

Minutes of Port Commission Regular Meeting
February 22, 2024
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held February 22, 2024, beginning at 1:08 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
Mr. Kim Kincannon, Asst. Secretary
Mr. Rudy Santos, Commissioner
Mr. Dan Croft, Commissioner

Commissioners present by videoconference:

Ms. Barbara Fratila, Secretary

Staff Members Present:

Mr. Grady Randle, Legal Counsel
Ms. Phyllis Saathoff, Executive Director/CEO
Mr. Rob Lowe, Director of Administration/CFO
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
Mr. Cecil Booth, Project Engineer
Ms. Christine Lewis, Safety Coordinator
Mr. Jesse Hibbetts, Operations Manager
Mr. Austin Seth, Operations Supervisor
Mr. Chas Gryseels, Engineering Specialist
Ms. Tricia Vela, Public Affairs Assistant

Ms. Bailee Anderson, Accounting Analyst

Absent:

Mr. Al Durel, Director of Operations

Also, present:

Mr. Kevin Cadenhead, KM&L
Mr. Chris Moore, Texas Port Ministry
Mr. Stephen Whalley, Gallagher
Mr. James Nash, WGMA
Ms. Melanie Oldham

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:

Commissioner Singhania recognized former port commissioner Louis Jones and well-known community supporter Freddie Brown, both who recently passed away. Commissioner Singhania asked for a moment of silence in their memory.

2. Invocation – Mr. Chris Moore, Texas Port Ministry
3. Pledge of Allegiance – U.S. Flag and Texas Flag
4. Roll Call – Commissioner Singhania noted that Commissioner Fratila was participating via Zoom while all other Commissioners were present in the board room.
5. Safety Briefing – Ms. Christine Lewis provided safety tips for foggy weather.
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 – Ms. Melanie Oldham addressed the Port Commission regarding Homeland Security Civil Rights Division meetings and the City of Freeport wastewater treatment plant.
8. Public Testimony – There was no public testimony.
9. Approval of minutes from the Regular Meeting held January 25, 2025 and the Special Meeting held February 8, 2024.

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

10. Receive reports from Executive Staff on activities and matters related 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 a recent notice of proposed rulemaking that was released from the U.S. Coast Guard (USCG) that will update its maritime security regulations by adding regulations that establish minimum cyber security requirements for U.S. flagged vessels, outer continental shelf facilities and U.S. facilities subject to the Maritime Transportation Security Act of 2002 regulations. Staff will be monitoring and is in discussions with local USCG representatives. Comments will be received through April 22, 2024. Ms. Saathoff noted that an executive order was also issued by the President with regard to standardizing safety regulations related to port operators and terminal equipment. With regard to the new cranes under construction, IT staff has been heavily involved in the design making sure the proper security safeguards are built in. Ms. Saathoff noted that Brazos Pilots Capt. Coviello and Capt. Kelly will be submitting their applications for renewal of their pilot commission which is due by March 13. April 11 is the next scheduled board workshop. Ms. Saathoff stated that items 25 and 26 on the agenda will be tabled, noting a special meeting may be needed the first week of March to approve the documents associated with these items. Ms. Saathoff was recently asked to clarify the USMX and what it stands for as well as its role with the International Longshoreman Association (ILA). USMX stands for the United States Maritime Alliance which is the U.S. version of the West Gulf Maritime Association (WGMA). The carriers and terminal operators engage with WGMA when it comes to the local district and contract discussions while USMX is a broader basis for the east and gulf coast. WGMA is a member of the USMX. With regard to the drought, the Mississippi River has been cleared of drought conditions. The Panama Canal is back up to 26 transits per day and will be holding that level through April. Commissioner Giesecke inquired about the status of the PIA (Public Information Act) requests. Mr. Lowe stated there were three requests though January with all involving legal counsel. A report will be uploaded to BoardPaq. Commissioner Singhania mentioned the Port of the Future Conference taking place in Houston April 2-4.

B. Director of Engineering

Mr. Hull reported the Corps has given a Notice to Proceed to Great Lakes Dredge & Dock to perform maintenance dredging in the channel. The Galveston Island hopper dredge has arrived and is working in the new work section. In addition, Mr. Hull shared a photo of the clearing progress for Gate 12.

