

**CALHOUN PORT AUTHORITY
REGULAR MEETING
March 10, 2021**

A regular meeting of the Calhoun Port Authority was held on Wednesday, March 10, 2021 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
Felicia Harral – Director of Engineering
Miranda Malek – Administrative Assistant

Others attending were:

David Knuckey – Engineering Consultant
Aaron Martin – NGL Crude
Benny Garza – Great River Inc.
Alex Galvan – Great River Inc.
Bryan Patton – JM Davidson
Bryan Spiesel – INEOS
Thomas Gates – Callan Marine
Michael Harris – Matagorda Bay Pilots
David Adrian – Matagorda Bay Pilots
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.

At this time, Board Chair J. C. Melcher, Jr. announced that as of 9:00 am, the bidding for the Acrylonitrile Marine Vapor Combustion System Replacement project and the Conveyor Dock Mooring/Breasting Dolphin Replacement project was closed.

Agenda Item No. 2: Public Comment.

Mr. Benny Garza briefly spoke to the Board giving an introduction and history of the company Great River Industries.

Agenda Item No. 3: Review and take any Action Necessary to Approve Certification of Unopposed Candidates for District 5, Johnny J. Perez & District 6, Daniel Kruger.

Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the Certification of Unopposed Candidates for District 5, Johnny J. Perez and District 6, Daniel Kruger. The motion was seconded by Board Member Luis De La Garza and the motion carried unanimously.

Agenda Item No. 4: Review and take any Action Necessary to Approve and Execute an Order of Cancellation of Election for District #5 & #6 and Declaring the Unopposed Candidate for District #5 & #6 Elected.

Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to Approve and Execute an Order of Cancellation of Election for District #5 & #6 and Declaring the Unopposed Candidates for District #5 & #6 elected. The motion was seconded by Luis De La Garza and the motion carried unanimously.

Agenda Item No. 5: Review and Consideration of Bids Received for the Acrylonitrile Marine Vapor Combustion System Replacement Project and Award Contract.

Felicia Harral, Director of Engineering for the Port, opened and read aloud the 3 bids received for this project. At this time, it was decided that these bids would be reviewed in depth by Port Staff and a recommendation would be made later in the meeting.

Agenda Item No. 6: Review and Consideration of Bids Received for the Conveyor Dock Mooring/Breasting Dolphin Replacement Project and Award Contract.

Felicia Harral, Director of Engineering for the Port, opened and read aloud the 4 bids received for this project. At this time, it was decided that these bids would be reviewed in depth by Port Staff and a recommendation would be made later in the meeting.

Agenda Item No. 7: Approve the minutes of the Monday, February 1, 2021 Special Meeting, the Wednesday, February 10, 2021 Regular Meeting, the Friday, February 12, 2021 Special Meeting and the Monday, February 22, 2021 Special Meeting.

The Board Members reviewed the minutes from the Monday, February 1, 2021 Special Meeting, the Wednesday, February 10, 2021 Regular Meeting, the Friday, February 12, 2021 Special Meeting and the Monday, February 22, 2021 Special Meeting. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the minutes as presented. The motion was seconded by Board Assistant Secretary Johnny Perez and the motion carried unanimously.

Agenda Item No. 8: 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 February 28, 2021:

- 1.) Accounts Receivable Report as of February 28, 2021
- 2.) Mr. Hawes reported to the Board Members that the accounts receivable report specified that the accounts receivable was 80% current as of February 28, 2021.

Agenda Item No. 9: Approval of Disbursements and Transfers: All Funds

The Board Members reviewed the March 10, 2021 Port Operations Account disbursements. Pursuant to review, a motion was made by Board Secretary Tony Holladay to approve disbursements and the corresponding transfers for March 10, 2021. 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 | | |
| 2021-027 | To Port Operations Fund | \$80,174.68 |
| 2021-029 | To Port Operations Fund | \$70,002.37 |
| 2021-031 | To Port Operations Fund | \$203,789.91 |
| | Total | \$353,966.96 |
| BUSINESS DEVELOPMENT FUND | | |
| 2021-031 | To Port Operations Fund | \$300.68 |
| | Total | \$300.68 |
| MAINTENANCE & OPERATIONS FUND | | |
| 2021-031 | To Port Operations Fund | \$101.22 |
| | Total | \$101.22 |
| AN/NH3 OPERATING FUND | | |
| 2021-031 | To Port Operations Fund | \$33,651.52 |
| | Total | \$33,651.52 |
| TOTAL TRANSFERS TO PORT OPERATIONS ACCOUNT | | \$388,020.38 |

| INTERFUND TRANSFERS | | | |
|----------------------------|------------------|----------------|---------------|
| DATE | FROM | TO | AMOUNT |
| 3/10/21 | AN/NH3 Operating | AN/NH3 Dep M/R | \$7,500.00 |
| | Total | | \$7,500.00 |

