

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

A regular meeting of the Calhoun Port Authority was held on Wednesday, September 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
Miranda Malek – Finance Assistant

Others attending were:

David M. Knuckey – Engineering Consultant
Carl Smith – NGL
Aaron Smith – NGL
Todd Edwards – Max Midstream
Hans Messmer - Max Midstream
Julian Trillig – Max Midstream
Zachary Newell – Max Midstream
Brandon Lantrip – Max Midstream
Allessio Lilli – Max Midstream
Daniel Golt Schald – Max Midstream
Steve Svetlik – Max Midstream
Kevin Riggs - Alcoa
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.

Board Chair J. C. Melcher, Jr. announced that as of 9:00 a.m. no more bids would be accepted for the NH3 Tank Farm Road and Site Repair Project.

Agenda Item No. 2: Public Comment.

No action was taken on this agenda item.

Agenda Item No. 3: Review and Consideration of Sealed Bids Received for the NH3 Tank Farm Road and Site Repair Project and Consider Awarding a Contract.

Engineering Consultant David Knuckey opened a total of 6 sealed bids received for the NH3 Tank Farm Road and Site Repair Project. The apparent low bidder was Lester Contracting with a bid of \$112,220.00 and Mr. Knuckey recommended to the Board Members that the contract be awarded to this vendor. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to award the NH3 Tank Farm Road and Site Repair project to Lester Contracting for the price of \$112,220.00. The motion was seconded by Board Member Jay Cuellar and the motion carried unanimously.

Agenda Item No. 4: Approve the minutes of the Wednesday, August 12, 2020 Regular Meeting and the Wednesday, August 19, 2020 Special Meeting.

The Board Members reviewed the minutes from the Wednesday, August 12, 2020 Regular Meeting and the Wednesday, August 19, 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, August 12, 2020 Regular Meeting and the Wednesday, August 19, 2020 Special Meeting. The motion was seconded by Board Member H. C. Wehmeyer, Jr. and the motion carried unanimously.

Agenda Item No. 5: 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 August 31, 2020:

- 1.) Accounts Receivable Report as of August 31, 2020
- 2.) Mr. Hawes reported to the Board Members that the accounts receivable report specified that the accounts receivable was 57% current as of August 31, 2020.

Agenda Item No. 6: Approval of Disbursements and Transfers: All Funds

The Board Members reviewed the September 9, 2020 Port Operations Account disbursements. Pursuant to review, a motion was made by Board Member Jay Cuellar to approve disbursements and the corresponding transfers for September 9, 2020. The motion was seconded by Board Secretary Tony Holladay and the motion carried that the disbursements and the corresponding transfers be approved.

TRANSFER NO.	FUND ACCOUNT	AMOUNT
GROSS REVENUE FUND		
2021-005	To Port Operations Fund	\$74,962.38
2021-007	To Port Operations Fund	\$65,414.25
2021-008	To Port Operations Fund	\$63,695.00
2021-009	To Port Operations Fund	\$200,378.13
	Total	\$404,449.76

BUSINESS DEVELOPMENT FUND

2021-009	To Port Operations Fund	\$55.02	
	Total		\$55.02

AN/NH3 OPERATING FUND

2021-009	To Port Operations Fund	\$28,907.56	
	Total		\$28,907.56

TOTAL TRANSFERS TO PORT OPERATIONS ACCOUNT **\$433,412.34**

INTERFUND TRANSFERS

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

Agenda Item No. 7: Port Director’s Report.

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

A. Harbor Traffic Statistics for the month of August:

That a total of 67 vessels had arrived at the public port facilities during the month of August; 16 deep draft arrivals and 47 inland barges and a total of 139 invoices were issued. Further, that 11 deep draft vessels were already on schedule for September arrival.

Total revenue tons for the month of August were 254,346.6 short tons. Total throughput for the first two months of FY2021 were 574,858.1.

- B. NGL loaded out 12 crude oil barges totaling 39,374.6 short tons.
- C. Harvest loaded out 6 crude oil barges totaling 21,246.4
- D. short tons.

Agenda Item No. 8: Review and Consideration of Approval of Board Members Committee/Conference Attendance.

No action was taken on this agenda item.

Agenda Item No. 9: Review and Consideration of Proposed Maintenance and Operation (M&O) Tax for 2020.

The Board Members reviewed copies of the 2020 Certified Total for Calhoun Port Authority and the 2020 Notice of Effective Tax Rate for Calhoun Port Authority from Mr. Jesse Hubbell, Chief Appraiser of the Calhoun County Appraisal District. The effective M&O rate for 2020 had been calculated to be .0009 cents per each \$100 valuation for the new revenue tax rate versus the 2019 rate of .0010. The new rate would return \$20,328.00 in tax revenue for 2020. Pursuant to further review and discussion, a motion was made by Board Member Jay Cuellar to adopt the proposed new M&O tax rate of

.0009 cents per each \$100 valuation for 2020. The motion was seconded by Board Member Johnny Perez and the motion carried unanimously.

