

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

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

Anthony Shih – Genesis Energy
Mike Stork – Genesis Energy
Hillary Franke – RLB Contracting
James Boriskie – CCC Group
Bill Rigby – T.W. LaQuay Marine
David Spacek – INEOS
Jack Wu – Formosa Plastics Corporation, Texas
Carl Smith - NGL
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.

Board Chair J. C. Melcher, Jr. announced that the bidding was closed as of 9 a.m.

Agenda Item No. 2: Public Comment.

No action was taken on this agenda item.

Agenda Item No. 3: Review and Consideration of Sealed Bids Received for the Dry Bulk Dock Power Refeed Project and Consider Awarding Contract.

Director of Engineering Services David Knuckey announced that 2 bids were received for the Dry Bulk Dock Power Refeed Project; one from CCC Group and the other from Palacios Marine Industrial. Mr. Knuckey opened and read aloud the bids and recommended to the Board Members that the contract

for the Dry Bulk Dock Power Refeed Project be awarded to Palacios Marine Industrial for the bid amount of \$345,495.00. Pursuant to further review and consideration, a motion was made by Board Secretary Tony Holladay to award the contract to Palacios Marine Industrial in the amount of \$345,495.00. The motion was seconded by Board Member H. C. Wehmeyer, Jr. and the motion carried unanimously.

Agenda Item No. 4: Review and Consideration of Sealed bids for the Berthing Areas Maintenance Dredging Project 2019 and Consider Awarding a Contract.

Mr. Knuckey announced that only 1 bid had been received for the Berthing Areas Maintenance Dredging Project 2019 and that bid was submitted by RLB Contracting in the amount of \$1,641,280.00. Mr. Knuckey suggested to the Board Members that this agenda item be tabled for the next board meeting. A motion to table this agenda item was made by Board Member Jay Cuellar and seconded by Board Secretary Tony Holladay. The motion carried unanimously.

Agenda Item No. 5: Approve the minutes of the Wednesday, August 14, 2019 Regular Meeting.

The Board Members reviewed the minutes from the Wednesday, August 14, 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, August 14, 2019 Regular Meeting Minutes. 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 August 31, 2019:

- 1.) Accounts Receivable Report as of August 31, 2019
- 2.) Mr. Hawes reported to the Board Members that the accounts receivable report specified that the accounts receivable were 89% current as of August 31, 2019.
- 3.) Mr. Hausmann reported that the unencumbered fund balance for August 31, 2019 was the highest balance in the history of the port.

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

The Board Members reviewed the September 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 September 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>		
2019-046	To Port Operations Fund	\$ 68,061.49
2019-048	To Port Operations Fund	57,918.13

2019-049	To Port Operations Fund	3,229.52
2019-050	To Port Operations Fund	172,554.69
Total		\$ 301,763.83

MAINTENANCE AND OPERATIONS FUND

2019-046	To Port Operations Fund	\$ 5,241.72
2019-048	To Port Operations Fund	4,525.64
2019-049	To Port Operations Fund	1,069.28
2019-050	To Port Operations Fund	98.05
Total		\$ 10,934.69

BUSINESS DEVELOPMENT FUND

2019-050	To Port Operations Fund	\$ 461.19
Total		\$ 461.19

DEPRECIATION & MAJOR REPAIR FUND

2019-050	To Port Operations Fund	\$ 10,450.00
Total		\$10,450.00

AN/NH3 OPERATING FUND

2019-050	To Port Operations Fund	\$ 12,116.23
Total		\$ 12,116.23

TOTAL TRANSFERS TO PORT OPERATIONS ACCOUNT \$ 335,725.94

INTERFUND TRANSFERS

<u>DATE</u>	<u>FROM</u>	<u>TO</u>	<u>AMOUNT</u>
9/1/19	AN/NH3 Operating	AN/NH3 Dep. M/R	\$7,500.00
	Total		<u>\$7,500.00</u>

Agenda Item No. 8: Port Director's Report.

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

A. Harbor Traffic Statistics for the month of August:

That a total of 133 vessels had arrived at the public port facilities during the month of August; 32 deep draft arrivals and 101 inland barges and a total of 255 invoices were issued. Further, that 14 deep draft vessels were already on schedule for September arrival.

Total revenue tons for the month of August were 515,002.4 short tons. The total tonnage for the first two months of fiscal year 2020 were 951,772.5 short tons.

B. NGL loaded out 22 crude oil barges totaling 73,826.3 short tons.

C. Seadrift Coke lightered 4 barges of needle coke totaling 6,624.9 short tons to 1 ship for export.

D. Harvest loaded out 8 crude oil barges totaling 27,433.1 short tons.

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

No action was taken on this agenda item.

Agenda Item No. 10: Review and Consideration of Proposed Maintenance and Operations (M&O) Tax for 2019.

The Board Members reviewed copies of the 2019 Certified Totals for Calhoun Port Authority and the 2019 Notice of Effective Tax Rate for Calhoun Port Authority. The tax roll for 2019 for the Calhoun Port Authority has increased by approximately \$36.8 million dollars, an approximate 1.7% increase from 2018 ad valorem taxable improvements. The effective rate from years past was calculated for 2019 at a rate of .0010 cents per each \$100 valuation. This rate will return \$20,882.57 in tax revenue for 2019. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the Maintenance and Operations (M&O) Tax for 2019 at .0010 cents per \$100 valuation. The motion was seconded by Board Member Johnny Perez and the motion carried unanimously.

