

Minutes of Port Commission Regular Meeting December 16, 2021 In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held December 16, 2021, beginning at 1:11 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

Commissioner Hoss noted the following information that was included on the posted agenda.

This meeting may be attended virtually or in person.

The meeting will be conducted pursuant to Section 551.127 of the Texas Government Code titled "Videoconference Call." This statute provides public officials, employees and members of the public may participate remotely in a public meeting by videoconference call. The Port Commission is utilizing this existing statute to ensure the greatest amount of access to the public and ensure the ability of all Commissioners to participate in meetings during the COVID-19 pandemic.

The quorum of the Port Commission will be located at the Commissioner Meeting Room located at 1100 Cherry Street, Freeport, Texas ("Meeting Location"). The Port Commission intends to have a quorum at the Meeting Location. The presiding Commissioner of this meeting will be physically present at the Meeting Location. The public will be permitted to physically attend the meeting at the Meeting Location.

Public comment will be available at the beginning of the meeting during the agenda item devoted to public comment. Public comment may be communicated virtually and in person, but in either will be limited to 5 minutes per participant and must be communicated verbally. Following public comment, the public will not be permitted to communicate with the Port Commission.

This meeting agenda and agenda packet is posted online at www.portfreeport.com

The videoconference is available online as follows:

Join Zoom Meeting

<https://us02web.zoom.us/j/85197688118?pwd=WHBTZGM5VzBVOHZQazBINDkrZVdCQT09>

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Commissioners present in person:

- Mr. John Hoss, Chairman
- Mr. Rudy Santos, Vice Chairman
- Mr. Dan Croft, Secretary
- Mr. Rob Giesecke, Asst. Secretary
- Mr. Ravi Singhania, Commissioner
- Mr. Shane Pirtle, 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. Mike Wilson, Director of Economic Development & Freight Mobility
Mr. Jason Hull, Director of Engineering
Mr. Chris Hogan, Director of Protective Services
Mr. Jason Miura, Director of Business & Economic Development
Mr. Brandon Robertson, Network Systems Manager
Ms. Missy Bevers, Executive Assistant
Ms. Mary Campus, Controller
Ms. Tricia Vela, Public Affairs Assistant

Also, present:

Mr. Bobby Fuller, Texas Port Ministry
Ms. Jackie Fuller, Texas Port Ministry
Mr. Chris Moore, Texas Port Ministry
Ms. Dara Grogue, Texas Port Ministry
Mr. Jeff McDonald, Texas Port Ministry
Ms. Barbara Fratila
Mr. Henry Chambless
Mr. Charles Montgomery, ILA

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation – Mr. Bobby Fuller, Texas Port Ministry
3. Pledge of Allegiance – U.S. Flag and Texas Flag
4. Roll Call – Commissioner Hoss noted that all Commissioners were present in the Board Room, with the exception of Commissioner Pirtle who would be arriving late.
5. Public Comment – Mr. Bobby Fuller addressed the Port Commission and staff thanking them for 10 years of support through the proceeds of the annual golf tournament.
6. Approval of minutes from the Regular Meeting held November 17.

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

7. Presentation of check to Texas Port Ministry from proceeds of Port Freeport Golf Tournament.

Ms. Saathoff stated that on October 18, Port Freeport hosted its 10th annual golf tournament benefiting Texas Port Ministry at The Wilderness in Lake Jackson. A total of 135 players,

over 75 sponsors and more than 20 volunteers helped make the tournament a success. Ms. Saathoff thanked the Port Freeport staff and Texas Port Ministry staff for their efforts in volunteering and coordinating the tournament as well as Darlene Winkler, who organizes the event and the sponsorships. Ms. Saathoff also recognized the student volunteers from Texas A&M Galveston Maritime Organization who volunteer every year. The net total for the 2021 Port Freeport Golf Tournament was \$66,000. A check was presented to Mr. Bobby Fuller and staff of Texas Port Ministry. Mr. Fuller addressed members of the Board, Port employees and sponsors to thank them for their efforts and success of this tournament. He also introduced Chris Moore who will join the ministry in January 2022. Mr. Moore will be the next director for Texas Port Ministry after Mr. Fuller retires June 30.

At this time, Commissioner Hoss took care of a housekeeping item and asked if any Commissioners had a conflict with any item on the agenda. There were no conflicts noted.

Commissioner Pirtle also joined the meeting at this time.

8. Recognition, including but not limited to: Cordoba Law Firm and Port Employees.

Ms. Saathoff recognized Port Employees who recently received service awards. Randy Thompson and Jennifer Barrera both received their five-year award while Jason Hull celebrated ten years, Jesse Hibbetts fifteen years and Rodney Blackstock marking twenty years. Ms. Saathoff also recognized Al Durel and his operations team for their recent coordination and efforts with the arrival of the largest container vessel to call Port Freeport. This vessel was met with challenges, but the team worked together to fix the issue so work could continue, and the vessel could sail on schedule.

Ms. Saathoff also recognized Jason Cordoba and his staff who have always been extremely professional and done an outstanding job for the Port through the years. His team has always stepped up and been available to assist the Port when needed and will be missed as general counsel for the Port. Mr. Cordoba thanked the Port for the opportunity to be a part of Port Freeport team. Commissioners echoed Ms. Saathoff's sentiments in thanking Mr. Cordoba for his service.