C. Director of Operations

In Mr. Durel's absence, Mr. Hibbetts reported that for the month of January, the Port experienced 17 LNG vessels, 1 Riviana, 9 Ro/Ro, 2 Tenaris vessels, 16 barges and 10 railcars, a total of 8 container vessels and Vulcan Material handling 190 railcars. Fiscal year to date activity includes 73 LNG, 10 Tenaris (32 barges and 90 railcars). He noted the Operations Team has been preparing for the arrival of the Port's two newest customers. Safety has been monitoring vehicle and truck traffic and speed limit throughout the Port. Mr. Hogan recently attended and was the guest speaker at the RoRo Workshop held in Galveston. It was also noted the Vulcan Materials aggregate rail shipments is coming from the Medina Quarry and the Tenaris barges and rail carry the

steel billets which are 30-40 foot long and 8-10 inch in diameter and approximately 5 tons per bar. He also reported that staff has met with Gulf Stevedores to work out the logistics for Del Monte's arrival. Del Monte is currently installing the electrical for the terminal with Gulf Stevedore gearing up to bring in a portable transfer dock that will be used until the new cross-dock is built. Mr. Austin Seth gave an update on the new Freeport Coordination Team (FCT) which was created following the Freeport LNG incident and the misinformation and flow of information that followed the event. The working group includes the Port, members of industry, the Coast Guard and local law enforcement. The group is modeled after the Houston-Galveston Port Coordination Team which is a very effective group. The FCT experienced their first call January 23 with good participation and great feedback. Mr. Seth also noted the group will not be specific to a terminal incident but weather incidents that may shut the Port down as well. Ms. Saathoff noted that utilizing the group for weather events regularly will allow members to become familiar with the group and how it works in the event it has to be activated for an emergency incident. Mr. Seth also gave an update on the RoRo Rodeo which the Port hosted for the first-time last year. Staff is preparing to host its second annual event which is a collaboration between Port Freeport, WGMA and the local stevedores that handle the RoRo vessels. Staff is planning to hold this year's event the first week of April with a more permanent date to follow.

D. Director of Business & Economic Development

Mr. Miura reported that staff released the RFPs for the both the website and market study January 26. The deadline to submit a Letter of Intent to propose for both is February 23 at 4:00 p.m. To date, staff has received three letters for the market study and five letters for the website with more expected prior to the deadline. Mr. Miura also encouraged a visit out to the Port to look at the project cargo arriving for Dow Poly 7. He noted that Dow Poly 7 will start up in 2025 and will produce approximately 600,000 tons of linear low-density polyethylene per year. Commissioner Giesecke inquired about the new marketing campaign with BlueByrd, asking if the work with Legend Labs was complete. The contract with Legend Labs was not extended and deliverables are forthcoming. Mr. Miura explained the distinction between the two companies with Legend Labs providing rebranding while BlueByrd is geared toward new marketing/advertising material.

E. Chief Financial Officer

Mr. Lowe gave a presentation regarding the financial results for the month of January. Additionally, with regard to the PIA, Mr. Lowe noted that staff has received unintended inquiries from adding the link to the website, receiving general marketing requests instead of what the email address was intended for. Staff as added the word "Act" to read "Public Information Act Requests" with a few requests still coming in. The next step will be to add a disclaimer to the page, if needed.

11. Approval of financial reports presented for the period ending January 31, 2024.

A motion was made by Commissioner Giesecke to approve the financial report. The motion was seconded by Commissioner Croft with all Commissioners voting in favor of the motion.

12. Receive report from Commissioners on matters related to:

- A. February 14 Personnel Committee Meeting – Commissioner Singhania reported the committee reviewed policies related to open meetings, open records, executive director and employee acknowledgement, three of which are on the agenda for approval.
- B. February 14 Finance Committee Meeting – Commissioner Giesecke reported the committee reviewed the business insurance renewal which is on the agenda for approval.
- C. February 14 OSS Committee Meeting – Commissioner Santos reported the committee reviewed a change order to the PSA with Paul Bridges & Associates. This item is also on the agenda for approval.
- D. Port Commission related meetings or conferences, Port presentations and other Port related matters.

