

Minutes of Port Commission Regular Meeting
June 22, 2023
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held June 22, 2023, beginning at 1:03 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.

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Commissioners present in person:

Mr. Ravi Singhania, Chairman
Mr. Rob Giesecke, Vice Chairman
Ms. Barbara Fratila, Secretary
Mr. Dan Croft, Commissioner
Mr. Rudy Santos, Commissioner

Staff Members Present:

Ms. Grady Randle, Legal Counsel
Ms. Phyllis Saathoff, Executive Director/CEO
Mr. Rob Lowe, Director of Administration/CFO
Mr. Mike Wilson, Director of Economic Development & Freight Mobility
Mr. Jason Hull, Director of Engineering
Mr. Al Durel, Director of Operations
Mr. Chris Hogan, Director of Protective Services
Mr. Jason Miura, Director of Business & Economic Development
Mr. Brandon Robertson, Director of Information Technology
Ms. Missy Bevers, Executive Assistant
Ms. Mary Campus, Controller
Mr. Jesse Hibbetts, Operations Manager
Ms. Randi Northrup, FSO
Mr. Nick Malambri, Engineering Specialist
Ms. Tricia Vela, Public Affairs Assistant
Ms. Christine Lewis, Safety Coordinator
Ms. Katie Tudor, Sales Representative
Ms. Emily Henderson, Sales & Marketing Specialist
Ms. Bailee Pavlovsky, Accounting

Absent:

Mr. Kim Kincannon, Asst. Secretary

Also, present:

Mr. Chris Moore, Texas Port Ministry
Mr. Paul Bridges, Paul Bridges & Associates
Mr. Kody Andrews, Freeport Mooring Marine
Mr. Stuart Herbst, Terracon
Mr. Scott Bowman, Ports America
Mr. Rick Stephanow, Gulf LNG Services
Ms. Megan Mikutis, Randle Law Office
Mr. Luke LeBas
Mr. Sammy 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. Chris Moore, Texas Port Ministry. Mr. Moore also recognized that International Day of the Seafarer will be June 25.
3. Pledge of Allegiance – U.S. Flag and Texas Flag
4. Roll Call – Commissioner Singhania noted that Commissioner Kincannon was absent. All other Commissioners were present in the board room.
5. Safety Briefing – Ms. Christine Lewis provided a safety moment regarding stroke awareness.
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 by Commissioners.

7. Public Comment – There were no public comments.
8. Public Testimony – There was no public testimony.
9. Receive update from the Lone Star Harbor Safety Committee.

Mr. Kody Andrews with Freeport Mooring Marine, who recently took over as Freeport's chairperson for the Lone Star Harbor Safety Committee provided an update for the Commission. For new members of the Commission, he explained the committee is a public forum that addresses maritime transportation with an emphasis on navigation and safety matters. It includes the areas of Galveston, Houston, Texas City and Freeport as well as the intercoastal waterways and offshore lightering zones which facilitate communication for public and private sector entities. In addition, the committee draws upon regional expertise and insight to address issues such as vessel traffic & anchorage management, communications, maritime traffic disruption & restoration, process improvements as well as other topics related to maritime transportation. The committee most recently met June 13th to discuss the mapping for Berth 8 which is underway. All paperwork has been submitted (to NOAA), just waiting for

it to show on the maps. Additionally, the committee is working on the beginning stages of anchorage areas for the ships which will be a great asset for the area. The committee also discussed the dredging and how it might affect the brown water marine services.

10. Receive update on procurement of gantry cranes.

Mr. Durel introduced Paul Bridges with Paul Bridges & Associates who is the Port's consultant and crane expert currently assisting staff in the purchase of two new cranes. Mr. Bridges reported that PBA prepared bid documents or more specifically technical documents, which were specifically drafted to obtain two cranes similar to the existing cranes but built with the latest technology. Additionally, options have been requested for the largest vessels that could be calling the Port in the future; therefore, base bids will be submitted along with an option bid. Mr. Bridges laid out a tentative schedule Once a notice to proceed is issued, cranes are expected to be available for commercial operation approximately 22-23 months. Mr. Bridges also noted that the documents are very detailed so there's confidence the equipment the Port will be getting will be specifically built to the specifications within the document.

Commissioner Singhania inquired about the reach of the current cranes being sought. Mr. Durel noted that the option in the bid documents is specifically tailored for super post panamax cranes with a 22 reach vs. current reach of 18.

Commissioner Giesecke inquired about ZPMC pricing, noting they have approximately 80% of the ship to shore crane business vs. other competitors/suppliers pricing structure. Mr. Bridges stated that because of the requirements, a lot of labor would be involved in building a crane to specification. PBA is a big component of the customer getting the crane they want, built to their specification. Other suppliers have standard equipment, which is built well, but built to the suppliers' specifications. They will give you the outreach, height, speeds that you want, but the details of how they get there will be on their terms.

Commissioner Santos clarified that if a notice to proceed is given, it would be September when that is done. Mr. Durel stated it could be as early as August.

