

**CALHOUN PORT AUTHORITY
REGULAR MEETING
May 10, 2023**

A regular meeting of the Calhoun Port Authority was held on Wednesday, May 10, 2023 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 – Marty Strakos
Commissioner # 2 – Jay Cuellar
Commissioner # 3 – Justin Weaver
Commissioner # 4 – Luis De La Garza
Commissioner # 5 – Johnny Perez
Commissioner # 6 – Dan Krueger

Staff Members attending were:

Charles R. Hausmann – Port Director
Forrest Hawes – Deputy Port Director
Alan Sanders – Law Firm of Alan Sanders
Felicia Herral – Director of Engineering
Miranda Malek – Finance Assistant

Others attending were:

Steve Marwitz
Richard Terry Cullen – First National Bank
W. H. Bauer, Jr. – First National Bank
Laura King – Prosperity Bank
Jack Wu – Formosa Plastics Corporation Texas
DD Turner – *The Wave*

Agenda Item No. 1: Call to Order:

Board Chair Luis De La Garza 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.

Agenda Item No. 2: Safety Briefing, Pledge of Allegiance and Invocation.

All attendees of the meeting were briefed on the location of life saving devices and the closest assembly point in the event of a Shelter in Place incident. The Pledge of Allegiance, The Texas Pledge and a prayer was led by Board Chair Luis De La Garza.

Agenda Item No. 3: Public Comment Written or Oral.

No action was taken on this agenda item.

Agenda Item No. 4: Canvass the Results of the May 6, 2023 Election for District No 3.

The Board Members reviewed a copy of the election reports from the Elections Office showing Justin Weaver received 101 votes to J.C. Melcher, Jr. receiving 24. Pursuant to further review and discussion, a motion was made by Board Secretary Johnny Perez to accept the canvass of the results from

the May 6, 2023 election for District No. 3. The motion was seconded by Board Member Marty Strakos and the motion carried unanimously.

Agenda Item No. 5: Administer the Oaths of Office to Board Members for District Nos. 2, 3, & 4.

Port General Counsel Alan Sanders administered the Oath of Office to Board Members Jay Cuellar for District No. 2, Justin Weaver for District No.3 & Luis De La Garza for District No. 4.

Agenda Item No. 6: Election of Board Officers for the period of May 10, 2023 through May 14, 2025.

Board Member Jay Cuellar nominated Board Secretary Johnny Perez for the office of Board Chair and the nomination was approved unanimously. Board Member Dan Krueger nominated Board Member Jay Cuellar for the office of Board Secretary. Board Members Krueger and Strakos voted in favor of the nomination but did not receive the majority and the nomination failed. Board Chair Johnny Perez nominated Board Member Luis De La Garza for the office of Board Secretary. Board Members Jay Cuellar, Johnny Perez & Justin Weaver voted in favor and the nomination carried.

Agenda Item No. 12: Review and Consideration of Bids Received for the Calhoun Port Authority Depository Services Agreement.

The Port Director announced that the Port has received two bids. Board Members reviewed a copy of the agreement that was sent to financial institutions. Pursuant to further review and discussion, the Board chose to allow Mr. Robert V. Henderson, Port Financial Advisor, to review the bids before making a decision.

Agenda Item No. 7: Approve the minutes of the Thursday, April 6, 2023, Special Meeting, Wednesday, April 12, 2023 Regular Meeting and the Friday, April 28, 2023 Special Meeting.

The Board Members reviewed the minutes from the Thursday, April 6, 2023, Special Meeting, Wednesday, April 12, 2023 Regular Meeting and the Friday, April 28, 2023 Special Meeting. Pursuant to further review and discussion, a motion was made by Board Member Jay Cuellar to approve the minutes as presented. The motion was seconded by Board Member Dan Krueger and the motion carried unanimously.

Agenda Item No. 8: Review of Financial Reports: All Funds.

Deputy Port Director Forrest Hawes presented the following financial information to the Board Members for Review:

Fund Balance Report as of April 30, 2023:

- 1.) Accounts Receivable Report as of April 30, 2023
- 2.) Mr. Hawes reported to the Board Members that the accounts receivable report specified that the accounts receivable was 86% current as of April 30, 2023.

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

The Board Members reviewed the May 10, 2023 Port Operations Account disbursements. Pursuant to review, a motion was made by Board Secretary Luis De La Garza to approve disbursements and the corresponding transfers for May 10, 2023. 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		
2022-032	To Port Operations Fund	\$75,770.72
2022-035	To Port Operations Fund	\$86,559.02
2022-037	To Port Operations Fund	\$585,403.27
	Total	\$747,733.01
MAINTENANCE & OPERATIONS FUND		
2022-037	To Port Operations Fund	\$
	Total	\$
BUSINESS DEVELOPMENT FUND		
2022-037	To Port Operations Fund	\$21,013.94
	Total	\$21,013.94
AN/NH3 OPERATING FUND		
2022-037	To Port Operations Fund	\$197,385.31
	Total	\$197,385.31
TOTAL TRANSFERS TO PORT OPERATIONS ACCOUNT		\$966,132.26

INTERFUND TRANSFERS			
DATE	FROM	TO	AMOUNT
5/10/23	AN/NH3 Operating	AN/NH3 Dep M/R	\$7,500.00
	Total		\$7,500.00

Agenda Item No. 10: Reports: Port Director, Engineer & Committees.

