

Minutes of Meeting March 24, 2016

A Regular Meeting of the Port Commission of Port Freeport was held March 24, 2016 beginning at 4:01 PM at the Administration Building, 200 W. Second Street, 3rd Floor, Freeport, Texas.

Commissioners present:

Mr. Ravi Singhania, Chairman
Mr. Bill Terry, Vice Chairman
Mr. Rudy Santos, Asst. Secretary
Mr. Shane Pirtle, Commissioner
Mr. John Hoss, Commissioner

Staff Members Present:

Mr. Jason Cordoba, Legal Counsel
Mr. Jeff Strader, Chief Financial Officer
Mr. Jason Hull, Director of Engineering
Mr. Al Durel, Director of Operations
Mr. Chris Hogan, Director of Protective Services
Mr. Mike Wilson, Director of Economic Development
Mr. Jason Miura, Director of Business & Economic Development
Ms. Dianna Kile, Director of External/Governmental Affairs
Ms. Mary Campus, Controller
Ms. Missy Bevers, Executive Assistant
Mr. Cecil Booth, Project Engineer
Ms. Abbey Whitney, Marketing Specialist

Absent:

Mr. Paul Kresta, Secretary

Also present:

Mr. Bobby Fuller, Texas Port Ministry
Mr. Bob Arroyave, Brown & Gay Engineers
Mr. Eric Burrer, Shrader Engineering

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Pledge of Allegiance: U.S. Flag & Texas Flag
3. Invocation – Mr. Bobby Fuller, Texas Port Ministry
4. Roll Call.
Commissioner Paul Kresta was absent. All other members of the Board were present.
5. Approval of minutes from the Special Meeting held March 7, 2016 and the Regular Meeting held

March 10, 2016.

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

6. Reports from Executive Staff:

- A. Receive report from Chief Financial Officer on monthly activity and matters related to financial results, investments, insurance, leases, real property matters and other related administrative affairs.

Mr. Strader reported on Senator Kolkhurst & Senator Taylor visit and tour that took place Monday, March 21 stating it was a very successful visit. Commissioner Singhania commended staff on a job well done and noted additional dignitaries present for the visit. Mr. Strader also gave a brief financial update to the Board.

- B. Receive report from Director of Engineering on activities and matters related to Freeport Harbor Federal Channel, capital projects and other projects, Hydrographic Report and other related facility engineering matters.

In addition to his report, Mr. Hull shared pictures of the repairs to the fire suppression system where the Ports America truck ran through the fence. He also updated the Board on Dock 7 repairs stating that bids were received March 17 with the low bid going to Taylor Marine Construction in the amount of \$8,200. He added that the Port is waiting for payment plus 20% before making the repairs.

- C. Receive report from Director of Operations on activities and matters related to operations, vessel activity, tonnage and other related port operation matters.

Mr. Durel updated the Board on the main water line break and repairs that occurred in Warehouse 51 and shared video footage of the water in warehouse. He then reported that vessel activity has been down the last couple of months however, Vulcan numbers are up with them moving more rock this year than they did last year. He also reported on an incident with an MSC vessel. As the operator was lowering down into the hull of the ship, he hit the wrong button lowering the flippers on both sides of the spreader bar ripping the flipper and motor off of one side. As a quick fix, the entire spreader bar was disconnected and the spare was placed into service. The stevedore is on notice and it should be fixed today with replacement motor, flipper and attachments. While still in the early stages, Mr. Durel and Jesse Hibbetts have also been meeting with Tenaris to prepare for receipt of the billets. It will be a direct discharge from ship to truck with Tenaris estimating 15,000-20,000 tons per ship, there will be increased truck traffic. The team is working through different options for truck routing and staging.

- D. Receive report from Director of Protective Services on matters related to safety meetings/injury report, security meetings, EMS update and other related safety, security and environmental matters.

In addition to his report, Mr. Hogan reported on a virus that hit the system called crypto locker where it locks down your data files and ransom must be paid to unlock the files. Fortunately, because of the upgrade project and all reconfigurations done by IT, the impact was minimal. The radio project has been delayed due to a main component of the system taken off the market. SR Radio redesigned the

system at no cost to the Port and new hardware should be arriving soon. Commissioner Pirtle inquired about vehicles hitting gate arms. Mr. Hogan stated it is drivers simply not paying attention.

- E. Receive report from Director of Business & Economic Development on activities and matters related to industry meetings and Port presentations, Port events, and other related trade development or community relation matters.

Mr. Miura reported on cargo arrivals expected in the coming months in support of the Freeport LNG project. He is working closely with Operations to identify locations within the Port to store the modules as necessary. A tour of the Tenaris Bay City facility will take place April 12. Port Freeport has been invited to join the Greater Fort Bend Economic Council as a member however, before we commit, Mr. Miura will find out if any costs are associated with the membership. Additionally, in an effort to work on a rebranding campaign and slogan for Port Freeport, an in house contest was held with Callie Cole taking first place for her design and slogan with Vu Pham taking second and Minette Macrae third. Additional work still needs to be done but Mr. Miura extended an invitation to Commissioners to view the submissions in his office.

- F. Receive report Director of External/Governmental Affairs on activities and matters related to federal, state and local governmental affairs, Port tenant updates, USCOE, rail issues, HGAC/TPC, Committees, upcoming Port and civic events and other related governmental affairs.

Ms. Kile commended Darlene Winkler for her efforts in putting together the Take-A-Child Fishing Tournament which will be held April 30, 2016.

- 7. Receive report from Commissioners on matters related to meetings and conferences attended, Port presentations and other related Port Commission matters.

Commissioner Pirtle reported attending a meeting in Jones Creek regarding Highway 36A as well as attending the Rail District meeting. Commissioner Hoss reported on the Senators visit.

