

Minutes of Port Commission Regular Meeting  
January 28, 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, January 28, 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.

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

**Please join the meeting from a computer, tablet, or smartphone.**

<https://global.gotomeeting.com/join/531599885>

**You can also dial in using your phone.**

United States (Toll Free): [1 866 899 4679](tel:18668994679)

**Access Code:** 531-599-885

New to GoToMeeting? Get the app now and be ready when your first meeting starts:

<https://global.gotomeeting.com/install/531599885>

**All participants will be muted until the meeting begins.**

**A link for GoToMeeting Instructions is available at <http://www.portfreeport.com/meeting-agenda>**

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. 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  
Mr. Jesse Hibbetts, Operations Manager  
Mr. Josh Seymour, Accountant

Absent:

Mr. Al Durel, Director of Operations

Also, present via teleconference:

Mr. Bobby Fuller, Texas Port Ministry  
Ms. Elise Richardson, Carriage House Partners  
Mr. Gavin Massingill, Carriage House Partners  
Mr. Jonathan Thomas, Moffatt & Nichol  
Mr. William Wachel, WSP  
Mr. Jason Foltyn, HDR, Inc.  
Mr. Glen Crocker, HG Miller  
Mr. Louis Klusmeyer

Commissioner Pirtle stated the following information...

Today is January 28, 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](http://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.

This 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 as indicated on the agenda. Following public comment, the public will not be permitted to communicate with the Port Commission.

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 – Mr. Bobby Fuller, Texas Port Ministry

3. Pledge of Allegiance: U.S. Flag & Texas Flag
4. Roll Call – Commissioner Pirtle stated that Commissioner Singhanian and Commissioner Croft were present online. Those present in the board room (at a safe distance) included himself, Commissioners Kresta, Commissioner Santos, Commissioner Hoss, Phyllis Saathoff – CEO and Jason Cordoba – Legal Counsel. Ms. Saathoff noted additional staff in the room. Ms. Campus introduced Josh Seymour, newest member of the accounting team.
5. Public Comment – There were no public comments.
6. Approval of minutes from a Special Meeting held January 8, 2021 and the Regular Meeting held January 14, 2021.

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

7. Receive update from Carriage House Partners, LLC regarding legislative affairs.

Mr. Gavin Massingill with Carriage House gave a brief rundown of how the legislature has progressed since convening January 12 as well as a recap of where the House and Senate stand.

8. 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 highlighted Port Freeport achievements for the 2020 calendar year. This included the Port's leading strategic initiative, the Freeport Harbor Channel Improvement Project being included in the Corps' 2020 Work Plan, receiving \$19 million in federal funding for FHCIP Reach 3 and new start designation. The Project Partnership Agreement was successfully signed in June and the Port's \$5.9 million non-federal share was transferred in August.

Immediately following PPA signing, Reach 3 was advertised and the Corps awarded contract in September to Great Lakes Dredge and Dock with a low bid of \$15 million. The Corps 2021 Work Plan was completed and allocated an additional \$24.9 million federal funding for the GRR features in Reach 2 of the project. The 404 and 408 permits for constructing the stability feature in Reach 2 were received and the project is on schedule for a May 2021 completion. The engineering and design for construction of Reach 2 of the FHCIP was 95% complete at the end of the year. Additionally, the contract for engineering and design of Reaches 1 and 4 was awarded and is on schedule for completion for the end of 2021. Staff continued its advocacy efforts for additional funding and will continue to ensure all aspects of the project remains on schedule.

The Velasco Container Terminal Expansion project to add 925 feet of berth is progressing on schedule for completion Fall 2022. The backland area of approximately 6 acres for container storage behind Berth 8 was completed. An extension to the agreement

with CMA CGM was negotiated for another year. Continue to add new customers with staff working diligently to bring new business to VCT.

