

Minutes of Port Commission Regular Meeting
January 25, 2024
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held January 25, 2024, beginning at 1:07 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. Kim Kincannon, Asst. Secretary
Mr. Rudy Santos, Commissioner
Mr. Dan Croft, 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. Jason Hull, Director of Engineering
Mr. Chris Hogan, Director of Protective Services
Mr. Jason Miura, Director of Business & Economic Development
Mr. Mike Wilson, Director of Economic Development
Mr. Brandon Robertson, Director of Information Technology
Ms. Missy Bevers, Executive Assistant
Ms. Mary Campus, Controller
Mr. Cecil Booth, Project Engineer
Mr. Chas Gryseels, Engineering Specialist
Ms. Christine Lewis, Safety Coordinator
Mr. Jesse Hibbetts, Operations Manager
Ms. Tricia Vela, Public Affairs Assistant
Ms. Emily Henderson, Sales & Marketing Specialist

Ms. Bailee Anderson, Accounting Analyst

Also, present:

Mr. Steve Calabrese, AcuTech Consulting
Mr. Brian Wagner, Phillips 66
Mr. Aaron Flores, Phillips 66
Mr. Bryan Doolittle, LJA Engineering
Mr. Mike Hayes, Texas Port Ministry
Mr. Tom Watson, Texas Port Ministry
Ms. Myra Watson, Texas Port Ministry
Mr. Chad Janosky, Bay-Houston Towing
Mr. Stuart Herbst, Velasco Drainage District
Ms. Gloria Milsap, Senator Huffman
Mr. John Longstreth, K&L Gates
Mr. Mick Helfrich

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation – Mr. Mike Hayes, Texas Port Ministry
3. Pledge of Allegiance – U.S. Flag and Texas Flag
4. Roll Call – Commissioner Singhania noted that all Commissioners were present in the board room.
5. Safety Briefing – Ms. Christine Lewis gave briefing on weather 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 by Commissioners.

7. Public Comment – There was no public comment.
8. Public Testimony – There was no public testimony.
9. Approval of minutes from the Regular Meetings held November 16, 2023 Regular Meeting and December 14, 2023.

Commissioner Giesecke noted three items in the November 16th minutes that needed corrections/adjusting. Page 5, the word except should be accept. Page 12, in talking about the Port protected zone, it should read “in the protected zone outside the Port zone”. Finally, on Page 14, it should read “the debt service coverage continues to strengthen”.

A motion was made by Commissioner Fratila to approve the minutes with corrections as noted. The motion was seconded by Commissioner Kincannon with all Commissioners present 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 asked Mr. Hayes with Texas Port Ministry to recognize Tom & Myra Watson who are retiring from Texas Port Ministry. Mr. Hayes introduced the Watsons who have been very active on the staff at the ministry for the past 27 years. In addition, Mr. Watson has also served as police chaplain for the City of Freeport. Mr. & Mrs. Watson thanked the Port for all they have done for the community adding that it's been a pleasure and an honor to have been a part of the Texas Port Ministry and the Port in watching it grow. Mr. Watson also thanked the Port for all the prayers received for his wife when she was ill. Ms. Saathoff thanked Tom and Myra for their service to the maritime community and assured them they will be missed. Ms. Saathoff then reported on the Panama Canal stating that the reductions in transits (due to the drought) are expected to continue through January and into February noting the Panama Canal Authority did increase transits by two which is a 10% increase but still lower than the 36 under normal conditions. She added that there have not been a lot of impacts to the containerized cargo movements because of the Canal's planning and management. In addition, there has been an exit of dry bulk cargo moving through the canal. The FMC will be holding an informal public hearing February 7 to hear from stakeholders in the supply chain on how their operations are being disrupted on the attacks of commercial shipping. Congress passed a continuing resolution so government functions will continue into March, noting they are close to reaching an agreement on a budget adding the U.S. Department of Transportation is funded through March 1 while the other departments (related to port operations) are through March 8. Ms. Saathoff also reported that staff has been communicating with TXDOT regarding safety issues around the Port, noting one issue leaving Cherry Street to turn onto Highway 36 - vegetation is extremely high and close to the road making it difficult to see what traffic is coming. Additionally, there is a section of pavement on FM 1495 after you come off Pine Street Bridge that is broken up and becoming an unsafe section of roadway. She noted the next meeting with TXDOT is February 13. Ms. Saathoff complimented the operations team for their efforts in preparing for the winter freeze as well as staff who participated in the emergency management calls. Ms. Saathoff then introduced Mike Wilson who addressed the Port Commission. Mr. Wilson announced his retirement from Port Freeport adding that it has been a joy to work at the Port but looks forward to enjoying his family, new granddaughter, guitars and music writing. He thanked the Commission for allowing him the privilege to serve Brazoria County and the Commission. The next CAP Meeting will be held February 27th at the ABC Building in Freeport with guest speaker Capt. Ross Coviello – Brazos Pilots Association. Lastly, Ms. Saathoff noted that Fort Bend County Judge KP George will be attending a port tour and visit along with his staff January 26. Commissioner Giesecke inquired about a discussion had at the November workshop regarding the properties the Port owns within the City's protected zone and getting an inventory of the isolated lots. Mr. Lowe stated that staff doesn't have the inventory ready at this time but will have it at the February meeting. Commissioner Singhanian inquired if the public information request (PIR) process has been completed. Mr. Lowe stated that it is complete and operational with multiple ways to access the page to submit a PIR. Staff shared the Port's website and walked through the different ways to access the page. Commissioner Fratila thanked staff for responding to the committee's request and

