

**CALHOUN PORT AUTHORITY  
REGULAR MEETING  
August 12, 2020**

A regular meeting of the Calhoun Port Authority was held on Wednesday, August 12, 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  
Carl Smith – NGL  
Aaron Smith – NGL  
Todd Edwards – Max Midstream  
Han Messmer - Max Midstream  
Jack Wu – Formosa Plastics Corporation  
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: Approve the minutes of the Wednesday, July 8, 2020 Regular Meeting and the Thursday, July 23, 2020 Special Meeting.**

The Board Members reviewed the minutes from the Wednesday, July 8, 2020 Regular Meeting and the Thursday, July 23, 2020 Special Meeting. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the minutes of the Wednesday, July 8, 2020 Regular Meeting and the Thursday, July 23, 2020 Special Meeting. The motion was seconded by Board Member Jay Cuellar 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 July 31, 2020:

- 1.) Accounts Receivable Report as of July 31, 2020
- 2.) Mr. Hawes reported to the Board Members that the accounts receivable report specified that the accounts receivable was 98% current as of July 31, 2020.

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

The Board Members reviewed the August 12, 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 August 12, 2020 with the exception of check number 33484 which was to be approved in a later agenda item. The motion was seconded by Board Member H. C. Wehmeyer, Jr. and the motion carried that the disbursements and the corresponding transfers be approved as discussed.

TRANSFER NO.	FUND ACCOUNT	AMOUNT
<b>GROSS REVENUE FUND</b>		
2021-001	To Port Operations Fund	\$71,493.72
2021-004	To Port Operations Fund	\$63,660.51
2021-006	To Port Operations Fund	\$218,048.76
	Total	\$353,202.99
<b>LEGAL FUND</b>		
2021-006	To Port Operations Fund	\$24,500.00
	Total	\$24,500.00
<b>BUSINESS DEVELOPMENT FUND</b>		
2021-006	To Port Operations Fund	\$25,734.46
	Total	\$25,734.46
<b>DEPRECIATION &amp; MAJOR REPAIR FUND</b>		
	To Port Operations Fund	
	Total	
<b>AN/NH3 OPERATING FUND</b>		
2021-006	To Port Operations Fund	\$48,595.30
	Total	\$48,595.30
<b>TOTAL TRANSFERS TO PORT OPERATIONS ACCOUNT</b>		\$452,032.75

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**INTERFUND TRANSFERS**

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DATE	FROM	TO	AMOUNT
8/12/20	AN/NH3 Operating	AN/NH3 Dep M/R	\$7,500.00
	<b>Total</b>		<b>\$7,500.00</b>

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**Agenda Item No. 6: Port Director's Report.**

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

A. Harbor Traffic Statistics for the month of July:

That a total of 81 vessels had arrived at the public port facilities during the month of July; 21 deep draft arrivals and 60 inland barges and a total of 172 invoices were issued. Further, that 10 deep draft vessels were already on schedule for August arrival.

Total revenue tons for the month of July were 311,037.7 short tons.

B. NGL loaded out 16 crude oil barges totaling 56,536.6 short tons.

C. Harvest loaded out 8 crude oil barges totaling 23,104.9 short tons.

**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 Luis De La Garza and the motion carried unanimously.

**Agenda Item No. 8: Review and Consideration to Return the Remining Balance from the Attorney Reimbursement Fund to Lloyds Energy.**

The Board Members reviewed a copy of a letter from Lloyd's Energy requesting the return of funds deposited in anticipation of legal documents being drafted for a lease agreement. The initial deposit was for \$25,000.00 and the remaining balance is \$24,500.00. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to authorize the return of the remaining balance from the Attorney Reimbursement Fund to Lloyds Energy. The motion was seconded by Board Member Johnny Perez and the motion carried unanimously.

**Agenda Item No. 9: Review and Consideration of an Assignment and Assumption of a lease from Matagorda Bay Costa Azul Terminal, LLC to NGL Crude Logistics, LLC.**

The Board Members reviewed a copy of the assignment and assumption of lease agreement. The assignment was from Matagorda Bay Costa Azul Terminal, LLC to NGL Crude Logistics, LLC. All terms of the original lease would remain the same as this was just a name change. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the Assignment and Assumption of the Lease from Matagorda Bay Costa Azul Terminal, LLC. to NGL Crude Logistics, LLC. The motion was seconded by Board Member Luis De La Garza and the motion carried unanimously.

