Mr. Mike Wilson, Director of Economic Development & Freight Mobility  
Mr. Jason Hull, Director of Engineering  
Mr. Chris Hogan, Director of Protective Services  
Mr. Jason Miura, Director of Business & Economic Development  
Mr. Brandon Robertson, Network Systems Manager  
Ms. Missy Bevers, Executive Assistant  
Ms. Mary Campus, Controller  
Ms. Tricia Vela, Public Affairs Assistant  
Mr. Jesse Hibbetts, Operations Manager  
Mr. Don Mullett, Crane Maintenance Manager

Also, present:

Mr. Bobby Fuller, Texas Port Ministry  
Ms. Megan Mikutis, Randle Law  
Mr. Jason Foltyn, HDR  
Mr. Matthew Eagan  
Mr. Tom Ward, WSP  
Mr. Sammy Chambless  
Ms. Barbara Fratila

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 and Texas Flag
4. Roll Call – Commissioner Hoss noted that all Commissioners were present.
5. Call to identify and discuss any conflicts of interest that may lead to a Commissioner abstaining from voting on any posted agenda item.

There were no conflicts noted from Commissioners.

6. Public Comment – There were no public comments.
7. Public Testimony – There was no public testimony.
8. Review of Open Meetings Act provisions related to public comment and public testimony at Port Commission Meetings.

Mr. Nemeth stated that following the previous meeting, staff requested he review the Texas Open Meetings Act. The meetings of this governmental body are subject to Chapter 551 of the Texas Government Code which is known as the Open Meetings Act. Under the Open Meetings Act the meeting is open if it is open to the public. He explained the difference between an Open Meeting and a Public Meeting. An Open Meeting is one in which the public is welcome to attend, a Public Meeting is where the governmental body is meeting with the public and interacting with them. The government code requires the meetings be open, but they are primarily meetings at which a governmental body comes together to conduct its business. In 2019, the Open Meetings Act was amended by the Texas Legislature to allow public testimony. This gives the public a right to address the Port Commission on any item on the agenda. In passing this amendment, the legislature recognizes these meetings are held to conduct Port business and therefore, the Port has the right to set reasonable rules for how the meetings will be conducted. The requirement related to public testimony is any member of the public must be allowed to address the Port Commission for a reasonable amount of time on any item on the agenda and allowed to do so either before or during deliberation of the item. Other provisions included in the Open Meetings Act also allow members of the public to video tape, record or take pictures of the meeting. The Port is also allowed to set reasonable rules for these provisions. Mr. Nemeth has worked with the Executive Director to create a proposed set of rules which are authorized under the

government code for the Port Commission to adopt to allow for the orderly conduct of its meetings and allow the public a reasonable opportunity to speak and give testimony. The draft document was created based on what other entities have done, intending to keep it reasonable but allowing the public full opportunity to make their views and opinions known.

9. Approval of minutes from the Regular Meeting held April 14.

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

10. 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.

A. Executive Director/CEO

Ms. Tricia Vela gave an update on the Take-a-Child Fishing Tournament which is scheduled for May 14. She stated that a total of \$34,650 in sponsorships has been committed as well as door prizes and discounted rates for goods and services. Invites have also been sent out for the Captain's Dinner to be held May 12. Ms. Saathoff reported on the arrival of the first NYK vessel to Port Freeport April 27. She also reported attending the NWC Legislative Summit earlier in the week noting she was able to interact with several agency officials. The Reach 2 widening is almost complete, and the Reach 2 dry excavation contract will be moving forward. Staff anticipates the FY2022 Corps Work Plan to be released any day and is working with Van Scoyoc Associates to put together the Port's advocacy plan for FY2023 Budget and have made appropriate requests to Congressman Weber and Senators for inclusion of the project for discussion and additional appropriation for FY2023.

B. Chief Financial Officer

Mr. Lowe gave a presentation regarding the financial results for the month of March.

C. Director of Engineering

Mr. Hull reported the dredge has completed work for the Reach 2 widening. He also reported that bids were opened for the Reach 2 dry excavation work with six bids received. Mr. Hull noted that the government estimate was \$4.4 million, and the low bid was \$2.1 million submitted by RLB Contracting. He also noted the high bid received was \$5.4 million while the three remaining bids all came in at \$3.8 million. The ATR is in progress and has a few more days before comments are closed out. Once the Port knows how much money will be allocated, they will then be able to tailor the bid package but may be late May before Work Plan funding is known.