discussion in making this process better. Additionally, staff will prepare a summary of requests received to submit to Commissioners along with the monthly departmental reports in BoardPaq. Commissioner Croft inquired how those who do not have internet access will be able to submit a request. Commissioner Fratila noted the form is not required to submit a request, but simply writing their request on a piece of paper will suffice.

B. Director of Engineering

Mr. Hull stated the dredge Galveston Island is still in the shipyard being finished but plans are still for it to come to Freeport for its maiden assignment. Additionally, Mr. Hull introduced Charles “Chas” Gryseels, who recently joined the engineering department as the new project engineer. Commissioner Singhanian inquired about the project associated with Velasco Terminal Rider 37. Mr. Hull stated the grant funded project is to rebuild roads within the Expansion Area that are currently two-lane asphalt to four lane concrete as well as build a truck queuing area. Plans are being developed at this time with bids expected in April 2024.

C. Director of Operations

Mr. Durel shared photos from his and Don Mullett’s recent trip to China to meet with ZPMC regarding the new cranes. He noted the next meeting will be with ABB in Mobile, AL who handles the computer control system of the cranes. The mechanical and electrical engineers from ZPMC will be visiting Port Freeport to look at the existing cranes prior to the trip to Mobile.

D. Director of Business & Economic Development

Mr. Miura thanked Brandon Robertson and Emily Henderson for their assistance with getting the website updated for the public information request. He reported on upcoming travel to Detroit and Dallas to visit customers as well as attending the TPM Conference in Long Beach. The first ship for Volkswagen is scheduled for February 25 barring any unforeseen circumstance. Start-up is based on when they will receive their certificate of occupancy but anticipate it to be February. Trains are expected the second half of March. He noted a lot of the product from the first shipment will go into the yard and get loaded to rail. Until the network out of Mexico is more stabilized in terms of railcar availability, the Port may see more short sea shipments (Mexico to Freeport) that will also be loaded to railcars for distribution to domestic market.

E. Chief Financial Officer

Mr. Lowe noted the revenue bond sale was conducted with ten bids received and the low bid going to Robert W. Baird at an interest rate of 4.2%. He gave a presentation regarding the financial results for the month of December 2023 which include year to date results. Commissioner Giesecke inquired whether the water meter issue had been resolved. Mr. Lowe stated that everything is in good standing and appropriate. Commissioner Giesecke also inquired about the dredge material placement fees, where it went and what it does to the remaining capacity. Mr. Hull stated that . Phillips 66 paid tipping fees for the Port and the Corps and dredged approximately 55,000 cubic yards of material into Placement Area 85, which is now full, with zero capacity left.

At this time, Commissioner Croft noted that Ms. Gloria Milsap was in the audience representing Senator Joan Huffman.