Agenda Item No. 10: Port Director's Report.

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

- A. Harbor Traffic Statistics for the month of February:

That a total of 45 vessels had arrived at the public port facilities during the month of February; 10 deep draft arrivals and 35 inland barges and a total of 98 invoices were issued. Further, that 6 deep draft vessels were already on schedule for March arrival.

Total revenue tons for the month of February were 171,950.3 short tons. Total throughput for the first eight months of FY2021 were 2,514,548.18. Not all survey reports had been received.

- B. NGL loaded out 6 crude oil barges totaling 19,467.4 short tons.
- C. Harvest loaded out 4 crude oil barges totaling 10,646.9 short tons.
- D. Seadrift Coke loaded out 4 barges totaling 10,646.9 short tons.

Agenda Item No. 11: 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/Conferences attendance with the modification of the date to March 9, 2021 of the committee meeting. The motion was seconded by Board Member H. C. Wehmeyer, Jr. and the motion carried unanimously.

Agenda Item No. 12: Review and Consideration of Approval of a Resolution Approving Additional Homestead Exemption for Tax Year 2021 as Allowed by Texas Property Tax Code §11.13(n).

The Board Members reviewed a letter from the Chief Appraiser Jesse Hubbell of the Calhoun County Appraisal District stating that the Board may adopt a local option percentage homestead exemption not to exceed 20% nor be less than \$5,000.00. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the Resolution Approving Additional Homestead Exemption for Tax Year 2021 as allowed by Texas Property Code §11.13 (n). The motion was seconded by Board Member Johnny Perez and the motion carried unanimously.

Agenda Item No. 13: Review and Consideration of Approval of the Retention of Harrison, Waldrop & Uherek, L.L.P. for the Preparation of the FY 2021 Annual Audit Report and Financial Statement.

The Board Members reviewed a copy of the proposed retention letter from the independent accounting firm of Harrison, Waldrop & Uherek, L.L.P. for the preparation of the Fiscal Year 2021 audit report and financial statement for the Calhoun Port Authority at a cost of \$22,650.00. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the retention of Harrison, Waldrop & Uherek, L.L.P. for the preparation of the FY 2021 Annual Audit Report and Financial Statement. The motion was seconded by Board Member Luis De La Garza and the motion carried unanimously.

Agenda Item No. 15: Review and Consideration of Approval of a License Agreement Between Calhoun Port Authority and Alcoa Alumina, LLC for Access Across Alcoa Property for Access to the Joslin Tract.

The Board reviewed a copy of the proposed license agreement with Alcoa for access across their property to access the new road that was in construction on the Joslin tract for ingress and egress. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to

approve the License Agreement between Calhoun Port Authority and Alcoa Alumina, LLC. The motion was seconded by Board Assistant Secretary Johnny Perez and the motion carried unanimously.

Agenda Item No. 16: Review and Consideration of Approval of an Access Easement between the Calhoun Port Authority and AEP Texas, Inc. for access across AEP's property to access the Joslin Tract.

The Board reviewed a copy of the access easement and right of way with AEP. This access easement gives the Port and its lessees the right to travel across AEP property on the new access that was being built for ingress and egress to the Joslin Tract. Pursuant to further review and discussion, a motion was made by Board Assistant Secretary Johnny Perez to approve the access easement between the Calhoun Port Authority and AEP Texas, Inc. for access across AEP's property to access the Joslin Tract. The motion was seconded by Board Member Jay Cuellar and the motion carried unanimously.

Agenda item No. 17: Review and Consideration of a Request from NGL Energy Partners to be allowed to carve acreage out of the Approximately 35.5 acres that NGL has leased from the Port and to allow 2 additional 5 Year Options on any land carved out.

