

**CALHOUN PORT AUTHORITY
REGULAR MEETING
January 10, 2019**

A regular meeting of the Calhoun Port Authority was held on Thursday, January 10, 2019 at 9:00 a.m. in the Calhoun Port Authority Board Room, Calhoun Port Authority Office, Point Comfort, Texas

Board Members attending were:

Commissioner # 1 – Tony Holladay
Commissioner # 2 – Dell R. Weathersby
Commissioner # 3 – J.C. Melcher, Jr.
Commissioner # 4 – Randy L. Boyd
Commissioner # 5 – Johnny Perez
Commissioner # 6 – H. C. Wehmeyer, Jr.

Staff Members present were:

Charles R. Hausmann – Port Director
Forrest Hawes – Deputy Port Director
David Knuckey – Director of Engineering Services
Sandra Witte – Roberts, Odefey, Witte & Wall
Miranda Malek – Administrative Assistant

Others Present were:

Carl Smith – NGL Marine
Aaron Martin – NGL Marine
Rob Muil – Texas General Land Office
Steve Svetlik – NST
Jack Wu – Formosa Plastics Corporation
Bobby Sparkman – Formosa Plastics Corporation
Bill Cobb – Cobb & Counsel
Pat Cullen – Formosa Plastics Corporation
Tom Morgan – Simplot
Kenny Warr – Vulcan Materials
Mickey Sappington – G&W Engineers, Inc.
D.D. Turner – *The Wave*
Ciara McCarthy – *The Victoria Advocate*

Agenda Item No. 1: Call to Order:

Board Chair Randy L. Boyd called the Regular Meeting to order at approximately 9:00 a.m. He announced that the agenda of the meeting was posted in accordance with the provisions of the Texas Open Meetings Act.

The Pledge of Allegiance was led by Board Chair Randy L. Boyd.

Agenda Item No. 2: Approve the minutes of the Wednesday, December 12, 2018 Regular Meeting.

The Board Members reviewed the minutes of the Wednesday, December 12, 2018 Regular Meeting. Pursuant to further review and discussion, a motion was made by Board Member Tony Holladay to approve the minutes as presented. The motion was seconded by Board Secretary H. C. Wehmeyer, Jr. and the motion carried unanimously.

Agenda Item No. 3: Review of Financial Reports: All Funds.

Deputy Director Forrest Hawes presented the following financial information to the Board Members for Review:

Fund Balance Report as of December 31, 2018:

- 1.) Accounts Receivable Report as of December 31, 2018
- 2.) Mr. Hawes reported to the Board Members that the accounts receivable report specified that the accounts receivable were 84% current as of December 31, 2018.

Agenda Item No. 4: Approval of Disbursements and Transfers: All Funds

The Board Members reviewed the January 10, 2019 Port Operations Account disbursements. Pursuant to review, a motion was made by Board Member Tony Holladay to approve disbursements and the corresponding transfers for January 10, 2019. The motion was seconded by Board Member J.C. Melcher, Jr. and the motion carried that the disbursements and the corresponding transfers be approved.

<u>TRANSFER NO</u>	<u>FUND ACCOUNT</u>	<u>AMOUNT</u>	
<u>GROSS REVENUE FUND</u>			
2019-019	To Port Operations Fund	\$ 71,951.95	
2019-020	To Port Operations Fund	30,503.11	
2019-021	To Port Operations Fund	62,446.87	
2019-023	To Port Operations Fund	179,658.55	
	Total	\$ 344,560.48	
<u>MAINTENANCE AND OPERATIONS FUND</u>			
2019-019	To Port Operations Fund	\$ 4,962.78	
2019-020	To Port Operations Fund	2,857.70	
2019-021	To Port Operations Fund	4,213.42	
2019-023	To Port Operations Fund	1,178.74	
	Total	\$ 13,212.64	
<u>BUSINESS DEVELOPMENT FUND</u>			
2019-023	To Port Operations Fund	\$ 66.81	
	Total	\$ 66.81	
<u>DEPRECIATION & MAJOR REPAIR FUND</u>			
<u>AN/NH3 OPERATING FUND</u>			
2019-023	To Port Operations Fund	\$ 32,702.76	
	Total	\$ 32,702.76	
TOTAL TRANSFERS TO PORT OPERATIONS ACCOUNT		\$ 390,542.69	
<u>INTERFUND TRANSFERS</u>			
<u>DATE</u>	<u>FROM</u>	<u>TO</u>	<u>AMOUNT</u>
1/10/19	AN/NH3 Operating	AN/NH3 Dep. M/R	\$7,500.00