Staff continues to work with USDOT on the Parcel 14 multi-modal park rail project on awarding the release of funds for the CRISI grant awarded for the project. The Trammel Crow Reservation Agreement was extended for the development of the site. Completion of the 20 acres on Parcel 14 for automobile storage and processing was completed and turned over to HTS in August. Vulcan Materials began operations for their rail served aggregate distribution site at the west end of Parcel 14. This operation brings one train a month from their Medina quarry and delivered 285 cars in 2020. The Port received real estate license for the beneficial use of dredge material from PA1 as fill on Parcel 14.

The Port saw record vessel calls in 2020 at the public docks and including Freeport LNG with 412, compared to 325 in 2019 which is a 27% increase. This accounts for 36% of the total vessel calls in the Freeport Harbor. 115 RoRo vessels were handled in 2020 which was 15% over 2019. This is 3 times the level from when RoRo operations first began and has brought 80,604 vehicles to Port Freeport which is a 29% increase from 2019. Grimaldi and Wallenius Wilhelmsen began RoRo service with ACL providing container export service to West Africa on the Grimaldi service. With the additional increase in RoRo traffic, operations improved the mooring cleat at the corner of Dock 5 and 1 which allowed simultaneous RoRo operations at Berths 2 and 5. A contract was signed with CEMEX for the transloading of CO2 from tank car to railcars for export to Mexico. Commercial operations of Trains 2 and 3 occurred this year making all three trains operational for FLNG. Port Freeport handled project cargo for the Titan Project in Lake Charles and the Linde Project. Additionally, an electrical upgrade was completed in the Dole yard that was funded by Hurricane Harvey mitigation grant. Other repairs were successfully completed inside the terminal.

Marketing produced and released a new Port overview video. Designed, and implemented a Heavy Lift Corridor presentation for the website, revamped web pages on the website and redesigned the Port Freeport is Growing brochure.

The Port received \$11.2 million Rider 38 grant award from TXDOT for the widening of SH36 from Gate 4 to the Brazos River Bridge.

The Port had strong financial result for 2020. The fiscal year was closed out and the annual audit was completed with no findings and was issued in time for inclusion in the POS for the bonds that were recently sold. The 2019 Comprehensive Annual Report was awarded a Certificate of Excellence by the Government Finance Officers Association for the 31<sup>st</sup> consecutive year. Tax abatement guidelines were updated, and staff completed tax rate setting process under the new Senate Bill guidelines as well as updated the website to be in full compliance.

Due to COVID-19 concerns, the Port quickly switched to virtual office using the virtual desktop technology that was already in place for this need. In addition, to be in compliance with the Order of the Office of the Governor, we shifted the Port Commission meetings to a video/teleconference format using existing infrastructure. Training was completed required under HB 3834 for security awareness. Other cyber improvements included AI-driven endpoint protection and response system, hired third party consulting firm to review backup infrastructure for improvements and all computers were upgraded to Windows 10.

Other virtual server upgrades we added to facilitate more efficient maintenance and operations of Port facilities and equipment.

Port Freeport employees had zero safety incidents in 2020. Staff continues to work closely with tenants and customers to reduce and eliminate safety incidents. The Port purchased and installed fire extinguishers and a Skid Unit that are specifically designed for Auto Fires. Training has begun with staff, local fire department and tenants. The Port-Wide safety meetings were moved to a virtual environment to safely maintain quarterly schedule. Periodic site safety walk-about continue.

Security hosted the new Captain of the Port with an orientation tour and briefing on the Port. Implemented several new and enhanced security solutions including expanded coverage at the communications center, additional patrol officer during high traffic time, utilizing other detection services available, installing new cameras along the docks, installation of fiber optic networking and security devices on Parcel 14 20-acre site as well as the addition of new visitor management system.

Emergency coordination has been very busy this year with COVID-19 and an active hurricane season. The Port participated on 125 different partner calls directly related to COVID-19 as well as conducting internal weekly calls related to COVID. In addition, the Port remained open and fully functioning throughout the pandemic without business interruption. Port-wide guidelines were also developed. The PCT was activated several times with 12 active storms tracked in the Gulf.