D. Director of Operations

Mr. Durel reported on a few highlights from his written report stating that total vessels handled by the Port for the first six months of the fiscal year was 277 vessels compared to 251 last year. LNG had 111 vessels and RoRo 74 vessels. Steel is experiencing a major change this year with the Port handling 14 vessels and has moved 328,000 tons of steel by barge and rail compared to 122,000 tons last year, for an all total of 9 million tons. The total number of vessels arriving Port wide for fiscal year-to-date is 633. Mr. Durel

also noted the first vessel for NYK is currently working at the Port and will sail Friday. Additionally, Jesse Hibbetts and Austin Seth were able to experience the process of riding the Bay-Houston tractor tug out to get the vessel. Mr. Durel also reported on a few staffing updates with Rick Benavidez joining the staff as a part-time safety coordinator. A full-time safety coordinator should begin in a few weeks. Barbara Schoppe is helping out as a temporary operations assistant and a summer intern has also been secured. Staff is still working to fill one more operations position.

E. Director of Business & Economic Development

Mr. Miura reported on upcoming conferences Business Development will be attending such as the Finished Vehicle Logistics and AAPA Shifting Trade. He also reported attending the JOC Breakbulk Project Conference. Additionally, he shared photos of the first NYK vessel to call the Port this week.

11. Receive report from Commissioners on matters related to:

- A. April 11 OSS Advisory Committee – Commissioner Pirtle reported the committee discussed the purchase of power reel cables which was approved at the last meeting as well as bids received for contract security services which is on today’s agenda for approval.
- B. April 11 and 28 Finance Advisory Committee - Commissioner Croft reported the April 11 meeting included lease negotiation discussion in executive session while today’s meeting included a review of the quarterly investment portfolio.
- C. April 14 and 27 Strategic Planning Committee – Commissioner Singhanian reported the committee met April 14 with Sentinel via Zoom to discuss their request regarding grant applications. The committee also met April 27 to discuss Sentinel’s request and to also discuss proposed Panama Canal-Texas Multi-Modal Trade Mission to Panama.
- D. Port Commission related meetings or conferences, Port presentations and other Port related matters.

Commissioner Singhanian reported attending the Responsible Care Luncheon, ABC Membership Luncheon and the luncheon honoring Dennis Bonnen.

Commissioner Santos also reported attending the luncheon honoring Dennis Bonnen as well as the Alliance Transportation Committee meeting.

Commissioner Croft reported attending the Sweeny Chamber Banquet.

Commissioner Pirtle reported attending the 100 Club Banquet, San Jacinto Festival, Gulf Coast Rescue Squad, Alliance Transportation Committee meeting and LBR Coalition Membership Luncheon.

Commissioner Hoss also reported attending the LBR Coalition Membership Luncheon

12. Approval of financial reports presented for the period ending March 31, 2022.

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

13. Approval of contract with Sunstates Security for security services for a term of 3 years, commencing June 1, 2022, in the amount of \$1,898,421.22 per year, with the Port's option to renew for a period of 2 years.

Mr. Hogan stated that staff published a request for proposal for contract security services which included site security management, access control point monitoring, ground patrol, marine patrol and communication and dispatch services. The RFP also increases a patrol presence, increased badge center hours as well as enhancements to officer benefits and wages. The current contract expires May 31, 2022. The new contract will commence June 1, 2022, for a term of three years with a two-year option to renew. Staff utilized a weighted evaluation for all the proposals with the top three items being cost of service, MTSA security experience and average safety rating for 2019-2021. Other items weighted on a lower percentage for the score was distance to the regional manager, how many contract hours the manager has, references, insurance for officers, years in business and 2021 turnover rate. Each proposal contained two quotes. Option A is unarmed security which is in place today and Option B is armed ready which means the officers are unarmed until Port Freeport requests they become armed. Three proposals were received with Sunstates Security scoring the highest and submitting the lowest quote on Option B. Additionally, Sunstates proposal included the following items beyond the request for proposal.

