

Minutes of Meeting  
June 25, 2020  
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 meeting on Thursday, June 25, 2020 at 1:00 p.m. in the Administration Building, 1100 Cherry Street, Freeport, Texas in part by video/teleconference in order to advance the public health goal of limiting face-to-face meetings (also called "social distancing") to slow the spread of the Coronavirus (COVID-19).

The meeting agenda and agenda packet are posted online at [www.portfreeport.com](http://www.portfreeport.com).

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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. Chris Hogan, Director of Protective Services  
Mr. Jason Miura, Director of Business & Economic Development  
Mr. Mike Wilson, Director of Economic Development & Freight Mobility  
Ms. Missy Bevers, Executive Assistant  
Mr. Brandon Robertson, Network Systems Manager  
Ms. Mary Campus, Controller  
Mr. Cecil Booth, Project Engineer  
Ms. Marilyn Miller, Public Affairs Assistant

Also, present via teleconference:

Mr. Jeff Massengill, HDR, Inc.  
Mr. Brent Moore, HDR, Inc.  
Mr. Bob Arroyave, BGE, Inc.  
Mr. Chris Witte, BASF  
Ms. Tammy Bialek, BASF  
Mr. Thomas Dubel, Altus Group  
Ms. Jackie Ming, Weeks Marine  
Mr. Will Wachel, WSP  
Mr. Joe Smith  
Mr. Jeff Taylor, Freese & Nickel  
Mr. Sammy Chambless

Commissioner Pirtle stated the following information...

Today's date is June 25, 2020, and the time is 1:00 p.m. This is the regular meeting of the Commissioners of Port Freeport. I am Shane Pirtle, Port Commission 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](http://www.portfreeport.com). Additionally, as posted on the agenda, the public may join the meeting from a computer, tablet or smartphone or by phone using the toll-free call in number.

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

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

As required by law and as a commitment to transparency we continue to include a public comment section with our meeting. If you would like to participate in the public comment section of our meeting the general guidelines and rules still apply.

An Executive Session was noticed on the published agenda. 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 – Mr. Shane Pirtle, Commissioner
3. Roll Call – Commissioner Pirtle noted that Commissioners Santos, Hoss, Croft and Singhania were present online. He also noted those present in the board room (at a safe distance) included himself, Commissioner Kresta, Phyllis Saathoff – CEO and Jason Cordoba – legal counsel. Ms. Saathoff noted additional staff in the room including Al Durel

– Director of Operations, Chris Hogan – Director of Protective Services, Rob Lowe – CFO, Jason Miura – Director of Business Development, Mike Wilson, Director of Economic Development & Freight Mobility, Missy Bevers, Executive Assistant, Brandon Robertson – Network Systems Manager, Mary Campus – Controller and Cecil Booth – Project Engineer.

4. Public Comment – There were no public comments.
5. Approval of minutes from meetings held May 28, 2020 and June 11, 2020.

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

6. 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.

#### **Executive Director/CEO**

Ms. Saathoff reported the Project Partnership Agreement with the USCOE for executing construction of the Freeport Harbor Channel Improvement Project is signed and effective today, June 25. Ms. Saathoff complimented the Commissioners, Jason Hull and staff at USCOE Southwest Division for their efforts in getting this agreement completed. With the agreement in place, the first increment of the project (Reach 3) will be advertised for 30 days with the bid opening in August. Award of contract will take place late August or early September which means work will most likely proceed in October. Ms. Saathoff also received an update on the 408 Permit for the stability feature stating the document will go to the Southwest Division for approval next week putting the Port in position to award a contract at the July 23 Board Meeting. Ms. Saathoff shared photos from the June 16 Port visit by Brig. Gen. Owen, Col. Vail and Corps staff where BG Owen delegated signing authority to Col. Vail to execute the PPA. Additionally, staff was able to take the general on the crane for viewing of the channel. Ms. Saathoff reported there has been an increase in cases in the region as well as Brazoria County. There have been three positive cases reported with tenants at the Port. The virus was contracted outside of the workplace. Those individuals were tested and have been self-isolated. Anyone exposed to the individuals were also sent home for self-isolation and testing. Staff continues to conduct update calls with tenants and Port partners and take appropriate measures to protect the workforce at the Port. Ms. Miller gave an update on the TACFT stating 186 participants have registered for the tournament with 1,779 canned goods collected for donation to the Brazoria County Dream Center. The tournament is still open for registration and participation and runs through June 30. July 1, staff will select winners by a random drawing which will be broadcasted live through the Port's Facebook page. Ms. Saathoff added there is no entry fee for the tournament, but participants are required to register online. Bridge Bait and Tackle is providing each participant with one package of bait and a variety of canned goods have been collected for the donation.

