

Minutes of Port Commission Regular Meeting
March 28, 2024
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held March 28, 2024, beginning at 1:00 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. Brandon Robertson, Director of Information Technology
Ms. Missy Bevers, Executive Assistant
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
Ms. Emily Henderson, Sales & Marketing Specialist

Also, present:

Mr. Chris Moore, Texas Port Ministry
Mr. Chris Motley, Freeport Fire Chief
Heather Cook, Randle Law Office

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 Singhanian noted that all Commissioners were present in the Board Room.
5. Safety Briefing – Ms. Christine Lewis provided reminders for Spring safety checklist.
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 not public comments.
8. Public Testimony – There was no public testimony.
9. Approval of minutes from the Regular Meeting held February 22, 2024.

A motion was made by Commissioner Giesecke 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 that Volkswagen of America is officially in operation with approximately 10 vessels on the books for the next five weeks. She also commended the Port operations team for all the preparations made in an effort to mitigate any possible disruptions. Ms. Saathoff reported attending the TPM Conference in Long Beach along with Mr. Durel with over 4,000 attendees including ocean carriers, shippers, ports, laborers and trucking companies. Additional information on the conference was included in her report. She also reported attending the National Waterways Conference in Washington, DC with Commissioners Singhanian and Kincannon as well as the AAPA Legislative Summit with Commissioners Singhanian, Santos and Fratila. There are several grant opportunities with the notice of funding recently announced. Grants available include the EPA Grant for Clean Ports, PIDP (Port Infrastructure Development Grant

Program) through MARAD as well as DHS for security. Staff is evaluating the opportunities. The Port recently held the quarterly governance meeting with the Corps Galveston District noting the Port's channel project is progressing well with the Corps reporting on the execution of the maintenance dredging in the channel. Ms. Saathoff also reported on discussions with TxDOT Area Engineer Maria Aponte regarding the FM 1495 project and ways to move the project along without creating additional congestion at the Port. TxDOT proposed reducing FM1495 to one lane one way traffic so the remaining two lanes could be reconstructed at the same time instead of the original plan to do the project in three phases. The Port explained that this would be detrimental to the customers of the Port and create congestion inside the port and on the state roadways. FM 1495 provides access to all the gated entrances to the Port. It was also noted that the Del Monte operations will commence in July which will be increasing the number of gate transits immediately. The Port encouraged TxDOT continue with the original construction plan. Ms. Saathoff also recognized Al Durel, Director of Operations who will be retiring, noting this is his last Port Commission Meeting. Ms. Saathoff commended Mr. Durel on the leadership he has provided through the years to the operations department in developing a team that knows the Port and how to engage with customers. Commissioner Singhania thanked Mr. Durel as well and commented on the level of respect he has with customers and the industrial community. Mr. Durel thanked the current and past Port Commissioners for their support to him as well as his department adding that it's been a good ride and appreciates the support from Ms. Saathoff and staff through the years. Commissioner Giesecke inquired about the status of the residential property that was declared surplus at the last meeting. Mr. Lowe stated that he has been working with Randle Law Office to determine what to post and how to post because this bidding process is different for real estate vs. bidding on equipment. The process will be such that the Port most likely will have a minimum bid posted, will have the right to accept or reject a bid that is not deemed acceptable and intends to maximize the value of the sale. Commissioner Giesecke also inquired about the question posed to Mr. Randle about whether the Port could employ a broker for the sale. Mr. Randle stated the port cannot. Commissioner Giesecke also requested the other residential zoned lots (15, 16, 17) be discussed at the upcoming workshop.

B. Director of Engineering

Mr. Hull shared a photo to explain and update the Commission on the culvert work on the Highway 36 project. Mr. Hull also reported that Great Lakes has brought in a second dredge, the GL 58 to work in Reach 1. The Galveston Island dredge has left Freeport. He noted Great Lakes hopes to bring back the Dodge Island hopper dredge to perform maintenance work in mid-April and possibly the Liberty Island as well as the Ellis Island for new work in the summer. Mr. Hull also reported that asbestos was being removed from the final house in the expansion area with demolition following which should happen mid-April.

