

Minutes of Port Commission Regular Meeting
March 9, 2023
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held March 9, 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.

The videoconference is available online as follows:

Join Zoom Meeting

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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:

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. Chris Hogan, Director of Protective Services
Mr. Jason Hull, Director of Engineering
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
Mr. Austin Seth, Operations Supervisor
Ms. Christine Lewis, Safety Coordinator
Ms. Emily Henderson, Marketing Specialist

Ms. Katie Tudor, Sales Representative

Also, present:

Mr. Chris Moore, Texas Port Ministry
Ms. Megan Mikutis, Randle Law Office
Mr. Jason Foltyn, HDR
Ms. Barbara Fratila
Ms. Emily Beall

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 all Commissioners were present in the Board Room.
5. Safety Briefing – Ms. Christine Lewis provided a safety moment regarding Spring Forward Safety Tips.
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 – There was no public testimony.
9. Approval of minutes from the Regular Meetings held February 9 and February 23, 2023.

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 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 began by asking Mr. Miura to introduce business development's newest employee, Katie Tudor who joined the department as a Sales Representative. Mr. Austin Seth then shared pictures from the Port's 1st Annual Gulf Coast RoRo Rodeo event held March 2. The event is designed for labor who doesn't get to perform operations every day, giving them the opportunity to get hands on experience and familiarize themselves with the different pieces of machinery. Mr. Seth noted that the event was a joint venture between Port

Freeport, WGMA and local stevedores with multiple sponsors joining in from different shipping lines to provide goodie bags for approximately 60 participants. The first-time event was very successful receiving lots of positive feedback and has a good foundation to build on to make the event bigger and better next year. Commissioner Singhanian inquired if other Ports conduct such events. Mr. Seth stated that Ports America hosts a small event in the Port of Galveston, but it is only a Ports America event, adding that his hope is to extend an invitation to the Local 20 and Local 25 in the Houston-Galveston area, to attend this event as well. Ms. Saathoff thanked Mr. Seth for his effort in taking the lead and coordinating this successful event. Ms. Saathoff reported that Freeport LNG received its federal regulatory approvals for the final train of the liquefaction facility to restart and return to full commercial operations. Bid opening for the final package of the FHCIP has been pushed back two weeks to April 3 to allow prospective bidders additional time to prepare their proposals. Ms. Saathoff reported attending the National Waterways Conference noting that the Southwest Division, Mississippi Valley District and Corps Headquarters personnel were all well represented and participated on the different panels to give updates. Key committees related to water and transportation in the House and Senate are anticipating the budget will be much tighter this coming year with the President's budget released this week. Basic bills are expected to move this year, however with Congress currently divided, they don't expect other things to get done. The Consul General of India will be visiting the Port for a briefing and tour March 13 with dinner to follow. He will also present at the Brazosport Rotary Club Luncheon March 14. Commissioner Singhanian added that the Consul General and the Indo-American Chamber Executive Director Chairman will give staff the opportunity to promote the Port as trade continues to grow with India and the Houston area.

11. Recognition of Port Freeport by the Texas Association of Counties Risk Management Pool for Zero Lost Time during the 2022 coverage year.

Ms. Saathoff stated that the Port obtains its workers compensation through the Texas Association of Counties Risk Management Pool (TAC RMP), which annually recognizes entities with zero lost time. Port Freeport has earned a 2022 Zero Lost Time Safety Award for its record of no lost workdays during the 2022 coverage year. Ms. Saathoff noted that this is not the first time the Port has been recognized for this award as it has achieved 1525 consecutive days without lost time. The TAC RMP has a total of 114 members qualified to receive the award for 2022. Ms. Saathoff congratulated staff and their great work and attentiveness to safety and safe operations that allows the Port to achieve this recognition.

12. Approval of Amendment No. 1 with HDR, Inc. for the FHCIP Reach 1, 2 and 4 project, for an amount not to exceed \$70,000.00.

Mr. Hull stated that HDR was hired to prepare the bid package for the FHCIP as work in-kind that included surveying, geotechnical and sediment sampling, magnetometer, sub-bottom profiling, etc. HDR has completed that scope. The intent was for HDR to deliver the bid package to the Corps who would then bid the package and administer construction oversight, as done previously with Reach 3 through Moffatt & Nichol and Reach 2 through HDR; however, when the bid package was transferred to the Corps, there was a reliance on HDR to continue the Q&A contractor questions, etc. Staff recommends an amendment to the PSA in the amount based on hourly time spent at HDR published rates, not to exceed \$70,000 which is creditable towards work in-kind and would not delay the work being asked of HDR. Ms. Saathoff stated that the questions aren't overly complicated and are being handled efficiently but further clarifications are needed for prospective bidders.

Commissioner Pirtle commented on the amount stating that \$70,000 was a lot of questions. Mr. Hull stated it could be less if the Commission chooses, but \$70,000 is close to 1% of the original amount which was \$7,386,107.00.

A motion was made by Commissioner Singhania to approve the amendment in the amount of \$70,000. The motion was seconded by Commissioner Santos.

Commissioner Santos expressed his concern about HDR being a proxy to the Corps asking if the Port would have to review HDR's answers before they go out to the bidders. Mr. Hull explained when a contractor asks a question, HDR directs the questions to the Corps stating they need to answer the questions since the specs belong to them. All contractors/bidders see all the questions submitted and the answers. Commissioner Pirtle again was concerned with the amount requested stating that HDR put the package together to send to the Corps and is now requesting more money to answer questions that weren't included in the bid package or were misunderstood. Mr. Hull responded that its clarifications to the project, rather than information that wasn't included.

Commissioner Pirtle made a motion to amend the first motion to \$40,000.

Commissioner Singhania commented that he doesn't have an issue with the amount because it's still an estimate and the work is based on an hourly rate whether it's \$40,000 or 70,000. He stands behind his motion to approve for \$70,000.

At this time, Commissioner Hoss asked if there was a second to Commissioner Pirtle's motion to amend. The motion to amend died due to lack of second.

Commissioner Giesecke asked if this amount will be retroactive to work already completed with respect to the bidding process. Mr. Hull responded yes, adding that at his request HDR has not held up responding to the questions and has spent approximately 8 hours to date. Once the Corps determines the dredging is complete, the PSA will cease as well as the amendment to the PSA.

Commissioner Croft clarified that the Port initiated the engineering with HDR to avoid having to rely on the Corps of Engineers, and to make sure the Port maintains the progress of the project. Mr. Hull agreed and added that the government estimated that this project would cost \$16 million worth of their engineering time versus private sector at \$7 million.

Ms. Saathoff reminded the commission that the memo recommends an amendment to the PSA to pay HDR for miscellaneous tasks that may come up during construction phase based on hourly time spent, at their published rates, not to exceed \$70,000.

Commissioner Hoss repeated the motion by Commissioner Singhania and second by Commissioner Santos to approve an amendment to the PSA for an amount not to exceed \$70,000. All Commissioners voted in favor of the motion.

13. 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, 7 and 8.
 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.

14. RECONVENE OPEN SESSION:

15. Adjourn.

With no further business before the Commission, the meeting adjourned at 4:02 PM.