#### **Chief Financial Officer**

Mr. Lowe gave a presentation regarding the financial results for May.

### **Director of Engineering**

In Mr. Hull's absence, Mr. Booth shared pictures of the pilings for Berth 8. Additionally, he noted Parcel 14 has power and the fencing project is in progress.

### **Director of Operations**

Mr. Durel reported the Port saw 8 LNG vessels and 9 Ro/Ro vessels for the month of May as well as steel, limestone, container operations and project cargo. 92 vessel arrivals were recorded for the month. Of those 92, the Port handled 36 vessels. For the month of June, the Port is expecting 4 LNG vessels and 9 vessels for Ro/Ro. YTD, LNG is at 66 vessels and 71 vessels for Ro/Ro. All total YTD the Port has seen 286 vessels. Mr. Durel reported that Mr. Quilty is working with various Ro/Ro carriers and stevedores to evaluate their safety processes. Mr. Hogan continues to stay active with all local, state and federal agencies regarding COVID-19. Mr. Hogan also recently participated in a virtual statewide annual hurricane exercise. Mr. Durel also reported the ZPMC Gantry Crane transformer that failed has been repaired and is currently being tested. Mr. Hogan reported that earlier in the week the CBP released an announcement stating they would retract what they previously stated March 23 regarding restrictions on shore leaves for the crews. Travel restrictions are still in place, however the lockdown for shore leave has been lifted. Mr. Hogan also reported the MARAD masks from FEMA are in which will be used port wide.

### **Director of Business & Economic Development**

In addition to his written report, Mr. Miura stated the repairs to tracks 709 and 732 have been completed and the first railcars for the CEMEX project will be arriving July 3.

7. Receive report from Commissioners on matters related to:
  - A. June 25 Finance Advisory Committee – Commissioner Singhania reported the committee discussed an amendment to Port Freeport Investment Policy as well as proposed tariff revisions to Port Freeport Tariff No. 005.
  - B. Meetings and conferences attended, Port presentations, Rail District and other related Port Commission matters.

Commissioner Hoss reported participating on a number of virtual conference call meetings including a Port of Houston meeting and budget workshops for Pearland and Brazoria County.

Commissioner Singhania reported participating on a few virtual luncheons held by the Angleton Chamber of Commerce.

Commissioner Pirtle also reported participating with the Angleton Chamber of Commerce virtual luncheon as well as attending the recent Port visit by BG Owen and Col. Vail June 23.

8. Approval of financial reports presented for the period ending May 31, 2020.

A motion was made by Commissioner Kresta to approve the reports. The motion was seconded by Commissioner Singhania with all Commissioners present voting in favor of the motion.

9. Approval of a Modification to the Tax Abatement Agreement between Port Freeport and BASF Corporation for property located in BASF Corporation Reinvestment Zone No. 15.

At this time, Commissioner Singhanian recused himself from the meeting and discussion regarding this item.

Mr. Lowe stated the tax abatement modification request by BASF has two aspects to it with the first modifying the preamble to include NeuAG, LLC along with BASF Corporation as well as modifying Section 15.01 to include the contact information for NeuAG, LLC. Staff previously reviewed the modification with the Finance Advisory Committee and recommends approval after conducting assessment and confirming assignment is permitted under the agreement and the guidelines for granting tax abatement. Additionally, BASF nor NeuAG is liable to the Port for outstanding taxes or other obligations. Brazoria County approved the modification May 12, 2020. Mr. Lowe further stated that NeuAG, LLC will join the BASF footprint in Freeport with a lease of the land, NeuAG will construct and operate the \$90 million project previously abated, and BASF and NeuAG will collectively remain on the abatement with the commitments stated within the abatement.

A motion was made by Commissioner Kresta to approve the modification. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion, and Commissioner Singhanian abstaining.

At this time, Commissioner Singhanian rejoined the meeting.