Commissioner Santos reported attending the Hispanic Chamber Gala.

Commissioner Giesecke reported attending the WGMA Annual Meeting along with Ms. Saathoff and Mr. Miura. He also attended the Alliance State of the County, Cody Vasut Fundraiser, Hispanic Chamber Gala, Freeport City Council Meetings, West Columbia Chamber Breakfast, BCCA Meeting and Randy Weber Town Hall this evening.

Commissioner Kincannon reported attending the West Columbia Chamber Breakfast, Highway 36A Coalition Board Meeting, Quarterly Traffic Coordination Meeting, committee meetings and the BCCA Meeting.

Commissioner Croft reported attending the Alliance State of the County, Sweeny Rotary, Friends of the River Meeting and Alliance Executive Board Meeting.

Commissioner Singhania also attended several of the same meetings including the Friends of the River Breakfast, India Consulate Dinner Reception and Save Our Beach Association.

13. Approval of the FY2023 Annual Comprehensive Financial Report.

Mr. Lowe extended this gratitude to Ms. Campus and staff for their time and effort in pulling the report together. He also thanked Kevin Cadenhead with KM&L for their audit services and feedback throughout the process. Mr. Campus presented the financial report noting the State of Port is on Page 7, introduction on Page 12 and the auditor's report is on Page 17. Ms. Campus encouraged reading of the MD&A on Page 20 noting the snapshot of statistics begins on Page 67. Ms. Campus then reviewed some changes that were made after the document was distributed. The weighted average maturity of investments has been filled in on Page 47. Because the Port had over \$5 million in grant revenue this year, a single audit was conducted in reporting to the federal government and other entities regarding grant revenue. Page 116 had a change to question #6, low-risk auditee should have been answered no. Ms. Campus further explained that because the Port hasn't had single audit in several years, the Port is back to not being a low-risk auditee with the auditors not finding any issues. Lastly, Page 120 addressed a disclosure of indirect costs the Port didn't utilize via the grants. Ms. Campus stated the total operating revenues was \$46.1 million, while expenses were 23 million, leaving an operating income of \$23 million. Total non-operating revenues were

negative \$20.4 million, which was due to the contributions to the channel project. Grants added in \$5.4 million, leaving a change in net position of \$8,117,771 million (Page 35).

Mr. Kevin Cadenhead with KM&L addressed the Board regarding the three letters included in the report. The opinion letter in the front of the report preceding the financial statement is an unmodified opinion, meaning it's a clean opinion, adding there were zero audit findings or adjustments. One of the letters in the back is on deficiencies and financial reporting control which is also a clean letter. The last letter is a compliance letter on the federal program audit that gives an opinion that the federal program has been audited as well as all reporting compliance of the program, and the Port is in compliance. Mr. Cadenhead further stated the financial report is very well done as in the past and expected to meet the criteria for the award of excellence. He also noted a disclosure included regarding the potential settlement coming on a business insurance claim.

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

14. Approval and award of contract for Property, Boiler and Machinery, and Terrorism insurance coverage for a one-year term beginning March 1, 2024, as obtained by broker Arthur J. Gallagher & Co.

