

AGENDA



**Port Freeport
Port Commission
Regular Meeting**

Thursday, March 25, 2021, 1:00 pm - 5:00 pm

Via Video/Teleconference - Administration Building - 1100 Cherry Street - Freeport

Notice is hereby given that in accordance with the order the Office of the Governor issued March 16, 2020, and due to imminent threat to public health and safety and urgent public necessity, the Port Freeport Port Commission will conduct a Regular Meeting on Thursday, March 25, 2021 at 1:00 p.m. by video/teleconference initiated from the Administration Building, 1100 Cherry Street, Freeport, Texas. In order to meet CDC guidelines for social distancing and slow the spread of the Coronavirus (COVID-19), the public can join the video/teleconference meeting by following the instructions below. When the spread of COVID-19 is no longer an imminent threat to our community, in-person meetings will resume.

The meeting will not be open for the public to physically attend the meeting, but the Port welcomes the public to attend virtually. Public comment will be available at the beginning of the meeting on the agenda item indicated below. Following public comment, the public will not be permitted to communicate with the Port Commission.

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1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation.
3. Pledge of Allegiance: U.S. Flag and Texas Flag
4. Roll Call.
5. Public Comment. (Public comment will be limited to 5 minutes per participant and must be completed virtually via the toll free number)
6. Receive update regarding the dredging at the mouth of the San Bernard River.
7. Receive update regarding NOAA PORTS.
8. Approval of the following minutes from meetings held:
February 25, 2021
February 26, 2021
March 4, 2021
9. Receive reports from Executive Staff on activities and matters related to COVID-19 health safety matters, administrative affairs, financial results, facility engineering matters, operations and vessel activity, port safety matters, port security

matters, Port tenant updates, USCOE, and other related port affairs.

- A. Executive Director/CEO
 - B. Chief Financial Officer
 - C. Director of Engineering
 - D. Director of Operations
 - E. Director of Business & Economic Development
10. Receive report from Commissioners on matters related to:
- A. Meetings and conferences attended, Port presentations and other related Port Commission matters.
11. Approval of financial reports presented for the period ending February 28, 2021.
12. Approval of Change Order No. 2 to the Professional Services Agreement with Moffat & Nichol for modification to design and provide inspection services on a RO/RO ramp for the Velasco Terminal Berth 8 & 9 project, for an increase of \$392,100.00.
13. Approval of Change Order No. 2 to the Professional Services Agreement with HDR, Inc. for modification to add sediment sampling and testing for the FHCIP Reach 2 Design & Permitting project, for an increase of \$160,000.00.
14. 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):
 - 1. Consultation with attorney to discuss potential litigation.
 - B. Under authority of Section 551.072 (Deliberation of Real Property Matters) for discussion regarding:
 - 1. Discussion regarding the potential exchange, lease, or value of real property located in Freeport, Texas, including but not limited to the area known as the East End of Freeport and bordered by or adjacent to the following streets: FM 1495; East 2nd Street; Terminal Street and East 8th Street in Freeport, Texas.
 - 2. The potential purchase, exchange, lease or value of real property located at Port Freeport, including but not limited to the real property located at and contiguous to Berths 1, 2, 5 and 7.
 - 3. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcel 14 and Surfside Lots.
15. RECONVENE OPEN SESSION to review and consider the following:
16. Discuss and consider Second Amendment to the Marine Terminal Service Agreement between CMA CGM and Port Freeport.
17. Adjourn.

The Port Commission does not anticipate going into a closed session under Chapter 551 of the Texas Government Code at this meeting for any other items on the agenda, however, if necessary, the Port Commission may go into a closed session as permitted by law regarding any item on the agenda.

With this posted notice, Port Commissioners have been provided certain background information on the above listed agenda items. Copies of this information can be obtained by the public at the Port Administrative offices at 1100 Cherry Street, Freeport, TX.



Phyllis Saathoff, Executive Director/CEO
PORT FREEPORT

Minutes of Port Commission Regular Meeting
February 25, 2021
Via Video/Teleconference

Notice is hereby given that in accordance with the order the Office of the Governor issued March 16, 2020, and due to imminent threat to public health and safety and urgent public necessity, the Port Freeport Port Commission will conduct a Regular Meeting on Thursday, February 25, 2021 at 1:00 p.m. by video/teleconference initiated from the Administration Building, 1100 Cherry Street, Freeport, Texas. In order to meet CDC guidelines for social distancing and slow the spread of the Coronavirus (COVID-19), the public can join the video/teleconference meeting by following the instructions below. When the spread of COVID-19 is no longer an imminent threat to our community, in-person meetings will resume.

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Commissioners present:

Mr. Shane Pirtle, Chairman
Mr. Paul Kresta, Vice Chairman
Mr. Rudy Santos, Secretary
Mr. John Hoss, Asst. Secretary
Mr. Ravi Singhania, Commissioner
Mr. Dan Croft, Commissioner

Staff Members Present:

Mr. Jason Cordoba, 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. Jason Miura, Director of Business & Economic Development
Mr. Mike Wilson, Director of Economic Development & Freight Mobility
Mr. Chris Hogan, Director of Protective Services

Mr. Brandon Robertson, Network Systems Manager
Ms. Missy Bevers, Executive Assistant
Ms. Mary Campus, Controller
Ms. Jessica Follett, Public Affairs Manager

Also, present via teleconference:

Mr. David Garcia, Gallagher
Mr. Walter Hall, P66

Commissioner Pirtle stated the following information...

Today is February 25, 2021, and the time is 1:00 p.m. This is the regular meeting of the Port Commission. I am Shane Pirtle, Chairman. We are conducting this meeting by video/telephone conference pursuant to Governor Abbott's order suspending certain provisions of the Texas Open Meetings Act in order to minimize the impact of the coronavirus outbreak. This meeting is being recorded as required by the Texas Open Meetings Act.

With the posting of today's meeting a toll-free call-in number was indicated on the agenda, along with the agenda packet. Both may be found on the Port's website www.portfreeport.com. Additionally, the public may join the meeting from a computer, tablet, or smartphone or by phone using the toll-free call-in number.

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In the event any member of the public is having any technical difficulty during the meeting, please call (979) 233-2667, and someone will assist you.

Being considerate of all participants on this call today, we respectfully request everyone "mute" their phones unless you are speaking.