11. Approval of financial reports presented for the periods ending November 30, 2023 and December 31, 2023.

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

12. Receive report from Commissioners on matters related to:
 - A. January 17 ESG & Sustainability Committee Meeting – Commissioner Fratila reported that in addition to the public information request, the committee discussed the importance of reviewing Port policies as well as a timeline for reviewing the necessary policies. Ms. Saathoff also gave a brief overview of a TXDOT grant opportunity to the committee. She explained that it was an opportunity brought to the Port by TXDOT who has a project where they are looking to assist with truck staging across the state and will be applying for a RAISE Grant. In a meeting with the Port team, they’ve identified the area across from Gate 8 which is the Port’s non-TWIC yard. If TXDOT is successful in securing the grant, it will provide 100% federal funding to pave the area, add a check-in space, restroom facilities and beautification to the area. Staff is still working with them to maximize the truck parking spaces available to the Port. In addition, there will also be electrical charging stations for trucks and possibly passenger vehicles as well. Commissioner Fratila also noted the committee discussed where staff is in updating the overall process of explaining what the Port does and how it meets certain goals for governance and sustainability and how to relay that story to the public.
 - B. January 17 Finance Committee Meeting – Commissioner Giesecke reported the committee received a briefing from staff regarding a Dow Tax Abatement issue explaining they received approval for an abatement in 2018 but neither Dow nor the Port can find an executed agreement. They received an extension from the County in 2020 but did not approach the Port. They’ve now inquired about the abatement however, because they have already started construction, the Port cannot issue an abatement now. Staff also presented the quarterly investment review to the committee and gave an audit update.
 - C. January 17 OSS Committee Meeting – As noted before, Commissioner Santos reported the committee received presentation from Phillips 66 regarding their request for increase in vessel berthings. Additionally, staff discussed the Rail Switcher Agreement which is on the agenda for consideration, received an update regarding ProMiles Agreement that is related to the heavy-lift corridor, discussed a Memorandum of Understanding with the City of Freeport for radio communication and staff also gave an update on Port security grant.
 - D. Port Commission related meetings or conferences, Port presentations and other Port related matters.

Commissioner Fratila reported attending the POWERS Summit & Expo in Tampa along with Commissioners Kincannon and Singhania.

Commissioner Giesecke reported attending the City of Freeport council meetings, LJ Business Association Luncheon, MLK Celebration Dinner, Brazosport Chamber Luncheon and the BCCA Meeting.

Commissioner Kincannon reported attending the ribbon cutting for the Re-Opening of the Freeport Museum, Brazosport Chamber Luncheon, BCCA Meeting and the POWERS Summit & Expo. He also noted the Capital Planning Committee meet to receive updates on the HVAC system at the EOC as well as the replacement of Dole transformers. He also participated in the ESG&S and Finance Committee meetings held.

Commissioner Croft reported attending the Friends of the River Breakfast, Alliance Board of Directors Meeting and Brazosport Chamber Luncheon.

Commissioner Singhanian reported also attending the POWERS Summit & Expo as well as the Brazosport Chamber Luncheon.

13. Discussion and possible support of Phillips 66 request for increase in vessel berthings.

Commissioner Santos stated this item was discussed at length in the OSS Committee Meeting with representation from the Pilots noting it was a positive outcome. Representing Phillips 66 (P66) is Steve Calabrese – Consultant to P66, Bryan Wagner – Terminal Manager at P66 and Aaron Flores – USCG Security Facilities Officer at P66. Mr. Calabrese gave a brief presentation stating that he is assisting P66’s regulatory compliance activities related to the Freeport Terminal which is a regulated facility under the Maritime Transportation Security Act and requires compliance with regulations for terminal security, and safety and security of marine transportation operations. P66 completed a terminal upgrade project in 2014 which introduced liquified hazardous gas to its operations in Freeport. Due to this addition, USCG regulations required an analysis of marine navigation safety and security to address the proposed changes at P66 which would increase vessel transits in the port. Mr. Calabrese then highlighted the following...

- **May 2014** - Waterway Suitability Assessment (WSA) was completed for the addition of LHG to Phillips 66 Freeport Terminal operations
- **December 2014** – USCG issues Letter of Recommendation (LOR) approving risk analysis and authorizing up to 20 vessel transits monthly
- **May 2020** – P66 submitted an updated navigation safety and security analysis to USCG requesting authorization for an additional 2 monthly vessel calls to support the C3 Capacity Project
- **June 2020** – USCG approves nominal increase in monthly transits bringing the total to 22
- **December 2023** – P66 requests authorization from USCG to conduct an update to the approved WSA to support an increase in monthly vessel transits to a maximum of 30
- **December 2023** – USCG approves request contingent upon P66 conducting an updated navigation safety and security assessment with essential stakeholders
- **January 2024** – P66 facilitated an updated Waterway Suitability Assessment, inviting essential Port stakeholders (Port Freeport, Brazos Pilots, tug & towing community, Port industry partners and terminal operations).