Mr. Lowe noted that representative Stephen Whalley from Gallagher joined the meeting by videoconference if there are any questions. Staff met with the Finance Committee to review the Executive Summary. Mr. Lowe then highlighted sections of the Executive Summary noting that coverage came in at \$2,543,047 which represents an increase of 17.25% year over year with property the largest component. Mr. Lowe noted an exposure increase of 31.08%, going from \$355 million to \$465 million which was due to the addition of Berth 8. The total rate based on insured value decreased 10.64% from \$0.58 to \$0.51 per 100. With regard to reinsurance rates across the market, there was a catastrophe loss free % change of 0-10%, meaning if there were no catastrophic hits for the year, reinsurance rates on average increased 0-10%. The Non-Catastrophe loss free market also had a 0-10% increase. Mr. Lowe shared a graph highlighting how the Port compares to other Gulf Ports with Port Freeport's total insured value of \$465,700,000, insurance limit of \$50 million, rate on the insurance limit of 5% and the rate on total insured values is \$0.51 per 100 of insured value. Mr. Whalley noted that there very likely is another port with different rates than Port Freeport however, it will not compare into the insured values on the limits. Like for like comparison, Port Freeport is the lowest port in the Gulf. Commissioner Singhania commented that in business, the maximum probable property damage (MPPD) is calculated in the analysis for an event. Mr. Lowe pointed out the consistency in ranges with regard to total insured values with three other ports very similar to the Port's total insured value. There could be a different operating status with the other ports but fundamentally all of the things mentioned goes into the willingness of the Underwriter bid and into what they are willing to offer. He noted the Port previously hosted 11 underwriters to show them the Port and the assets they are insuring and feels the visit contributed to the Port maintaining the rates in place. Mr. Lowe went on to share bar graphs that depict how the Port compares to the other Gulf Coast ports with regard to rate on insurance limit and rate on total insured values. Finally, Mr. Lowe stated that staff recommends Option 1 coverage with a property premium of \$2,397,594, boiler and machinery of \$9,115, stand alone terrorism of \$17,400 for

a total premium (including taxes and fees) of \$2,543,047. Commissioner Giesecke commented the Finance Committee discussed the recommendation from Gallagher to cap the deductible on catastrophic losses at \$5 million versus the 1.5% valuation with the addition of Berth 8, adding the 1.5% valuation would be at \$6.8 million deductible versus \$5 million. With a premium increase of \$214,000 for the lower deductible, it's only another \$1.58 million of additional insurance; therefore, the committee's recommendation was to keep the 1.5% realizing it would continue to increase over time. Mr. Lowe added that staff discusses several scenarios with Gallagher each year as to what the best option for the Port will be. Gallagher proposed a \$5 million maximum deductible option to consider with the thought that if the Port had additional assets coming on as with the addition of Berth 8, it would be able to maintain the \$5 million. The Port doesn't anticipate that level of assets coming on, so staff prefers to stay with Option 1. Commissioner Giesecke noted the committee further discussed the addition of Berth 8 and what the Port is insuring against, whether or not to self-insure and not include Berth 8 with the committee deferring discussions to a later date.

A motion was made by Commissioner Croft to award the contract for Property, Boiler and Machinery, and Terrorism insurance coverage for a one-year term beginning March 1, 2024 through broker Arthur J. Gallagher & Co. for Option 1. The motion was seconded by Commissioner Giesecke with all Commissioners voting in favor of the motion.

15. Approval of a Construction Contract with AAR Incorporated for the Port Freeport Expansion Area Demolition 2024 project, for an amount not to exceed \$122,490.00.

Mr. Hull stated that bids were opened February 6 with a total of four bids submitted. AAR Incorporated submitted the lowest bid in the amount of \$122,490.00. It is the recommendation of staff and the Capital Planning Committee Chairman to award contract to the low bidder.

A motion was made by Commissioner Kincannon to approve the Construction Contract with AAR Incorporated in the amount not to exceed \$122,490.00 for the Port Freeport Expansion Area Demolition 2024 project. The motion was seconded by Commissioner Santos with all Commissioners voting in favor of the motion.

16. Approval of Change Order No. 1 to the Professional Services Agreement with Paul Bridges & Associates for additional travel expenses for the oversight of the construction of cranes, in an amount not to exceed \$82,200.00.

Mr. Lowe stated that staff met with the OSS Committee to discuss the change order noting the Port Commission originally approved \$512,300.00 which included the initial trip to China for Paul Bridges. Mr. Durel also made the trip with Paul Bridges and afterward determined the benefits to the trip are significant and recommends three additional trips for Paul Bridges in the amount of \$27,400 each, for a total of \$82,200.00. Commissioner Santos commented that the committee had good dialogue with staff and feels very comfortable with Paul Bridges representing the Port overseas.

A motion was made by Commissioner Santos to approve the change order for professional services for an amount not to exceed \$82,200.00. The motion was seconded by Commissioner Giesecke with all Commissioners voting in favor of the motion.