An Executive Session was noticed on the published agenda and will occur unless otherwise indicated during the meeting. It will be announced prior to this body going into Executive Session. During Executive Session, the public will not be permitted to hear the meeting, as is the case under the Texas Open Meetings Act.

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation – Commissioner Shane Pirtle.
3. Pledge of Allegiance: U.S. Flag & Texas Flag
4. Roll Call – Commissioner Pirtle stated that Commissioner Singhanian was present online. Those present in the board room (at a safe distance) included himself, Commissioners Kresta, Commissioner Santos, Commissioner Croft, Commissioner Hoss, Phyllis Saathoff – CEO and Jason Cordoba – Legal Counsel. Ms. Saathoff noted additional staff in the room.
5. Public Comment – There were no public comments.

6. Approval of minutes from the Regular Meeting held February 11, 2021 and a Special Meeting held February 12, 2021.

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

7. Receive reports from Executive Staff on activities and matters related to COVID-19 health safety matters, administrative affairs, financial results, facility engineering matters, operations and vessel activity, port safety matters, port security matters, Port tenant updates, USCOE, and other related port affairs.

A. Executive Director/CEO

In addition to her written report submitted to Commissioners, Ms. Saathoff gave an update on last week's winter storm and how it affected the Port. Staff will hold a debriefing meeting within the next week or two. Ms. Saathoff reported the January financial results came in strong and noted that staff expects the winter storm will have some affects for the month of February because of ship delays. An executive meeting will take place with the Corps March 3. Mr. Hull will report that 95% of the plans and specs (Reach 2) have been submitted for quality control and agency technical review which keeps Reach 2 on schedule for advertising for bids in July and award in August or September. The Corps did not receive their full request for construction funds for Reach 2, however enough funds were allocated to proceed with the GRR features and dredge to at least the current channel depth. Ms. Saathoff noted that a Finance Advisory Committee will be held next week, and staff is also requesting a special meeting of the Port Commission next Thursday. Chris Sallese will give an update on the dredging at the mouth of the San Bernard River at the next regularly scheduled board meeting. Ms. Follett gave an update on TACFT stating that due to the winter storm, the logo contest deadline was extended to March 5. The tournament is set for May 8 and will be in-person however, plans can be shifted to a virtual tournament, if need be. 36 sponsors have been secured totaling \$31,450. Information on the tournament can be found at the Port's website and also on the Port's Facebook page. Mr. Robertson gave an update on the board room equipment upgrade noting that even with last week's delay due to the storm, the project is progressing, and Ford/AV will perform a walk-thru February 26 and has delivered a quick-drawing of what the new touchscreen will look like.

B. Chief Financial Officer

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

C. Director of Engineering

Mr. Hull reiterated Ms. Saathoff's comments on Reach 2, stating that 95% of the plans and specs was submitted to the Corps with 100% scheduled to be submitted May 5. After contract and legal reviews within the Corps take place, they will advertise for bids July 2 and open bids August 19. Mr. Hull also shared pictures of the wharf piling being driven down at Berth 8, installation of dredge piping and location of new wave barrier.

D. Director of Operations

Mr. Durel reported on statistics for the month of January with the Port handling 17 LNG vessels, 14 Ro/Ro vessels, 5 Tenaris, 12 container vessels and 7 railcars. Total vessel arrivals Port wide were 115. YTD the Port has handled 64 LNG vessels, 6 Tenaris, 51

Ro/Ro. YTD total vessels is 176 compared to 139 last year. Mr. Durel also reported that Mr. Hogan has been coordinating vaccinations for staff and noted that Mr. Quilty is working closely with Amports to discuss their process for handling vehicles. Staff is also evaluating the effects of the winter storm to the Port and will hold a debriefing meeting as well as a meeting with the OSS Advisory Committee once staff has had time to digest all information.

E. Director of Business & Economic Development

Mr. Miura submitted a written report to the Port Commission and had nothing further to report.

8. Receive report from Commissioners on matters related to:

A. Meetings and conferences attended, Port presentations and other related Port Commission matters.

Commissioner Kresta reported attending the Lincoln-Reagan dinner.

Commissioner Hoss also reported attending the Lincoln-Reagan dinner.

Commissioner Singhania reported attending the ABC Legislative meeting and thanked everyone for their support during the winter storm.

Commissioner Pirtle reported attending the Lincoln-Reagan dinner and ABC Legislative meeting

9. Approval of financial reports presented for the period ending January 31, 2021.

A motion was made by Commissioner Hoss to approve financials as presented. The motion was seconded by Commissioner Kresta with all Commissioners present voting in favor of the motion.

10. Approval and award of contract for Property, Boiler and Machinery, and Terrorism insurance coverage for a one-year term beginning March 1, 2021, as obtained by broker Arthur J. Gallagher & Co.

Mr. Lowe gave background information on staff discussions with Gallagher and Underwriters on their perspective of the market. Staff then met with the Finance Advisory Committee in February to discuss same. Three options were provided with increasing deductibles, however when rates came back, staff felt the Port should maintain the 1.5% deductible option which comes with an increase in premiums of 24.56%. Boiler and Machinery was a 4.52% increase while Stand Alone Terrorism was Flat. Combined with the property and 1.5% catastrophic deductible, the new premium is \$1,232,259 which is a 24.19% increase. Staff recommends approving the insurance coverage with a 1.5% deductible for a premium of \$1,232,259.

A motion was made by Commissioner Singhania to accept the Option 1 proposal of 1.5% deductible as recommended. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion.

11. 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 to discuss potential litigation.

B. Under authority of Section 551.072 (Deliberation Concerning Real Property Matters) for discussion regarding:

1. Discussion regarding the potential exchange, lease, or value of real property located in Freeport, Texas, including but not limited to the are known as the East End of Freeport and bordered by or adjacent to the following streets: FM1495; East 2nd Street; Terminal Street and East 8th Street in Freeport, Texas.

2. The potential purchase, exchange, lease, or value of real property located at Port Freeport, including but not limited to the real property located at and contiguous to Berths 1, 2, 5 and 7.

3. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcel 14 and Surfside Lots.

12. RECONVENE OPEN SESSION:

13. Adjourn.

With no further business before the Commission, the meeting adjourned at 3:12 PM.

