

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

A regular meeting of the Calhoun Port Authority was held on Wednesday, July 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 – 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.
Bobby Sparkman – Formosa Plastics Corporation
Cody Bullock- Formosa Plastics Corporation
Tom Morgan– Simplot
Carl Smith – NGL
Dwayne McClean – GRI
Benny Garza – GRI
Jessica Malone – Belaire Environmental
Charlie Belaire – Belaire Environmental
Ross Stapp – 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 Wednesday, June 12, 2019 Regular Meeting.

The Board Members reviewed the minutes from the Wednesday, June 12, 2019 Regular Meeting. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the minutes of the Wednesday, June 12, 2019 Regular Meeting Minutes. The motion was seconded by Board Member 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 June 30, 2019:

- 1.) Accounts Receivable Report as of June 30, 2019
- 2.) Mr. Hawes reported to the Board Members that the accounts receivable report specified that the accounts receivable were 91% current as of June 30, 2019.

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

The Board Members reviewed the July 10, 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 July 10, 2019. The motion was seconded by Board Member Johnny Perez 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> | | | |
| 2019-040 | To Port Operations Fund | \$ 64,979.32 | |
| 2019-042 | To Port Operations Fund | 56,451.21 | |
| 2019-044 | To Port Operations Fund | 375,834.57 | |
| | Total | \$ 497,265.10 | |
| <u>MAINTENANCE AND OPERATIONS FUND</u> | | | |
| 2019-040 | To Port Operations Fund | \$ 4,882.06 | |
| 2019-042 | To Port Operations Fund | 4,400.58 | |
| 2019-044 | To Port Operations Fund | 377.74 | |
| | Total | \$ 9,660.38 | |
| <u>BUSINESS DEVELOPMENT FUND</u> | | | |
| 2019-044 | To Port Operations Fund | \$ 281.19 | |
| | Total | \$ 281.19 | |
| <u>DEPRECIATION & MAJOR REPAIR FUND</u> | | | |
| <u>AN/NH3 OPERATING FUND</u> | | | |
| 2019-044 | To Port Operations Fund | \$ 31,210.48 | |
| | Total | \$ 31,210.48 | |
| TOTAL TRANSFERS TO PORT OPERATIONS ACCOUNT | | \$ 538,417.15 | |
| <u>INTERFUND TRANSFERS</u> | | | |
| <u>DATE</u> | <u>FROM</u> | <u>TO</u> | <u>AMOUNT</u> |
| 7/10/19 | AN/NH3 Operating | AN/NH3 Dep. M/R | \$7,500.00 |
| | Total | | <u>\$7,500.00</u> |

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

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

A. Harbor Traffic Statistics for the month of June:

That a total of 105 vessels had arrived at the public port facilities during the month of June; 25 deep draft arrivals and 80 inland barges and a total of 204 invoices were issued. Further, that 6 deep draft vessels were already on schedule for July arrival.

Total revenue tons for the month of June were 449,147.9 short tons. Total revenue tons for FY 2019 were 5,062,663.8. This is the first time over 5 million short tons were transported since 2004 and is the port's third highest total ever.

B. NGL loaded out 16 crude oil barges totaling 56,945.1 short tons.

C. Seadrift Coke lightered 7 barges of needle coke totaling 9,402.8 short tons to 1 ship for export.

D. Harvest loaded out 6 crude oil barges totaling 21,254.3 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.

Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay 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. 8: Review and Consideration of 2019 GICA Convention Sponsorship.

The Board Members reviewed a copy of the agenda for the 114th Annual Gulf Intracoastal Canal Association's Convention. The convention will be held at the InterContinental Hotel, 444 St. Charles Avenue, New Orleans LA on August 7-9, 2019. In the years past, the Calhoun Port Authority has been a sponsor of the convention in the amount of \$2,500.00. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve a sponsorship amount of \$2,500.00 for the GICA Convention. The motion was seconded by Board Member H. C. Wehmeyer, Jr. and the motion carried unanimously.

Agenda Item No. 9: Review and Consideration of an Assignment of 594.0 Acre Feet of Water Supply Owned by the Calhoun Port Authority to Formosa Plastics Corporation, Texas.