10. Approval of a Professional Services Agreement with HDR, Inc. for Reaches 1 and 4 of the Freeport Harbor Channel Improvement Project, for an amount not to exceed \$7,386,107.00.

At this time, Commissioner Hoss recused himself from the meeting and discussion regarding this item citing a potential conflict of interest.

Ms. Saathoff stated the Port, in partnership with the Corps, will continue to design and engineer and perform necessary environmental work on the remaining segments of the project. Reach 1 includes the section from the Seaway Terminal through the entrance channel and the offshore portion. This agreement also includes the area from Berth 3 toward the floodgates which will be dredged to a depth of 26 feet. This agreement will authorize work to begin on the soil borings required for the new section of channel going offshore which is needed to complete the engineering and design work. After Reach 2 is constructed, the next phase to be constructed is the outer half of the entrance channel, which is the area of immediate focus under this contract. Work will then continue inward into the jetties, then completion of the segment from the Intercoastal Waterway to the Seaway Terminal. This contract will cover the rest of the Freeport Harbor Channel Improvement Project engineering and design. Ms. Saathoff noted this agreement could not be executed prior to execution of the Project Partnership Agreement because it would not have been eligible for costsharing credit under the project. Staff recommends approval.

A motion was made by Commissioner Croft to approve the agreement. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion, and Commissioner Hoss abstaining.

11. Adoption of a Resolution honoring Brig. Gen. Paul E. Owen, U.S. Army Corps of Engineers.

Ms. Saathoff presented a resolution honoring Brig. Gen. Owen for his time at the Southwestern Division and read the following from the resolution....

***WHEREAS**, Brig. Gen. Paul E. Owen has been a strategic partner to Port Freeport and provided invaluable leadership for the Freeport Harbor Channel Improvement Project that was authorized by Congress in the Water Resources Reform and Development Act of 2014. Significant project milestones were achieved including the approval of the General Re-evaluation Report for critical Project modifications in May 2018, and the inclusion of \$19 million in project funding and a “new start” designation for commencement of construction in the U.S. Army Corps of Engineers Fiscal Year 2020 Work Plan, the delegation of authority for execution of the Project Partnership Agreement between the U.S. Army Corps of Engineers and Port Freeport on June 16, 2020 and finally, the full execution of the Project Partnership Agreement on June 25, 2020.*

***WHEREAS**, Brig. Gen. Paul E. Owen also provided exceptional leadership for the timely approval of the 204 real estate applications for the removal and beneficial of a million square yards of dredge material from Placement Area 1 creating additional capacity for future dredge material placement.*

***NOW, THEREFORE, BE IT RESOLVED**, the Port Commission of Port Freeport, by adoption of this Resolution, is honored to recognize Brig. Gen Paul E. Owen for his outstanding contributions, leadership and service to the U.S. Army Corps of Engineers and its Texas partners including Port Freeport; and we extend our best wishes to Brig. Gen. Owen as he embarks on his next assignment.*

A motion was made by Commissioner Kresta to adopt the resolution. The motion was seconded by Commissioner Singhania with all Commissioners present voting in favor of the motion.

12. 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.
2. Consultation with attorney and discussion regarding Special District Local Laws Code Title 5 Transportation, Subtitle A Navigation District and Port Authorities, Chapter 5002 Subchapter A.

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 2<sup>nd</sup> Street; Terminal Street and East 8<sup>th</sup> 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 Parcels 14 and 30.

C. Under authority of Section 551.074 (Deliberation of Personnel Matters) for discussion regarding:

1. Discussion regarding the appointment, employment, evaluation, reassignment, duties of a public officer or employee, including but not limited to: Executive Director/CEO.

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

14. Approval of a Purchase Contract for property located at 533 E. Broad Street.

Mr. Lowe stated this contract is for the purchase of property located at 533 E. Broad Street, Block 3, Lot 16 and 17 for an amount not to exceed \$163,900. This is a proposed exchange of property for a new house to be built at 14 N. Avenue F which the Port already owns.

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

15. Approval of a First Amendment to Reservation Agreement between Port Freeport and Trammel Crow Company.

This item was tabled.

16. Approval of a First Amendment to Cost Reimbursement Agreement between Port Freeport and Trammel Crow Company.

This item was tabled.

17. Adjourn.

With no further business before the Commission, the meeting adjourned at 5:48 PM.