- 8. Public Comment

There were no comments from the public.

- 9. Discussion regarding the reopening of levee road.

Commissioner Pirtle stated he has received emails from citizens asking when the levee will open again. He is proposing Port security open the gate in the morning, close at night and install cameras to monitor and prosecute anyone who is dumping at the site. Mr. Hogan stated that this was looked at last year. Signs were put up on a Friday and gone by Monday. They couldn't install gates because four-wheel drive trucks are going to drive around them or go down the levee. Cameras weren't an option because there was no power and solar didn't produce enough power. The challenge is that illumination is needed but since the signs were stolen, the concern is that at the lights will be shot out. Commissioner Singhania asked Mr. Hogan and staff to make a recommendation on what needs to be done and present costs. In the interim, Commissioner Pirtle asked if staff would work with the Drainage District to have them partially open and close the gates.

- 10. Approval of financial report presented for period ending February 29, 2016.

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

11. Approval of a Professional Services Agreement for the Cathodic Protection Repairs Project.

Mr. Hull stated that after reviewing qualifications of several firms, he selected Shrader Engineering as the most qualified. He then requested a proposal which they submitted in the amount of \$56,084. It is his recommendation to approve this agreement.

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

12. Approval of a purchase contract for property located at 314 E. 8th Street.

Mr. Strader stated that this is a single family dwelling in the East End and the pricing is consistent with the Board's developed strategy and it is staff's recommendation to approve this contract in the amount of \$30,660 plus standard closing costs.

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

13. Adoption of a resolution declaring items surplus and ordered sold separately for cash, after notice of sale and receipt of bids to the highest bidder; destroyed if no bids are received; or offered as trade-in for new property of the same general type.

Security has two old vehicles that are no longer in use. Mr. Hogan is requesting approval to surplus so they can be removed from the property.

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

14. Acceptance of the Port Freeport Economic Impact Study final report submitted by Texas A&M Transportation Institute.

A motion was made by Commissioner Hoss to accept the final report. The motion was seconded by Commissioner Pirtle with all Commissioners present voting in favor of the motion.

15. Update from staff regarding the Brazoria-Fort Bend Rail District.

Mr. Miura gave a brief update regarding the Rail District stating that the latest meeting was held today at Commissioner's Court in Angleton with the next meeting scheduled for April 21 in Richmond, Texas. Items of discussion was the Reimbursement Agreement which is on the Port's agenda for approval today. Once all entities approve, the Rail District will approve. Additional items of discussion were banks for depository services and purchasing procedures outline. The Board agreed to retain Andrews & Kurth for legal representation.

16. 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 for discussion regarding:
 - 1. Consultation with attorney a Reimbursement Agreement between Brazoria County, Ft. Bend County, Port Freeport and the Brazoria-Ft. Bend Rail District.
 - B. Under authority of Section 551.071 for discussion regarding:
 - 2. Consultation with attorney regarding the purchase of property located at:
TRACT I: All of Block 29, of Freeport Townsite, City of Freeport Brazoria County, Texas as the same appears on the map or plat duly of record in Volume 2, Page 95 of the Plat Records of Brazoria County, Texas and being Lots 1 through 32, both inclusive of said Block 29, and including the alley in said Block 29, between Pine Street and Sycamore Street, which was duly closed by the City of Freeport, Texas, by Ordinance No. 1056, dated November 6, 1963. TRACT II: All of that part of the dedicated public street lying and being situated between Blocks 28 and 29, of Freeport Townsite, City of Freeport, Brazoria County, Texas, according to map or plat thereof duly of record in Volume 2, Page 95 of the Plat Records of Brazoria County, Texas, which was conveyed to The Dow Chemical Company by the City of Freeport, Texas by Deed dated February 21, 1966, all in accordance with Ordinance No. 1128, dated February 21, 1966, by the City of Freeport, Brazoria County, Texas. TRACT III: All of Lots 17 through 32 both inclusive of Block 18, of Freeport Townsite, City of Freeport, Brazoria County, Texas, as the same appears on the map or plat thereof duly of record in Volume 2, Page 95 of the Plat Records of Brazoria County, Texas. TRACT IV: All of Lots 1 through 16, both inclusive, of Block 28, of Freeport Townsite, City of Freeport, Brazoria County, Texas as the same appears on the map or plat duly of record in Volume 2, Page 9 of the Plat Records of Brazoria County, Texas.
 - C. Under authority of Section 551.072 for discussion regarding:
 - 1. Discussion regarding the terms and conditions of a potential Agreement between Port Freeport and Phillips 66.

17. RECONVENE OPEN SESSION to review and discuss the following:

18. Approval of a Reimbursement Agreement between Brazoria County, Ft. Bend County, Port Freeport and Brazoria-Ft. Bend Rail District.

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

19. Approval of purchase contract for property located at: TRACT I: All of Block 29, of Freeport Townsite, City of Freeport Brazoria County, Texas as the same appears on the map or plat duly of record in Volume 2, Page 95 of the Plat Records of Brazoria County, Texas and being Lots 1 through 32, both inclusive of said Block 29, and including the alley in said Block 29, between Pine Street and Sycamore Street, which was duly closed by the City of Freeport, Texas, by Ordinance No. 1056, dated November 6, 1963. TRACT II: All of that part of the dedicated public street lying and being situated between Blocks 28 and 29, of Freeport Townsite, City of Freeport, Brazoria County, Texas, according to map or plat thereof duly of record in Volume 2, Page 95 of the Plat Records of Brazoria County, Texas, which was conveyed to The Dow Chemical Company by the City of Freeport, Texas by Deed dated February 21, 1966, all in accordance with

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

20. Adjourn.

With no further business before the Commission, the meeting adjourned at 6:05 p.m.