Total

\$7,500.00**Agenda Item No. 5: Port Director's Report.**

Charles R. Hausmann, Port Director, reported the following:

A. Harbor Traffic Statistics for the month of December:

That a total of 116 vessels had arrived at the public port facilities during the month of December; 32 deep draft arrivals and 86 inland barges and a total of 226 invoices were issued. Further, that 17 deep draft vessels were already on schedule for January arrival.

Total revenue tons for the month of December were 504,182.6 short tons. Total revenue tons for the first half of FY 2019 were 2,825,632.7.

B. NGL loaded out 12 crude oil barges totaling 30,893.8 short tons.

C. Seadrift Coke lightered 3 barges of needle coke totaling 4,966.9 short tons to 1 ship for export.

D. Harvest loaded out 6 crude oil barges totaling 17,514.8 short tons.

E. NST loaded out 6 crude oil barges totaling 14,482.1 short tons.

F. Announcement of the resignation of Blake Farenthold.

Agenda Item No. 6: Public Comment.

No action was taken on this agenda item.

Agenda Item No. 7: Review and Consideration of Board Members Committee/Conference**Attendance.**

No action was taken on this agenda item.

Agenda Item No. 8: Review and Consideration of an Amendment to the Lease between the Calhoun Port Authority and Formosa Plastics Relating to the Calhoun Port Authority's Adjustable Rate Port Revenue Bonds Series 2011A.

The Board Members reviewed a copy of the signed consents from the trustee and the credit issuer that they would have no objection to amending the lease. Also for review, was the proposed amendment to the lease that releases Formosa Plastics from liability from third party users using the dry bulk dock. Pursuant to further review and discussion, a motion was made by Board Member Tony Holladay to amend the Lease between the Calhoun Port Authority and Formosa Plastics Relating to the Calhoun Port Authority's Adjustable Rate Port Revenue Bond Series 2011A. The motion was seconded by Board Member J. C. Melcher, Jr. and passed unanimously.

Agenda Item No. 9: Review and Consideration to Request to Advertise for Bids for the 2019 Harbor Piling Maintenance Project.

The Board Members reviewed a memorandum from Port Engineer David Knuckey that outlined the schedule for the project, a draft advertisement, proposed bid documents for the harbor piling maintenance project as well as drawings of the sites. The base bid would include all of the liquid pier pilings while the option was for the piling at the barge docks. Pursuant to further review and discussion, a motion was made by Board Member Tony Holladay to approve the request to advertise for Bids for the 2019 Harbor Piling Maintenance Project subject to amending the standby time line item. The motion was seconded by Board Member Dell R. Weathersby and the motion carried unanimously.

Agenda Item No. 10: Review and Consideration of Approval of the 2019 Holiday Schedule for the Employees of the Calhoun Port Authority.

The Board Members reviewed a copy of the proposed schedule of holidays for the employees of the Calhoun Port Authority for 2019. The proposed schedule observed the same holidays as past years and was limited to a total of 11 day. Pursuant to further review and discussion, a motion was made by Board Member Dell R. Weathersby to approve the 2019 Holiday Schedule for the employees of the Calhoun Port Authority. The motion was seconded by Board Member Tony Holladay and the motion carried unanimously.

Agenda Item No. 11: Review and Consideration of Approval of an Underground Pipeline Easement Agreement between the Port and Arrowhead Offshore Pipeline, LLC.

The Board Members reviewed a copy of an underground easement agreement between the Calhoun Port Authority and Arrowhead Pipeline, LLC that covered two easements; the first easement was for a 7 to 7.5-foot easement with 5 pipelines of 6.67 rods and the second being an 18.69 rod easement for one 16-inch pipeline. The rate for these easements was \$6,044.40 per year and an administrative fee of \$2,500.00 for document preparation. Pursuant to further review and discussion, a motion was made by Board Member Tony Holladay to approve the underground pipeline easement agreement between the Port and Arrowhead Offshore Pipeline, LLC. The motion was seconded by Board Secretary H. C. Wehmeyer, Jr. and the motion carried unanimously.

