

**CALHOUN PORT AUTHORITY  
REGULAR MEETING  
June 12, 2019**

A regular meeting of the Calhoun Port Authority was held on Wednesday, June 12, 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 – Jay Cuellar  
Commissioner # 3 – J.C. Melcher, Jr.  
Commissioner # 4 – Luis De La Garza  
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  
David Roberts – Roberts, Odefey, Witte & Wall  
Miranda Malek – Administrative Assistant

Others Present were:

Rob Muil – Texas General Land Office  
Mickey Sappington – G&W Engineers, Inc.  
Carl Smith – NGL Energy Partners  
Bobby Sparkman- Formosa Plastics Corporation  
Steve Svetlik – NST  
Ross Stapp – *The Wave*  
Jessica Priest – Victoria Advocate  
Carl Bond – Public Citizen

**Agenda Item No. 1: Call to Order:**

Board Chair J. C Melcher, Jr. 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 J. C, Melcher, Jr.

**Agenda Item No. 2: Approve the minutes of the Wednesday, May 8, 2019 Regular Meeting and the Thursday, May 16, 2019 Special Meeting.**

The Board Members reviewed the minutes from the Wednesday, May 8, 2019 Regular Meeting and the Thursday, May 16, 2019 Special Meeting. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the minutes of the Wednesday, May 8, 2019 Regular Meeting Minutes and the Thursday, May 16, 2019 Special Meeting Minutes. The motion was seconded by Board Member Johnny Perez 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 May 31, 2019:

- 1.) Accounts Receivable Report as of May 31, 2019
- 2.) Mr. Hawes reported to the Board Members that the accounts receivable report specified that the accounts receivable were 96% current as of May 31, 2019.

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

The Board Members reviewed the June 12, 2019 Port Operations Account disbursements. Pursuant to review, a motion was made by Board Secretary Tony Holladay to approve disbursements and the corresponding transfers for June 12, 2019. The motion was seconded by Board Member Luis De La Garza and the motion carried that the disbursements and the corresponding transfers be approved.

<b><u>TRANSFER NO</u></b>	<b><u>FUND ACCOUNT</u></b>	<b><u>AMOUNT</u></b>	
<b><u>GROSS REVENUE FUND</u></b>			
2019-038	To Port Operations Fund	\$ 66,993.22	
2019-039	To Port Operations Fund	59,895.90	
2019-040	To Port Operations Fund	55,455.21	
2019-042	To Port Operations Fund	578,922.89	
	Total	\$ 761,267.22	
<b><u>MAINTENANCE AND OPERATIONS FUND</u></b>			
2019-033	To Port Operations Fund	\$ 5,051.59	
2019-035	To Port Operations Fund	4228.29	
2019-036	To Port Operations Fund	16,035.03	
	Total	\$ 25,314.91	
<b><u>BUSINESS DEVELOPMENT FUND</u></b>			
2019-037	To Port Operations Fund	\$ 596.71	
	Total	\$ 596.71	
<b><u>DEPRECIATION &amp; MAJOR REPAIR FUND</u></b>			
<b><u>AN/NH3 OPERATING FUND</u></b>			
2019-037	To Port Operations Fund	\$ 26,610.77	
	Total	\$ 26,610.77	
<b>TOTAL TRANSFERS TO PORT OPERATIONS ACCOUNT</b>		<b>\$ 813,789.61</b>	
<b><u>INTERFUND TRANSFERS</u></b>			
<b><u>DATE</u></b>	<b><u>FROM</u></b>	<b><u>TO</u></b>	<b><u>AMOUNT</u></b>
6/12/19	AN/NH3 Operating	AN/NH3 Dep. M/R	\$7,500.00
	Total		<b><u>\$7,500.00</u></b>

**Agenda Item No. 5: Port Director's Report.**

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

A. Harbor Traffic Statistics for the month of May:

That a total of 104 vessels had arrived at the public port facilities during the month of May; 17 deep draft arrivals and 87 inland barges and a total of 218 invoices were issued. Further, that 22 deep draft vessels were already on schedule for June arrival.

Total revenue tons for the month of May were 355,191.5 short tons. Total revenue tons for the first eleven months of FY 2019 were 4,613,505.9

B. NGL loaded out 16 crude oil barges totaling 55,895.7 short tons.

C. Seadrift Coke lightered 5 barges of needle coke totaling 8,257.4 short tons to 1 ship for export.

D. Harvest loaded out 8 crude oil barges totaling 26,852.3 short tons.

**Agenda Item No. 6: Public Comment.**

No action was taken on this agenda item.

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

No action was taken on this agenda item.