Shane Pirtle, Chairman

Paul Kresta, Vice Chairman

Rudy Santos, Secretary

John Hoss, Asst. Secretary

Ravi K. Singhania, Commissioner

Dan Croft, Commissioner

Minutes of Port Commission Special Meeting
February 26, 2021
Via Video/Teleconference

Notice is hereby given that in accordance with the order the Office of the Governor issued March 16, 2020, and due to imminent threat to public health and safety and urgent public necessity, the Port Freeport Port Commission will conduct a Special Meeting on Friday, February 26, 2021 at 1:00 p.m. by video/teleconference initiated from the Administration Building, 1100 Cherry Street, Freeport, Texas. In order to meet CDC guidelines for social distancing and slow the spread of the Coronavirus (COVID-19), the public can join the video/teleconference meeting by following the instructions below. When the spread of COVID-19 is no longer an imminent threat to our community, in-person meetings will resume.

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Commissioners present:

Mr. Shane Pirtle, Chairman
Mr. Paul Kresta, Vice Chairman
Mr. Rudy Santos, Secretary
Mr. John Hoss, Asst. Secretary
Mr. Ravi Singhania, Commissioner
Mr. Dan Croft, Commissioner

Staff Members Present:

Ms. Phyllis Saathoff, Executive Director/CEO
Mr. Rob Lowe, Director of Administration/CFO
Mr. Chris Hogan, Director of Protective Services
Mr. Brandon Robertson, Network Systems Manager
Ms. Missy Bevers, Executive Assistant
Ms. Jessica Follett, Public Affairs Manager
Ms. Tricia Vela, Receptionist

Also, present via teleconference:

Representative Code Vasut
Ms. Nancy Wollam
Mr. Courtland Holman

Commissioner Pirtle stated the following information...

Today is February 26, 2021, and the time is 1:00 p.m. This is a special meeting of the Port Commission. I am Shane Pirtle, Chairman. We are conducting this meeting by video/telephone conference pursuant to Governor Abbott's order suspending certain provisions of the Texas Open Meetings Act in order to minimize the impact of the coronavirus outbreak. This meeting is being recorded as required by the Texas Open Meetings Act.

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An Executive Session was not noticed on the published agenda.

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Roll Call – Commissioner Pirtle stated that all Commissioners were present in the board room (at a safe distance). Representative Code Vasut and Nancy Wollam were also in the room. Phyllis Saathoff – CEO noted additional staff in the room and online.
3. Public Comment – There were no public comments.
4. Discussion with Representative Cody Vasut regarding legislative priorities for the 87th Legislature.

Commissioner Pirtle introduced Representative Vasut who briefly discussed the recent winter storm event and other priorities for this Legislative Session as well as bills filed by his office which include the following: lowering appraisal caps, human life, disaster declarations, attorney's fees, changes in appraisal rolls, duration of special open hunting season, term limits and mandatory age of retirement for judges.

5. Adjourn.

With no further business before the Commission, the meeting adjourned at 2:05 PM.

Shane Pirtle, Chairman

Paul Kresta, Vice Chairman

Rudy Santos, Secretary

John Hoss, Asst. Secretary

Ravi K. Singhania, Commissioner

Dan Croft, Commissioner

Minutes of Port Commission Special Meeting
March 4, 2021
Via Video/Teleconference

Notice is hereby given that in accordance with the order the Office of the Governor issued March 16, 2020, and due to imminent threat to public health and safety and urgent public necessity, the Port Freeport Port Commission will conduct a Special Meeting on Thursday, March 4, 2021 at 8:30 a.m. by video/teleconference initiated from the Administration Building, 1100 Cherry Street, Freeport, Texas. In order to meet CDC guidelines for social distancing and slow the spread of the Coronavirus (COVID-19), the public can join the video/teleconference meeting by following the instructions below. When the spread of COVID-19 is no longer an imminent threat to our community, in-person meetings will resume.

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Commissioners present:

Mr. Shane Pirtle, Chairman
Mr. Rudy Santos, Secretary
Mr. John Hoss, Asst. Secretary
Mr. Ravi Singhanian, Commissioner
Mr. Dan Croft, Commissioner

Staff Members Present:

Mr. Jason Cordoba, 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. Mike Wilson, Director of Economic Development & Freight Mobility
Mr. Jason Miura, Director of Business & Economic Development
Mr. Chris Hogan, Director of Protective Services
Mr. Brandon Robertson, Network Systems Manager

Ms. Missy Bevers, Executive Assistant
Ms. Mary Campus, Controller
Ms. Jessica Follett, Public Affairs Manager

Absent:

Mr. Paul Kresta, Vice Chairman

Also, present via teleconference:

Mr. Kevin Cadenhead, KM&L

Commissioner Pirtle stated the following information...

Today is March 4, 2021, and the time is 8:32 a.m. This is a special meeting of the Port Commission. I am Shane Pirtle, Chairman. We are conducting this meeting by video/telephone conference pursuant to Governor Abbott's order suspending certain provisions of the Texas Open Meetings Act in order to minimize the impact of the coronavirus outbreak. This meeting is being recorded as required by the Texas Open Meetings Act.

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An Executive Session was noticed on the published agenda and will occur unless otherwise indicated during the meeting. During Executive Session, the public will not be permitted to hear the meeting, as is the case under the Texas Open Meetings Act.

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Roll Call – Commissioner Pirtle stated that Commissioner Santos was present online. Those present in the board room (at a safe distance) included himself, Commissioner Singhania, Commissioner Hoss, Commissioner Croft, Ms. Saathoff – CEO and Jason Cordoba – Legal Counsel. Commissioners Kresta was absent from this meeting. Ms. Saathoff noted additional staff in the room and online.
3. Public Comment – There were no public comments.
4. Approval of Easement and Partial Release of North Wave Barrier Easement.

Mr. Hull stated that this document releases a portion of an existing easement (9.30 acres) in order to dredge the land away in Reach 2. This document also grants a new easement (7.64 acres) to replace previous easement held.

A motion was made by Commissioner Santos to approve the easement as recommended by staff. The motion was seconded by Commissioner Hoss with all Commissioners present voting in favor of the motion.

