

**CALHOUN PORT AUTHORITY
REGULAR MEETING
August 14, 2019**

A regular meeting of the Calhoun Port Authority was held on Wednesday, August 14, 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:

Mickey Sappington – G&W Engineers, Inc.
David Adrian – Matagorda Bay Pilots
Aaron Martin – NGL
Felipe Parra – Great River Industries
Jibrán Zarate – Great River Industries
DD Turner – *The Wave*
Jessica Priest – Victoria Advocate

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 Member Luis De La Garza.

Agenda Item No. 2: Approve the minutes of the Monday July 1, 2019 Special Meeting and the Wednesday, July 10, 2019 Regular Meeting.

The Board Members reviewed the minutes from the Monday, July 1, 2019 Special Meeting and the Wednesday, July 10, 2019 Regular Meeting. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the minutes of the Monday July 1, 2019 Special Meeting and the Wednesday, July 10, 2019 Regular Meeting Minutes. The motion was seconded by Board Member H. C. Wehmeyer, Jr. and the motion carried unanimously.

Agenda Item No. 3: Public Comment.

No action was taken on this agenda item.

Agenda Item No. 4: 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 July 31, 2019:

- 1.) Accounts Receivable Report as of July 31, 2019
- 2.) Mr. Hawes reported to the Board Members that the accounts receivable report specified that the accounts receivable were 92% current as of July 31, 2019.

Agenda Item No. 5: Approval of Disbursements and Transfers: All Funds

The Board Members reviewed the August 14, 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 August 14, 2019. The motion was seconded by Board Member Jay Cuellar 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>			
2019-043	To Port Operations Fund	\$ 69,117.85	
2019-045	To Port Operations Fund	59,974.84	
2019-047	To Port Operations Fund	539,629.02	
	Total	\$ 660,713.10	
<u>MAINTENANCE AND OPERATIONS FUND</u>			
2019-043	To Port Operations Fund	\$ 5,191.44	
2019-045	To Port Operations Fund	4,531.09	
2019-047	To Port Operations Fund	54.29	
	Total	\$ 9,776.82	
<u>BUSINESS DEVELOPMENT FUND</u>			
2019-047	To Port Operations Fund	\$ 146.07	
	Total	\$ 146.07	
<u>DEPRECIATION & MAJOR REPAIR FUND</u>			
<u>AN/NH3 OPERATING FUND</u>			
2019-047	To Port Operations Fund	\$ 13,290.92	
	Total	\$ 13,290.92	
TOTAL TRANSFERS TO PORT OPERATIONS ACCOUNT		\$ 691,935.32	
<u>INTERFUND TRANSFERS</u>			
<u>DATE</u>	<u>FROM</u>	<u>TO</u>	<u>AMOUNT</u>

8/14/19	AN/NH3 Operating	AN/NH3 Dep. M/R	\$7,500.00
	Total		<u>\$7,500.00</u>

Agenda Item No. 6: Port Director's Report.

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

A. Harbor Traffic Statistics for the month of July:

That a total of 106 vessels had arrived at the public port facilities during the month of July; 23 deep draft arrivals and 83 inland barges. Further, that 16 deep draft vessels were already on schedule for August arrival.

Total revenue tons for the month of July were 436,720.1 short tons.

B. NGL loaded out 21 crude oil barges totaling 70,131.3 short tons.

C. Seadrift Coke lightered 4 barges of needle coke totaling 5,816.3 short tons to 1 ship for export.

D. Harvest loaded out 8 crude oil barges totaling 26,536.3 short tons.

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

Pursuant to further review and discussion, a motion was made by Board Member H. C. Wehmeyer, Jr to approve the Board Members Committee/Conference attendance. The motion was seconded by Board Member Jay Cuellar and the motion carried unanimously.

Agenda Item No. 8: Review and Consideration of an Option to Lease Agreement Between the Calhoun Port Authority and Hexl Asset Management, LLC for Approximately 10.0 Acres on the South Peninsula.