17. 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.

Ms. Campus presented a list of items accumulated that are either broken or is discontinued technology that is no longer needed and can be declared surplus and disposed of properly. Operations and IT staff will handle the disposal of chemical and toner in an environmentally safe manner.

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

18. Discuss and consider adoption of a Resolution authorizing bidding for certain real property in Brazoria County, Texas.

Mr. Lowe stated that the list of properties in the Resolution are Port-owned lots located in residential areas of the City of Freeport and no longer serve a purpose to the Port. Staff requests approval to sell the lots through a bid process as allowed in Section 60.038 of the Texas Water Code. Ms. Saathoff noted the lots could be disposed of in other ways, such as selling back to the City, which would be done at fair market value instead of a bid process. Additionally, if a property were an encroachment or a strip that falls between property owners, the law now provides for special circumstances that doesn't require a bid process. If this were the case, staff would consult with legal counsel. The current plan is to put all the lots out for bid. A minimum bid amount can be set on the bid process, but the Port does have the right to reject a bid if its below fair market value. Commissioner Giesecke inquired if the properties could be listed with a broker or had to be done through a competitive bid process. Mr. Randle stated that typically home rule cities can use a broker, but general law cities cannot, he would have to check special districts. Ms. Saathoff added the Resolution is crafted in a way that allows the Port to put the properties out for bid or sale in the most legally advantageous way.

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

19. Approval of update to the following Port Policies
 - 2.2 – Open Meetings
 - 2.3 – Open Records
 - 10.0 – Employee Acknowledgement

Mr. Lowe stated the three Port Policies were reviewed with the Personnel Committee and briefly went over the changes to each policy. In 2.2, the changes were primarily administrative with references to Chapter 551 simplified. The term "sessions" was also eliminated as it's not a meeting type the Port utilizes.

At this time, Commissioner Singhania asked that each policy be approved separately.

A motion was made by Commissioner Croft to approve Policy 2.2 as presented by staff. The motion was seconded by Commissioner Giesecke with all Commissioners voting in favor of the motion.

Mr. Lowe stated the changes in Policy 2.3 are also administrative in nature with an effort to simplify references to the Texas Public Information Act versus specific sections that might be changed or impacted by future legislative changes.

A motion was made by Commissioner Giesecke to approve the changes to Policy 2.3. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

Policy 10.0 has been updated to use the term “Policy Manual” in place of the word “handbook.” Minor administrative changes were also captured.

A motion was made by Commissioner Giesecke to approve Policy 10.0. The motion was seconded by Commissioner Kincannon with all Commissioners present voting in favor of the motion.

20. Approval of policy and notices of nondiscrimination of beneficiaries of programs and services.

Ms. Saathoff stated the Port has been working on this policy adding that in receiving federal funds, it needs to be clear the Port has a policy of nondiscrimination for beneficiaries of port services and that any subrecipients of any federal funds need to be compliant and have a similar nondiscrimination policy and program. Ms. Saathoff briefly went over the policy noting that it states there is a federal law that prohibits discrimination on the bases of race, color, national origin, disability, sex and age in programs and activities receiving federal financial assistance. It goes on to state the Port complies with the federal civil laws including the Civil Rights Act of 1964 and the American with Disabilities Act of 1990 as well and Section 504 of the Rehabilitation Act of 1973. Port employees will also be responsible to ensure Port Freeport services are provided without discrimination. Ms. Saathoff stated that one of the requirements is to have a Language Assistance Plan (LAP) for persons with limited English proficiency. The policy also states the Port will provide assistance to others with disabilities such as hearing loss. The policy includes a complaint process should a person feel the Port has failed to provide services in a way that did not discriminate. A complaint can be filed with the Director of Administration by email, mail, or in-person. The form is available online via the Port’s website. Complaints may also be filed directly with other agencies such as the U.S. Department of Homeland Security. The Port will not allow retaliation towards anyone who makes a complaint. This policy has been reviewed with the Personnel Committee and staff recommends approval. Ms. Saathoff also added that this is a new policy and has been added under the Section 7 for “Work Environment” in the Policy Manual.