5. Approval of the FY 2020 Comprehensive Annual Financial Report.

Ms. Campus reminded the Board the audited financial statements in this report were previously presented to the Commission for the 2021 GO Bonds issuance, adding that none of the numbers have changed. She gave a brief overview for the CAFR and mentioned the Auditors opinion letter on page 17, encouraged reading of MD&A on page 19 and noted that financials begin on page 30. She further reported operating revenue of \$33.5 million, operating expenses of \$18.5 and operating income of \$15 million. Non-operating expenses which consist of taxes, investment income, debt interest and fees, funds sent to the Corps for the channel project totaled (\$8.4) million. Income before grants was \$6.6 million, added grant income of \$139,000 for a change in net position of \$6.7 million. Commissioner Hoss inquired about the cargo traffic statistics on page 67 and the reporting of 10 years-worth of statistics noting it could be a little confusing to the reader and asked why the Port includes this in the report. Ms. Campus stated that as part of the requirement to receive the GFOA certificate of excellence, it requires reporting 10 years of statistics and this is the statistic the Port chooses to report. Commissioner Hoss noted that the numbers reported on the Port website and numbers in the annual report differ and offer come confusion. Mr. Lowe spoke to Commissioner Hoss's concern stating staff has clarified the numbers reported on the Port website are port-wide public and private terminal tonnage whereas the statistics in the CAFR are only related to the financials in the CAFR. He went on to note that the numbers on the website are for general public relations about the overall Freeport Harbor Channel and information regarding the Port and the statistics in the CAFR is very specific the Port's revenue generating activities and would be best served remaining as they are to only support the financials in the CAFR. Mr. Kevin Cadenhead with KM&L also commented that he agreed with this. After further discussion regarding the reporting of the statistic, staff agreed to capture it on Table 26 – Miscellaneous Statistical Data reported on page 94.

A motion was made by Commissioner Hoss to approve the report as presented by staff. The motion was seconded by Commissioner Singhania with all Commissioners present voting in favor of the motion.

6. 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 551.072 (Deliberation Concerning Real Property Matters) for discussion regarding:

1. 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 and 7.

2. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcel 14.

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

8. Adjourn.

With no further business before the Commission, the meeting adjourned at 11:09 AM.

Shane Pirtle, Chairman

Absent

Paul Kresta, Vice Chairman

Rudy Santos, Secretary

John Hoss, Asst. Secretary

Ravi K. Singhania, Commissioner

Dan Croft, Commissioner



1100 CHERRY ST. • FREEPORT, TX 77541
(979) 233-2667 • 1 (800) 362-5743 • FAX: (979) 233-5625
WWW.PORTFREEPORT.COM

MEMORANDUM

TO: Phyllis Saathoff, Executive Director/CEO
FROM: Jessica Follett, Public Affairs Manager
DATE: March 18, 2021
SUBJECT: Public Affairs – March 2021

PUBLIC AFFAIRS

Communications and Media

Staff continues to post on social media port facts, press releases, safety awareness, hurricane preparedness, and other information pertinent to our community.

COVID-19 – The website and various social media channels are being maintained as a resource to the public for information on COVID-19 as it relates to Port Freeport and the community.

Freeport Harbor Channel Marine Traffic – The website will be maintained as a resource to the Freeport Harbor Channel community for information on marine traffic related to ongoing maintenance and upcoming FHCIP dredging.

Freeport Harbor Channel Improvement Project – Staff continues to respond to inquiries from the public regarding Port Freeport and the Freeport Harbor Channel Improvement Project, as well as maintain updated information on both www.portfreeport.com and www.portfreeportbondelection.com.

Print and Social Media Monitoring – Staff continues to monitor publications, newspapers and social media for matters pertaining to Port Freeport.

Press Releases and News Postings – The following press releases were distributed or will be distributed in March:

Port Freeport Announces 21st Annual Take-A-Child Fishing Tournament Logo Drawing Contest
Winners will be released the week of March 22, 2021.

Community Events and Meetings

Port Events

Port Freeport Take-A-Child Fishing Tournament – May 8, 2021 – The Public Affairs Department is continuing to plan for the TACFT which will take place on May 8, 2021 at Freeport Municipal Park from 8 a.m. to noon. Alternate preparations will be made should an in-person event not be possible during the current environment. Over 460 entries for the logo drawing contest were received and winner presentations took place on March 18 and 19. First through third place received a framed copy of their artwork and gift cards in varying amounts. The top 15 finalists received \$10 gift cards and all entries received a participation ribbon. The press release announcing the winners will go out the week of March 22. Port Freeport thanks all participants for sharing their amazing talent.

As of March 18, a total of \$39,650 in sponsorships (47 sponsors) have been committed for the TACFT. We are just shy of this year's sponsorship goal of \$40,000. Sponsorship solicitations will continue throughout the month of March. Our sponsors' generosity will help put on an event benefitting the children, families, and community within the navigation district. All funds raised go back into the event in the form of goodie bag items, door prizes, and awards for participants.

Freeport Harbor Channel Improvement Project Groundbreaking Ceremony – Port Freeport will celebrate a historic milestone on April 8 at 10 a.m. with a groundbreaking ceremony commemorating turning dirt on Reach 3 of the FHCIP. An open-air ceremony featuring the U.S. Army Corps of Engineers, the Port Commission and staff, Great Lakes Dredge & Dock Company, LLC, and our elected officials will precede a brief reception near Berth 8. Members of the public, including port tenants and community and industry partners, will be invited.

Community Advisory Panel (C.A.P.) – We will hold our first C.A.P. meeting for 2021 on April 15 from 6-8 p.m. at the ABC Gulf Coast Building in Freeport. A speaker from Great Lakes Dredge & Dock Company, LLC will provide an update on the Freeport Harbor Channel Improvement Project Reach 3 dredging. All safety measures will be followed including mask coverings, individually plated dinners, and social distancing.

Port Presentations, Tours, and Meetings

March 5, 2021 – Jessica Follett, Public Affairs Manager, participated in a discussion with Senator Larry Taylor and Representative Dennis Paul's offices regarding proposed legislation of interest to Texas ports.

March 17, 2021 – Jessica Follett, Public Affairs Manager, participated in a meeting of the Texas Ports Association to discuss the 87th Texas Legislative and legislation of interest to Texas ports.