The Board Members reviewed a copy of an Option to Lease for approximately 10 acres on the South Peninsula. Hexl would perform due diligence on the property to determine if it meets their requirements for a proposed facility that the Port currently has a confidentiality agreement on with Hexl. The lease is for a one year period at \$7,500.00 per acre for a total payment of \$75,000.00 plus a \$1,500.00 administrative fee for document preparation. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the Option to Lease Agreement between Hexl Asset Management and the Calhoun Port Authority for approximately 10.0 acres on the South Peninsula. The motion was seconded by Board Member H. C Wehmeyer, Jr. and the motion carried unanimously.

Agenda Item No. 9: Review and Consideration of a Notice of Abandonment of a 20-inch Natural Gas Pipeline by Matagorda Offshore, LLC.

A motion was made by Board Secretary Tony Holladay and seconded by Board Member Luis De La Garza to table this agenda item for further review with the attorneys. The motion carried unanimously.

Agenda Item No. 10: Review and Consideration of an Indemnity Agreement between the Calhoun Port Authority and Great River Industries for a Laydown Yard.

The Board Members reviewed a copy of the proposed Indemnity Agreement between the Calhoun Port Authority and Great River Industries. Great River is the contractor that Formosa Plastics Texas had hired to install all of the new EG-2 loading arms throughout the port and they agreed to indemnify the Port while they are working on Port property. Great River paid a \$1,000.00 administrative

fee for the proposed indemnity agreement. Pursuant to further review and discussion, a motion was made by Board Member Jay Cuellar to approve the Indemnity Agreement between the Calhoun Port Authority and Great River Industries for a laydown yard. The motion was seconded by Board Member Luis De La Garza and the motion carried unanimously.

Agenda Item No. 11: Review and Consideration for Authorization to Advertise for Bids on the Dry Bulk Dock Power Refeed Project.

The Board Members reviewed a copy of an interoffice memo from David Knuckey providing a tentative schedule for the proposed project which would begin in August and hopefully be completed by January of 2020.0 The preliminary budget for this project was \$220,000.00 and was included in the FY2020 budget. Pursuant to further review and discussion, a motion was made by Board Member Luis De La Garza to grant the authorization to advertise for bids on the Dry Bulk Dock Power Refeed Project. The motion was seconded by Board Member Johnny Perez and the motion carried unanimously.

Agenda Item No. 12: CLOSED SESSION:

As Authorized by Tex. Gov't Code §551.072 for the purpose of discussion with respect to the purchase of, or value of, real property located in Alamo Beach area because the deliberation in open meeting would have a detrimental effect on the position of the governmental body in negotiations.

Board Chair J. C. Melcher, Jr. announced that as Authorized by Tex. Gov't Code §551.072 for the purpose of discussion with respect to the purchase of, or value of, real property located in Alamo Beach area because the deliberation in open meeting would have a detrimental effect on the position of the governmental body in negotiations.

“No action or consensus would be taken in closed session”. The Board convened in Closed Session at 9:23 a.m.

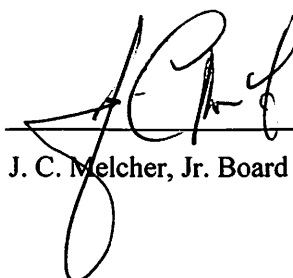
Agenda Item No. 13: Return to OPEN SESSION and take any action deemed necessary based upon discussion in closed session.

The Board adjourned the Closed Session at 10:12 a.m. Board Chair J. C. Melcher, Jr. announced that “No action or consensus had been taken in closed session”.

A motion was made by Board Member Jay Cuellar to authorize the Ports attorney to begin negotiations on the property discussed in closed session. The motion was seconded by Board Member Johnny Perez and the motion carried. Board Member Luis De La Garza was not present for the vote.

Agenda Item No. 14: 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 10:23 a.m. on Wednesday, August 14, 2019.



J. C. Melcher, Jr. Board Chair

ATTEST:



Tony Holladay, Board Secretary