

Minutes of Port Commission Regular Meeting
March 24, 2022
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held March 24, 2022, beginning at 1:07 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

This meeting agenda with the agenda packet is posted online at 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.

Public comment will be available at the beginning of the meeting during the agenda item devoted to public comment. Public comment may be communicated in person or by videoconference, but in either event public comment will be limited to 5 minutes per participant and must be communicated verbally. Following public comment, the public will not be permitted to communicate with the Port Commission.

The videoconference is available online as follows:

Join Zoom Meeting

<https://us02web.zoom.us/j/82569076100?pwd=T0NzeEp6L3lGMmdVR3F1NlBjb2x0QT09>

Meeting ID: 825 6907 6100

Passcode: 476328

Dial by your location

+1 346 248 7799 US (Houston)

Meeting ID: 825 6907 6100

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

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

Also, present:

Mr. Bobby Fuller, Texas Port Ministry
Mr. Chris Moore, Texas Port Ministry
Mr. Jason Foltyn, HDR
Ms. Kelsea Hiebert, HDR
Ms. Christine Mayers, HDR
Mr. Jason Mills, Terracon
Mr. William Bohlen, BGE Engineers
Ms. Barbara Fratila
Mr. Henry Chambless

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 Commissioner Croft was in another meeting and would join the group later. All other Commissioners were present in the Board Room.
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 – Ms. Melanie Oldham addressed the Board regarding a Clean Port Plan.
7. Approval of minutes from the Regular Meeting held March 10.

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

8. 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. Saathoff reported on the quarterly executive governance meeting held with the USACE Galveston District March 23 stating the widening in Reach 2 should be completed by May 1. Bids are out for dry excavation in the bend easing with work to be completed this fiscal year. Plans and specs for remainder of the project are being sent to New Orleans for the independent review which will take approximately 30 days. The next bid package will go out June-July timeframe. Staff hosted new Assistant Secretary of the Army Connor as well as other Corps officials from Headquarters and the

Southwest Division for an aerial port tour from the crane. Notice was received that John Porcari, president appointed port envoy, will step down this month now that the role will shift to a more permanent structure under the new Federal Office of Multimodal Freight Policy. Staff has also received notice that Texas Lt. Governor has made the remaining appointments for Senate committee and chair vacancies. Speaker Phelan has released his interim charges, and the Texas Ports Association will be monitoring the hearings on these charges as they move forward.

B. Chief Financial Officer

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

C. Director of Engineering

Mr. Hull submitted a written report and was available for questions.

D. Director of Operations

Mr. Durel reported on a few highlights from his written report stating that February was a robust month with the Port monitoring 45 vessels while the total number of vessel arrivals Port wide was 93. Staff anticipates a repeat for the month of March. Mr. Durel also reported the Channel User Advisory Group met earlier in the day for Pilots to report on progress of the dispatch system as well as present an update on budget, expenses and revenue. The group also discussed the growth in the Port.

Commissioner Croft joined the meeting during the operations report at 1:35 p.m.

E. Director of Business & Economic Development

Mr. Miura reported that NYK will be calling Port Freeport in April with the first vessel to carry OEM, POV and high and heavy into Port Freeport. Mr. Miura recognized Mike Wilson for his part in cultivating the relationship with NYK over the years. Ms. Saathoff also recognized the operations department for their part in taking care of the Port's current customers and how it reflects in the confidence the business has in using Port Freeport.

Ms. Saathoff also noted that staff is actively working on preparations for the Take-A-Child Fishing Tournament which will be held May 14 at Freeport Municipal Park.

9. Receive report from Commissioners on matters related to:

A. March 24 Finance Advisory Committee – Commissioner Croft reported the committee discussed items to be considered on today's agenda for approval.

B. Port Commission related meetings or conferences, Port presentations and other Port related matters.

Commissioner Pirtle reported participating on a number of conference calls with the Corps, Velasco Drainage District and OMB. He also attending Friends of the River (FOR) State of the River, Port CAP meeting as well as the Chamber Awards Luncheon.