March 18, 2021 – Jessica Follett, Public Affairs Manager, and Marilyn Miller, Public Affairs Assistant, presented TACFT logo drawing contest awards to Mia Spargo, 2nd Place, at Brazosport Christian School and to Macy Pretz, 3rd Place, at Our Lady Queen of Peace Catholic School.

March 18, 2021 – Phyllis Saathoff, Executive Director/CEO, provided a virtual presentation on Port Freeport and freight legislation to the H-GAC Greater Houston Freight Committee. Members of the Public Affairs Department were in attendance.

March 19, 2021 – Jessica Follett, Public Affairs Manager, and Tricia Vela, Administrative Assistant, presented a TACFT logo drawing contest award to Luis Manuel Garcia Arriaza, 1st Place, at West Brazos Junior High School.

Community Events and Meetings

March 18, 2021 – Port Freeport sponsored a table at the Texas Port Ministry Annual Banquet. Phyllis Saathoff, Executive Director/CEO, and members of the Port Commission attended the event in support of our valuable community partner.

March 19, 2021 – Jessica Follett, Public Affairs Manager, attended a virtual event of the Highway 36A Coalition featuring a legislative update from State Representatives Ed Thompson and Cecil Bell.

Upcoming Community Events and Meetings

Weekly – Business Roundtable Virtual Meetings (speakers vary)

April 3, 2021 – Friends of the River San Bernard “Breakfast on the Bernard”

April 16, 2021 – Angleton Chamber Shot in the Dark Glow Golf Tournament

- Port Freeport is a hole sponsor.

April 22, 2021 – 100 Club Law Enforcement Appreciation Banquet

April 23, 2021 – Brazosport College Foundation Gator Classic Golf Tournament

- Port Freeport has a team.

April 30, 2021 – United Way/Dow Annual Golf Tournament

- Port Freeport has a team.

May 14, 2021 – Junior Achievement Annual Golf Tournament

- Port Freeport has a team; Phyllis Saathoff is a guest golfer.