The Members of the Board reviewed a copy of the proposed agreement of the Calhoun Port Authority's 594.0-acre feet of water supply to Formosa Plastics Corporation, Texas. Formosa would pay the Port's cost of the water each month along with a \$250.00 administrative fee that would cover the Port's costs for invoicing and processing. The Port retains ownership of the water rights and can terminate this assignment with a 90-day written notice. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the Assignment of 594.0-acre feet of water to Formosa Plastics Corporation, Texas with the amendment that the contract be reviewed every 3 years. The motion was seconded by Board Member Jay Cuellar and the motion carried unanimously.

Agenda Item No. 10: Review and Consideration of an Overhead Pipeline Easement Agreement between the Calhoun Port Authority and Arrowhead Offshore Pipeline, LLC for two Additional Pipelines.

The Board Members reviewed a copy of the proposed first amended overhead pipeline lease agreement along with exhibits. This agreement would allow for two additional pipelines to be added into Arrowhead's pipe rack structure located at the general cargo dock. The pipelines would be an 18" MEG pipeline and a 4" nitrogen pipeline. These pipelines would belong to Formosa Plastics and there is an agreement in place between Formosa and Arrowhead allowing the placement of pipelines in the structure. The Port would receive an additional \$2,000.00 for the pipelines to begin with and the annual easement for all four lines would be \$10,087.32 beginning January 2020. Pursuant to review and discussion, a motion was made by Board Secretary Tony Holladay to approve the Overhead Pipeline easement between the Calhoun Port Authority and Arrowhead Offshore Pipeline, LLC. For two additional pipelines subject to Arrowhead approving some changes in the presented lease. The motion was seconded by Board Member Jay Cuellar and the motion carried unanimously

Agenda Item No. 11: Review and Consideration of a Renewal of a 68.77 Rod Easement for 7 Natural Gas Pipelines that are Less than 7 inches in diameter between the Calhoun Port Authority and Neumin Production Corporation.

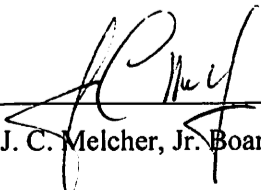
The Board Members reviewed a copy of the proposed pipeline easement agreement along with the exhibits. This easement was for 7 underground natural gas pipelines that were located on the Port owned Joslin Tract. Each of these pipelines was 68.77 rods in length and the total fee for a ten year period for these lines was \$70,000.00 Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the renewal of a 68.77 Rod Easement for 7 Natural Gas pipelines that are less than 7 inches in diameter between the Calhoun Port Authority and Neumin Production Corporation. The motion was seconded by Board Member H. C. Wehmeyer, Jr. and carried unanimously.

Agenda Item No. 12: Review and Consideration of Amendment No. 4 to the Professional Services Agreement between the Calhoun Port Authority and Belaire Environmental.

The Board Members reviewed a copy of an interoffice memorandum from Port Engineer Daid Knuckey. Due to agency comments by the US Army Corps of Engineers during the Public Notice Period for the Port's 10/404 permit application for the south peninsula development project, Belaire Environmental would have to do more studies to answer all of the comments by the agencies before the Corps will issue the permit. Belaire has estimated a cost of \$154,000.00 to \$160,000.00 to complete the permit. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve Amendment No. 4 to the Professional Services Agreement between the Calhoun Port Authority and Belaire Environmental. The motion was seconded by board Member Luis De La Garza and the motion carried unanimously.

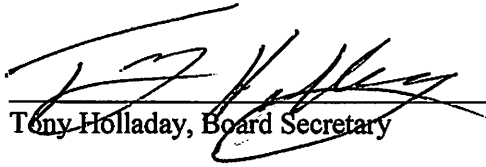
Agenda Item No. 13: Adjourn.

There being no further business to be brought before the Board, a motion was duly made that the meeting be declared adjourned at approximately 9:47 a.m. on Wednesday, July 10, 2019.



 J. C. Melcher, Jr. Board Chair

ATTEST:



Tony Holladay, Board Secretary

