

IN RE: APPLICATION ADJUSTMENT	§	BEFORE THE BOARD OF PILOT COMMISSIONERS
	§	
TO PILOTAGE RATES DATED	§	FOR THE
	§	
OCTOBER 1, 2020	§	PORTS OF BRAZORIA COUNTY, TEXAS

**ACKNOWLEDGEMENT FOR FILING OF FINAL ORDER ON APPLICATION FOR ADJUSTMENT TO PILOTAGE RATES**

I, the undersigned, do hereby certify:

Attached hereto is a true and accurate copy of the Final Order on Application for Adjustment to Pilotage Rates regarding the Brazos Pilots Association's Application for Adjustment of Pilotage Rates dated October 1, 2020.

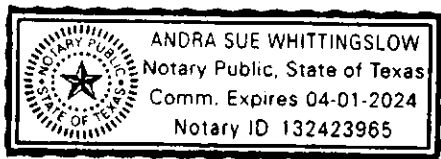
EXECUTED this 3rd day of November, 2020.

**PORT FREEPORT**

By: *Phyllis Saathoff*  
 Phyllis Saathoff  
 Executive Director/CEO

THE STATE OF TEXAS §  
 COUNTY OF BRAZORIA §

This instrument was acknowledged before me on the 3rd day of November, 2020, by Phyllis Saathoff, in her capacity as Executive Director/CEO of Port Freeport.



*Andra Sue Whittingslow*  
 NOTARY PUBLIC IN AND FOR  
 THE STATE OF TEXAS

**IN RE: APPLICATION ADJUSTMENT § BEFORE THE BOARD OF PILOT COMMISSIONERS**  
**TO PILOTAGE RATES DATED § FOR THE**  
**OCTOBER 1, 2020 § PORTS OF BRAZORIA COUNTY, TEXAS**

**FINAL ORDER ON APPLICATION FOR ADJUSTMENT TO PILOTAGE RATES**

On the 29<sup>th</sup> day of October, 2020, came on for consideration before the Board of Pilot Commissioners for the Ports of Brazoria County, Texas the Brazos Pilots Association’s (“Pilot’s”) Application for Adjustment to Pilotage Rates dated October 1, 2020. The Board of Pilot Commissioners (“Pilot Board”), after reviewing the Application for Adjustment and after hearing the evidence presented by the Pilots and the objecting parties and consideration of the factors set forth in Section 68.067 of the Texas Transportation Code renders this Final Order.

**Brazos Pilots Association Request 1**

*Institute a per vessel movement line item surcharge for Communication/Dispatch service consisting of a base charge of \$65.00 plus a Unit Charge, calculated as units multiplied by the factor 0.18 to cover the costs and expenses of providing a state-of-the-art dispatch service. Effective 2021.*

IT IS THEREFORE ORDERED the Brazos Pilots Association Request 1 is hereby MODIFIED and ADOPTED as follows: Institute a per vessel movement line item surcharge for Communication/Dispatch service consisting of a base charge of \$65.00 plus a Unit Charge, calculated as units multiplied by the factor 0.18 to cover the costs and expenses of providing a state-of-the-art dispatch service. The Channel User Advisory group will remain in place, with additional members that may be added. The Channel User Advisory group will meet at least quarterly. The purpose of the Channel User Advisory group is to share information regarding the dispatch services (including presentation of budget and financial information related to dispatch services) and provide feedback regarding the vessel traffic of the Freeport Harbor. The Pilots and

the Channel User Advisory group will present at least a semi-annual report to the Pilot Board for review that includes a budget and financial information related to dispatch services. The budget will include a line item budget. This line item charge will be re-evaluated annually with a goal of maintaining the dispatch system's operating expenses to within 5% of the previous year's operating costs. To go into effect January 1, 2021.

**Brazos Pilots Association Request 2**

*Adjust the Education Fee to a charge consisting of a base charge of \$10.00 plus a Unit Charge, calculated as units multiplied by the factor 0.03 for continuing education and training for pilots and pilot boat operators. Effective 2021.*

IT IS THEREFORE ORDERED the Brazos Pilots Association Request 2 is hereby MODIFIED and ADOPTED as follows: Adjust the Education Fee to a charge consisting of a base charge of \$10.00 plus a Unit Charge, calculated as units multiplied by the factor 0.03 for continuing education and training for pilots and pilot boat operators. Pilots shall prepare and present a plan to the Pilot Board that includes the education plan, goals and budget. Such report to be presented annually. To go into effect January 1, 2021.

**Brazos Pilots Association Request 3**

*Extend the Draft Charge Table to include vessels with drafts greater than 42 feet. Effective 2021.*

IT IS THEREFORE ORDERED the Brazos Pilots Association Request 3 is hereby APPROVED and ADOPTED. See attached hereto as Attachment "A" and incorporated by reference the Draft Charge Table. To go into effect January 1, 2021.