No action was taken on this agenda item.

Agenda Item No. 18: Review and Consideration of Approval to Advertise for Bids for the Liquid Pier Potable Water Line Replacement Project.

The Board Members reviewed a copy of an interoffice memorandum from Port Engineer Felicia Harral showing the proposed schedule for this project. This potable water line ran in the pipe rack onto the liquid pier and is over 25 years old and in need of replacement. Pursuant to further review and discussion, a motion was made by Board Member Luis De La Garza to approve the advertising for bids for the Liquid Pier Potable Water Line Replacement Project. The motion was seconded by Board Member Jay Cuellar and the motion carried unanimously.

Agenda Item No. 19: Review and Consideration of a Request from the Palacios Shipyard Inc. to Potentially expand at the Calhoun Port Authority to Provide a Submersible Dry Dock at the Port.

No action was taken on this agenda item.

Agenda Item No. 6: Review and Consideration of Bids Received for the Conveyor Dock Mooring/Breasting Dolphin Replacement Project and Award Contract.

After thoroughly reviewing the bids for the Conveyor Dock Mooring/Breasting Dolphin Replacement Project Felicia Harral, Director of Engineering for the Port, recommended to the Board that the contract be awarded to Russell Marine in the amount of \$162,608.00 for the steel option. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to award the contract to Russell Marine in the amount of \$162,608.00 for the steel option on the Conveyor Dock Mooring/Breasting Dolphin Replacement Project. The motion was seconded by Board Member Jay Cuellar and the motion carried unanimously.

Agenda Item No. 5: Review and Consideration of Bids Received for the Acrylonitrile Marine Vapor Combustion System Replacement Project and Award Contract.

After thoroughly reviewing the bids for the Acrylonitrile Marine Vapor Combustion System Replacement Project Felicia Harral, Director of Engineering for the Port, recommended to the Board that the contract be awarded to J M Davidson in the amount of \$3,731,248.67. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to award the contract to J M Davidson in the amount of \$3,731,248.67 for the Acrylonitrile Marine Vapor Combustion System Replacement Project. The motion was seconded by Board Member Jay Cuellar and the motion carried unanimously.

Agenda Item No. 20: 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 seek to have locate, stay, or expand in or near the territory of the Port and 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 seek to have locate, stay, or expand in or near the territory of the Port and 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.

"No action or consensus would be taken in closed session". The Board convened in Closed Session at 9:59 a.m.

Agenda Item No. 21: Return to Open Session and take any action deemed necessary based on discussion in Closed Session.

The Board adjourned the Closed Session at 10:55 a.m. Board Chair J. C. Melcher, Jr. announced that "No action or consensus had been taken in closed session".

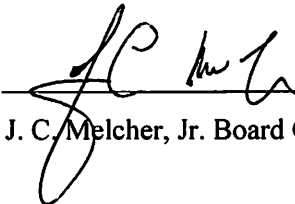
Board Member Luis De La Garza made a motion to authorize the Port Director to negotiate a purchase of lots numbered 23809 and 73565 at Alamo Beach not to exceed the price of \$5,000 per acre. The motion was seconded by Board Secretary Tony Holladay and the motion carried unanimously.

Agenda Item No. 14: Review and Consideration of a Bunkering License Agreement between Max Midstream Texas, LLC and the Calhoun Port Authority.

The Board Members reviewed a copy of the proposed bunkering agreement between Max Midstream and the Port. The initial term of the agreement is for 30 years with two additional ten-year renewal terms with the fee proposed to be \$0.03 per gallon for each gallon of bunker fuel sold. This agreement included an escalation clause that would automatically increase the fee by the percentage increase in the Consumer Price Index for finished goods. Pursuant to further review and discussion, a motion was made by Board Member Jay Cuellar to approve the Bunkering License Agreement between Max Midstream Texas LLC and the Calhoun Port Authority with the terms discussed. The motion was seconded by Board Secretary Tony Holladay and the motion carried unanimously.

Agenda Item No. 22: 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 10:58 a.m. on Wednesday, March 10, 2021.



 J. C. Melcher, Jr. Board Chair

ATTEST:



 Tony Holladay, Board Secretary