

**CALHOUN PORT AUTHORITY
REGULAR MEETING
November 11, 2020**

A regular meeting of the Calhoun Port Authority was held on Wednesday, November 11, 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 via telephone
Miranda Malek – Finance Assistant

Others attending were:

Bob Henderson – RBC
Steve Gibson – Matagorda Bay Pilots
Brandon Lantrip – Max Midstream
Jay Park – Max Midstream
Aaron Martin – NGL Crude
Carl Smith – NGL Crude
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.

Board Chair J.C. Melcher, Jr. recessed the Regular Board Meeting at 9:01 a.m. for a meeting of the Matagorda Bay Pilots. The meeting reconvened at 9:03 a.m.

Agenda Item No. 3: Approve the minutes of the Wednesday, October 14, 2020 Regular Meeting and the Wednesday, October 28, 2020 Special Meeting.

The Board Members reviewed the minutes from the Wednesday, October 14, 2020 Regular Meeting and the Wednesday, October 28, 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, September 9, 2020 Regular Meeting and the Wednesday, October 28, 2020 Special Meeting as presented. The motion was seconded by Board Member H. C. Wehmeyer, Jr. 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 October 31, 2020:

- 1.) Accounts Receivable Report as of October 31, 2020
- 2.) Mr. Hawes reported to the Board Members that the accounts receivable report specified that the accounts receivable was 69% current as of October 31, 2020.

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

The Board Members reviewed the November 11, 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 November 11, 2020. The motion was seconded by Board Member Jay Cuellar and the motion carried that the disbursements and the corresponding transfers be approved.

| TRANSFER NO. | FUND ACCOUNT | AMOUNT |
|--|-------------------------|---------------------|
| GROSS REVENUE FUND | | |
| 2021-012 | To Port Operations Fund | \$75,160.38 |
| 2021-014 | To Port Operations Fund | \$64,899.25 |
| 2021-015 | To Port Operations Fund | \$20,159.94 |
| 2021-016 | To Port Operations Fund | \$204,643.09 |
| | Total | \$364,862.66 |
| BUSINESS DEVELOPMENT FUND | | |
| 2021-016 | To Port Operations Fund | \$1,419.80 |
| | Total | \$1,419.80 |
| DEPRECIATION & MAJOR REPAIR | | |
| | To Port Operations Fund | |
| | Total | |
| AN/NH3 OPERATING FUND | | |
| 2021-016 | To Port Operations Fund | \$196,338.94 |
| | Total | <u>\$196,388.94</u> |

TOTAL TRANSFERS TO PORT OPERATIONS ACCOUNT

\$562,671.40

INTERFUND TRANSFERS

| DATE | FROM | TO | AMOUNT |
|----------|------------------|----------------|-------------------|
| 11/11/20 | AN/NH3 Operating | AN/NH3 Dep M/R | \$7,500.00 |
| | Total | | \$7,500.00 |

Agenda Item No. 6: 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 97 vessels had arrived at the public port facilities during the month of October; 23 deep draft arrivals and 74 inland barges and a total of 224 invoices were issued. Further, that 15 deep draft vessels were already on schedule for November arrival.

Total revenue tons for the month of October were 372,596.0 short tons. Total throughput for the first four months of FY2021 were 1,323,317.4.

B. NGL loaded out 4 crude oil barges totaling 13,392.0 short tons.

C. Harvest loaded out 1 crude oil barges totaling 14,233.9 short tons.

D. Seadrift Coke loaded out 5 barges totaling 6,651.7 short tons to one ship for export.

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

The Regular Meeting of the Calhoun Port Authority was recessed at 9:14 a.m. for a Calhoun County Industrial Development meeting. The meeting reconvened at 9:39 a.m.

Agenda Item No. 8: Review and Consideration of Approval to Use Lloyd Engineering, Inc. to Prepare the LD-1 Dredging Package for the South Peninsula Development Project.

