

**CALHOUN PORT AUTHORITY
REGULAR MEETING
December 11, 2019**

A regular meeting of the Calhoun Port Authority was held on Wednesday, December 11, 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:

Jack Wu – Formosa Plastics Corporation, Texas
Chris Morss – IDE Technologies
Robb Muil – TGLO
Carl Smith – NGL Energy Partners
Mickey Sappington – G&W Engineers, Inc.
Toni Moss – INEOS
David Spacek – INEOS
Charlie Hull – INEOS
Gregory Salinas – McCall, Parkhurst & Horton
Robert Henderson – RBC Capital Markets
Rhonda Cummins – Seafarers Society
Jared VanEpps – Port Lavaca Wave
Kali Venable – 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: Public Comment.

No action was taken on this agenda item.

Agenda Item No. 3: Approve the minutes of the Monday, November 4, 2019 Special Meeting and the Wednesday, November 13, 2019 Regular Meeting.

The Board Members reviewed the minutes from the Monday, November 4, 2019 Special Meeting and the Wednesday, November 13, 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, November 4,

2019 Special Meeting and the Wednesday, November 13, 2019 Regular Meeting as presented. The motion was seconded by Board Member H. C. Wehmeyer, Jr. and the motion carried unanimously.

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 November 30, 2019:

- 1.) Accounts Receivable Report as of November 30, 2019
- 2.) Mr. Hawes reported to the Board Members that the accounts receivable report specified that the accounts receivable were 87% current as of November 30, 2019.

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

The Board Members reviewed the December 11, 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 December 11, 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.

<u>TRANSFER NO</u>	<u>FUND ACCOUNT</u>	<u>AMOUNT</u>
<u>GROSS REVENUE FUND</u>		
2019-057	To Port Operations Fund	\$ 77,063.11
2019-059	To Port Operations Fund	63,701.35
2019-060	To Port Operations Fund	270,130.61
	Total	\$ 410,895.07
<u>MAINTENANCE AND OPERATIONS FUND</u>		
2019-060	To Port Operations Fund	0.00
	Total	\$ 0.00
<u>BUSINESS DEVELOPMENT FUND</u>		
2019-060	To Port Operations Fund	\$ 1,888.24
	Total	\$ 1,888.24
<u>DEPRECIATION & MAJOR REPAIR FUND</u>		
2019-060	To Port Operations Fund	\$ 10,450.00
	Total	\$ 10,450.00
<u>AN/NH3 OPERATING FUND</u>		
2019-060	To Port Operations Fund	\$ 21,187.81
	Total	\$ 21,187.81

TOTAL TRANSFERS TO PORT OPERATIONS ACCOUNT

\$ 444,421.12

INTERFUND TRANSFERS

<u>DATE</u>	<u>FROM</u>	<u>TO</u>	<u>AMOUNT</u>
12/11/19	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 November:

That a total of 120 vessels had arrived at the public port facilities during the month of November; 21 deep draft arrivals and 96 inland barges and a total of 201 invoices were issued. Further, that 11 deep draft vessels were already on schedule for December arrival.

Total revenue tons for the month of November were 475,157.1 short tons. The total tonnage for the first five months of fiscal year 2020 were 2,423,345.2 short tons.

B. NGL loaded out 18 crude oil barges totaling 56,835.6 short tons.

C. Seadrift Coke lightered 5 barges of needle coke totaling 8,246.4 short tons to 1 ship for export.

D. Harvest loaded out 10 crude oil barges totaling 31,884.1 short tons.

E. The Chief's Report for the Matagorda Ship Channel Deepening and Widening Project had been received and the project would be entered into the 2020 WRDA bill in Congress.

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

Pursuant to further review and discussion, a motion was made by Board Member H. C. Wehmeyer, Jr. to approve the Board Member 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 a Professional Service Contract between the Calhoun Port Authority and Maldonado & Associates Inc. for Legislative Services.

The Board Members reviewed a copy of the proposed Professional Services Contract with Maldonado & Associates Inc. for Legislative Services. Mr. Maldonado had been providing legislative services to the Port since 2001 and requested his annual fee be raised from \$80,000 annually to \$100,000 annually. Pursuant to further review and discussion, a motion was made by Board Member Jay Cuellar to agree to the Professional Services Contract between the Calhoun Port Authority and Maldonado & Associates for Legislative Services with an annual fee of \$100,000. The motion was seconded by Board Member Johnny Perez and the motion carried unanimously.

Agenda Item No. 9: Review and Consideration of Issuant of a Sole-source Purchase Order to Schneider Electric for the Software and software Support for the AN/NH3 Wonderware Station Upgrade Project.