Agenda Item No. 11: Review and Consideration of the Designation of Port Director Charles Hausmann as the Accredited Delegate and Mr. J. C. Melcher, Jr., Board Chair as the Alternate Delegate of the Calhoun Port Authority at the Annual Meeting of the American Association of Port Authorities on Wednesday, October 16, 2019.

Pursuant to further review and discussion, a motion was made by Board Member Jay Cuellar to designate Port Director Charles Hausmann as the Accredited Delegate and Mr. J. C. Melcher, Jr., Board Chair as the Alternate Delegate of the Calhoun Port Authority at the Annual Meeting of the American Association of Port Authorities on Wednesday, October 16, 2019. The motion was seconded by Board Member H. C. Wehmeyer, Jr. and the motion carried unanimously.

Agenda Item No. 12: Review and Consideration of Calhoun Port Authority Sending Board Meeting Agendas Via Email.

The Board Members discussed the issue of emailing Board Meeting Agendas to port users, media and members of the public. Pursuant to review and extensive discussion, a motion was made by Board Member Jay Cuellar in favor of sending out meeting agendas via email to users, media and members of the public. The motion was seconded by Board Member Luis De La Garza. Board Members De La Garza and Cuellar voted in favor of the motion, while Board Members Wehmeyer, Perez and Holladay voted against the motion and the motion failed.

Agenda Item No. 13: Review and Consideration of a Notice of Abandonment of a 20-in Natural Gas Pipeline by Matagorda Offshore, LLC.

Representatives from Genesis Energy gave a brief presentation to the board and answered questions from the members. A check was also presented to the Port in the amount of \$22,064.89 for a one-year renewal of Genesis' easement with the port authority. Pursuant to review and discussion, a motion was made by Board Member Luis De La Garza to pass on this agenda item. The motion was seconded by Board Member Jay Cuellar and the motion carried.

The Board Chair called for a 5-minute recess at this time.

Agenda Item No. 14: Review and Consideration of a Lease Agreement for Approximately 1,152.0 Square Feet of Warehouse Floor Space to KCE TX 2, LLC for Storage of Batteries.

The Board Members reviewed copies of a lease agreement for approximately 1,152.0 square feet of floor space in the port warehouse. The lease was for a six-month period at 0.45 cents per square foot per month and may be terminated with a thirty-day written notice. The tenant has the option to renew the lease at the end of the six-month period if the space is still needed. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the lease agreement for 1,152.0 square feet of warehouse floor space to KCE TX 2, LLC. for the storage of batteries. The motion was seconded by Board Member J.J. Perez and the motion carried unanimously.

Agenda Item No. 15: Review and Consideration of the Purchase of a New Flare Tip with Assist Gas Rings for the AN/NH3 Facility as requested by Ineos Nitriles Under the Sole Source Procurement Exemption Found in Texas Water Code §60.412(a)(7)(D) and Grant Authorization for the District Engineer to Sign a Sole Source Procurement statement.

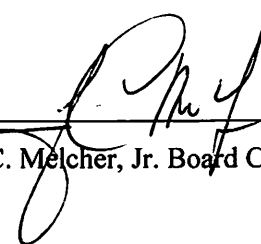
The Board Members reviewed an email from Mr. David Spacek of Ineos Nitriles along with a scope of work and information concerning the purchase of the NH3 Flare Gas Tip and Assist Gas Ring along with a copy of the Calhoun Port Authority Procurement – Sole Source Statement. Pursuant to further review and discussion, a motion was made by Board Member Johnny Perez to approve the Purchase of a New Flare Tip with Assist Gas Rings for the AN/NH3 Facility as requested by Ineos Nitriles Under the Sole Source Procurement Exemption Found in Texas Water Code §60.412(a)(7)(D) and Grant Authorization for the District Engineer to Sign a Sole Source Procurement statement. The motion was seconded by Board Member Jay Cuellar and the motion carried unanimously.

Agenda Item No. 16: Review and Consideration of Approval of a Letter of Support for the Calhoun County’s CMP Grant Application for Boggy Nature Park.

The Board Member reviewed a copy of a proposed letter of support for Calhoun County’s Coastal Management Plan Grant application for funding to be used to improve the Boggy Nature Park in Port O’Connor. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the letter of support for the Calhoun County’s CMP Grant Application for Boggy Nature Park. The motion was seconded by Board Member Luis De La Garza and the motion carried unanimously.

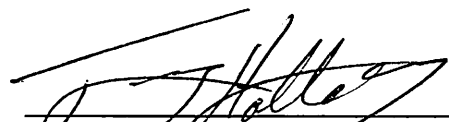
Agenda Item No. 17: Adjourn.

There being no further business to be brought before the Board, a motion was duly made that the meeting be declared adjourned at approximately 10:10 a.m. on Wednesday, September 11, 2019.



J. C. Melcher, Jr. Board Chair

ATTEST:



Tony Holladay, Board Secretary