The Board Members reviewed a copy of the proposed fee that Lloyd's Engineering, Inc. had provided to develop a procurement package for the dredging of the LD-1 area. The anticipated fee for this project was \$88,500.00. Pursuant to further review and discussion, a motion was made by Board Assistant Secretary Johnny Perez to approve the use of Lloyd Engineering, Inc. to prepare the LD-1 Dredging Package for the South Peninsula Development Project. The motion was seconded by Board Member Jay Cuellar and the motion carried unanimously.

Agenda Item No. 9: Consideration and Adoption of a Resolution Approving a Facilities Lease; a Terminal Lease; and Office Lease; and a Lease and Easement Agreement, Relating to Certain Facilities and Areas of the Calhoun Port Authority to be Leased to max Midstream Texas,

LLC, Seahawk Pipeline, LLC, Seahawk Terminal, LLC or an Affiliate or Subsidiary of the Foregoing; and Other Matters in Connection Therewith.

No action was taken on this agenda item.

Agenda Item No. 10: Consideration and Adoption of a Resolution Approving the Calhoun County Navigation Industrial Development Authority's Resolution Authorizing Calhoun County Navigation Industrial Development Authority Facility Senior Revenue Bonds (Max Midstream Texas, LLC Project), Series 2020A (Tax Exempt AMT) and County Navigation Industrial Development Authority Facility Senior Revenue bonds (Max Midstream Texas, LLC Project), Series 2020B (Taxable); Authorizing the Execution of an Indenture of Trust, a Loan Agreement, and a Purchase Agreement; Approval of a Limited Offering Memorandum; and Other Matters in Connection Therewith.

The Members of the Board reviewed a Resolution Approving the Calhoun County Navigation Industrial Development Authority's Resolution Authorizing Calhoun County Navigation Industrial Development Authority Facility Senior Revenue Bonds (Max Midstream Texas, LLC Project), Series 2020A (Tax Exempt AMT) and County Navigation Industrial Development Authority Facility Senior Revenue bonds (Max Midstream Texas, LLC Project), Series 2020B (Taxable); Authorizing the Execution of an Indenture of Trust, a Loan Agreement, and a Purchase Agreement; Approval of a Limited Offering Memorandum; and Other Matters in Connection Therewith. Pursuant to further review and consideration, a motion was made by Board Member Jay Cuellar to adopt a Resolution Approving the Calhoun County Navigation Industrial Development Authority's Resolution Authorizing Calhoun County Navigation Industrial Development Authority Facility Senior Revenue Bonds (Max Midstream Texas, LLC Project), Series 2020A (Tax Exempt AMT) and County Navigation Industrial Development Authority Facility Senior Revenue bonds (Max Midstream Texas, LLC Project), Series 2020B (Taxable); Authorizing the Execution of an Indenture of Trust, a Loan Agreement, and a Purchase Agreement; Approval of a Limited Offering Memorandum; and Other Matters in Connection Therewith. The motion was seconded by Board Member Luis De La Garza and the motion carried unanimously.

Agenda Item No. 11: 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.

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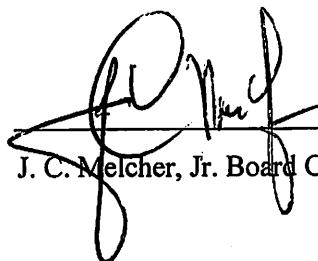
"No action or consensus would be taken in closed session". The Board convened in Closed Session at 10:11 a.m. following a 5-minute recess of the Open Meeting.

Agenda Item No. 12: Return to Open Session and take any action deemed necessary based on discussion in Closed Session.

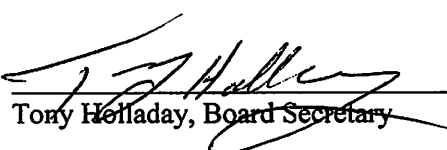
The Board adjourned the Closed Session at 10:45 a.m. Board Chair J. C. Melcher, Jr. announced that "No action or consensus had been taken in closed session".

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 10:45 a.m. on Wednesday, November 11, 2020.


 J. C. Melcher, Jr. Board Chair

ATTEST:


 Tony Holladay, Board Secretary