

Minutes of Port Commission Regular Meeting
October 13, 2022
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held October 13, 2022, beginning at 1:00 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.

The videoconference is available online as follows:

Join Zoom Meeting

<https://us02web.zoom.us/j/84688874690?pwd=U2w1RnhSbG83QnB2Uk1aS3JDMC9hZz09>

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

Commissioners present in person:

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

Staff Members Present:

Mr. Grady Randle, 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. Jason Miura, Director of Business & Economic Development
Mr. Brandon Robertson, Network Systems Manager
Ms. Missy Bevers, Executive Assistant
Ms. Mary Campus, Controller
Mr. Don Mullett, Crane Maintenance Manager
Mr. Jesse Hibbetts, Operations Manager
Ms. Christine Lewis, Safety Coordinator

Also, present:

Mr. Chris Moore, Texas Port Ministry
Ms. Megan Mikutis, Randle Law Office
Mr. Chris DiVeglio, NOAA
Mr. Bruce Reed, P66
Ms. Gloria Milsap, Senator Joan Huffman
Mr. George Matamoros
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 –Chris Moore, Texas Port Ministry
3. Pledge of Allegiance – U.S. Flag and Texas Flag
4. Roll Call – Commissioner Hoss noted that all Commissioners were present in the Board Room.
5. Safety Briefing – Ms. Christine Lewis provided a safety moment regarding Halloween safety.
6. 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.

7. Public Comment – There were no public comments.
8. Public Testimony – Mr. George Matamoros addressed the Port Commission on Agenda Item #13 regarding term limits.
9. Approval of minutes from the Regular Meetings held September 22, 2022.

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 presentation from NOAA regarding the Freeport PORTS System.

Mr. Christopher DiVeglio, Maritime Services Program Manager with NOAA joined the meeting virtually to give a presentation on the Freeport PORTS (Physical Oceanographic Real Time System) which became operational in the last few weeks between a joint effort with NOAA and Port Freeport as well as Freeport LNG and the Texas A&M Conrad Blucher Institute. He explained how the system focuses on real-time observations, including water levels, currents, winds, temperature, visibility and in some areas, salinity and bridge air gap. He also showed through his presentation the sensors and equipment used to collect the data, and what NOAA sees with the data collected. Mr. DeVeglio also stated that maintenance for the meters typically happens every six months while water level and meteorological data can occur once a year. He also stated that while this is a shared responsibility partnership

program and not a federally funded program, NOAA does receive a specific appropriation on an annual basis that is called out specific to ports. You can view the data for the Freeport area by visiting the website, tidesandcurrents.noaa.gov, and enter Freeport, TX. A link will also be provided on the Port's website.

11. Receive report from Executive Director/CEO and/or Port 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.

Ms. Saathoff reported that a press release went out regarding the transaction that was closed with Volkswagen Group of America, PRP KDC and Port Freeport on the 125-acre development for additional OEM storage for VW Group of America making Port Freeport their Gulf hub. Ms. Saathoff thanked all the entities who participated in granting tax abatement to the project as it was helpful in securing Port Freeport as their Gulf hub. Work has already commenced at the site. The annual Port Freeport golf tournament benefitting Texas Port Ministry will be held October 17. All teams are filled with more than 70 sponsors supporting the event. Ms. Saathoff and Commissioner Singhania will be attending the AAPA Annual Convention in Orlando while Mr. Miura and Austin Seth will be attending the Shortline Railroad & Port Business Development Conference in Omaha. Mr. Durel reported on the Lone Star Harbor Safety Freeport Committee (Sub-Committee) meeting which was held earlier in the day reminding everyone that Colleen Kallestad is no longer with the committee. Greg DeLong has agreed to chair the committee moving forward and has been very active with the local committee as well as the committee in Houston. Additionally, Capt. Krohn gave an update to the committee on the Freeport PORTS System and Freeport LNG reported they hope to be back in service with one dock at 85% by mid-November, anticipating 100% by March. The Coast Guard also attended the meeting and explained how inspections are conducted, especially those done offshore in inclement weather. A follow-up meeting will be held to discuss performing inspections shore-side. Ms. Saathoff also reported attending the U.S. Army Corps of Engineers Stakeholder forum along with Mr. Hull stating it was a good meeting and she was able to speak with Col. Blackmon. Mr. Hull added that there will be the new project manager for Freeport, replacing Carlos Tate who has been assigned to another project. Ms. Saathoff also noted a radio interview with The Oil Patch, where she gave a general overview of the Port. Links for the piece and information will be forthcoming.