1. Sunstates will provide ballistic vest for those who are armed, at their cost.
2. Sunstates will provide an on-site Level 3 and Level 4 instructor.
3. Sunstates price includes dash cams which will record forward and the driver.
4. Sunstates will train reserve officers at Level 3 and Level 4, at their cost.
5. Sunstates requires four times the amount the state requires for armed officers for commission qualification. For commission in the State of Texas, you must fire 50 rounds for qualification once every two years. Sunstates requires once every six months.

Staff recommends approval of a contract with Sunstates Security in the amount of \$1,898,421.22 for the first year with a 3% annual increase beginning October 1, 2023, until the end of the contract.

A motion was made by Commissioner Pirtle to approve the contract as recommended by staff. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion.

14. Discuss and consider request from Sentinel Midstream for Port Freeport to apply as lead applicant for a grant(s) under the PIDP, INFRA or MEGA grant programs.

Ms. Saathoff stated that Sentinel Midstream has made application with Maritime Administration to construct an offshore deepwater port which would have a tank farm near Jones Creek and be connected by pipeline to the offshore facility. Sentinel is asking Port Freeport to apply as lead applicant under one of the three grant programs mentioned for a grant in the amount of \$25 million of which their full project would be the match to it. Ms. Saathoff explained to them that Port Freeport would be submitting an application under the

PIDP grant and possibly the INFRA. Ms. Saathoff discussed the INFRA and MEGA grant programs with the Department of Transportation and learned the spirit of these two programs is to reduce congestion on the national highway freight network and are really intended for surface transportation type projects. Additionally, the MEGA project has to meet all specific requirements with one item being that the project is in significant need of federal funding and Ms. Saathoff doesn't believe that requirement could be met under the program. Ms. Saathoff reminded the Commission that when you are the lead applicant, you are responsible for any issues that may arise, such as not meeting requirements and those issues must be resolved. There also has to be a majority effort underway for environmental approvals and none of these projects have been approved. Ms. Saathoff also discussed other technicalities and issues associated with these projects.

A motion was made by Commissioner Singhanian to deny Sentinel's request as recommended by staff. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

15. Discuss and consider the USACE Sabine to Galveston levee project and the WSP recommended levee alignment for FPV4a, as it pertains to Port Freeport.

Mr. Hull reminded the Commission that the Sabine to Galveston is not a Port project, rather a Corps project. He explained that the Corps came out with a proposed alignment through the Freeport area and through the Port's operating terminal areas which was not conducive to operating a port. Mr. Hull shared a map of the proposed alignment. Staff felt there was a better alignment and hired WSP to look at alternatives and additional criteria the Corps did not consider when conducting their evaluation on alternative alignments. The additional criteria included port access, internal circulation, asset protection and land coherence. With these factors included, Mr. Hull shared a map of the preferred alignment. He noted that this was shared with port tenants and users and there was no objection to the preferred alignment as it provides certain tenants with continued protection that they require. Mr. Saathoff added that staff needs to make a formal ask of Velasco Drainage District for them to recommend to the USACE the preferred alignment and not their original alignment. After additional discussion regarding the alignments, Commission agreed to move forward with the preferred alignment, as recommended by WSP.

A motion was made by Commissioner Croft to approve the WSP recommended levee alignment for FPV4a as it relates to the USACE Sabine to Galveston levee project, as it pertains to Port Freeport. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

16. Discuss and consider pricing change by Portal Crane Group for purchase of power reel cables.

This item was tabled.

17. Discuss and consider Panama Canal-Texas Multi-Modal Trade Mission to Panama organized by the U.S. Panama Business Council.

