

Minutes of Port Commission Regular Meeting
March 23, 2023
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held March 23, 2023, beginning at 2:02 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. 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:

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. 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
Ms. Tricia Vela, Public Affairs Assistant
Mr. Jesse Hibbetts, Operations Manager
Mr. Nick Malambri, Engineering Specialist
Ms. Christine Lewis, Safety Coordinator

Also, present:

Mr. Chris Moore, Texas Port Ministry
Mr. Rick Stephanow, Gulf LNG Services

Ms. Megan Mikutis, RLO
Ms. Barbara Fratila
Mr. Kim Kincannon

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
3. Pledge of Allegiance – U.S. Flag and Texas Flag
4. Roll Call – Commissioner Hoss noted that Commissioner Hoss was absent while all other Commissioners were present in the board room.
5. Safety Briefing – Ms. Christine Lewis provided a safety moment regarding eye wellness.
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. Approval of minutes from the Regular Meeting held March 9, 2023.

A motion was made by Commissioner Singhania to approve the minutes as presented. The motion was seconded by Commissioner Croft 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. Saathoff reported on community opportunities including hosting the India delegation as well as speaking engagement at the recent WGMA Luncheon, Gulf Stream Marine Women's Appreciation Luncheon and giving a Zoom interview with BIC. The Port hosted its quarterly CAP meeting where Patti Worfe with the Economic Alliance was the guest speaker. The annual Take-a-Child Fishing Tournament planning is underway with awards given out for the logo drawing contest with first place going to a student from Alvin, second and third place winners were from Sweeny and Brazosport Christian School. The Boys & Girls Club will also receive a gift certificate for supplies for submitting the most entries for the contest. The Captain's Dinner will be held May 4 and the tournament May 6. The Port was invoiced for their cost-share for the engineering and design for the permit modification for the dredging at the mouth of the San Bernard River in the amount of \$32,000. The next Executive Governance Meeting will be held April 5 at the Port offices with Col. Blackmon requesting a tour of the Port. Ms. Saathoff also gave a legislative update stating that 7,874

bills have been filed as of March 20 with over 9,000 resolutions filed. The Port and Texas Ports Association both continue to monitor the bills. TPA has 3 bills they are working through the legislature that include the Chapter 55 Transportation Code change, the TPA Omnibus Bill and the Easements bill, all of which have been moved out of committee in the Senate. A request was made for an additional plus-up on funding for the capital program that had been created years ago for port capital projects and the ship channel improvement revolving loan fund. Ms. Saathoff noted that she, Commissioner Santos and Commissioner Singhanian will be attending the AAPA Legislative Summit next week in Washington, DC.

B. Chief Financial Officer

Mr. Lowe gave a presentation regarding the financial results for the month of February. He also commented on the recent turbulence in the banking industry noting that the Port has a policy that is reviewed annually and part of that policy and depository requires the accounts to be collateralized. Staff receives a daily report regarding such noting that the Port is in good shape in regard to the Port's banking and requirements of the bank deposits.

C. Director of Engineering

Mr. Hull noted that Berth 8 is still on track to wrap up at the end of May. He also shared recent photos of the progress at the Bend Easing Dry Excavation and Berth 8 projects. He also noted that one bid was opened March 22 for the Gate 8 Guard House Expansion, and the contract will be awarded at the April 13 meeting. Commissioner Croft asked if there was a basis to compare to when only one bid is received or if it is based on staff's analysis of current values. Mr. Hull stated that staff does not like to advertise what the estimate is but if they do have to give it out, they give a low estimate, so contractors don't know how much money is budgeted for the project. The estimate for this project was \$100,000 with the bid coming in at \$137,525. Bid opening for the channel project is still on track for April 3rd.

D. Director of Operations

Mr. Durel provided an update on February statistics for the Port stating there were 7 ships for Freeport LNG with 10 projected for March. Steel is still good with 3 in February and 4 for March. Staff met the new terminal manager for Dole who is from Delaware. Staff has been preparing for the first Oceanus vessel call which is currently scheduled to come in March 29. Staff attended Ports America quarterly safety luncheon, safety coordinator gave safety orientation to new staff and security participated in discussions related to EV battery vehicles. Mr. Seth is participating in the Texas A&M Career Fair in Galveston. Staff participated in the most recent Lone Star Harbor Safety Committee noting that Kody Andrews with Freeport Mooring is the new Chairman.