C. Director of Operations

Mr. Durel reported on statistics for the month of February noting that RoRo numbers with Volkswagen in addition to their rail activity will be significant for the month of March. Fiscal year activity to date reflects LNG handling 89 vessels (17/month), 46 RoRo (9/month) and 14 steel vessels (3/month), noting railcars for RoRo and steel vessels expected to increase. Mr. Durel gave a shout out to the safety and security teams for working behind the scenes to ensure the new operation with Volkswagen went as

smooth as possible. Lastly, Mr. Durel reported the team is working to finalize the design specifications for the new cranes noting everything is still on schedule. Mr. Austin Seth shared photos of the first Volkswagen vessel and operation offloading the cars as well as the VW facility that included cars from the first and second vessels as well as cars from railcars. Commissioner Singhania and Kincannon commended Operations for a great job handling the first shipment from Volkswagen as well as the safety and security efforts related to the operation. Mr. Seth also reported the RoRo Rodeo is tentatively scheduled for April 5th at 8:00 a.m. Mr. Hibbetts updated the Commission on the FM 1495 road construction noting work will begin at the Highway 36 intersection in 10-12 days and explained how the work at the intersection will be divided into two parts, taking about 3 weeks.

D. Director of Business & Economic Development

Mr. Miura reported on upcoming conferences to be held which include the Port of the Future Conference; April 2-4 in Houston, the JOC Breakbulk & Project Cargo Conference; April 24-26 in New Orleans and the Finished Vehicle Logistics Conference in Huntington Beach in May. He also reported on RFPs received for the market study and website redevelopment noting staff received 5 proposals for the market study while 7 proposals were received for the website. Staff is reviewing the market study proposals and hopes to make a recommendation to the Commission at the April meeting

E. Chief Financial Officer

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

11. Approval of financial reports presented for the period ending February 29, 2024.

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

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

Commissioner Giesecke reported attending the Port CAP Meeting, Brazosport Chamber Awards Luncheon, Brazosport Rotary Shrimp Boil, BCCA Meeting, Freeport City Council Meeting, Texas Port Ministry Annual Banquet and the JA Celebrity Waiter Banquet.

Commissioner Kincannon reported attending the Port CAP Meeting, Special Board Meeting, National Waterways Conference in Washington, the BCCA Meeting and the Texas Port Ministry Banquet.

Commissioner Croft reported attending the Lower Brazos River Coalition Luncheon, the arrival of the 1st Volkswagen vessel, Texas Port Ministry Banquet, BCCA and the Alliance Meeting.

Commissioner Santos reported also attending the arrival of the Volkswagen vessel as well as the AAPA Legislative Summit in Washington, DC.

Commissioner Fratila reported also attending the AAPA Legislative Summit in Washington.

Commissioner Singhania reported attending the National Waterways Conference as well as the AAPA Legislative Summit, both held in Washington, DC. He also attended the Port CAP Meeting, Brazosport College President's Reception, customer meetings and Salvation Army Fundraiser.

13. Approval of a Construction Contract with SWS/Saltwater Salvage for the Docks 1, 2, 3 & 5 Sheet Pile Repairs project, for an amount to exceed \$191,000,00.

Mr. Hull stated that bids were opened February 29 with a total of four bids submitted. The budget for the project was \$300,000, and a low bid of \$191,000 was submitted by Saltwater Salvage who is a local diving and salvage firm and has done this work for the Port in the past. Staff recommends approval of the contract to the low bidder, Saltwater Salvage, in the amount of \$191,000. Commissioner Kincannon inquired about the 90-day duration of the project. Mr. Hull stated it is only asked for so a number of working days can be filled in on the contract and is the only reason they ask for it in bid form. He added that the low bidder or qualified bidder is awarded the contract as opposed to a competitive sealed proposal where you consider price, schedule and qualifications. Commissioner Giesecke commended staff for having multiple bids for the last few projects.

A motion was made by Commissioner Kincannon to approve the construction contract with Saltwater Salvage for Docks 1, 2, 3 & 5 sheet pile repairs as presented. The motion was seconded by Commissioner Giesecke with all Commissioners voting in favor of the motion.

14. Discuss and consider the adoption of a Resolution Committing Matching Funds to Support a Grant Awarded through the Texas Department of Transportation Maritime Infrastructure Program (MIP) for the "Velasco Terminal Area 5 Improvement Project."