11. Approval of minutes from the Regular Meeting held June 8, 2023.

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

12. 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 that Dredge 54 with Great Lakes Dredge & Dock is in the channel and will begin dredging this weekend (June 24-25) with estimated completion of dredging in Reach 4 by September. Additional assets are expected to be brought into the channel to begin work in the bend. Ms. Saathoff noted that soundings will need to be done in Reach 4, therefore, barges may need to be vacated. Notice to Mariners has been communicated about the project and what will be happening with contact information. Ms. Saathoff noted that operations staff has been working to keep everyone working outside in the heat safe/hydrated

and working with port partners to ensure their workers' safety welfare is in place. As mentioned by Chris Moore, International Seafarers Day will be this Sunday, June 25. The Brazoria County Shoreline Restoration Task Force will meet June 26 at the Port offices. Ms. Saathoff noted the County was awarded grant funds and Tony Williams with the General Land Office will give a presentation at the meeting regarding the funds. County Commissioner Dude Payne will also be present to give an update on the RESTORE Act funds. The Port Authority Advisory Committee (PAAC) will also meet July 10 at the Port offices with lunch and tours provided. Ms. Saathoff provided a legislative update stating the Gulf Coast Protection Trust Fund was vetoed by the governor. It's possible it will be reconsidered once property tax relief is resolved. ILWU on the west coast has reached a tentative agreement with a six-year deal with a 30% increase over the time period of 2022-2028. There will also be a lump sum payment (hero payment) for work covered through the supply chain crisis and COVID. Panama has been experiencing drought conditions and has implemented conservation measures to reduce the amount of water taken from Gatun Lake and has restricted the draft of vessels moving through the canal. They are also expected to reduce the transit depth by six feet later in July. The main commodity the Port has moving through the canal is LNG which is not affected at this time. Finally, Ms. Saathoff reported that the USACE issued a public notice regarding the Final Environmental Impact Statement for Dow Chemical's Harris Reservoir Expansion Project.

B. Chief Financial Officer

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

C. Director of Engineering

Mr. Hull shared a photo of Dredge 54 working as well as a map showing the areas where the dredges will be working in the channel. Commissioner Singhanian inquired about the rail project on Parcel 14. Mr. Hull stated that there have been a few obstacles hindering the completion of asphalt work, but the project is ahead of schedule for completion.

D. Director of Operations

Mr. Durel shared a photo of port staff meeting with TxDOT to discuss mitigating disruptions in/out of the Port at all gates. In addition, he shared photos of the ball mill equipment currently in port awaiting transport. He added that May was a great month and June is poised to be just as good, noting that last month the Port saw a rice vessel while June will see a Vulcan vessel. The safety team has been working to get a package together to incorporate the entire port staff into monthly safety meetings. With regard to security, Mr. Hogan was nominated to be part of the process to review security grants. Mr. Hibbets recently participated in the Gulf Ports Association and the Gulf Seaports Marine Terminal Conference held in Galveston. Mr. Hogan introduced Randi Northrup, who is the new Facility Security Officer for Port Freeport. Ms. Northrup was previously the captain with Sunstates Security. Mr. Glenn Collins is the new captain with Sunstates. Mr. Collins was previously with Sunstates, moved away for about 7 years and has moved back.

Commissioner Giesecke asked if the expected Vulcan vessel is part of the quarry in Quintana Roo. Mr. Durel stated that it's from a quarry in close proximity, adding that the rock they are bringing is more blackish vs. the limestone we normally see.

E. Director of Business & Economic Development

In addition to his written report, Mr. Miura was available for questions.

13. Receive report from Commissioners on matters related to Port Commission related to meetings or conferences, Port presentations and other Port related matters.

Commissioner Croft reported attending the Brazoria County Economic Development Alliance Executive Committee Meeting.

Commissioner Giesecke reported attending the BayTran Meeting, 36A Coalition Meeting and the Brazosport Chamber Luncheon.

Commissioner Singhanian also attended the 36A Coalition Meeting.

14. Approval of financial reports presented for the period ending May 31, 2023.

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

Commissioner Croft suggested moving forward adjusting the agenda, so the CFO gives his financial report last under departmental reports and then switching the approval of financials to take place next, followed by Commissioner reports.

15. Approval of Executive Director/CEO travel for the month of June 2023.

The travel is for the CEO to travel to New Orleans for the Change of Command and retirement of Rear Admiral Timme.

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

16. Appointment of committee assignments for 2023-2025.

Commissioner Singhanian presented the committee assignments for 2023-2025 noting that a new committee has been created for ESG and Sustainability. He also requested that each committee chair review the committee charter for updating.

17. 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).
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.

- i. Business and Economic Development Reports.
 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, 7 and 8.
 3. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcels 12, 13, 14, 19, 27, 34 and property on Quintana Island.
- D. Under authority of Section 551.076 (Deliberation of Security Matters) for discussion regarding:
1. Discussion regarding issues related to the deployment, or specific occasions for implementation of security personnel or devices or security audit and services.

18. RECONVENE OPEN SESSION:

19. Adjourn.

With no further business before the Commission, the meeting adjourned at 4:21 PM