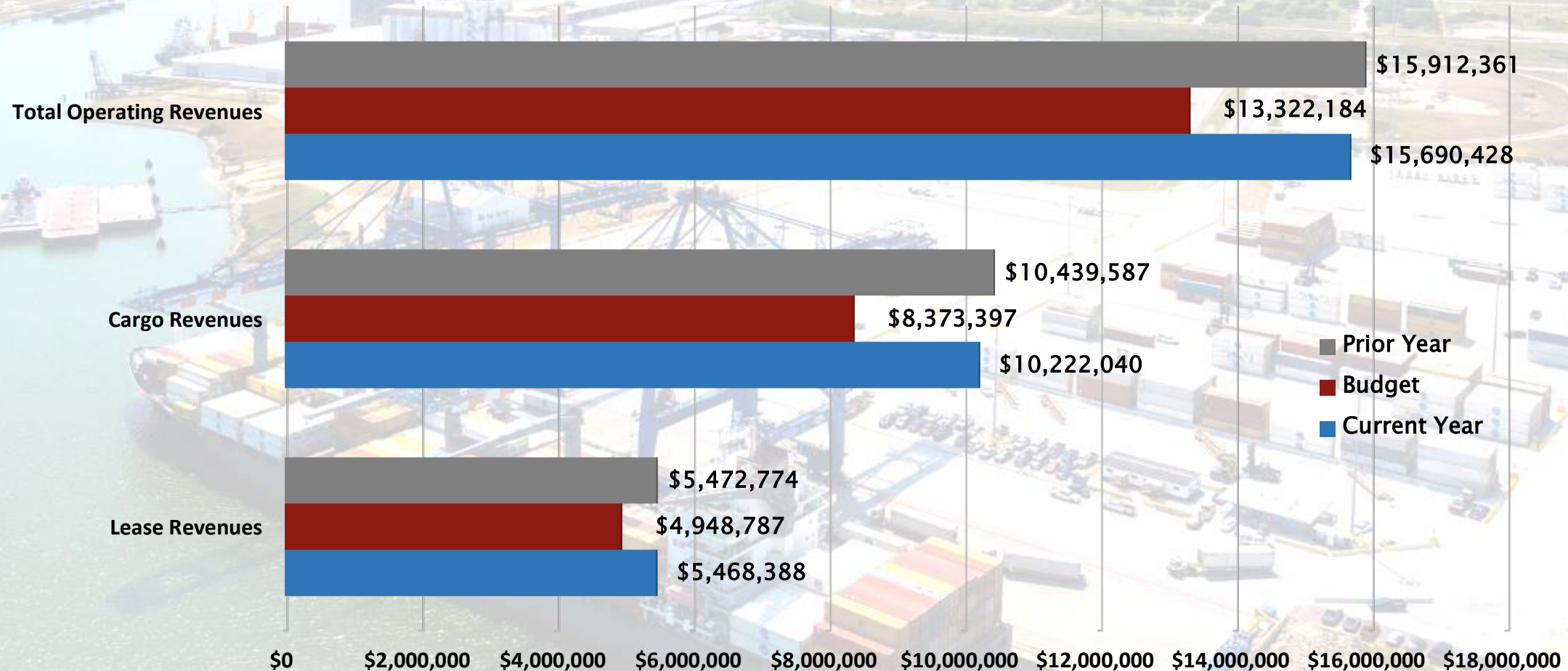
 PORT FREEPORT

Financial Report for February 2021

March 25, 2021

Rob Lowe | Chief Financial Officer

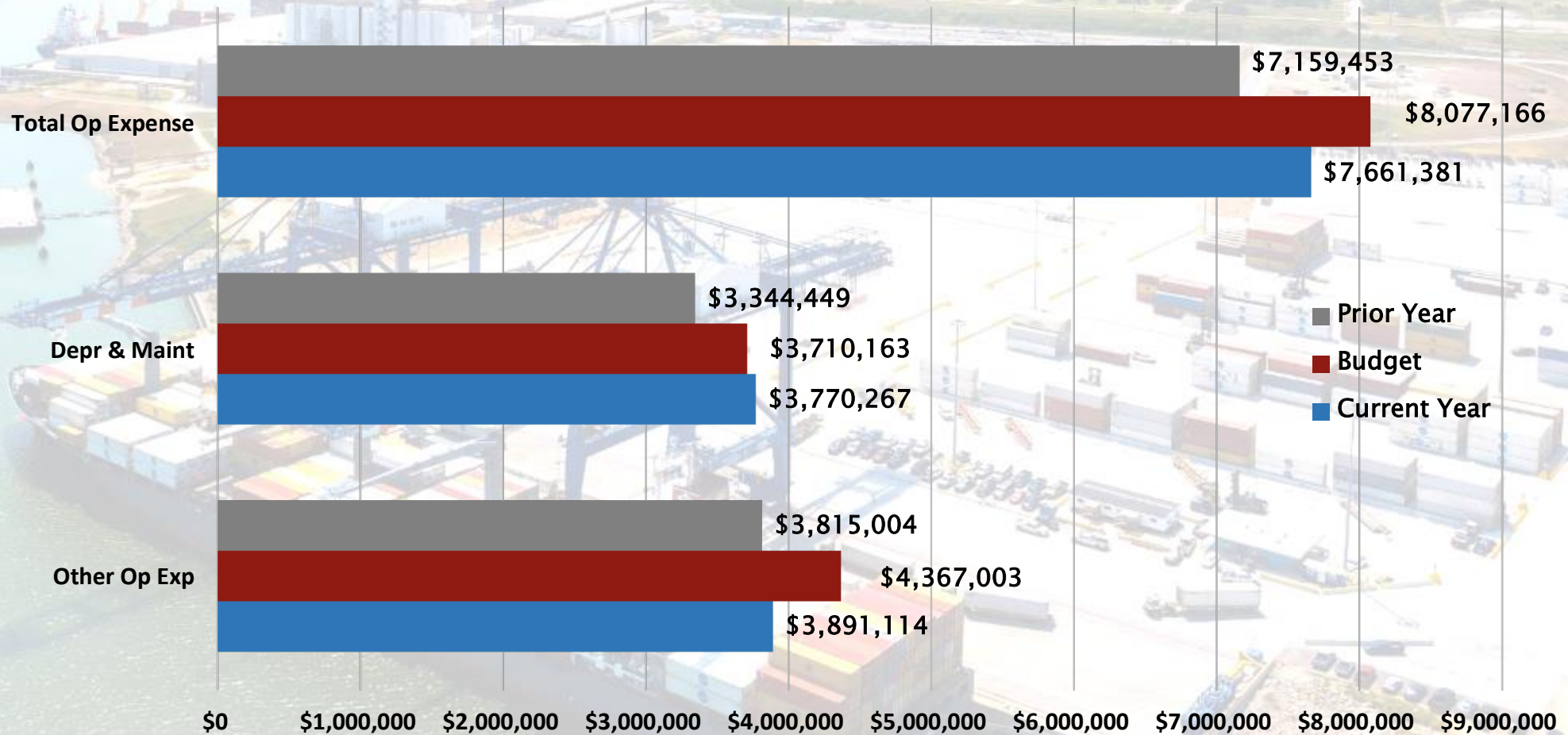
FY 2021 YTD OPERATING REVENUES



COMPARISON:

- Operating revenues are down over PY 1% and over budget by 18%
- Cargo revenues below PY by 2%; above budget by 22%
- As compared to budget, cargo volumes are up except for agriculture products, bulk aggregate and containerized cargo
- Lease revenues are slightly below PY and above budget 10%

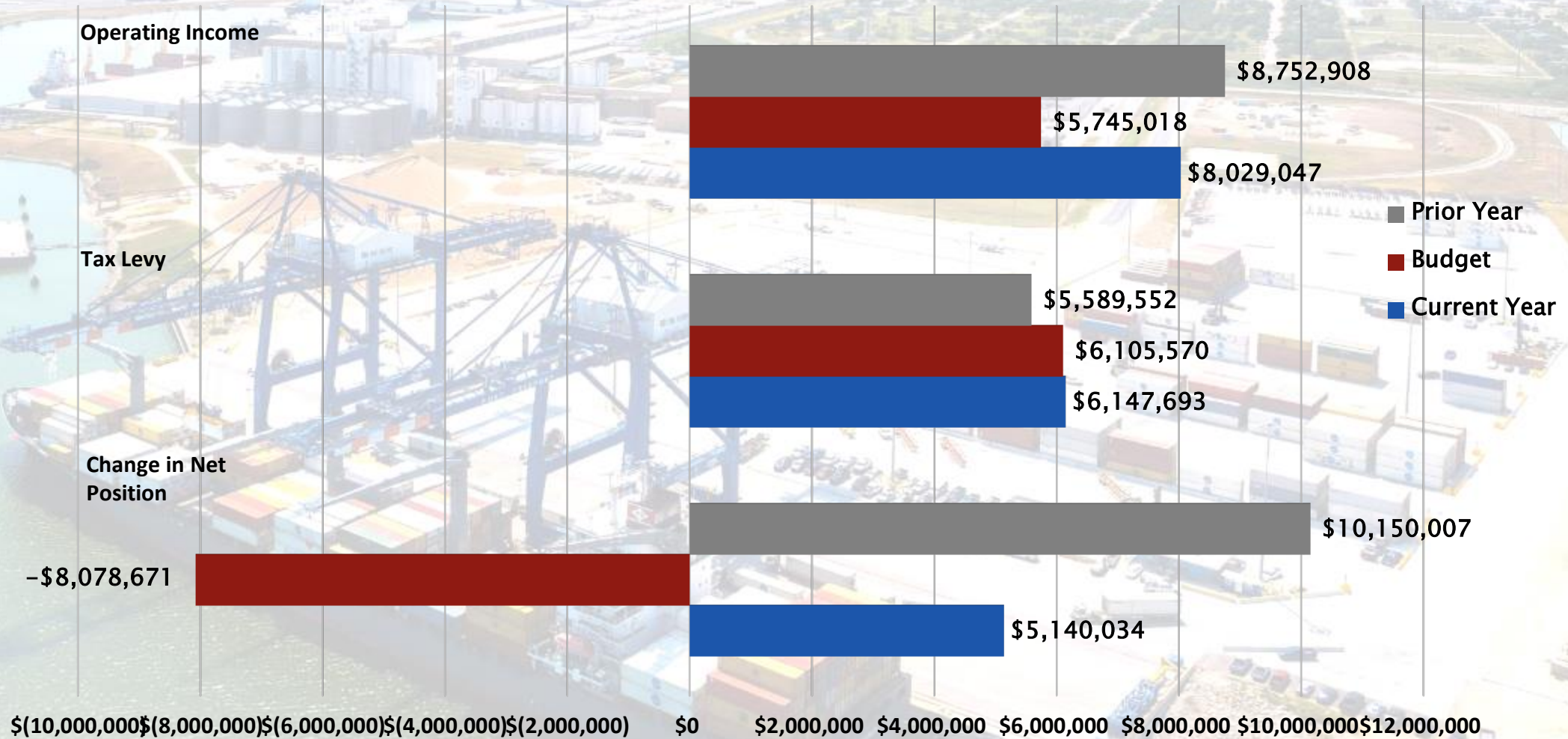
FY 2021 YTD OPERATING EXPENSE



COMPARISON:

