

**CALHOUN PORT AUTHORITY  
REGULAR MEETING  
November 13, 2019**

A regular meeting of the Calhoun Port Authority was held on Wednesday, November 13, 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:

Steve Van Manen – Harrison, Waldrop & Uherek  
Robb Muil – TGLO  
Carl Smith – NST Crude Terminals  
Mickey Sappington – G&W Engineers, Inc.  
Benny Garza – Great River Industries  
DD Turner – 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: Review and Consideration of Receipt of Audited Financial Statements for Fiscal Year 2019 and all funds of the Calhoun Port Authority as prepared by Harrison, Waldrop & Uherek, LLP Certified Public Accountants.**

Mr. Steve Van Manen with Harrison, Waldrop & Uherek, LLP reported that the Calhoun Port Authority had an outstanding fiscal year and the firm gave the Port Authority a clean (unqualified) opinion. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to accept the Audited Financial Statements for Fiscal Year 2019 from Harrison, Waldrop & Uherek, LLP. The motion as seconded by Board Member Luis De La Garza and the motion carried unanimously.

**Agenda Item No. 4: Approve the minutes of the Wednesday, October 2, 2019 Special Meeting and the Wednesday, October 9, 2019 Regular Meeting.**

The Board Members reviewed the minutes from the Wednesday, October 2, 2019 Special Meeting and the Wednesday, October 9, 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, October 2, 2019 Special Meeting and the Wednesday, October 9, 2019 Regular Meeting with the amendments as discussed. The motion was seconded by Board Member Jay Cuellar and the motion carried unanimously.

**Agenda Item No. 5: 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 October 31, 2019:

- 1.) Accounts Receivable Report as of October 31, 2019
- 2.) Mr. Hawes reported to the Board Members that the accounts receivable report specified that the accounts receivable were 91% current as of October 31, 2019.

**Agenda Item No. 6: Approval of Disbursements and Transfers: All Funds**

The Board Members reviewed the November 13, 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 November 13, 2019. The motion was seconded by Board Member H. C. Wehmeyer, Jr. and the motion carried that the disbursements and the corresponding transfers be approved.

| <b><u>TRANSFER NO</u></b>                          | <b><u>FUND ACCOUNT</u></b> | <b><u>AMOUNT</u></b> |
|--|----------------------------|----------------------|
| <b><u>GROSS REVENUE FUND</u></b>                   |                            |                      |
| 2019-055   | To Port Operations Fund    | \$ 73,520.41         |
| 2019-056   | To Port Operations Fund    | 63,524.36            |
| 2019-058   | To Port Operations Fund    | 289,963.59           |
|  | Total                      | \$ 427,008.36        |
| <b><u>MAINTENANCE AND OPERATIONS FUND</u></b>      |                            |                      |
| 2019-058   | To Port Operations Fund    | 0.00                 |
|  | Total                      | \$ 0.00              |
| <b><u>BUSINESS DEVELOPMENT FUND</u></b>            |                            |                      |
| 2019-058   | To Port Operations Fund    | \$ 1,554.96          |
|  | Total                      | \$ 1,554.96          |
| <b><u>DEPRECIATION &amp; MAJOR REPAIR FUND</u></b> |                            |                      |
| 2019-058   | To Port Operations Fund    | \$                   |

|   |                                     |                      |
|---|-------------------------------------|----------------------|
|   | Total                               | \$                   |
|   | <b><u>AN/NH3 OPERATING FUND</u></b> |                      |
| 2019-058  | To Port Operations Fund             | \$ 49,764.85         |
|   | Total                               | \$ 49,764.85         |
| <b>TOTAL TRANSFERS TO PORT OPERATIONS ACCOUNT</b> |                                     | <b>\$ 478,328.17</b> |

**INTERFUND TRANSFERS**

| <u>DATE</u> | <u>FROM</u>      | <u>TO</u>       | <u>AMOUNT</u>     |
|-------------|------------------|-----------------|-------------------|
| 11/13/19    | AN/NH3 Operating | AN/NH3 Dep. M/R | \$7,500.00        |
|             | Total            |                 | <u>\$7,500.00</u> |

**Agenda Item No. 7: Port Director’s Report.**

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

A. Harbor Traffic Statistics for the month of October:

That a total of 120 vessels had arrived at the public port facilities during the month of October; 28 deep draft arrivals and 92 inland barges and a total of 287 invoices were issued. Further, that 16 deep draft vessels were already on schedule for November arrival.

Total revenue tons for the month of October were 512,389.4 short tons. The total tonnage for the first four months of fiscal year 2020 were 1,940,660.3 short tons.

- B. NGL loaded out 12 crude oil barges totaling 32,138.4 short tons.
- C. Seadrift Coke lightered 6 barges of needle coke totaling 8,194.4 short tons to 1 ship for export.
- D. Harvest loaded out 8 crude oil barges totaling 27,865.6 short tons.