E. Director of Business & Economic Development

Mr. Miura highlighted upcoming events noting he will attend the Southwest Area Rail Shippers Conference March 29-31, Port of Future Conference April 4-6, JOC Breakbulk Project Cargo Conference April 19-21 (exhibitor) and the Finished Vehicles Logistics Conference May 9-11 (exhibitor). Mr. Miura also participated on a panel for Fort Bend County Alliance where many consulates attended. He gave an update on the Port's infrastructure projects, strategic objectives and how the Port can benefit Fort Bend County. Also participating on the panel was Scott Wahlburn of KCS and Jim Fredricks of 36A Coalition.

Ms. Saathoff noted that as the Port moves forward with grant applications that staff will bring forth the environmental statement for reaffirmation at the next meeting.

Commissioner Hoss noted that Pine Street Bridge will close Friday, March 24 at 9pm through Tuesday, March 28 at 5am to prepare for construction on FM 1495 from the base of the bridge on FM 1495 to State Highway 36 which will be done in three phases.

The Pine Street Bridge Replacement project is being rebid by TxDOT.

Chris Moore with Texas Port Ministry announced that the annual fundraising banquet will be held April 20 at the Lake Jackson Civic Center with the Secretary General for the Danish Seaman's Mission for Denmark and Greenland as the guest speaker.

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

- A. March 22 OSS Advisory Committee – Commissioner Pirtle reported the committee discussed HVAC replacement at the EOC Building as well as a no objection to G&H Towing's notice of intent dock expansion in Reach 4 of the Freeport Channel which is on the agenda for approval. The committee also discussed SSI items in executive session. Commissioner Pirtle explained that the HVAC system at the EOC continues to be an issue with two of the five units failing. Staff obtained estimates from local vendors but also consulted with Leaf Engineers whose recommendation is estimated to be higher than the local estimates which were prepared without the benefit of an actual design and specifications. Mr. Hull added that the operations department requested a simple system that any HVAC contractor in the area can service and supply repair parts. Mr. Hull pointed out that this proposed simple system will not have the energy efficiency of the current system which redirects and shares refrigerant to zones in the building that need more. Therefore, the total building equipment tonnage will be greater than the existing system to compensate for the simpler system. The committee recommended staff obtain bids for replacement of the system based on Leaf Engineers specifications and bring it back to the Commission for approval. Commissioner Croft noted this is not a budgeted item.
- B. Port Commission related meetings or conferences, Port presentations and other Port related matters.

Commissioner Giesecke reported attending Angleton Chamber Luncheon and Friends of River - State of the River.

Commissioner Singhania reported attending Angleton Chamber Luncheon, Brazosport Chamber Awards Luncheon, India Consul Port Visit, the Port CAP Meeting and Lower Brazos River Luncheon. He also commented on staff keeping up PR on social media and congratulated Ms. Saathoff and Mr. Miura on educating new employees.

Commissioner Croft thanked Commissioner Singhania for his efforts in bringing the India Consulate to the Port. He also reported attending Lake Jackson Business Association, Brazoria County Economic Alliance Luncheon, Lower Brazos River Meeting, CAP Meeting and the Angleton Chamber Luncheon.

Commissioner Pirtle reported attending a St. Patrick's Day event, 36A Coalition Meeting, United Way Board Meeting as well as other meetings and luncheons previously mentioned.

Commissioner Hoss stated that he attended several of the events already mentioned.

12. Approval of financial reports presented for the period ending February 28, 2023.

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

13. Approval of a No Objection to the G&H Tug Dock in Reach 4 of the Freeport Channel.

Mr. Hull stated that G&H Towing bought property on Reach 4 of the Freeport Channel for the purpose of building a tug dock facility. Mr. Hull showed the location on a map and also shared a drawing of what G&H intends to do. He noted that this project complies with all Port Freeport requirements and recommends approval of a no objection. The project has been shared with members of the Lone Star Harbor Safety Sub-Committee and local business interests with no objections noted. Commissioner Singhania commented that this is a benefit of the dredging in Reach 4. Mr. Rick Stephanow with G&H Towing stated that G&H will not vacate where they are, this is an expansion for an additional tug dock that will give them flexibility to locate assets into Freeport and do work in other port docks. Commission Hoss inquired if G&H Towing was enticed to do this project because of the dredging in the channel. Mr. Stephanow stated that they couldn't do it without the dredging. Mr. Hull clarified that staff is requesting approval of a no objection from the Commission in the event a letter is requested.

A motion was made by Commissioner Pirtle to approve a no objection to G&H Towing's tug dock. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

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).
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, 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.

15. RECONVENE OPEN SESSION:

16. Adjourn.

With no further business before the Commission, the meeting adjourned at 5:27 PM