**Agenda Item No. 10: Review and Consideration of an Option to Lease Agreement between the Calhoun Port Authority and Max Midstream Texas, LLC for Approximately 50.0 Acres on the South Peninsula.**

The Members of the Board reviewed a copy of an option to lease agreement for approximately 50.0 acres between the Calhoun Port Authority and Max Midstream Texas, LLC that was prepared by Port Special Counsel. The lease fee was \$7,500.00 per acre per year and would be paid in quarterly installments of \$93,750.00 at \$1,875.00 per acre per quarter. The term is for a one-year option with an additional one-year option that Max must notify the Port before the scheduled termination date of their intent to renew. If the option is renewed, the quarterly payment would become \$125,000.00 at a rate of \$2,500.00 per acre per quarter. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the Option to Lease between the Calhoun Port Authority and Max Midstream Texas, LLC for Approximately 50.0 Acres on the South Peninsula. The motion was seconded by Board Member Luis De La Garza and the motion carried unanimously.

**Agenda Item No. 11: Review and Consideration of a Right of First Refusal Agreement to Lease Property on the Port's Approximately 1,100.0-acre Alamo Beach Tract between the Calhoun Port Authority and Max Midstream Texas, LLC.**

The Board reviewed a copy of the first Refusal Right Agreement. This was for a 2-year period beginning August 16, 2020 and would end at 12:01 a.m. on August 16, 2022. Max would pay the Port Authority \$25,000.00 for this right. The Port will still have the ability to market the property, Max will have the right to lease property on terms not less favorable than those of any proposed offer. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the First Refusal Agreement to Lease Property on the Port's Approximately 1,100.0-acre Alamo Beach Tract between the Calhoun Port Authority and Max Midstream Texas, LLC. The motion was seconded by Board Member Johnny Perez and the motion carried unanimously.

**Agenda Item No. 12: Review and Consideration of Authorization to Negotiate a Lease Agreement with True Internet Services for a 25.0 by 25.0-foot Tract of Property for the installation of a Mono Pole to Mount Wireless Internet Devices.**

The Board Members reviewed a copy of the specification for the mono pole which was provided by TISD. The foundation of the mono pole is 24 feet by 24 feet, so the extra foot would be to install a fence around the mono pole. In lieu of lease payments, it was discussed that TISD would provide internet services to the Port free of charge in exchange for the lease agreement. Pursuant to further review and discussion, a motion was made by Board Member Jay Cuellar to authorize the Port Director to negotiate a Lease Agreement with True Internet Services for a 25.0 by 25.0-foot Tract of Property for the installation of a Mono Pole to Mount Wireless Internet Devices. The motion was seconded by Board Secretary Tony Holladay and the motion carried unanimously.

**Agenda Item No. 15: 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.**

**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(1): to discuss or deliberate regarding commercial information 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 and with which the Port is conducting economic development negotiations and 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. 16: Return to Open Session and take any action deemed necessary based on discussion in Closed Session.**

The Board adjourned the Closed Session at 10:28 a.m. Board Chair J. C. Melcher, Jr. announced that "No action or consensus had been taken in closed session".

**Agenda Item No. 13: Review and Consideration of Adopting Bylaws of the Calhoun Port Authority.**

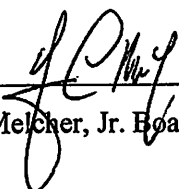
No action was taken on this agenda item.

**Agenda Item No. 14: Review and Consideration of advertising for Bids for the NH3 Tank Farm Road and Site Repair Project.**

The Board Members reviewed copies of pictures of the road going into the NH3 tank berm and the area around the tank. Ineos requested that this road and area be repaired and paid for with AN/NH3 funds. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the advertisement of bids for the NH3 Tank Farm Road and Site Repair Project. The motion was seconded by Board Member Johnny Perez 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 10:47 a.m. on Wednesday, August 12, 2020.

  
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J. C. Melcher, Jr. Board Chair

ATTEST:

  
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Tony Holladay, Board Secretary