

**CALHOUN PORT AUTHORITY  
REGULAR MEETING  
October 14, 2020**

A regular meeting of the Calhoun Port Authority was held on Wednesday, October 14, 2020 at 9:00 a.m. in the Calhoun Port Authority Board Room, Calhoun Port Authority Office, Point Comfort, Texas

Board Members attending in person or via telephone 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. via telephone

Staff Members attending were:

Charles R. Hausmann – Port Director  
Forrest Hawes – Deputy Port Director  
Alan Sanders – Moore Landrey Law Firm  
Miranda Malek – Finance Assistant

Others attending were:

David M. Knuckey – Engineering Consultant  
Scott Sheldon – Moore Landrey Law Firm  
Carl Smith – NGL Crude  
David Adrian – Matagorda Bay Pilots  
Steve Gibson – Matagorda Bay Pilots  
Greg Salinas – McCall, Parkhurst & Horton, LLP  
Jack Wu – Formosa Plastics Corporation  
Kali Venable – *The Advocate*  
D.D. Turner – *The Wave*

**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: Review and Consideration of Bids Received for the Emergency Bearing Oil Pump Assembly at the Joslin Plant Site.**

No bids were received for this item. No action was taken on this item.

Board Chair J.C. Melcher, Jr. recessed the Regular Meeting of the Calhoun Port Authority at 9:03 a.m. to begin the meeting of the Matagorda Bay Pilots. The Regular Meeting of the Calhoun Port Authority reconvened at 9:22 a.m.

**Agenda Item No. 4: Election of Assistant Secretary for the Period of October 14, 2020 through May 12, 2021.**

Pursuant to further review and discussion, Board Member Luis De La Garza nominated Board Member Johnny Perez to serve as the Assistant Secretary for the Period of October 14, 2020 through May 12, 2021. The nomination was seconded by Board Member Jay Cuellar and Board Member Johnny Perez was voted in as Assistant Secretary. Board Secretary Tony Holladay abstained from casting a vote.

**Agenda Item No. 5: Approve the minutes of the Wednesday, September 9, 2020 Regular Meeting.**

The Board Members reviewed the minutes from the Wednesday, September 9, 2020 Regular Meeting. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the minutes of the Wednesday, September 9, 2020 Regular Meeting. The motion was seconded by Board Member H. C. Wehmeyer, Jr. and the motion carried unanimously.

**Agenda Item No. 6: 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 September 30, 2020:

- 1.) Accounts Receivable Report as of September 30, 2020
- 2.) Mr. Hawes reported to the Board Members that the accounts receivable report specified that the accounts receivable was 70% current as of September 30, 2020.

**Agenda Item No. 7: Approval of Disbursements and Transfers: All Funds**

The Board Members reviewed the October 14, 2020 Port Operations Account disbursements. Pursuant to review, a motion was made by Board Secretary Tony Holladay to approve disbursements and the corresponding transfers for October 14, 2020. The motion was seconded by Board Assistant Secretary Johnny Perez and the motion carried that the disbursements and the corresponding transfers be approved.

TRANSFER NO.	FUND ACCOUNT	AMOUNT
<b>GROSS REVENUE FUND</b>		
2021-010	To Port Operations Fund	\$73,465.54
2021-011	To Port Operations Fund	\$63,183.52
2021-013	To Port Operations Fund	\$190,885.70
	Total	\$327,534.76
<b>BUSINESS DEVELOPMENT FUND</b>		
2021-013	To Port Operations Fund	\$179.98
	Total	\$179.98

**DEPRECIATION & MAJOR REPAIR**

2021-013	To Port Operations Fund	\$250.00
	Total	\$250.00

**AN/NH3 OPERATING FUND**

2021-013	To Port Operations Fund	\$43,104.40
	Total	\$43,104.40

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**TOTAL TRANSFERS TO PORT OPERATIONS ACCOUNT** \$371,069.14

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**INTERFUND TRANSFERS**

DATE	FROM	TO	AMOUNT
10/14/20	AN/NH3 Operating	AN/NH3 Dep M/R	\$7,500.00
	Total		\$7,500.00

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**Agenda Item No. 8: Port Director’s Report.**

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

- A. Harbor Traffic Statistics for the month of September:  
 That a total of 89 vessels had arrived at the public port facilities during the month of September; 20 deep draft arrivals and 69 inland barges and a total of 174 invoices were issued. Further, that 14 deep draft vessels were already on schedule for October arrival.  
 Total revenue tons for the month of September were 368,400.9 short tons. Total throughput for the first quarter of FY2021 were 946,082.2.
- B. NGL loaded out 16 crude oil barges totaling 48,555.1 short tons.
- C. Harvest loaded out 5 crude oil barges totaling 17,315.7 short tons.
- D. Seadrift Coke loaded out 4 barges totaling 4,952.3 short tons to one ship for export.

**Agenda Item No. 9: Review and Consideration of Approval of Board Members Committee/Conference Attendance.**

Pursuant to further review and discussion a motion was made by Board Member Luis De La Garza to approve the Board Members Committee/Conference Attendance. The motion was seconded by Board Member H. C. Wehmeyer, Jr. and the motion carried unanimously.

