

**CALHOUN PORT AUTHORITY
REGULAR MEETING
December 9, 2020**

A regular meeting of the Calhoun Port Authority was held on Wednesday, December 9, 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
Felicia Harral – Director of Engineering
Miranda Malek – Finance Assistant

Others attending were:

Carl Smith – NGL Crude
Jack Wu – Formosa Plastics Corporation
Benny Garza – Great River Industries
Bryan Patton – J.M. Davidson
Bryan Spiegel – INEOS
Mike Stark – Genesis Energy via telephone
Anthony Sheih – Genesis Energy via telephone
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.

Board Chair J. C. Melcher, Jr. announced that as of 9:00 a.m., no more bids would be accepted.

Agenda Item No. 2: Public Comment.

No action was taken on this agenda item.

Agenda Item No. 3: Review and Consideration of Bids Received for the AN Vapor Destruction Unit Project and Award a Contract.

Engineering Consultant David Knuckey opened and read aloud the 3 bids received for the AN Vapor Destruction Unit Project. Mr. Knuckey informed the Board that he would like to take time to review the bids individually before making a recommendation on award.

Agenda Item No. 4: Review and Consideration of Bids Received for the Port's Mass Notification System Replacement Project and Award a Contract.

David Knuckey opened and read aloud the three bids received for the Port's Mass Notification System Replacement Project. Mr. Knuckey informed the Board that he would take time to review the bids in detail and make a recommendation for award at a later date.

Agenda Item No. 5: Approve the minutes of the Friday, November 6, 2020 Special Meeting, the Wednesday, November 11, 2020 Regular Meeting and the Monday, November 16, 2020 Special Meeting.

The Board Members reviewed the minutes from the Friday, November 6, 2020 Special Meeting, the Wednesday, November 11, 2020 Regular Meeting and the Monday, November 16, 2020 Special Meeting. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the minutes of the Friday, November 6, 2020 Special Meeting, the Wednesday, November 11, 2020 Regular Meeting and the Monday, November 16, 2020 Special Meeting as presented. The motion was seconded by Board Member Luis De La Garza 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 November 30, 2020:

- 1.) Accounts Receivable Report as of November 30, 2020
- 2.) Mr. Hawes reported to the Board Members that the accounts receivable report specified that the accounts receivable was 56% current as of November 30, 2020.

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

The Board Members reviewed the December 9, 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 December 9, 2020. The motion was seconded by Board Member H. C. Wehmeyer, Jr. and the motion carried that the disbursements and the corresponding transfers be approved.

TRANSFER NO.	FUND ACCOUNT	AMOUNT
GROSS REVENUE FUND		
2021-017	To Port Operations Fund	\$72,714.40
2021-018	To Port Operations Fund	\$66,022.49
2021-020	To Port Operations Fund	\$164,775.84
	Total	\$303,512.73
BUSINESS DEVELOPMENT FUND		

2021-020	To Port Operations Fund	\$702.15	
	Total		\$702.15

MAINTENANCE & OPERATIONS FUND

2021-020	To Port Operations Fund	\$101.22	
	Total		\$101.22

AN/NH3 OPERATING FUND

2021-020	To Port Operations Fund	\$45,695.66	
	Total		\$45,695.66

TOTAL TRANSFERS TO PORT OPERATIONS ACCOUNT \$350,011.76

INTERFUND TRANSFERS

DATE	FROM	TO	AMOUNT
12/9/20	AN/NH3 Operating	AN/NH3 Dep M/R	\$7,500.00
	Total		\$7,500.00

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

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

- A. Harbor Traffic Statistics for the month of November:
That a total of 97 vessels had arrived at the public port facilities during the month of November; 29 deep draft arrivals and 68 inland barges and a total of 224 invoices were issued. Further, that 12 deep draft vessels were already on schedule for December arrival.
Total revenue tons for the month of November were 324,967.7 short tons. Total throughput for the first five months of FY2021 were 1,648,285.2.
- B. NGL loaded out 8 crude oil barges totaling 22,911.6 short tons.
- C. Harvest loaded out 2 crude oil barges totaling 6,537.3 short tons.
- D. Seadrift Coke loaded out 20 barges totaling 10,341.1 short tons to two ships for export.