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

- A. Harbor Traffic Statistics for the month:

That a total of 66 vessels had arrived at the public port facilities during the month of April; 12 deep draft arrivals and 54 inland barges and a total of 138 invoices were issued. Further, that 11 deep draft vessels were already on schedule for May arrival.

Total revenue tons for the month of April were 189,316.4 short tons. Total throughput for the first 10 months of fiscal year 2023 was 3,186,187.6 short tons.

- B. NGL loaded out 4 barges totaling 11,220.4 short tons.
- C. Max loaded out 2 barges totaling 7,184.0 short tons.
- D. Seadrift Coke loaded 5 barges of needle coke to 1 ship totaling 8,260.9.
- E. Port Maintenance continued to work on electrical repairs to the cathodic protection system, continued installing new lighting and continued to do their weekly inspections of port equipment.

Felicia Harral, Port Engineer, reported the following:

- A. Matagorda Ship Channel Improvement Project updates for April included PED updates, Pipeline relocation updates, Geotechnical Sampling, Environmental Sampling, Cultural Survey (Archeology) & Environmental Survey (Oyster).
- B. Matagorda Ship Channel, FY 2021 Maintenance Dredging update.
- C. South Peninsula Development Project updates included Bean Tract Wetlands Creation Project - South Peninsula Development & Mitigation Plan updates.
- D. Other Port Project Updates included AN Vapor Combustion Unit Replacement Project, GCD Gangway Project, GCD Fender Replacement, Cathodic Protection System, Monitor Coating, SPCCC updates and Various Port Infrastructure projects.

Agenda Item No. 11: Review and Consideration of Approval of Board Members Committee Attendance, Committee Travel Requests.

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

Agenda Item No. 14: Review and Consideration of a Memorandum of Understanding between the Calhoun Port Authority and CEMLO Resources Group.

The Board Members reviewed a copy of the MOU between the Calhoun Port Authority and CEMLO Resources Group. This MOU was to work with CEMLO to develop a facility for moving Portland Cement, aggregates and rebar. Pursuant to further review and discussion, a motion was made by Board Secretary Luis De La Garza to approve the MOU between the Calhoun Port Authority and CEMLO Resources Group. The motion was seconded by Board Member Jay Cuellar and the motion carried unanimously.

Agenda Item No. 15: Review and Consideration of the Second Amendment to the Ground Lease between the Calhoun Port Authority and Port Comfort Power, LLC and a Request to Extend the Lease.

The Board Members reviewed a copy of the Second Amendment to the ground lease between the Calhoun Port Authority and Port Comfort Power, LLC along with the first amendment, the original lease and the request to renew the lease for an additional 7 years. The second amendment added 0.188 acres to the lease making the total acreage leased 2.138 acres. The new lease fee was \$56,443.55 with an administrative fee of \$1,500.00 for document preparation. Pursuant to further review and discussion, a

motion was made by Board Member Jay Cuellar to approve the Secondment Amendment to the Ground Lease between the Calhoun Port Authority and Port Comfort Power, LLC and the request to extend the lease. The motion was seconded by Board Member Dan Krueger and the motion carried unanimously.

Agenda Item No. 16: Review and Consideration of Fiscal Year 2023 Budget Amendments.

The Board reviewed a spreadsheet showing the proposed budget amendments for FY 2023. The spreadsheet shows a decrease in revenue by \$4,538,507 due to the sale of the AN/NH3 facility to Ineos, and decreased expenditures by \$7,641,343 due to reducing the AN/NH3 Facility Operator Fee. The new net income before depreciation is \$2,366,804.00. Pursuant to further review and discussion, a motion was made by Board Jay Cuellar to approve the Fiscal Year 2023 Budget Amendments. The motion was seconded by Board Secretary Luis De La Garza and the motion carried unanimously.

Agenda Item No. 17: Closed Session: As Authorized by and subject to the applicable provisions of law, including but not limited to the Texas Government Code, Chapter 551, Open Meetings Act, the following topics may be considered in Closed Session:

Section 551.071 – Attorney Consultation

Section 551-072 – Real Property Transactions

Section 551.087 – Economic Development Negotiations

Board Chair Johny Perez announced that As Authorized by and subject to the applicable provisions of law, including but not limited to the Texas Government Code, Chapter 551, Open Meetings Act, the following topics may be considered in Closed Session:

Section 551.071 – Attorney Consultation

Section 551-072 – Real Property Transactions

Section 551.087 – Economic Development Negotiations

“No action or consensus would be taken in closed session”. The Board convened in Closed Session at 9:47 a.m.

Agenda Item No. 18: Return to Open Session and take any action deemed necessary based on discussion in Closed Session.

The Board adjourned the Closed Session at 12:14 p.m. Board Chair Johnny Perez announced that “No action or consensus had been taken in closed session”.

Agenda Item No. 13: Review and Consideration of a Mobile Gangway for use at the General Cargo Dock for Boarding Vessels and Barges.

The Board Members reviewed a copy of a quote for the mobile gangway and a drawing. The latest estimate that was received from Mustang Equipment was \$208,001.00. Pursuant to further review and discussion, a motion was made by Board Member Marty Strakos to proceed with Mustang Equipment as the fabricator of a Mobile Gangway for use at the General Cargo Dock. The motion was seconded by Board Member Jay Cuellar and the motion carried unanimously.

Agenda Item No. 19: Receive chief Executive and commissioners Comments.

No action was taken on this agenda item.

Agenda Item No. 20: 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 12:16 p.m. on Wednesday, May 10, 2023.



Johnny Perez, Board Chair

ATTEST:



Luis De La Garza, Board Secretary