Ms. Saathoff explained that Mr. Juan Sosa, former Ambassador to Panama, has been very proactive through the years in developing relationships between Panama and the Texas ports, has organized trade missions and business development programs between the State of Texas

and Panama. He is now working to promote a Panama Canal-Texas Multi-Modal Trade Mission program. This is a two-day program to cultivate business opportunities and the movement of more trade through the canal into and out of the Texas market, and Mr. Sosa has asked Port Freeport to participate in the program. Ms. Saathoff added that amount of commerce that moves through Port Freeport that goes through the canal has grown to include LNG, Ro/Ro carriers and most recently NYK. Every 5 years the canal reviews the allocations of the types of cargos and vessels that move through the canal, so it is important for Texas ports to advocate for sufficient slots to support the commerce that is moving through the state. The trade mission is schedule for June 13-14, 2022 and has sponsorship and participation opportunities. Commissioner Singhania stated the recommendation of the Strategic Planning Advisory Committee is participation at the \$3,000 silver sponsorship, plus approximately \$2,000 per person to attend (2 staff/2 commissioners) and airfare. Commissioner Pirtle recommended approving up to 3 commissioners to attend.

A motion was made by Commissioner Singhania to approve participation at the silver level and allow up to 2 staff members and 3 commissioners to participate. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion.

18. Approval of Executive Director/CEO travel for the months of April and May 2022.

In addition to travel already listed in BoardPaq, Ms. Saathoff noted that she has also been asked to testify before the Business and Commerce Committee in Austin on May 18.

A motion was made by Commissioner Pirtle to approve the travel plus the addition of May 18. The motion was seconded by Commissioner Singhania with all Commissioners present voting in favor of the motion.

19. Update regarding General Counsel Request for Proposals.

Ms. Saathoff stated that she has added a document to BoardPaq to give the Port Commission an easier way to review the proposals in the form of a table with side-by-side comparison. The next step will be to condense criteria for the Commission to evaluate and rank the importance. Staff met with AJ to consult with her regarding the process moving forward to make sure it is handled in a way that is fair, consistent and understandable. Additional communications are forthcoming to receive Commission input regarding priority ranking.

20. 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 under Government Code Section 551.071(1) (to seek or receive attorney's advice on pending or contemplated litigation or a settlement offer).
  - 2. Consultation with attorney under Government Code Section 551.071(2) (to seek or receive attorney's advice on legal matters that are not related to litigation).
    - i. Texas Open Meetings Act

- B. Under authority of Section 551.072 (Deliberation Concerning Real Property Matters) for discussion regarding:
1. Discussion regarding the potential exchange, lease, or value of real property located in Freeport, Texas, including but not limited to the are known as the East End of Freeport and bordered by or adjacent to the following streets: FM1495; East 2<sup>nd</sup> Street; Terminal Street and East 8<sup>th</sup> Street in Freeport, Texas.
  2. 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.
  3. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcels 14, 19, 27, 34 and property on Quintana Island.
- C. Under authority of Section 551.076 (Deliberation of Security Matters) for discussion regarding:
1. Issues related to the deployment or specific occasions for implementation of security personnel or devices or security audit services.

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

22. Approval of the First Amendment to the Pipeline Right-of-Way and Easement between Port Freeport and FLNG Liquefaction 4, LLC.

Mr. Miura stated that staff recommends approval of the First Amendment to the Pipeline Right-of-Way and Easement between Port Freeport and FLNG Liquefaction 4, LLC, as presented. This amendment will amend the completion construction date from June 22, 2023 and extend it to June 22, 2026.

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

23. Discuss and consider adoption of rules for public comment, public testimony, recordings and other matters related to the conduct of Port Commission Meetings in accordance with the Texas Open Meetings Act.

Mr. Nemeth presented a draft document of rules for public comment, public testimony and recordings related to the conduct of Port Commission meetings. The Commission discussed the rules presented including the proposed mark-ups by the Chairman which allows the Commission to extend testimony time. Mr. Nemeth noted that the Act specifically provides that you cannot be discriminatory, meaning if you extend time for one, you must extend same courtesy to all. Mr. Nemeth also noted that staff did not include the Pilot Commission in this draft because it is a separate governmental body and will need to adopt its own rules. After additional discussion, the Port Commission agreed to adopt the rules as presented by legal counsel with no changes, adding if any Commissioner feel changes are needed, they may submit proposed changes for consideration at a future meeting.



A motion was made by Commissioner Giesecke to adopt the rules as presented by legal counsel. The motion was seconded by Commissioner Pirtle with all Commissioners present voting in favor of the motion.

24. Adjourn.

With no further business before the Commission, the meeting adjourned at 6:20 PM