**Agenda Item No. 8: Review and Consideration of Approval of a Proposed Estoppel Certificate NST Point Comfort Holding, LLC.**

The Board Members reviewed a copy of a proposed estoppel certificate for NST Point Comfort Holdings, LLC. NST requested this estoppel certificate to provide to potential investors stating that NST does have a lease, the lease is in effect and that the Port is not aware of any defaults under the lease as well as no known violations of environmental contaminates. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the proposed Estoppel Certificate for NST Point Comfort, LLC. The motion was seconded by Board Member H. C. Wehmeyer, Jr. and the motion carried unanimously.

**Agenda Item No. 9: Review and Consideration of Fiscal Year 2019 Budget Amendments.**

The Members of the Board reviewed a copy of the proposed budget amendment for the FY2019 budget. There was a total increase in revenue of \$40,000.00 and a total increase of expenses of \$200,000.00. The revised project net income before depreciation decreased to \$3,341,478.00 from the amended budgeted income of \$3,524,141.00. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the Fiscal Year 2019 Budget Amendments. The motion was seconded by Board Member Jay Cuellar and the motion carried unanimously.

**Agenda Item No. 10: Review and Consideration of Request from Russell Marine for Additional Work Needed for the Harbor Piling Maintenance 2019 Project.**

The Board Members reviewed a copy of the proposed letter of an interoffice memorandum from Port Engineer David Knuckey that detailed the request for additional work by Russell Marine along with a photo of some of the additional damage that was discovered once the marine growth was removed from the pilings. Port Staff requested guidance in proceeding with this request and the options were 1) to issue

change order no. 2 to Russell Marine in the amount of \$107,765.00 and a 19-day extension or 2) advertise for bids for a contract to complete the work as described in the memorandum. Pursuant to further review and discussion, a motion was made by Board Member Jay Cuellar to issue change order no. 2 to Russell Marine in the amount of \$107,765.00 and a 19-day extension on the Harbor Piling Maintenance Project. The motion was seconded by Board Member Johnny Perez and the motion carried unanimously.

**Agenda Item No. 11: Review and Consideration of an Amendment to Port Tariff Subrule 36 & Subrule 50, Overtime Rates.**

The Port Staff recommended increasing the Port's overtime rates for subrule 36 & subrule 50 from \$35.00 per hour to \$75.00 per hour. Due to the increase in port employee wages over the past several years, the new rate would allow the port to better cover the cost of employees providing services to vessels docked in the Port as well as provide for overhead costs. Pursuant to further review and discussion, a motion was made by Board Member Luis De La Garza to approve amending the Port Tariff Subrule 36 & Subrule 50, Overtime Rates from \$35.00 per hour to \$90.00 per hour. The motion was seconded by Board Member Tony Holladay and the motion carried unanimously.

**Agenda Item No. 12: Review and Consideration of Approval of the AN/NH3 Storage Fees Effective July 1, 2019, Port Tariff Item No. 19, Subrule 4A.**

No action was taken on this agenda item.

**Agenda Item No. 13: Review and Consideration of a Sublease Between Formosa Plastics and Harvest Pipeline for Space in the Arrowhead Offshore Pipeline, LLC Piperack to the General Cargo Dock.**

No action was taken on this agenda item.

**Agenda Item No. 14: CLOSED SESSION:**

**As Authorized by Tex. Gov't Code §551.087(1) to discuss or deliberate regarding commercial information that the Port has received from a business prospect that the Port seeks to have locate, stay, or expand in or near the territory of the Port and with which the Port is conducting economic development negotiations.**

Board Chair J. C. Melcher, Jr. announced that as Authorized by Tex. Gov't Code §551.087(1) to discuss or deliberate regarding commercial information that the Port has received from a business prospect that the Port seeks to have locate, stay, or expand in or near the territory of the Port and with which the Port is conducting economic development negotiations.

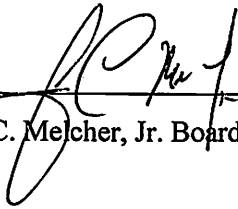
"No action or consensus would be taken in closed session". The Board convened in Closed Session at 9:39 a.m.

**Agenda Item No. 15: Return to OPEN SESSION and take any action deemed necessary based upon discussion in closed session.**

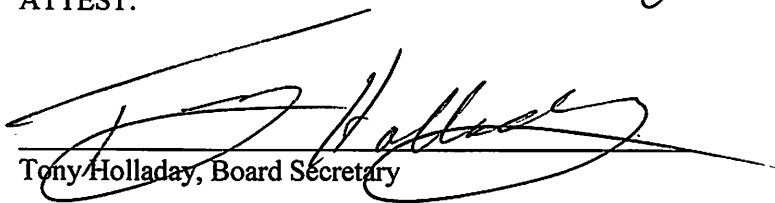
The Board adjourned the Closed Session at 10:10 a.m. Board Chair J. C. Melcher, Jr. announced that "No action or consensus had been taken in closed session".

**Agenda Item No. 16: 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 10:12 a.m. on Wednesday, June 12, 2019.

  
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J. C. Melcher, Jr. Board Chair

ATTEST:

  
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Tony Holladay, Board Secretary