- Total operating expenses are above prior year by 7%, below budget 5%
- Depr & maint are up over the PY by 13%, above budget 2%
- Other expenses are 2% above PY and below budget by 11%

FY 2021 YTD OPERATING INCOME



COMPARISON:

- Operating income is 8% below PY and above budget by 40%
- Change in Net Position-see next slide for further explanation

FY 2021 YTD CHANGE IN NET POSITION

Change in Net Position

- Non Operating Revenue (Expense) includes Ad Valorem Taxes, Investment Income, Debt Service and Gain (Loss) on Sale of Assets
- Drivers for comparison to budget are primarily timing of capital contribution projects.

	Year To Date	YTD Budget	Total 2021 Budget
Operating Income	\$ 8,029,047	\$ 5,745,018	\$ 11,338,000
Non-Operating Revenue (Expenses)	\$ 3,279,022	\$ 3,291,811	\$ (2,702,200)
Capital Contributed (To) From Others			
Freeport Harbor Channel Improvement Project	\$ (3,853,571)	\$ (3,500,000)	\$ (35,800,000)
Berth 2 Floodwall Modifications	\$ -	\$ -	\$ (2,000,000)
Levee Stabilization - Reach 2	\$ (2,314,464)	\$ (13,115,500)	\$ (28,587,000)
Contributed to Port	\$ -	\$ -	\$ 37,500
Grants	\$ -	\$ -	\$ 245,300
Change In Net Position	\$ 5,140,034	\$ (7,578,671)	\$ (57,468,400)

FY 2021 YTD CASH FLOWS

<i>Cash Flow Measure</i>	<i>Current Year</i>	<i>Prior Year</i>
<i>Cash Provided by Operations</i>	\$ 13,833,732	\$ 2,287,687
<i>Cash Provided by Non-Cap Financing</i>	5,109,385	4,616,495
<i>Cash Used by Cap Financing</i>	10,732,345	70,763,343
<i>Cash Provided by Investing Activities</i>	271,424	651,638
<i>Net Increase (Decrease) in Cash</i>	\$ 29,946,886	\$ 78,319,163

COMPARISON:

- Operating cash flow is positive due to increase in operating revenues
- Cash provided from non cap financing are tax levy collections
- Capital Financing funds used for capital improvements. Cash flow is positive due to the issuance of 2021 General Obligation Bonds

FY 2021 STATISTICS


<i>Measure</i>	<i>Current Year</i>	<i>Prior Year</i>	<i>Budget</i>
<i>Operating Margin</i>	<i>51%</i>	<i>55%</i>	<i>39%</i>
<i>Current Ratio (unrestricted)</i>	<i>3.0 to 1</i>	<i>6.9 to 1</i>	<i>n/a</i>
<i>Debt to Net Assets Ratio</i>	<i>1.023 to 1</i>	<i>0.90 to 1</i>	<i>n/a</i>

ACCOUNTS RECEIVABLE AGING

<i>Year</i>	<i>0-30 days</i>	<i>31-60 days</i>	<i>61-90 days</i>	<i>Over 90 days</i>
<i>February 28, 2021 FY 2021</i>	96% \$8,138,406	3% \$289,928	1% \$121,307	0% \$39,641
<i>February 28, 2020 FY 2020</i>	99% \$10,745,994	1% \$152,045	0% \$7,296	0% \$31,292
<i>February 28, 2019 FY 2019</i>	98% \$8,212,355	1% \$52,468	0% \$15,371	1% \$44,154

MEMORANDUM

TO: Commissioners
Directors
Legal Counsel

FROM: Jason Hull, P.E. 
Director of Engineering

DATE: March 11, 2021

SUBJECT: Departmental Report

PROJECTS

1. **Velasco Terminal, Berth 8** – This project entails construction of Berth 8, which will extend the wharf another 928 feet north of Berth 7. Installation of piling continues as more piling will be delivered in January. The channel dredging will be a separate construction project that will begin in the first quarter of 2021. While shearing off concrete piling underwater, the shear developed a leak and approximately 3 gals of eco-friendly hydraulic oil spilled into the water. McCarthy contacted the NRC as required. The oil was already cleaned up in the 1.5 hours it took the GLO and the USCG to arrive. The GLO assessed a \$300 fine to McCarthy. The USCG did not issue a fine. I have requested a fee proposal from Moffatt-Nichol for design work to add temporary RORO loading/unloading ramp while using the ultimate piling to reduce the amount of removal when the container wharf is extended in the future. I will request a Change Order from McCarthy when the design is finished.