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

Pursuant to further review and discussion a motion was made by Board Member Luis De La Garza to approve the Board Members Committee/Conference Attendance. The motion was seconded by Board Member Jay Cuellar and the motion carried unanimously.

Agenda Item No. 10: Review and Consideration of Receipt of Audited Financial Statements for Fiscal Year 2020 and all funds of the Calhoun Port Authority as prepared by Harrison, Waldrop & Uherek, LLP Certified Public Accountants.

No action was taken on this agenda item.

Agenda Item No. 12: Review and Consideration of a Renewal of an Agreement of the General Cargo Dock Racks and Pipelines by and Between the Calhoun Port Authority and Formosa Plastics Corporation Texas.

The Members of the Board reviewed a copy of the amendment to the agreement that gives Formosa Plastics Corporation an additional ten years on the agreement. This agreement was for several pipelines that run underground to the General Cargo Dock with the fee for the pipelines for ten ears is \$26,970.90 along with an administrative fee of \$1,750.00 for document preparation. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the amendment as presented. The motion was seconded by Board Member Jay Cuellar and the motion carried unanimously.

Agenda Item No. 13: Review and Consideration of a Request from Formosa Plastics Corporation, Texas for Tax Abatement for the EDC/VCM Reactor Project.

The Board members reviewed a copy of a resolution prepared by Port Special Counsel Alan Sanders approving the tax abatement agreement between the Port and Formosa Plastics Corporation, Texas. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the request from Formosa Plastics Corporation, Texas for Tax Abatement for the EDC/VCM Reactor Project. The motion was seconded by Board Assistant Secretary Johnny Perez and the motion carried unanimously.

Agenda Item No. 14: Review and Consideration of a Request for Authorization to Advertise for Bids for the Liquid Dock 1 Dredging sediment Sampling and Analysis Plan.

The Board reviewed a copy of an Interoffice memorandum from Mr. David Knuckey outlining the proposed schedule for the sediment sampling. The estimated cost was \$50,000.00 and this sampling was required by the permit for the South Peninsula Project. Pursuant to review and discussion, a motion was made by Board Member Jay Cuellar to approve the request for authorization to Advertise for Bids for the Liquid Dock 1 Dredging sediment sampling and analysis plan. The motion was seconded by Board Assistant Secretary Johnny Perez 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. 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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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.

"No action or consensus would be taken in closed session". The Board convened in Closed Session at 9:55 a.m. following a 5-minute recess of the Open Meeting.

Agenda Item No. 16: Return to Open Session and take any action deemed necessary based on discussion in Closed Session.

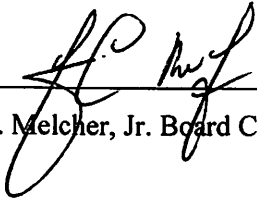
The Board adjourned the Closed Session at 10:51 a.m. Board Chair J. C. Melcher, Jr. announced that "No action or consensus had been taken in closed session".

Agenda Item No. 11: Review and Consideration of a Request from Genesis Energy, L.P. to leave the Tomcat Pipelines abandoned in place in Matagorda Bay (subject to any closed session discussion with Port Special Counsel).

The Board Members reviewed a copy of an email received from Mr. Mike Stark of Genesis Energy asking the Port to waive the removal of the Tomcat pipelines that were outlined in their easement agreements. Genesis proposed a payment of \$1,000,000.00 to leave the pipelines abandoned in place. Pursuant to review and discussion, a motion was made by Board Secretary Tony Holladay to refuse the offer presented by Genesis Energy, L.P. The motion was seconded by Board member Luis De La Garza and the motion carried unanimously.

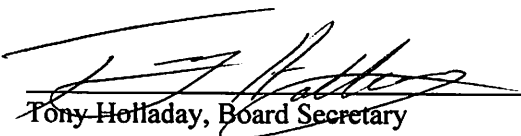
Agenda Item No. 17: Adjourn.

There being no further business to be brought before the Board, a motion was duly made that the meeting be declared adjourned at approximately 11:04 a.m. on Wednesday, December 9, 2020.



J. C. Melcher, Jr. Board Chair

ATTEST:



Tony Holladay, Board Secretary