Agenda Item No. 12: Review and Consideration of Approval of an Overhead Pipeline Easement Agreement between the Port and Arrowhead Offshore Pipeline, LLC.

The Board Members reviewed a copy of an overhead easement agreement between the Calhoun Port Authority and Arrowhead Pipeline, LLC that covered two easements; the first easement was for 17.82 rods in length for four pipelines and a pipe rack, and the second being a 14.67 rod easement for four pipelines and a pipe rack. The annual rental rate would be \$8,087.32 for both easements along with an administrative fee of \$2,500.00 for document preparation. Pursuant to further review and discussion, a motion was made by Board Member Dell R. Weathersby to approve the overhead pipeline easement agreement between the Port and Arrowhead Offshore Pipeline, LLC. The motion was seconded by Board Member J. C. Melcher, Jr. and the motion carried unanimously.

Agenda Item No. 13: Review and Consideration of Approval of a Surface Lease between the Port and Arrowhead Offshore Pipeline, LLC.

The Board Members reviewed a copy of the proposed surface lease for three portions of property that contained a total of 0.09 acres. The agreement covered the areas for Arrowhead's receiving stations, their dock safety unit and their vapor recovery unit. The annual rental rate was \$2,250.00 for the three areas along with a \$2,500.00 administrative fee for document preparation. Pursuant to further review and discussion, a motion was made by Board Member J. C. Melcher, Jr. to approve the surface lease between the Port and Arrowhead Offshore Pipeline, LLC. The motion was seconded by Board Member Tony Holladay and the motion carried unanimously.

Agenda Item No. 14: Review and Consideration of Approval of the Retention of Harrison, Waldrop & Uherek, LLP for the Preparation of the FY 2019 Annual Audit Report and Financial Statement.

The Board Member reviewed a copy of the proposed retention letter from the independent accounting firm of Harrison, Waldrop & Uherek, LLP for the preparation of Fiscal Year 2019 audit report and financial statement for the Calhoun Port Authority. Also, for review was the most recent Report on the Firm’s System of Quality Control. The fee proposed for the FY 2019 audit was \$22,650.00, which was the same as in prior years. Pursuant to further review and discussion, a motion was made by Board Member Dell R. Weathersby to approve the retention of Harrison, Waldrop & Uherek LLP for the Preparation of the FY 2019 Annual Audit Report and Financial Statement. The motion was seconded by Board Secretary H. C. Wehmeyer, Jr. and the motion carried unanimously.

Agenda Item No. 15: Closed Session:

As authorized by Tex. Gov’t Code §551.071 (A): to seek advice from its attorney regarding pending litigation, Cause No. 2018-CV-3354-DC, Victoria Advocate Publishing Co. v. Calhoun Port Authority; In the District Court of Calhoun County, Texas; 135th Judicial District.

Board Chair Randy L. Boyd announced that as Authorized by Tex. Gov’t Code §551.071 (A): to seek advice from its attorney regarding pending litigation, Cause No. 2018-CV-3354-DC, Victoria Advocate Publishing Co. v. Calhoun Port Authority; In the District Court of Calhoun County, Texas; 135th Judicial District.

“No action or consensus would be taken in closed session”. The Board convened in Closed Session at 9:17 a.m.

Agenda Item No. 16: Return to OPEN SESSION and take any action deemed necessary based upon discussion in closed session.

The Board adjourned the Closed Session at 9:50 a.m. Board Chair Randy L. Boyd announced that “No action or consensus had been taken in closed session”.

Agenda Item No. 17: Adjourn.

There being no further business to be brought before the Board, a motion was duly made that the meeting be declared adjourned at approximately 9:50 a.m. on Wednesday, January 10, 2019.

 2/13/19

Randy L. Boyd, Board Chair

ATTEST:



H. C. Wehmeyer, Jr., Board Secretary