Mr. Calabrese stated that it was the consensus of the stakeholders that the 8 additional transits monthly to the P66 terminal is well within the capabilities of the Port to manage and would not introduce any unique navigation, safety or security risk to the Port. Subsequently, the P66 team presented a summary of the project to the OSS Committee which provided a review of risk analysis completed and findings. The committee accepted the findings and analysis having no further questions after a brief discussion. Mr. Calabrese stated that with no other concerns from stakeholders, P66 intends to finalize the updated analysis and submit to the USCG for approval. Commissioner Santos again noted this was discussed in committee and the committee was satisfied with no opposition from channel users. Ms. Saathoff added that the improvements made in the Freeport Harbor Channel make P66's operations even safer than when they received approval for 22 vessels. The section by their terminal has been widened from approximately 275 feet to a 400-foot width that greatly increases the margin of safety, and with completion of the bend easing, the Pilots are able to safely navigate that region. Ms. Saathoff noted that staff found the request to be acceptable, the Pilots have no objections and there was no opposition noted at the meeting. Commissioner Santos thanked Mr. Calabrese and P66 team members for making the additional presentation to the Port Commission and wished them luck with the USCG. Commissioner Singhania added that its very delightful to see the money spent from taxpayers that its coming to fruition to increase the commerce at the Port.

A motion was made by Commissioner Santos to support the Phillips 66 request to increase vessel berthings as presented. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

14. Approval of a Professional Services Agreement with LJA Engineering for the Velasco Terminal Area 5 Concrete Container Yard – MIP88 Project, for an amount not to exceed \$849,800.00.

Mr. Hull stated this agreement is for the final design, construction materials testing and construction phase services for Area 5 which is a TxDOT grant funded project through MIP88. Staff discussed this agreement with the Capital Planning Committee, and it is their recommendation as well as staff to award a contract to LJA Engineering for \$849,900.00. Mr. Hull also explained where the area is located on Velasco Terminal. Commissioner Croft inquired why this is not a bid project. Mr. Hull explained the Professional Services Procurement Act states that for professional services that includes engineering, surveying, architecture, landscape architecture and accounting, the governmental body must select the provider based on demonstrated qualifications. After selection of the provider, fees are discussed, and approval is requested. He added that as long as no dollar amount is associated beforehand, a request for qualifications is not required. Commissioner Singhania inquired when the last time a different engineering firm was selected. Mr. Hull stated that it was the RIDER 37 Project with Freese & Nichols but has been some time since an RFQ was requested. Ms. Saathoff noted the Port is contacted regularly by different engineering firms which staff meets with to obtain all information on their areas of expertise. Staff keeps a library of these firms for consideration when making a determination on a project. Mr. Hull added that LJA completed the overall Velasco Terminal design (up to about 60%) which included obtaining the needed permits and, in his opinion, are the logical choice. It was also pointed out that if a new firm was brought in for the job, the price would have been higher since they would have obtained a new survey and new geotechnical, both of which have already been done.

A motion was made by Commissioner Kincannon to enter the agreement LJA Engineering as stated in the recommendation. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion.

15. Approval of an Easement to CenterPoint Energy Houston Electric for the relocation of a power pole and associated power lines at FM 1495 and 8th Street.

Mr. Hull began by showing a map of where the relocation of a power pole will take place explaining the TxDOT RIDER 37 grant funds to widen 8th Street from a two-lane asphalt road to a four-lane concrete road will put the existing power pole in the right-of-way and will be consistently hit by trucks making the turn onto 8th Street. This easement will relocate the power pole and associated power lines. Staff recommends approval. Commissioner Fratila noted the documents state the Brazos River Harbor Navigation District and should be reflect current name of Port Freeport.