The Board Members reviewed a copy of a memorandum from Port Engineer David Knuckey requesting authorization to execute a purchase order to Schneider Electric in the amount of \$94,687.00

and the issuance of a check, also to Schneider Electric, in the amount of \$28,406.10 which was 30% of the contract price. Schneider Electric would supply and provide support for the AN/NH3 Wonderware Station Upgrade. Pursuant to further review and discussion, a motion was made by Board Member Jay Cuellar to issue a sole source Purchase Order to Schneider Electric for the Software and software Support for the AN/NH3 Wonderware Station Upgrade Project. The motion was seconded by Board Secretary Tony Holladay and the motion carried unanimously

Agenda Item No. 10: Review and Consideration of Advertising for Bids for the Procurement of Hardware for the AN/NH3 Wonderware Station Upgrade Project.

The Board Members reviewed a copy of an interoffice memo from Port Engineer David Knuckey that informed the Board Members that the estimated cost of the hardware for the Wonderware System exceeded \$50,000.00 so advertising for bids was necessary. Pursuant to further review and discussion, a motion was made by Board Member Jay Cuellar to authorize the advertisement for bids for the procurement of Hardware for the AN/NH3 Wonderware Station Upgrade Project. The motion was seconded by Board Secretary Tony Holladay and the motion carried unanimously

Agenda Item No. 11: Review and Consideration of Advertising for Bids for the NH3 Tank Roof Repair.

The Board Members reviewed a copy of an interoffice memo from Port Engineer David Knuckey outlining a proposed schedule for advertising for bids and project timeline. The estimated cost of the repairs was between \$400,000.00 and \$600,000.00 and would be paid for out of the AN/NH3 Operating fund and the AN/NH3 depreciation and major repair fund. The NH3 tank is 21 years old. Pursuant to further review and discussion, a motion was made by Board Member Luis De La Garza to approve the advertising of bids for the NH3 tank roof repair. The motion was seconded by Board Secretary Tony Holladay and the motion carried unanimously.

Agenda Item No. 12: Review and Consideration to the Indemnity Clause in the Professional Services Agreement with Fire Risk & Safety Technologies for the Fire Protection System Audit.

The Board Members reviewed a copy of an Interoffice memorandum from Port Engineer David Knuckey outlining the requested changes to the indemnity language in the professional services agreement. Pursuant to further review and discussion, a motion was made by Board Member Jay Cuellar to make a one-time only modification to the Indemnity Clause in the Professional Services Agreement with Fire Risk & Safety Technologies for the Fire Protection System Audit including language that required Fire Risk & Safety Technologies to have a Port Authority approved escort with the representatives at all times. The motion was seconded by Board Secretary Tony Holladay and the motion carried unanimously.

Agenda Item No. 13: Review and Consideration of the Execution of Amendment 2 to the Indemnity Agreement Dated August 14, 2019 between the Calhoun Port Authority and Great River Industries.

The Board Members reviewed an amended indemnity agreement for Great River Industries. The second amendment was needed to add NGL Crude Terminals to the agreement as another indemnified party since Great River is placing frac tanks on NGL's 0.73-acre leasehold. Pursuant to further review and discussion, a motion was made by Board Member Luis De La Garza to approve the execution of the

second Amendment to the Indemnity Agreement dated August 14, 2019 between the Calhoun Port Authority and Great River Industries. The motion was seconded by Board Member Johnny Perez and the motion carried unanimously.

Agenda Item No. 16: Consideration of Adoption of a Resolution taking Affirmative Official Action towards the Issuance of Bonds to Provide Solid Waste Disposal and Sewage Facilities for Formosa Plastics Corporation, Texas and Declaring Official Intent to Reimburse Expenditures.

No action was taken at this time at Mr. Jack Wu's request.

Agenda Item No. 14: Closed Session:

As authorized by Tex. Gov't Code §551.087 for the purpose of discussion regarding commercial information the Port has received from a business prospect that the Port seeks to have located, stay or expand in or near the territory of the Port and with which the Port is conducting economic development negotiations:

As Authorized by Tex. Gov't Code §551.071(2) to seek the advice of its attorney.

Board Chair J. C. Melcher, Jr. announced that As authorized by Tex. Gov't Code §551.087 for the purpose of discussion regarding commercial information the Port has received from a business prospect that the Port seeks to have located, stay or expand in or near the territory of the Port and with which the Port is conducting economic development negotiations:

As Authorized by Tex. Gov't Code §551.071(2) to seek the advice of its attorney.

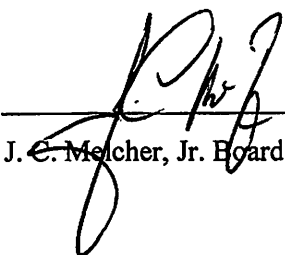
"No action or consensus would be taken in closed session". The Board convened in Closed Session at 9:32 a.m.

Agenda Item No. 15: Return to Open Session and take any action deemed necessary based on discussion in Closed Session.

The Board adjourned the Closed Session at 11:32 a.m. Board Chair J. C. Melcher, Jr. 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 11:32 a.m. on Wednesday, December 11, 2019.



J. C. Melcher, Jr. Board Chair

ATTEST:



Tony Holladay, Board Secretary