PORT COMMISSION

SHANE PIRTLE, CHAIRMAN; PAUL KRESTA, VICE CHAIRMAN; RUDY SANTOS, SECRETARY; JOHN HOSS, ASST. SECRETARY;
RAVI K. SINGHANIA, COMMISSIONER; DAN CROFT, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO

2. **FHCIP** – This project consists of deepening and improving the Freeport Channel. This is a Civil Works project that was authorized in WRRDA 2014. The Corps issued the notice to proceed (NTP) to Great Lakes Dredge and Dock Company on 10/13/2020. The pipeline installation has finally begun and will continue through the end of February. The dredge Carolina is in dry dock having hull repairs made. GLDD reports that the Carolina will arrive and begin work March 27th. GLDD anticipates finishing in early June, but they are contractually obligated to finish before June 10, 2021.
3. **Levee Stabilization and Wave Barrier Relocation** – This project involves relocation of the north wave barrier to allow for a bend easing and stabilization of a levee on the Dow thumb that has a lower than satisfactory factor of safety for global stability. The first shipment of piling have arrived and they are being driven at this time.
 $\$2,133,674/\$29,085,000=7\%$ complete



4. **Operations and Shop Building Improvements** – This project is to make repairs to exterior walls and upgrade the operational effectiveness and efficiencies outside the buildings. The project was awarded to Bartlett-Cocke. Contracts have now been signed and materials are being procured.
5. **Berth 2 and 3 Floodwall Modifications** –The modifications include demolition of two sections of concrete wall, approximately 100-ft long each, and replacing them with sections of a removable and deployable system. The design is moving forward using conservative wave modeling. The permit application was submitted to VDD on June 5, 2020. The VDD and the Corps are reviewing the submittal package at this time. Our engineering consultant has asked for direction on how to proceed as the Corps is telling the VDD that the wall should be a different height than what the VDD is telling us.

- 6. East End Properties Demolition 2021** - This project involves removing asbestos from structures in the East End and then demolition of the structures. The bidding schedule is as follows:

Bid Package Complete	Feb. 25
1 st Advertisement	Mar. 1
2 nd Advertisement	Mar. 8
Pre-Bid	Mar. 18
Bid Opening	Apr. 1
Award	Apr. 8

**PORT FREEPORT
OPERATIONS ACTIVITY RECAP
FEBRUARY 2021**

A. MONTHLY ACTIVITY EXPLANATION

- * Total import/export activity for the month of February was as expected.
- * LNG experienced (9) vessels.
- * Riviana did not schedule any vessels this month.
- * Vulcan Material handled (1) vessel this month.
- * HAL handled (9) RoRo vessels.
- * Tenaris experienced (2) vessel this month.
- * Total of (10) Container vessel calls.
- * CEMEX transferred product from Truck to (17) Rail cars.
- * **Average vessel activity in 2020 was 34 per month. This month, we handled 31 vessels (9 LNG & 22 Inner Harbor).**
- * *Enterprise/Seaway received (8) vessels.*
- * *There were (82) Total Vessel arrivals Port wide.*

B. FISCAL YEAR ACTIVITY EXPLANATION

- * Total Tons for this year are as expected. This is due to the addition of vessel calls by LNG and RoRo vessels.
- * LNG has handled (73) vessels for export.
- * Tenaris has handled (8) vessel.
- * HAL has handled (60) RoRo vessels.
- * YTD (59) Container vessel calls.
- * CEMEX handled (81) Railcars with **6,700** Tons of Co2.
- * Vulcan handled (760) Railcars with **87,245** Tons of Limestone.
- * Total vessels handled this fiscal year is **207** compared to 176 last year (73 LNG & 134 Inner Harbor).

C. INSIGHT TO ACTIVITY FOR MARCH 2021

- * LNG has scheduled (14) Vessels.
- * Riviana Foods has not scheduled a vessel.
- * Vulcan Material has not scheduled a vessel but has scheduled Railcars for March.
- * HAL is expecting to handle (15) RoRo vessels.
- * Tenaris has (3) vessels planned.
- * Expecting (12) Container vessels.

D. OPERATIONAL MEETINGS AND AGENDAS

- * Essential Personnel worked through the “Winter Storm Event”

- * Safety – Mike Quilty Met with Stevedores prior to the vessel Alliance St. Louis RORO began work.
- * Safety – Mike Quilty Met with AmPorts supervision regarding traffic issues.
- * Safety – Mike Quilty Participated in virtual “Lone Star Harbor Safety” Committee.
- * Safety – Mike Quilty Observed the planning and loading of the Gottwald Crane onto a barge by Mammoet.

- * Security – Chris Hogan Attended many meetings and conference calls related to COVID-19.
- * Security – Chris Hogan Attended several conference calls related to the State vaccine distribution.
- * Security – Chris Hogan Attended several conference calls related to the “Winter Storm Event”.
- * Security – Chris Hogan was essential in keeping the Port open during the “Winter Storm Event”.


- * Mike/Austin/Jesse/Al Attended many meetings and conference calls related to keeping the Port operational during the “Winter Storm Event”.
- * Al Attended several PCT calls due to Fog creating intermittent channel closures.
- * OPTS Attended training for the portable fire suppression equipment (Enforcer 30)
- * Al Attended follow up meeting regarding to the “NOAA Ports” system.
- * OPTS Attended meeting with AmPorts.
- * All personnel practicing and following COVID-19 guidelines.
- * **OPT/Safety – Reviewing traffic flow and choke points within the Port.**



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MEMORANDUM

TO: Commissioners
Directors
Legal Counsel

FROM: Jason Hull, P.E. 
Director of Engineering

DATE: March 12, 2021

SUBJECT: Moffatt-Nichol PSA Modification to design, and provide inspection services on a RO/RO ramp at Berth 8

Attached is Change Order No. 2 to Moffatt-Nichol's PSA. This Change Order is for design, preparation of sealed drawings, and additional inspection and testing services to add a temporary RO/RO ramp north of the current project limits of Berth 8, but within in footprint of the ultimate container wharf. The design will be in such a way as to use the same piling as the ultimate container wharf piling and minimize the demolition in the future when the RO/RO ramp is removed and converted to container wharf.

I have reviewed the fee and recommend an increase of **not to exceed \$392,100.00.**

Current PSA	\$2,652,700.00
Increased Amount	<u>\$392,100.00</u>
New PSA Amount	\$3,044,800.00

PORT COMMISSION


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MEMORANDUM

TO: Commissioners
Directors
Legal Counsel

FROM: Jason Hull, P.E. 
Director of Engineering

DATE: March 12, 2021

SUBJECT: HDR PSA Modification to add sediment sampling & testing in Reach 2 of the FHCIP for coordination with the EPA

Attached is Change Order No. 2 to HDR's PSA. This Change Order is for additional sediment sampling and testing in Reach 2 for the coordination with the EPA to seek approval to dispose of dredge material offshore in lieu of upland disposal.

I have reviewed the fee and recommend an increase of **not to exceed \$160,000.00.**

Current PSA	\$3,052,097.00
Increased Amount	<u>\$160,000.00</u>
New PSA Amount	\$3,212,097.00

PORT COMMISSION

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