At this time, Commissioner Hoss recognized Ms. Gloria Milsap with Senator Joan Huffman's office who was in attendance.

12. Discuss and consider rules and procedures for conducting Port Commission meetings.

Commissioner Hoss stated that discussion has been held about adopting more formal procedures than what has been used in the past. Legal Counsel has drafted proposed meeting procedures and Ms. Saathoff noted that suggested comments and changes have also been submitted. Mr. Randle stated that instead of using Robert's Rules of Order which are generally used for larger assemblies, he used Rosenberg's Rules adjusted to make them clearer. He noted that these rules can be suspended with a simple majority vote, or they can be repealed with a majority vote adding if you don't like them during a debate, there is an easy way to get rid of them. The Port doesn't have a municipal charter or a constitution saying you can't. He then went over the proposed rules and procedures which includes the

following sections and subsections while noting the suggested comments and changes submitted.

Establishing a Quorum

- *Establishing a Quorum*
- *Absence or Loss of a Quorum*

Role of the Chair

- *General*
- *Agenda Item Discussion*

Making and Responding to Motions

- *Motions*
- *Simply Majority; Super Majority*
- *Counting Votes*
- *Making a Motion*
- *Basic Motions*
- *Amendment to the Original Motion*
- *Multiple Motions Before the Body*
- *Motions Not Subject to Debate*
- *Motions Requiring a Super Majority*
- *Motion to Reconsider*

Courtesy and Decorum

- *General*
- *Interrupting the Speaker*

While presenting the above, the Port Commission discussed what was liked and disliked, additional changes and clarifications were also made where definitions and procedures were not clear.

The Commission also reviewed proposed modifications to the procedures for Election of Officers with the biggest change with votes being cast by written ballot. Majority of the discussion surrounded the voting of officers and how a non-majority vote or tie would be handled.

Legal counsel will incorporate the changes discussed and give Port Commission more time to review further.

A motion to postpone this agenda item for consideration until the next meeting was made by Commissioner Pirtle. The motion was seconded by Commissioner Singhania with all Commissioners present voting in favor of the motion.

At this time, the Port Commission recessed the meeting at 3:09 p.m. for a short break.

The Port Commission reconvened the meeting at 3:24 p.m.

13. Discussion on term limits, possibly two consecutive terms, for Port Commissioners; and approve necessary actions to implement.

Commissioner Hoss began by stating that the Port Commission does not have the authority to modify the terms as set by state statute. Term limits have to be changed through the state legislature.

With that, Commissioner Giesecke made a motion to have general counsel draft a resolution directing the legislature to change appropriate state statute to provide no more than two consecutive terms for a Port Commissioner. The motion was seconded by Commissioner Singhanian for discussion.

Commissioner Giesecke began the discussion by stating that getting a fresh perspective on any board is important. Two terms (12 years) is a long time to serve on a board. Getting the flow of new ideas to a governmental body, inviting broader participation among larger cross section of the Port's owners (the taxpayers and citizens of southern Brazoria County) and balancing out the power of incumbency which is very powerful is good public policy and something the Port Commission should push for.