**Agenda Item No. 10: Review and Consideration of a Professional Service Contract between the Calhoun Port Authority and Stalwart Strategies, Inc.**

The Board Members reviewed a copy of the expiring agreement and the new proposed agreement between the Calhoun Port Authority and Stalwart Strategies, Inc. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the new proposed

professional service contract between the Calhoun Port Authority and Stalwart Strategies, Inc. The motion was seconded by Board Member Luis De La Garza and the motion carried unanimously.

**Agenda Item No. 11: Review and Consideration of Approval of Authorization to Advertise for Bids for the Port's Mass Notification System Replacement Project.**

The Board Members reviewed an interoffice memorandum from David Knuckey outlining the proposed project schedule for the Mass Notification System Replacement Project. Pursuant to further review and discussion, a motion was made by Board Member Jay Cuellar to approve the authorization to advertise for bids for the Port's Mass Notification System Replacement Project. The motion was seconded by Board Secretary Tony Holladay and the motion carried unanimously.

**Agenda Item No. 12: Review and Consideration of Amending Tariff No. 003, Subrule 70, Item 445.**

The Members of the Board reviewed a page from the Port's Tariff Code showing subrule 70 Item 445 listing the wharfage rates for Formosa Plastics Chemicals. Under the current rates, Formosa Plastics pays \$0.38 per short ton for all of its products that pass through the port as part of the 2016 agreement between Formosa Plastics Corporation and The Calhoun Port Authority. With the completion of the 3<sup>rd</sup> tier of the pipe rack, port staff proposed to lower the wharfage rate back to \$0.32 per short ton, aligning Formosa's rates with all other Port customers. Pursuant to further review and consideration, a motion was made by Board Assistant Secretary Johnny Perez to proceed with the amendment of the Tariff No. 003, Subrule 70, Item 445. The motion was seconded by Board Member Jay Cuellar and the motion carried unanimously.

**Agenda Item No. 13: Review and Consideration of Approval of a Lease Agreement with True Internet Service for a 25.0 by 25.0-foot tract of property for the installation of a Mono Pile to Mount Wireless Internet Devices.**

The Board reviewed a copy of the Lease Agreement which was prepared by Port Special Counsel, Alan Sanders. The lease stated that the tenant would provide the Port with WIFI at no cost in exchange for the leasehold. Pursuant to further review and discussion, a motion was made by Board Member Jay Cuellar to approve the lease as presented with an amendment that allowed the Port to use the structure for any necessary equipment so long as it does not interfere with the main purpose of the tower and that the Board Chair and Board Secretary be authorized to sign the lease into action once the amendment is finalized. The motion was seconded by Board Secretary Tony Holladay and the motion carried unanimously.

**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 with which the Port is conducting economic development negotiations. No discussions or deliberations shall be conducted in the presence of any business prospect, the presence (if any) of which shall be limited to presentation of information relevant to the potential economic development activity and with respect to such information it is of a confidential or business-proprietary nature.**

**As Authorized by Tex. Gov't Code §551.072 for the purpose of discussion with respect to the purchase, exchange, lease or value of real property. No discussions or deliberations shall be**

**conducted in the presence of any business prospect, the presence (if any) of which shall be limited to presentation of information relevant to the potential economic development activity and with respect to such information it is of a confidential or business-proprietary nature.**

**As Authorized by Tex. Gov't Code §551.071(2): to seek the advice of its attorney. No discussions or deliberations with legal counsel shall be conducted in the presence of any business prospect or any other third party that may result in waiver of the attorney-client privilege.**

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 with which the Port is conducting economic development negotiations. No discussions or deliberations shall be conducted in the presence of any business prospect, the presence (if any) of which shall be limited to presentation of information relevant to the potential economic development activity and with respect to such information it is of a confidential or business-proprietary nature.

As Authorized by Tex. Gov't Code §551.072 for the purpose of discussion with respect to the purchase, exchange, lease or value of real property. No discussions or deliberations shall be conducted in the presence of any business prospect, the presence (if any) of which shall be limited to presentation of information relevant to the potential economic development activity and with respect to such information it is of a confidential or business-proprietary nature.

As Authorized by Tex. Gov't Code §551.071(2): to seek the advice of its attorney. No discussions or deliberations with legal counsel shall be conducted in the presence of any business prospect or any other third party that may result in waiver of the attorney-client privilege.

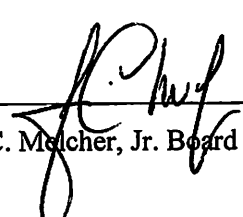
"No action or consensus would be taken in closed session". The Board convened in Closed Session at 10:00 a.m. following a 5-minute recess of the Open Meeting.

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

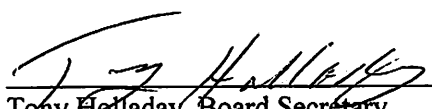
The Board adjourned the Closed Session at 11:26 a.m. Board Chair J. C. Melcher, Jr. announced that "No action or consensus had been taken in closed session".

**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 11:28 a.m. on Wednesday, October 14, 2020.

  
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J. C. Melcher, Jr. Board Chair

ATTEST:

  
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Tony Holladay, Board Secretary