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

Ms. Saathoff reported the Port received the Corps' 2020 Fact Card which presents the foreign waterborne statistics for the nation, noting that Port Freeport moved from 15th in the nation to 11th in the nation in foreign waterborne, and moved up to 16th in the nation overall for total waterborne foreign and domestic tonnage. Ms. Saathoff reported on the Corps Quarterly Executive Committee meeting held December 7 and announced Sharon Tirpak will be retiring at the end of the year. She also reminded the Commission that Col. Vail will also be retiring in June 2022. The work for the widening of Reach 2 will begin in February and plans for the dry excavation work to be done in the bend is nearly complete and work is scheduled to begin in the Spring. Ms. Saathoff also reported the EPA has given approval for all remaining material to go to offshore placement, which

sets the Port up for awarding a single contract for the remaining work in the channel. Additionally, the Port is also in good position to compete for funds from the Infrastructure Investment Jobs Act. Ms. Saathoff shared a photo of the 900-foot container vessel that called Port Freeport December 10. This was the vessel's first call to the U.S. from China and discharged approximately 618 boxes. Ms. Saathoff reported on a meeting held between the Velasco Drainage District, Brazoria County, the Port, Representative Vasut and Senator Huffman's office regarding the Sabine to Galveston project. She also reported on a meeting held with the Traffic Coordination & Safety Group to receive update on the TxDOT projects slated in and around the area. Ms. Saathoff noted there are still vacant positions for the Port posted on the website and staff is actively pursuing candidates to fill positions. Staff expects to have a signed NOAA Ports System Agreement on the agenda in January for approval.

B. Chief Financial Officer

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

C. Director of Engineering

In Mr. Hull's absence, Mr. Nick Malambri was available for questions regarding his submitted written report.

D. Director of Operations

Mr. Durel introduced Ms. Holly Soria who joined Operations earlier in the year. Additionally, he reported on vessel and cargo activity for the month of November and a portion of December. He noted the Port saw a vessel for Riviana in December and is scheduling more vessels for January / February. The Port is also seeing a lot of steel by way of ship, barge and rail as well as a significant increase in railcars. Total vehicles handled year to date is 17,136 with 6,323 containers and 545 railcars handled.

E. Director of Business & Economic Development

Mr. Miura stated that his department continues to execute on the strategic objectives and has seen a heightened number of inquiries about the Port. Additionally, the recent press releases related the Harbor Channel Improvement Project and dock construction has gain the attention of the market. Staff is working diligently to convert interest into actual business.

10. Receive report from Commissioners on matters related to:

A. December 6 OSS Advisory Committee – Commissioner Pirtle reported the committee reviewed stevedore license renewals which are on the agenda for approval, as well as discussed security related items in executive session.

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

Commissioner Pirtle reported attending the 36A Breakfast, State of the Community, Sweeny FFA Fundraiser, Lower Brazos River Coalition, meeting with Col. Vail, Sabine to Galveston conference call, Vulcan's Lockwood facility visit, 36A Executive Committee meeting, TxDOT traffic coordination meeting as well as a 100 Club meeting.

Commissioner Croft reported attending the Sweeny FFA Fundraiser, visit with folks from Riviana, Alliance meeting, Gary Basinger Retirement and the AAPA Commissioners Seminar held in San Diego.

Commissioner Santos reported attending the Vulcan Lockwood visit, Groundbreaking Ceremony at the Brazoria County Courthouse as well as Gary Basinger Retirement.

Commissioner Singhania reported attending the Basinger Retirement, AAPA Commissioners Seminar, Congressman Nehls' staff visit, Dow Christmas event, Vulcan Lockwood visit, Port Freeport CAP meeting and the G&H Towing Dock Christening event.

Commissioner Giesecke reported attending the 36A Breakfast, State of the Community and the Lockwood visit.

Commissioner Hoss reported attending the Lower Brazos River Coalition meeting, Velasco Drainage District meeting regarding coastal spine funding as well as the CAP meeting.

11. Approval of financial reports presented for the period ending October 31, 2021

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

12. Approval of Stevedore License renewals submitted by the following:

Ceres Gulf, Inc.
Cooper/Ports America LLC
Gulf Stevedoring Services, LLC
Gulf Stream Marine, Inc.
James J. Flanagan Shipping
Mammoet USA South, Inc.
Ports America Texas, Inc.
Red Hook ConRo Terminals LLC
Richardson Stevedoring & Logistic Services, Inc.
Suderman Contracting Stevedores, Inc.

Mr. Durel presented the applications for stevedore license renewals and shared the spreadsheet and checklist used to ensure the stevedores have submitted all necessary information to meet requirements. Commissioner Singhania expressed his concern for the higher TIRR ratings asking what plans or proposals have been made to reduce incidents. Mr. Durel stated that staff has been meeting with them regularly to always improve safety. Mr. Charles Montgomery with ILA spoke to the Commission regarding safety training and strides made to improve safety and reduce incidents within the Port. Commissioner Pirtle noted that the OSS Advisory Committee discussed TIRR ratings as well, noting that should anyone have a five or higher rating, staff would review the reasons for the rating.

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

13. Discuss and consider setting the 2022 Port Commission meeting dates and Strategic Workshop date(s).

Ms. Saathoff stated the proposed dates follow suit in past years with meetings scheduled for the second and fourth Thursday of the month with July, November and December holding only one meeting per month. Ms. Saathoff noted one change in the month of February suggesting the Commission not have a meeting February 10, rather hold a strategic workshop February 17. Commissioner Singhania inquired about the second meeting in June proposed for the 30th, requesting it be moved back to the 23rd. All Commissioners agreed to the changes.

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) for discussion regarding:

1. Consultation with attorney to discuss pending litigation.
2. 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 property on Quintana Island.

C. 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.

15. RECONVENE OPEN SESSION:

16. Adjourn.

With no further business before the Commission, the meeting adjourned at 4:17 PM.