A motion was made by Commissioner Giesecke to approve the easement to CenterPoint Energy for the relocation of the power pole on FM 1495 and 8th Street. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

16. Adoption of a Resolution regarding Charles River Houston Two and Protection for Communities.

As reported at the last meeting, Ms. Saathoff stated there was an item on a recent Brazoria County Commissioners Court agenda to adopt a resolution regarding Charles River Houston Two and Protection for Communities about an area that was purchased to construct a facility to house and breed non-human primate laboratory animals necessary to develop safe and effective new medicine. This planned facility was not well-received in the community and Commissioners Court approved a resolution to be sent to the federal agencies that would issuing permits and elected officials, which states they are concerned with this type of facility being built in the community as well as the safety aspect of it. A number of other entities have adopted a similar resolution, including the Economic Alliance. The Port's resolution is similar to what the County adopted and states the Port is in support of the County's position and concern of the community about this type of facility. Ms. Saathoff further commented that the Port is not set up to receive live animals, especially primates and noted a recent article published that stated the primates would be brought in through the Houston airport system. Staff recommends approval.

A motion was made by Commissioner Santos to adopt the resolution. The motion was seconded by Commissioner Fratila with all Commissioners presents voting in favor of the motion.

17. Approval of a Request for Proposal (RFP) regarding Market Study.

Mr. Miura stated that staff has developed a draft Request for Proposal (RFP) for a market study and subject to no objection or further amendments by the Port Commission and any non-substantial changes, staff intends to release the RFP on January 26. He identified the firms who will be receiving the RFP and noted the proposed timeline as follows:

Due Date

- January 26, 2024
- February 09, 2024 at 4:00 p.m.
- February 23, 2024 at 4:00 p.m.
- March 04, 2024 at 4:00 p.m.

Process Milestone

- Request for Proposal is Issued
- Deadline to Submit Letter of Intent to Propose
- Deadline to Submit Questions
- Deadline for Delivery of Proposal

Expected Date

- March 22, 2024
- April 25, 2024 or earlier
Commission

Process Milestone

- Internal Review of Submitted Proposals Completed
- Recommendation of Selected Firm to Port

He noted the RFP was structured similar to that of the rail switcher and is essentially telling the proposer this is what the Port is looking for and this is what we want you to deliver. Tell us your expertise, how we're going to get there, how long it will take and how much it will cost, which is to be bundled together into a proposal as outlined in the RFP for staff to review internally in order to make a recommendation. Mr. Miura recommends that staff release the RFP tomorrow (January 26). Commissioner Giesecke commented that two weeks is a short time for firms to respond to the RFP adding that it's a long-term project that will guide the Port for years to come and shouldn't be rushed. Mr. Miura clarified the two-week deadline is for the firm to submit a letter of intent to propose which will allow them to participate in the dialogue and answer questions. The proposal is not due for another month. Mr. Miura added that if the Commission wishes, staff will push the deadline out. Commissioner Giesecke stated that he would like to see the deadline pushed out and further commented on the firm TEMS being included on the list. Additionally, he commented on the framework approved in December stating that an additional point was added which states "to support the development of an efficient transportation corridor from Freeport to the Texas hinterland and the heartland of the United States", adding the language sounds very similar to the Brazoria-Fort Bend Rail District and if it's an effort to resurrect a short line railroad, he will have some serious issues with the framework. Ms. Saathoff and Mr. Miura assured the Commission this is not the case adding it's one of the Port's strategic objectives that is communicated to the public and is not to push any rail agenda. Commissioner Fratila commented that although she is not familiar with the rail background Commissioner Giesecke is referencing, the item does not automatically jump out to her as looking for a rail transportation corridor, it states an efficient transportation corridor which is a broader term. Commissioner Singhania asked Mr. Miura to go over staff's expectations for the market study and how it's going to help the container business. Mr. Miura went over the framework of the market study that was previously discussed stating that part of the study will determine actual market opportunities and targeted shippers and/or beneficial cargo owners based on end-to-end logistics and supply chain costs and the need for Port Freeport's available land or infrastructure, and thereby prepare cargo forecasts of 5 and 10 year for containers. Mr. Miura added that staff will ensure this is the Port's primary focus when conducting dialogue with the firms. Additionally, the market study will determine the following...

1. Actual market opportunities and targeted Shippers and/or Beneficial Cargo Owners based on End-to- end Logistics and Supply Chains costs and need for Port Freeport's available land or infrastructure.