Agenda Item No. 10: Review and Consideration of Declaring the Emergency Bearing Oil Pump Assembly at the Joslin Plant as Surplus Property.

The Board Members reviewed a copy of an email from Mr. Gary Clark with CAMSTX, the company that operates the Peaker Power Plant on the Joslin tract, stating that they would be interested in purchasing the emergency oil pump assembly. In order to advertise for public bids to sell this equipment to the highest bidder, it must first be declared as surplus. Pursuant to further review and discussion, a motion was made by Board Member Jay Cuellar to declare the emergency bearing oil pump assembly at the Joslin plant as surplus property. The motion was seconded by Board Secretary Tony Holladay and the motion carried unanimously.

Agenda Item No. 11: Review and Consideration of Approval to Advertise for Bids for the AN Vapor Destruction Unit Project.

The Members of the Board reviewed a copy of a memorandum from Engineering Consultant David Knuckey that outlined the anticipated schedule for the AN vapor destruction unit replacement project and a copy of the scope of work for review. This project is a long-term project which would be advertised in September of 2020 and due to the long lead time for receiving the unit, it is estimated that the project would not be completed until February of 2022. This project would be paid for out of the AN/NH3 Depreciation and Major Repair Fund as well as the AN/NH3 Operating Fund. Pursuant to further review and discussion, a motion was made by Secretary Tony Holladay to advertise for bids for the AN Vapor Destruction Unit project. The motion was seconded by Board Member Luis De La Garza and the motion carried unanimously.

Agenda Item No. 12: Review and Consideration of Approval of an Owner's Representative Agreement Regarding the AN Vapor Destruction Unit Replacement Project.

The Board reviewed a copy of the Owner's Representative Agreement prepared by Port Special Counsel. The agreement has Ineos assisting in the project as well as overseeing the installation of the new unit. Pursuant to further review and discussion, a motion was made by Board Member Johnny Perez to approve the Owner's Representative Agreement regarding the AN Vapor Destruction Unit Replacement Project. The motion was seconded by Board Secretary Tony Holladay and the motion carried unanimously.

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

The Board Members reviewed a copy of the bylaws prepared by Port Special Counsel. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to choose Option A on pages 4 and 18 and to approve the bylaws as presented. The motion was seconded by Board Member H. C. Wehmeyer, Jr. and the motion carried with a vote of 4-1 with Board Member Luis De La Garza casting the nay vote.

Agenda Item No. 14: Review and Consideration of a Letter of Support for Calhoun County's CMP Grant Application for Magnolia Beach / Indianola County Parks.

The Members of the Board reviewed a copy of an email from Mr. Allan Berger, Calhoun County Parks Chair, requesting a letter of support for the County's Magnolia Beach / Indianola County Parks CMP Grant Application. Also included for review was a letter of support along with a brief scope of work as well as a brief description of the projects. Pursuant to further review and discussion, a motion was made by Board Member Jay Cuellar to approve the Letter of Support for Calhoun County's CMP Grant Application for Magnolia Beach / Indianola County Parks. The motion was seconded by Board Member Johnny Perez and the motion carried unanimously.

Agenda Item No. 15: Review and Consideration of a Request for an Extension of Time on Memorandum of Understanding between the Calhoun Port Authority and IDE Americas Inc.

The Board Members reviewed a copy of an email from Chris Morss with IDE that requested an extension of time to continue IDE's investigation of a potential desalinization facility. Pursuant to further review and discussion, a motion was made by Board Member Luis De La Garza that the Memorandum of Understanding between the Calhoun Port Authority and IDE Americas Inc. be extended until March 31, 2021. The motion was seconded by Board Secretary Tony Holladay and the motion carried unanimously.

Agenda Item No. 16: Review and Consideration of Approval of a Request from Max Midstream, Texas to Align their Port Terminal Lease, The Pipeline Easements and the Loading Arm Lease to Match the Terms in the North Peninsula/Office Building Lease.

The Board Members reviewed a copy of an email from Mr. Brandon Lantrip, CFO with Max Midstream Texas requesting that the terminal lease and the pipeline/loading arm lease terms be adjusted to match the terms of the North Peninsula/building lease term. After discussing with Port Special Counsel, the maximum length of term the port can grant on the lease referred to above is 50 years from the original date of the start of the old agreements. Max had requested this change because of their bond issuance firm needed the longer term for bond financing. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to amend the existing Max Midstream, Texas lease for the terminal, pipeline easements, loading arm and the north peninsula/office building to a length of 50 years from the original start date. The motion was seconded by Board Member Luis De La Garza and the motion carried unanimously.

Agenda Item No. 17: 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.

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 9:44 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 10:29 a.m. Board Chair J. C. Melcher, Jr. announced that “No action or consensus had been taken in closed session”.


Agenda Item No. 19: 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 10:29 a.m. on Wednesday, September 9, 2020.



J. C. Melcher, Jr. Board Chair

ATTEST:



Tony Holladay, Board Secretary