

# Minutes of Pilot Commission Port Freeport June 8, 2017

A Meeting of the Pilot Commission of Port Freeport was held June 8, 2017, beginning at 1:40 PM at the Associated Builders and Contractors Building, 1002 ABC Ave., Freeport, Texas.

Commissioners present:

Mr. Paul Kresta, Chairman  
Mr. John Hoss, Vice Chairman  
Mr. Shane Pirtle, Secretary/Treasurer  
Mr. Rudy Santos, Commissioner  
Mr. Bill Terry, Commissioner  
Mr. Ravi Singhanian, Commissioner

Staff Members present:

Mr. Jason Cordoba, Legal Counsel  
Ms. Phyllis Saathoff, Executive Director/CEO  
Mr. Al Durel, Director of Operations  
Mr. Chris Hogan, Director of Protective Services  
Ms. Missy Bevers, Executive Assistant  
Ms. Mary Campus, Controller  
Mr. Brandon Robertson, Network Systems Manager

Also present:

Daniel Blanton, Brazos Pilots Association  
James Teeter, Brazos Pilots Association  
Billy Burns, Brazos Pilots Association  
Matt Krohn, Brazos Pilots Association  
Ms. Linda Hoosier, GAC Shipping  
Mr. Niels Aalund, WGMA  
Mr. Gene Theriot, Dow Chemical  
Mr. Bobby Fuller, Texas Port Ministry  
Ms. Ann Marie Poninski, P66  
Ms. Melanie Oldham  
Mr. Tim Karl, GAC Shipping

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Election of Chairman, Vice Chairman and Secretary/Treasurer through June 2017 – June 2019.

This item was tabled.

3. Approval of minutes from the Special Meeting held May 25, 2017.

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

4. Receive report from Executive Director/CEO regarding Application for Rate Adjustment received from the Brazos Pilots Association May 30, 2017.

Ms. Saathoff reported that an application was received May 30 from the Brazos Pilots for a rate increase. The application proposed adjustments which included a 3% across the board raise for the next 3 years, a \$200/vessel movement charge for the purchase of a 2 new pilot boats. The application stated this surcharge will expire after the purchase of the 2 pilot boats is complete. Also proposed is a

\$300/vessel surcharge for establishment and maintenance of dispatch services. This rate change request has been sent to interested parties. Ms. Saathoff also covered transportation code guidelines rules and regulations associated with the receipt of an application for a rate change. Interested parties have 20 days from the date of filing to file an objection, which is June 19. At this time, the Port has received one written objection. Code also specifies if an objection is received, then a public hearing must be held within 40 days of receipt of the application. The Pilot Board will need to consider setting a date for a hearing. The hearing will need to be set on or before July 9. Sufficient time will also need to be allowed for the objecting parties and the Pilots to prepare certain information. The regulations require that not later than the 10<sup>th</sup> day before the date set for a hearing the Pilots will file a financial report with the Port Commission. An exchange of information will also need to occur between the objecting parties and the Pilots. The Board discussed proposed dates for the hearing. After discussing different options, the Board agreed that June 28 at 1:00 p.m. would be the best date.

At this time, Mr. Niels Aalund with WGMA asked the Board if only objecting parties were eligible to speak at the hearing. Ms. Saathoff stated to be a part of the hearing, they will need to file a written objection or be a designated witness by an objecting party.

After referencing the transportation code, Commissioner Kresta stated per the code, “any party with a legitimate interest may file an objection. When any objection is received, it will be evaluated”.

5. 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 regarding matters pertaining to Pilots & Pilotage Rules and Regulations of Freeport Harbor Channel.
2. Consultation with attorney regarding law affecting pilotage fees.

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

7. Discuss and consider matters pertaining to Pilots & Pilotage Rules and Regulations of Freeport Harbor Channel.

Some time back, a first draft of the rules and procedures were introduced, and it was determined further work was needed. A working group including representation from Dow, Phillips, BASF, Freeport LNG, Seaway, the Pilots as well as Port Freeport met to discuss the rules and regulations and have developed a new draft to present to the Freeport Harbor Channel users, terminal operators and other interested parties. Ms. Saathoff further stated that it is her recommendation to set a meeting June 16 to adopt the rules and procedures to give the industry time to review this most recent draft of the rules and procedures prior to approval. Additionally, since a date has been set to hold a public hearing June 28 at 1:00 p.m., it is Ms. Saathoff’s recommendation to adopt in the form of Exhibit H of the rules and procedures procedural rules for the public hearing concerning the contested pilotage rate application with June 21 as the deadline for exchanging witness and exhibit lists and exhibit materials and 10:00 a.m. June 26 as the deadline for exchanging objections to any of the listed witnesses or exhibits. The procedural rules for the public hearing will be distributed tomorrow, June 9.

A motion was made by Commissioner Hoss to adopt the procedural rules for the public hearing on the pilotage rate application in the form as Exhibit H attached as part of the rules and procedures with the specified dates, to take effect 10 days following the notice provided pursuant to the Texas Transportation Code. The motion was seconded by Commissioner Terry with all Commissioners present voting in favor of the motion.

8. Adjourn.

With no further business before the Commission, the meeting adjourned at 3:48 p.m.