Commissioner Croft reported attending the Brazoria County Economic Development Alliance meeting, Brazoria County Cattlemen's Association meeting and will attend a Sweeny Chamber of Commerce event this evening.

Commissioner Santos echoed his attendance on various Corps conference calls and attendance at the CAP meeting.

Commissioner Hoss also participated on the various conference calls and events previously mentioned.

Commissioner Singhanian reported attending the reception for new President at Brazosport College, Vincent Solis. He also mentioned an upcoming luncheon April 28 honoring Dennis Bonnen and noted his CAP members were very impressed with the last meeting featuring Steve Huttman with G&H Towing as the speaker. Commissioner Singhanian also reported attending a meeting with Freeport LNG.

Commissioner Giesecke reported also attending the CAP meeting.

10. Approval of financial reports presented for the period ending February 28, 2022.

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

11. Approval of a proposal from Texas A&M Transportation Institute for Port Freeport Economic Impact Study for an amount not to exceed \$66,500.

Mr. Wilson stated that staff met with the finance committee to discuss this proposal. He noted the last EIS was performed in 2019 and was based on 2017 data. The proposal for 2022 will be based on 2021 data. The data collected will be distributed to the Port's constituents to deliver the Port's message that we still care about the quality of life, creating jobs and the report demonstrates the Port is doing that. The Port uses the data to communicate the Port's impact to the state and the impact to the federal government. Staff recommends approval.

A motion was made by Commissioner Croft to accept the proposal. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

12. Adoption of a Resolution declaring items surplus and ordered sold separately for cash, after notice of sale and receipt of bids to the highest bidder; destroyed or otherwise disposed of if no bids are received; or offered as trade-in for new property of the same general type.

Mr. Jesse Hibbetts stated the items listed on the exhibit was previously discussed with the OSS Advisory Committee and noted that most of the equipment, (i.e., golf carts, travel trailer, etc.) is unusable (broken down, rusted, non-usable) however, with the yard trucks and the fork-lifts, staff wants to surplus and include them for trade in when they go out for bids for equipment replacement. The Hyster 440 will be traded in for a replacement.

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

13. Adoption of a Resolution approving the acceptance of the Port's portion of proceeds received from high bidders on delinquent tax property held in trust by Brazoria County, Texas and authorizing the Chairman to join in conveyance to high bidders.

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

14. Update regarding the search for General Counsel and the Request for Proposals.

Ms. Saathoff stated that the changes discussed at the last board meeting were made to the RFP and sent out March 11 to firms identified as potential candidates and posted on the Port's website. Contact was also made with the Brazoria County Bar Association, who has posted the RFP on their website and emailed it to their members. No responses or questions have been received to date.

15. 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).

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 2nd Street; Terminal Street and East 8th 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.

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

Commissioner Singhanian left the meeting during executive session at 4:18 p.m.

17. Approval of a Memorandum of Agreement accepting offer from the Texas Department of Transportation regarding property that consists of 102.6 acres of land (4,471,953 sq.ft.) located at South line of Gulf Intracoastal Waterway, West of Bryan Beach, Quintana, Brazoria County, Texas (Parcel PA 86E), in which Port Freeport has a partial interest.

Ms. Saathoff stated the Port received an initial offer and a final offer from the Texas Department of Transportation (TxDOT) for the Port's interest in 102.6 acres of land on Quintana Island that is used as a dredged material placement area for the dredging of the Gulf Intracoastal Waterway. Appraisal information was provided which was reviewed by staff, and a settlement offer was sent in and accepted by TxDOT. Staff requests authorization to accept and execute the agreement of the settlement offer in the amount of \$366,720 for the Port's 45.84% interest in the track of land.

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

18. Approval of a First Amendment to the Lease Agreement between Port Freeport and Dole Fresh Fruit Company.

Mr. Miura stated that staff recommends approval of a First Amendment to the Lease Agreement with Dole Fresh Fruit. The amendment would be retroactive to July 25, 2021, and effectively change Dole's berth priority berthing window.

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

Commissioner Croft left the meeting during executive session at 5:55 p.m.

19. Adjourn.

With no further business before the Commission, the meeting adjourned at 7:17 PM