**Agenda Item No. 8: 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 Member Committee/Conference attendance. The motion was seconded by Board Member Johnny Perez and the motion carried unanimously.

**Agenda Item No. 9: 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, board Member Jay Cuellar authorized the Port Director to negotiate the increase with Mr. Maldonado with the annual increase not to exceed \$100,000.00. the motion was seconded by Board Member H. C. Wehmeyer, Jr. and the motion carried unanimously.

**Agenda Item No. 10: Review and Consideration of the Execution of an Amendment to the Indemnity Agreement Dated August 14, 2019 between the Calhoun Port Authority and Great River Industries.**

The Board Members reviewed an interoffice memorandum from Port Engineer David Knuckey detailing Great River Industries need for additional parking space. The memorandum included a map showing the area on the Port's north peninsula just west of the Simplot lease that was available for this purpose. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the 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 H. C. Wehmeyer, Jr. and the motion carried unanimously.

**Agenda Item No. 11: Review and Consideration of Entering into a Memorandum of Agreement with the U. S. Army Corps of Engineers for the inclusion of the Berthing Area Maintenance Dredging as a Bid Option on the FY 2020 Matagorda Ship Channel Maintenance Dredging Project.**

The Board Members reviewed a copy of an interoffice memo from Port Engineer David Knuckey that informed the Board Members that due to the Port not being allowed to exercise option 2 on the FY2018 maintenance dredging cycle, the Port would need to have its berths added to the FY2020 contract for dredging. Pursuant to further review and discussion, a motion was made by Board Member Jay Cuellar to enter into a Memorandum of Agreement with the U. S. Army Corps of Engineers for the inclusion of the Berthing Area Maintenance Dredging as a Bid Option on the FY2020 Matagorda Ship Channel Dredging Project and to authorize the Port Director to execute the agreement. The motion was seconded by Board Secretary Tony Holladay and the motion carried unanimously.

**Agenda Item No. 12: Review and Consideration of a Lease Agreement between American Cargo Assurance and the Calhoun Port Authority for Office Space in the Port Services Building.**

The Board Members reviewed a copy of a Lease Agreement for office space in the port services building between American Cargo Assurance (ACA) and the Port. ACA will be taking over the office space from Port Comfort Power in addition to the space they already lease. The lease was for a two-year term and monthly payments are \$1,100.00 per month plus an administrative fee for document preparation. Pursuant to further review and discussion, a motion was made by Board Member Luis De La Garza to approve the Lease Agreement between ACA and the Calhoun Port Authority for Office Space in the Port Services Building. The motion was seconded by Board Member Jay Cuellar and the motion carried unanimously.

**Agenda Item No. 13: Closed Session:**

**As Authorized by Tex. Gov't Code §551.074 for purposes of deliberating the appointment, employment, compensation, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee: Director of Engineering.**

**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 §551.074 for purposes of deliberating the appointment, employment, compensation, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee: Director of Engineering.

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 9:38 a.m.

**Agenda Item No. 14: Return to Open Session and take any action deemed necessary based on discussion in Closed Session.**

The Board adjourned the Closed Session at 10:59 a.m. Board Chair J. C. Melcher, Jr. announced that "No action or consensus had been taken in closed session".

**Agenda Item No. 15: Review and Consideration of Ratification and Approval of Confidentiality Agreements with Two Prospective Port Users.**

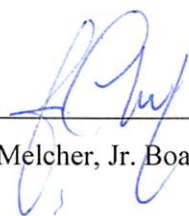
Pursuant to further review and discussion, a motion was made by Board Member Jay Cuellar to approve the ratification and approval of a confidentiality agreements with two prospective port users. The motion was seconded by Board Secretary Tony Holladay and the motion carried unanimously.

**Agenda Item No. 16: Review and Consideration of Approval of a Resolution Authorizing the Port Director Authority to Enter into Non-disclosure Agreements on Behalf of the Calhoun Port Authority.**

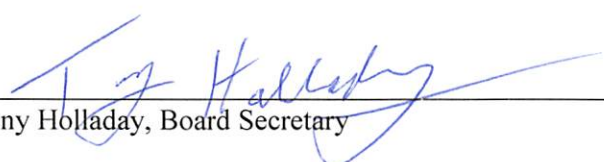
The Board Members reviewed a copy of a resolution that allowed the Port Director to enter into confidentiality agreements with potential port users. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the resolution Authorizing the Port Director Authority to Enter into Non-disclosure Agreements on Behalf of the Calhoun Port Authority. The motion was seconded by Board Member Jay Cuellar 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 11:02 a.m. on Wednesday, November 13, 2019.

  
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J. C. Melcher, Jr. Board Chair

ATTEST:

  
\_\_\_\_\_  
Tony Holladay, Board Secretary