- a. Review and identify regional, national and global shippers that could use Port Freeport for imports/exports and that could attract additional carriers to utilize Port Freeport's land and infrastructure considering the effects of planned and potential improvements on the future growth of various cargo segments.
2. Identify unfeasible cargo segments over a 5 and 10-year period due to factors including existing and forecasted market conditions, geographical location of Port Freeport in relation to inland manufacturing, distribution and logistics centers, available ocean carrier options, motor carrier availability, etc.
3. Document current marine, rail, and trucking infrastructure and services and develop overall strategy to attract and retain the market opportunities including improvements in required Port infrastructure considering:
 - a. Vessel service
 - b. Truck access and circulation
 - c. Rail access and service
 - d. Connections to Warehouse/Distribution and Processing
4. Identify tenants for industrial properties that will provide for optimal use in support of long-term development goals and in line with the Port's mission.
5. Prepare Cargo Forecast
 - a. Three scenarios: pessimistic outlook; baseline outlook; and increased supply chain advantages outlook ("upside" scenario)
 - i. Pessimistic = Decrease in Port Freeport customer base
 - ii. Base Line = No change to Port Freeport customer base
 - iii. Upside = Increase in Port Freeport customer base
 - b. Five and Ten-year forecasts for:
 - i. Container (dry and reefer) – Primary Focus
 - ii. OEM/RORO – Primary Focus
 - iii. Break Bulk and Project Cargo – Secondary Focus
 - iv. Liquid Bulk – Secondary Focus
 - Considered a priority and the Port may want to engage a separate consultant to develop a feasibility analysis and marketing plan for the Cut-In-Berth
6. Document historic and current commodity flows
7. Document current marine, rail, and trucking infrastructure and services

Mr. Miura feels this addresses the desire of the Port Commission as it pertains to containers. Staff has asked firms to prepare their proposal in a standard format that will allow staff to have an apples-to-apples comparison. An evaluation team will recommend to the Port Commission the proposer who is most qualified and whose proposal is the most advantageous to the Port. He further stated that if a proposal is received that does not fall within the parameters identified, they would not be recommended. Ms. Saathoff commented that staff can incorporate interviews with the final candidates as part of the process. Commissioner Kincannon also commented that he feels two weeks to respond with a letter of intent isn't enough time and inquired if the deadline could be pushed out. After additional discussion, staff confirmed the timeline would be pushed out two weeks. Commissioner

Giesecke inquired about the liquid bulk focus noting it states it's a secondary focus however below that, it states it's considered a priority. Mr. Miura explained the consultant may not be able to consult on liquid bulk and a second consultant may be needed. One who knows the energy sector better than someone whose focus is logistics. Staff will adjust the wording to this particular item and push the timeline out two weeks.

A motion was made by Commissioner Croft to approve the RFP for market study. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion.

18. Approval of a Request for Proposal (RFP) regarding Website Redesign.

Mr. Miura stated that staff took a very similar approach with this RFP and given the previous comments, the Commission may want to push the timeline out as well. Mr. Miura stated the framework explains the Port Freeport website is used as a tool to communicate with industry to understand the benefits of using Port Freeport as a gateway, and it's a tool for the community and for the Port to maintain transparency with them. It also includes the desires of what the Port wants to achieve in the redesign of the website but ultimately going for a brand-new looking website. Staff used a very similar approach by telling firms what the Port wants and the firms then telling us how to get there, how long it will take and how much it will cost. He identified the firms who will receive the RFP and recommends moving forward to send out tomorrow (January 26) so the process can begin in this fiscal year. Staff expects firms will want to interview staff, stakeholders and Commissioners to get a feel for what's happening. Commissioner Croft inquired if it would make more sense to have the market study in hand to give the website redesign exactly what is trying to be communicated. Mr. Miura stated that staff has been discussing internally what the best way is to attack the redesign adding that it needs to mesh and be cohesive with a marketing campaign versus strategic initiatives. Commissioner Giesecke asked if the website can be designed so if elements need to be added, it could be done easily in house without going back to the designer. Mr. Miura stated that while staff is not developers, they do have the capability to update the website in house. The current website was released March 2016 and so much information has been added that it needs to get back to being more organized and streamlined. The interview process will determine what needs to be on the site, what is most critical and important so when its released, there won't be as many additions. Staff has asked developers to make sure their proposals are based on HubSpot which is the Port's preferred platform. If it's based on HubSpot and staff has the correct training, updates can be done in house. Staff will have a diverse group to advise on the website to ensure all aspects are covered and is easy to navigate to find the information needed. The timeline will be pushed out two weeks as well.