Public Affairs adjusted the 20th Annual Take-A-Child Fishing Tournament to a virtually held event registering 207 youths online for a month-long fishing tournament ending with a Facebook live prize drawing event for each age division. Adjustments were also made to the annual Port Freeport Golf Tournament that benefits Texas Port Ministry moving to a COVID-safe format raising just \$2,000 less of the 2019 tournament. The COVID-19 webpage was created as a resource for the public. The Citizen Advisory Panel adjusted its customary meetings to a combination of virtual meetings and small group in-person briefings. Additionally, the Port's webpage for the bond election was updated to include information relevant on federal funding and construction of the FHCIP.

The use of the heavy weight corridor between the Port and the Tenaris facility continued in 2020 yielding a 20-40% reduction in the number of truck transits, benefiting our customers, the communities, and the environment. A total of 10,815 permits were issued. The 20-acre expansion on P14 was designed with LED lighting that can be adjusted by port personnel remotely.

**B. Chief Financial Officer**

Mr. Lowe shared the news that Port Freeport accepted twelve bids in regard to the GO bond offering and awarded the sale to Wells Fargo at a true interest cost of 1.84%. In addition, Mr. Lowe gave a presentation regarding the financial results for December.

**C. Director of Engineering**

In addition to his written report, Mr. Hull shared current pictures of the Manson Dredge performing annual maintenance dredging as well the progression of the levee stabilization project and Berth 8 project.

D. Director of Operations

In Mr. Durel's absence, Mr. Hibbetts gave a few statistics for the month of December with the Port handling 17 LNG vessels, 1 Vulcan vessel, 10 Ro/Ro vessels, 1 Tenaris, 13 container vessels and 16 railcars. YTD totals include 126 vessels as compared to 94 last year. Drone footage was also shared to show inbound traffic to Gate 4 that has been rerouted to Parcel 14 by Amports to limit the amount of truck congestion inside the Port. Mr. Hogan gave an update on COVID vaccines stating the Port has seen approximately 60% participation rate which is 20% above average in industry. Additionally, Johnson & Johnson announced they will submit emergency usage to FDA mid-February.

E. Director of Business & Economic Development

In addition to his written report, Mr. Miura reported that the President of Nigeria signed a finance bill proposing reductions in import duties. With two lines calling Nigeria, Port Freeport has the potential for an increase in POV exports from Freeport resulting from the reduction in tariffs. Mr. Wilson also shared highlights from the presentation given by Patrick Jankowski, Senior VP of Research for GHP, during the Alliance Membership Luncheon held virtually.

9. Receive report from Commissioners on matters related to:

A. January 28 Strategic Planning Advisory Committee – Commissioner Santos reported the committee reviewed material related to Agenda Item 11 and would reserve comments until then.

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

Commissioner Hoss reported attending various virtual meetings.

Commissioner Singhania reported attending various virtual meetings as well as the Alliance Membership Luncheon held earlier in the day.

Commissioner Pirtle reported attending the 36A executive meeting and regular meeting.

10. Approval of financial reports presented for the period ending December 31, 2020.

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

11. Approval of a modification to the Professional Services Agreement between Port Freeport and Moffatt & Nichol for construction oversight for the Velasco Terminal Berth 8 & 9 project extending the services another 22 months, for an amount not to exceed \$466,100.00.

Mr. Hull stated that Moffatt & Nichol's current PSA for the construction, inspection, observation, and project management work is currently for 12 months, and ends next month. The modification will extend the work for an additional 22 months to be commensurate with the construction construct without any lapse in service. Staff recommends extending this contract for an additional 22 months for an amount not to exceed \$466,100.00.

Commissioner Santos stated that the committee reviewed the modification and agrees with staff's recommendation.

A motion was made by Commissioner Santos to approve the modification as recommended. The motion was seconded by Commissioner Kresta 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.

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 Parcel 14 and Surfside Lots.

13. RECONVENE OPEN SESSION:

14. Adjourn.

With no further business before the Commission, the meeting adjourned at 4:48 PM.