A motion was made by Commissioner Santos to approve the policy and notices of nondiscrimination of beneficiaries of programs and services. The motion was seconded by Commissioner Croft with all Commissioners voting in favor of the motion.

21. Discuss and consider the Language Assistance Plan for Limited English Proficiency.

Ms. Saathoff presented the Language Assistance Plan (LAP) for Limited English Proficiency noting that she looked at various federal agency plans, and other entity plans already in place by to see how they were presented and compiled what fits best for Port Freeport. Ms. Saathoff briefly went through plan explaining its purpose, highlighting the nondiscrimination statement (policy previously adopted), defined what Limited English Proficient Persons are, the commitment to publicly disseminate information which will include signage, disclaimer on notices in English & Spanish, outreach materials, postings on the website, newspaper notices and working with community-based organizations to further awareness of the Port's services available. Various definitions are included in the LAP as well as the different processes the team may use for various assistance which could include oral interpretation or translation of written documents. The document also breaks down how to engage with those that require assistance by either walk in, phone calls, advance requests or written translations. Training and technical assistance will also be provided to Port staff and reports will be generated by each department to track how often a request is made for assistance. Ms. Saathoff stated that demographics will be monitored regularly noting that federal websites provided assessments of what language is spoken in Limited English Proficiency households in Brazoria County with Spanish being the highest followed by Vietnamese. Language identification flashcards are included in the appendices along with the compliant form and procedures for filing, reporting form, and the policy and notice of nondiscrimination for posting. Ms. Saathoff stated the LAP is the implementation of the required in the nondiscrimination policy. Mr. Chris Moore commented that since 2008, Texas Port Ministry has experienced 80 different nations and 100 different languages or dialects in seafarers, truck drivers. Ms. Saathoff stated that she wanted to brief the Port Commission on this document and that it's ready to implement along with the policy, but it does not require approval or adoption.

22. 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. The potential lease, or value of real property located at Port Freeport, including but not limited to the Expansion Area.
 - 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.
- 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.
- E. 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 Director/CEO.

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

Commissioner Singhania left the meeting during executive session at 4:06 p.m.

24. Consideration and possible approval of Settlement Agreement with Underwriters on Business Interruption Insurance Claim.

Mr. Lowe stated that the Port has received an offer for final payment of the business insurance claim. Underwriter's counsel provided a Settlement Agreement for consideration. The Port's legal counsel reviewed to ensure mutual beneficial language was included and made some minor tweaks. Counsel for both parties are in the final stages of finalizing the agreement. Staff recommends approval with minor administrative corrections as needed.

A motion was made by Commissioner Santos to approve the form and substance of the Settlement Agreement with the Lloyds of London Underwriters related to the fire that occurred on June 8, 2022 at the Freeport LNG Facility and providing for the final payment by the Underwriters in the amount of \$1,400,000, and to authorize the Executive Port Director/CEO to execute and deliver the Settlement Agreement, substantially in the form presented at this meeting and with such nonmaterial changes as may be required by the Underwriters. The motion was seconded by Commissioner Kincannon with all Commissioners voting in favor of the motion.

25. Approval of a Master Rail Switching Agreement between Port Freeport and Rail Link, Inc.

This item was tabled.

26. Approval of an Authorization Agreement between Port Freeport, Rail Link, Inc. and Volkswagen Group of America, Inc. related to Master Rail Switching Agreement.

This item was tabled.

27. Approval of an Amendment to Lease Agreement with Freeport Warehouse, LLC to reflect a change to the legal description of the Leased Premises.

Ms. Saathoff stated that counsel has prepared an amendment to the lease agreement with the only change being to the exhibit documenting the leased premises. She explained that during financing, North American Stevedore hired a separate surveyor who had a different starting point to the area, and the lender wants to use that survey and has requested the Port change the exhibits to reflect the survey.

A motion was made by Commissioner Kincannon to approve the amendment to the Lease Agreement with Freeport Warehouse to reflect the change in the legal description of the Leased Premises. The motion was seconded by Commissioner Croft with all Commissioners voting in favor of the motion.

28. Adjourn.

With no further business before the Commission, the meeting adjourned at 4:46 PM.