Commissioner Pirtle commented that in his experience with term limits, it can become quite frustrating because it can take a significant amount of time to get on board to understand and in some cases, years to understand what's going on. Term limits are quite often based on the auspices of corruption, new ideas or better thinking. He feels if you force term limits, you're also forcing a loss of knowledge. Additionally, he contends that term limits enable and justify those voters who decide they don't want to take the time to get educated and learn what the candidates are about and make an educated decision.

Commissioner Giesecke debated that you would see the opposite effect because voters tend to not vote because the incumbent always wins and feel it doesn't make any difference. He feels you would see greater participation and encourage voter turnout if you had new blood coming in periodically.

Discussion then began among the Port Commission with Mr. Randle questioning what would happen with a partial term where someone is appointed mid-term and if legislation is changed, would it apply retroactively because all the current members were elected with no term limits. They also discussed whether or not term limits would take effect immediately for current members if proposed legislation were enacted as well as the number of previous board members who held 3 or more terms. Mr. Randle clarified that the state legislature (through their process) would have to amend Chapter 5002 Special District Laws, this would not be handled through the voters. Commissioner Giesecke noted that should the Commission choose to pass a resolution to change the statute, State Representative Vasut has indicated he would move forward on term limits with a local bill on the consent agenda. Additional discussion ensued among Commissioners regarding redistricting, the difficulties with term limits within the Corps in educating new Colonels on the Port projects and the length of terms limits being 2 vs 3-year terms.

Commissioner Giesecke clarified his motion by stating that he moves to ask the legislature to change the qualifications of Chapter 5002 of the Special District Code to provide that no more than twice be elected to a full term, which would also include two vacancies at the same time, if you're elected to fill a partial term, you're still eligible to serve two full terms.

Commissioner Hoss called for the vote.

Commissioner Singhania made one last comment regarding continuity stating that staff provides the continuity. The senior staff runs the port while Commissioners are present to provide guidance adding if they get too involved, they are going beyond their job description and exceeding the expectations of their job when you start telling staff how to do it. The Commissioner's job is to only be a guidance for fiscal responsibility for the people who elected them. He does not buy that having a change every 12 years is too fast. There are 6 Commissioners who can pass on the guidance and the history and if you have the right people and the right policies, this is the beauty of what a good organization is. Business will continue on because staff knows what needs to be done.

Commissioner Hoss called the vote with Commissioners Giesecke and Singhania voting yes. Commissioners Santos, Croft, Pirtle and Hoss voted no. The motion did not pass.

14. 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 551.087 (Economic Development Negotiations or Incentives):
 1. To discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations.
 2. To deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1).
 - C. 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.
 - D. Under authority of Section 551.074 (Deliberation of Personnel Matters) for discussion regarding:

1. Deliberation regarding the appointment, employment, evaluation, reassignment, duties of a public officer or employee, including but not limited to: Executive Port Director/CEO, Chief Financial Officer, Director of Operations, Director of Engineering, Director of Protective Services, Director Economic Development and Director of Business & Economic Development.

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

16. Approval of request from the City of Freeport for a Sanitary Sewer Easement occupying 3.815 acres of property across Parcels 12 and 13, leading from the U.S. Department of Energy Strategic Petroleum Reserve to the City of Freeport Sewer Treatment Facility.

Staff recommends postponing this item for consideration at the next meeting.

A motion was made by Commissioner Giesecke to postpone this item to the next meeting. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion.

17. Discussion regarding a Phase I proposal from Paul Bridges & Associates.

Mr. Durel stated that staff received a proposal from Paul Bridges & Associates to look at two cranes for the Port, perform an initial inspection and appraisal for a total amount of \$16,545.00. The proposal includes travel expenses. Mr. Durel added that staff wants to send the Port's crane manager, Don Mullett, with Paul Bridges for the initial assessment.

A motion was made by Commissioner Pirtle to approve the proposal as presented by staff as well as travel for the Port's crane manager. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

18. Adjourn.

With no further business before the Commission, the meeting adjourned at 6:39 PM.