**Brazos Pilots Association Request 4**

*Continue the per vessel movement line item surcharge for pilot transport service (Boat Fee) to cover the construction and acquisition of a second pilot boat. The current charge consists of a base charge of \$100 plus a Unit Charge, calculated as units multiplied by the factor 0.1.*

IT IS THEREFORE ORDERED the Brazos Pilots Association Request 4 is hereby MODIFIED and ADOPTED as follows: Continue the per vessel movement line item surcharge for pilot transport service (Boat Fee) to cover the construction and acquisition of a second pilot boat. The current charge consists of a base charge of \$100 plus a Unit Charge, calculated as units multiplied by the factor 0.1. Pilots will present a chart of cost per ships to the Pilot Board. The fee shall expire the earlier of: a) payment in full of second pilot boat or b) 2051. The maximum principal amount of the loan shall not exceed Five Million Dollars (\$5,000,000.00). The Pilots will provide the Pilot Board payoff statements on a monthly basis and the loan status to be reviewed by the Pilot Board before the expiration of 8 years from the date of the loan origination. Any excess funds collected under this tariff shall be applied towards the loan balance, save and except allowing for 4 months payments being in an escrow account after the boat is placed in service.

**Brazos Pilots Association Request 5**

*Institute a minimum charge based on actual vessel size rather than by a set fee. The minimum Draft proposed is 25 feet and the proposed minimum Units is 520 units. Effective 2022.*

IT IS THEREFORE ORDERED the Brazos Pilots Association Request 5 is hereby MODIFIED and ADOPTED AS FOLLOWS: Eliminate the minimum charge based on vessel size and institute a minimum charge based on draft of 25 feet and 400 Units. Waiver of line item fees, which includes education fee, transportation fee and communication fees, for shifts (as defined in the tariff). To be effective January 1, 2021.

**Brazos Pilots Association Request 6**

*Increase Units Charges, Draft Charges, Detention Charges, and Holding Charges by 3% a year for 5 years to cover the cost of additional and necessary personnel. Effective 2022-2026.*


IT IS THEREFORE ORDERED the Brazos Pilots Association Request 6 is hereby MODIFIED and ADOPTED as follows: Increase unit charges, draft charges, detention charges, and holding charges by 2.4% on January 1, 2022, January 1, 2023 and January 1, 2024. Minimum manning requirement for pilot boats will be two individuals by March 31, 2021, and report same to Pilot Board. Pilots to submit to Pilot Board complete annual financial statements (income statement, balance sheet and cashflow statement) for years 2018, 2019 and 2020 by March 1, 2021. Pilots to submit to Pilot Board complete annual financial statements (income statement, balance sheet and cashflow statement) for 2021 by March 1, 2022; 2022 by March 1, 2023 and 2023 by March 1, 2024.

It is intended by the Board of Pilot Commissioners that this order is final as to the Brazos Pilots Association's Application for Adjustment to Pilotage Rates dated October 1, 2020.

It is further intended by the Board of Pilot Commissioners that this order shall also act as a resolution memorializing the action of the Board of Pilot Commissioners as to the Brazos Pilots Association's Application for Adjustment to Pilotage Rates dated October 1, 2020.

SIGNED on the 30<sup>th</sup> day of October, 2020

  
\_\_\_\_\_  
Shane Pirtle, Chairman

  
\_\_\_\_\_  
Rudy Santos, Secretary

Attachment A

**Expanded Draft Charge Table****Draft Table**

<b>Min 25 Ft</b>	<b>2020</b>	<b>2021</b>
< 42 Ft	\$ 33.79	\$33.79
> 42 Ft	waiver	\$38.11
> 43 Ft	waiver	\$41.92
> 44 Ft	waiver	\$45.73
> 45 Ft	waiver	\$49.54
> 46 Ft	waiver	\$53.36
> 47 Ft	waiver	\$57.17
> 48 Ft	waiver	\$60.98
> 49 Ft	waiver	\$64.79
> 50 Ft	waiver	\$68.60
> 51 Ft	waiver	\$72.41
> 52 Ft	waiver	waiver

# FILED and RECORDED

Instrument Number: 2020064935

Filing and Recording Date: 11/03/2020 11:23:32 AM Pages: 7 Recording Fee: \$46.00

I hereby certify that this instrument was FILED on the date and time stamped hereon and RECORDED in the OFFICIAL PUBLIC RECORDS of Brazoria County, Texas.



A handwritten signature in black ink, appearing to read "Joyce Hudman".

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Joyce Hudman, County Clerk  
Brazoria County, Texas

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