

## Minutes of Meeting June 9, 2016

A Regular Meeting of the Port Commission of Port Freeport was held June 9, 2016 beginning at 2:10 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

### Commissioners present:

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

### Staff Members Present:

Mr. Jason Cordoba, Legal Counsel  
Ms. Phyllis Saathoff, Executive Director/CEO  
Mr. Jeff Strader, Chief Financial Officer  
Mr. Jason Hull, Director of Engineering  
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/Government Affairs  
Ms. Mary Campus, Controller  
Ms. Missy Bevers, Executive Assistant  
Mr. Cecil Booth, Project Engineer  
Mr. Brandon Robertson, Network Systems Manager  
Mr. Jesse Hibbetts, Operations Manager  
Mr. Nick Malambri, Engineering Specialist

### Absent:

Mr. Al Durel, Director of Operations

### Also present:

Mr. John DeRose, P66  
Mr. Javier Infante, Raba Kistner Consultants  
Mr. Bob Arroyave, Brown & Gay Engineers  
Mr. David Eby, Terracon  
Mr. Bobby Fuller, Texas Port Ministry

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 – Commissioner Shane Pirtle

4. Roll Call.

All members of the Board were present.

5. Approval of minutes from the Regular Meeting held May 26, 2016.

A motion was made by Commissioner Santos 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 report from Executive Director/CEO on activities and matters related to administrative affairs. Port tenant updates, USCOE, rail issues, AAPA Committees, leases, contracts, upcoming Port and civic events and other related administrative & governmental affairs.

Ms. Saathoff commended the County officials, Velasco Drainage District and Corps on their handling of flood within the County and extending areas adding that the Port had not been impacted by the floods but had made efforts to keep staff informed about road closures, etc. The first shipment of project cargo for the Freeport LNG facility will be arriving Friday, June 10, 2016 with 25 modules. The Port is also expecting the first shipment of D-11s by rail June 16 with eight units in the shipment. Permits have been received from the City to begin construction of the 9<sup>th</sup> Street houses. In getting the permits, the Port has agreed to add a 10x10 storage building to each house. The final report from the Star Center on the vessel simulations conducted in May has been received. The report does indicate that once the channel is modified to a 400-foot width, as well as the addition of an lower bend easing area and expansion of the upper turning basin, it is possible to safely navigate the larger Panamax vessels. An application for rate adjustments has been received from the Brazos Pilots Association. A Pilot Board meeting will be held to discuss the application submitted. There will also be a related Public Hearing held on the application as the Port has received a written objection to the rate adjustments. A Legislative Sunset Advisory Commission staff meeting was held June 1 with Commissioner Pirtle, Jeff Strader and Mike Wilson attending. The meeting was held to hear and discuss how TXDOT is doing and to anticipate the needs of TXDOT in the future. Ms. Saathoff also noted the next Brazoria-Fort Bend Rail District meeting will be held June 17, the Gulf Shipping Conference will be held June 13 and 14 and the Texas Department of Transportation Port Authority Advisory Committee will meet in Houston June 14 with Mike Wilson representing the Port. Additionally, Chairman Singhania will be the keynote speaker at the 36A Luncheon June 15 which will be held at the Lake Jackson Civic Center. A Change of Command ceremony will be held at the Galveston District for the commanding officer. Ms. Saathoff is also requesting approval today to attend Robert Slockbower's Retirement Ceremony June 30 in Dallas. Also in the future, a date will be set sometime in August to conduct a strategic workshop.

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

There were no reports from Commissioners.

8. Public Comment

There were no comments from the public.

9. Approval of Award of Contract for the Freeport Inn Asbestos Abatement Project.

Mr. Hull stated that two bids were received and opened June 2 for this project. The lowest bidder was Sitek Omni Service, LLC. Sitek has completely previous asbestos abatement projects for the Port and has met all requirements of the specifications. It is Mr. Hull's recommendation and that of the Strategic Planning Advisory Committee to award this contract to Sitek in the amount of \$32,800.

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

10. Approval of Executive Director/CEO travel to Dallas to attend the Retirement Ceremony in honor of Robert E. Slockbower June 30.

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

11. 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 regarding terms of Letter of Intent with City of Freeport.

B. Under authority of Section 551.072 for discussion regarding:

1. Discussion regarding the termination of Lease Agreement between Port Freeport and Coastal Cargo of Texas, Inc.
2. Discussion regarding matters related to the Lease Agreement between Port Freeport and Horizon Terminal Services, LLC.
3. Discussion regarding matters related to the Lease Agreement between Port Freeport and Tenaris Global Services.
4. 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 Berth 7.

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

13. Approval of Letter of Intent with City of Freeport.

This item was tabled.

14. Approval of the termination of Lease Agreement between Port Freeport and Coastal Cargo of Texas, Inc.

Mr. Miura stated that Coastal Cargo has requested to terminate their lease as they are no longer the stevedore for Tenaris Global Services. Coastal Cargo is current on all balances owed and has submitted a termination fee as well as agreed to pay attorney fees in connection with the termination of the lease and all finance charges. As of today, Mr. Miura has received all payments for the balances and a signed document approved by the Port's legal counsel. It is staff's recommendation to approve the termination of this lease.

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

15. Adjourn.

With no further business before the Commission, the meeting adjourned at 4:16 p.m.