Mr. Miura stated that Port Freeport submitted a Maritime Improvement Program Grant Application for the "Velasco Terminal Area 5 Improvement Project" to TxDOT of which TxDOT awarded Port Freeport \$11,565,621 to cover a portion of the project costs. The total project cost was estimated at \$15,000,000; therefore, the Port is responsible for costs above the awarded amount. Mr. Miura noted that recent estimates put the full project at approximately \$20-\$25 million. The Velasco Terminal Area 5 Improvement Project considers concrete paving, drainage, high mast lighting and other associated improvements to approximately 15 acres on Velasco Terminal. In order to enable funding opportunity, Port Freeport must enter into a Port Access Account Fund Grant Agreement with the state of Texas. A draft Port Access Account Fund Grant Agreement has been shared by TxDOT and reviewed by Randle Law Office. The Port must also approve a resolution committing matching funds to support a grant awarded through the Texas Department of Transportation Maritime Infrastructure Program (MIP) for the Velasco Terminal Area 5 Improvement Project. The adopted resolution will then be included in the final agreement as an exhibit and the Agreement executed. The draft resolution has been reviewed and accepted by Randle Law Office and TxDOT. Staff recommends approval. Mr. Miura also shared a diagram of Area 5 location and noted the resolution also authorizes Ms. Saathoff to execute the final agreement the Port's behalf. This project is included in the FY24 budget for \$25 million.

A motion was made by Commissioner Kincannon to adopt the Resolution Committing Matching Funds to Support a Grant Awarded through the Texas Department of

Transportation Maritime Infrastructure Program (MIP) for the “Velasco Terminal Area 5 Improvement Project.” The motion was seconded by Commissioner Croft with all Commissioners voting in favor of the motion.

15. Discuss and consider a proposal from The Goodman Corporation to prepare Port Freeport’s EPA Clean Ports Program grant applications.

Ms. Saathoff stated that this item may be tabled, as staff will need take a first step to scope things out before engaging in a full-blown grant writing contract however, staff is working with a tight timeline as grant applications have to be filed before the end of May. It is a great opportunity to receive substantial funding for projects that implement zero emission technology equipment in the port or can assist with planning for the future. Staff would like to engage Goodman in an effort to assess the capability in what the Port can do and then determine quotes or bids for the grant writing. Ms. Saathoff explained that no one has written these grants before noting there is \$3 billion available in funding. The program is broken down into separate competitions, zero emission technology deployment and climate and air quality planning. Once the program moves into the award stage, they will have three different tiers based on project sizes. Staff will need to evaluate where its best to compete with the large tier ranging from \$150 million - \$500 million in scope with 5-10 awards anticipated and a 20% local match (available to water ports only). Tier B is for projects less than \$150 million with 25-70 awards and a 10% local match (available to water and dry ports). Tier C includes tribal projects \$2 million-\$50 million with 2-10 awards and 0% match. All funds are expected to be committed this fiscal year under the current administration. Staff needs to assess what equipment is used inside the port and what makes the most sense for grant funding, and then determine how the relationship with the tenants would be crafted with regard to the equipment. Ms. Saathoff would like authority to enter into a limited contract (up to \$25,000) with Goodman to perform the initial due diligence.

A motion was made by Commissioner Fratila to grant authority to enter into a contract with Goodman Corporation in an amount not to exceed \$25,000 to get direction and assistance with this particular project scope. The motion was seconded by Commissioner Kincannon with all Commissioners voting in favor of the motion.

16. Adoption of a Resolution approving the acceptance of the Port’s portion of proceeds received from high bidders on delinquent tax property held in trust by Brazoria County, Texas and authorizing the Chairman to join in conveyance to high bidders.

Mr. Lowe stated the properties presented by the County are of no interest to the Port, and staff recommends approval.

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

17. Discuss and consider the authorization of credit card issuance and credit limits for staff.

Mr. Lowe stated that Port Policy 8.8 calls for the Port Commission to authorize the issuance and credit limits of port credit cards. Staff is seeking authorization to issue a new credit card to Brandon Robertson, Director of IT, with a credit limit of \$5,000 and primary use to be for IT related subscriptions and miscellaneous IT related equipment. Staff also recommends

authorization of an increase in credit limit for Missy Bevers, Executive Assistant, from \$5,000 to \$10,000. This increase is driven from the increased cost associated with AAPA and other applicable registrations and associated travel that Missy handles for the Port Commission.

A motion was made by Commissioner Giesecke to approve the issuance of a new credit card and increased limit as presented by staff. The motion was seconded by Commissioner Kincannon with all Commissioners voting in favor of the motion.

18. Approval Executive Director/CEO and Commissioners' travel for April – June 2024.

Commissioner Singhania commented that the proposed travel could change if there is an issue with scheduling, as the Port lives in a very dynamic environment.

A motion was made by Commissioner Kincannon to approve the Executive Director/CEO and Commissioners' travel for April-June 2024 as presented. The motion was seconded by Commissioner Croft with all Commissioners voting in favor of the motion.

19. 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.

20. RECONVENE OPEN SESSION:

21. Adjourn.

With no further business before the Commission, the meeting adjourned at 6:31 PM.