A motion was made by Commissioner Giesecke to approve the RFP for website redesign. The motion was seconded by Commissioner Kincannon with all Commissioners present voting in favor of the motion.

19. Approval of Executive Director/CEO and Commissioners' travel for January – March 2024.

Ms. Saathoff stated that she included a trip to Fort Lauderdale for a customer visit that took place between meetings that was unanticipated as communication the trip occurred. Additionally, she will be traveling to Detroit in February for a customer meeting. Ms.

Saathoff's attendance was previously approved for the National Waterways Conference in March; however, it did not include Commissioners. She noted that Commissioner Santos will not be attending this conference, only Commissioners Singhanian and Kincannon. She noted the AAPA Legislative Conference was approved at the November meeting for her, and Commissioners with Commissioner Singhanian mentioned as attending. For clarification, Commissioner Santos and Fratila will also be attending the AAPA conference.

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

20. Discussion regarding possibilities of regional water detention.

Mr. Stuart Herbst with Velasco Drainage District (VDD) discussed Atlas 14, a measure adopted by VDD. He stated since the Port already had projects in the design phase with months invested when the measure was adopted, it wouldn't be effective to start the process over in order to meet a Atlas14 criteria; therefore, VDD created a variance for the Port, so it does not have to start over on the design of the projects. VDD and the Port also discussed a central containment system with discussion where the canal that runs along highway and the adjacent water area next to Highway 36 would be connected to create a larger detention area to reroute and save some of the detention area for development. Mr. Hull explained that VDD adopted a new criteria manual (prepared by Brazoria County) however they did not adopt the IDF curves and kept using the old TP40 IDF curve. The Port began planning the RIDER 37 project in the Expansion Area and VDD then adopted the Atlas 14 manual to be consistent with the County. Since the Port had already proceeded under the old TP40, VDD created a variance for the Port to allow them to continue with the project. The Port presented an idea to VDD that is similar to what Texas City and Port Arthur have in place which is a larger maintained detention area versus detention ponds at every development. Knowing the Expansion Area is valuable property close to the port, it was suggested the Port and VDD create something similar in that area versus using the area next to the highway. Commissioner Giesecke inquired how much of the water covered area is TXDOT right-of-way versus port-owned property. Mr. Hull stated there is some portion, but he doesn't know the acreage. Commissioner Giesecke commented that for new projects in the expansion area, the Port would be subject to the Atlas 14 requirements which would increase the amount of volume detained therefore it makes more sense to have the offsite detention in Parcel 16 or 17 (in proximity to the drainage ditch) and flow the water into that area. Mr. Hull stated that all aspects are being studied by staff at this time. Commissioner Singhanian suggested once engineering is obtained by staff, it be reviewed and discussed in the Capital Planning Committee.

21. 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: Legal Counsel, Executive Director/CEO, Director of Operations, Director of Economic Development and Chief Financial Officer.

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

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

This item was tabled.

24. Approval of a Professional Services Agreement with Shey-Harding Executive Search.

Ms. Saathoff stated the Port has a director level position open and in following with policy, staff received proposals from several executive search firms and after evaluating the proposals recommends entering into an agreement with Shey Harding Executive Search who has done work for the Port in the past. Shey Harding has submitted a flat all-in fee plus reimbursement

(direct to the candidate) of any candidate fees necessary for travel. The original request was for an executive search for the Director of Operations position based on the announced retirement of Al Durel; however, since that time, another vacancy will become available with an additional announced retirement. Ms. Saathoff would like to make the contract for two positions, the Director of Operations and the Controller for a total flat fee of \$75,000, to be initiated immediately.

A motion was made by Commission Kincannon to approve the request for personnel search for Director of Operations and Controller positions. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

25. Discuss and consider action resulting from Executive Session.

Ms. Saathoff stated that with the announced retirement of Mr. Wilson, staff is requesting approval to pay him all sums due with his retirement forthcoming February 2, 2024.

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

26. Approval of November & December invoices for Randle Law Office and approval of a Professional Services Agreement between Port Freeport and Randle Law Office for legal services to be effective January 1, 2024.

A motion was made by Commission Giesecke to approve the invoices and the new fee agreement. The motion was seconded by Commissioner Fratila with all Commissioners present voting in favor of the motion.

27. Adjourn.

With no further business before the Commission, the meeting adjourned at 6:27 PM.