

Board of Trustees of the Galveston
Wharves
SPECIAL MEETING
Friday, June 17, 2022 4:00 p.m.
Port of Galveston
123 Rosenberg Avenue, 8th Floor
Galveston, TX 77550

BOARD OF TRUSTEES
Chairman Harry D. Maxwell, Jr.
Vice Chair Todd P. Sullivan
Trustee/Mayor Craig Brown
Trustee Sheila S. Lidstone
Trustee E.L. "Ted" O'Rourke
Trustee Jeff Patterson
Trustee Victor Pierson
Rodger Rees, Port Director/CEO
Anthony P. Brown, Port Attorney

NOTICE OF MEETING

The Special Meeting is open to the public.

Members of the public may participate in the meeting in the following ways:

1. Watch the meeting at the following online at:
<https://www.portofgalveston.com/68/watch-meetings-online>
2. Submit public comment in advance of the meeting. Comments can be submitted to:
<https://www.portofgalveston.com/formcenter/public-comment-form-2/public-comment-form-36>
3. Attend the meeting in person at the above address.

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A. CALL TO ORDER

- A.1 Roll Call
- A.2. Declaration of Quorum
- A.3. Pledge of Allegiance

B. DECLARATION OF CONFLICTS OF INTEREST BY TRUSTEE

C. GENERAL BUSINESS

C.1. COMMENTS FROM THE PUBLIC

The Public will be permitted to submit public comments electronically.

Comments can be submitted to:

<HTTPS://WWW.PORTOFGALVESTON.COM/FORMCENTER/PUBLIC-COMMENT-FORM-2/PUBLIC-COMMENT-FORM-36>

D. BUSINESS ITEMS

- D.1. Discuss And Consider Authorization For Port Director/CEO To Execute And Negotiate An Agreement For Dredging Needed For The Turning Basin In The Galveston Channel, As Required By The Ground Lease Dated December 12, 2019 Between The Board Of Trustees And Galveston Cruise Terminal LLC, In An Amount Not To Exceed \$2,000,000**

Documents:

[BUSINESS ITEM - SPECIAL MEETING 06.17.2022.PDF](#)

E. COMMENTS FROM THE BOARD OF TRUSTEES

Pursuant to Texas Government Code Section 551.0415, Trustees may report on any of the following items:

1. Expressions of thanks, gratitude, and condolences
2. Information regarding holiday schedules
3. Honorary or salutary recognition of a public official, public employee, or other citizen
4. Reminders regarding Galveston Wharves events
5. Reminders regarding community events
6. Health and safety announcements

F. SET DATE OF NEXT BOARD MEETING, TIME AND LOCATION

G. ADJOURNMENT

THE ITEMS LISTED FOR THE CONSENT AGENDA ARE CONSIDERED ROUTINE AND WILL NOT BE DISCUSSED UNLESS A TRUSTEE DESIRES TO DISCUSS - AS IS THE CASE, THAT SUCH ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND CONSIDERED PRIOR TO THE REGULAR AGENDA ITEMS. AS USED IN THIS NOTICE, THE TERM "EXECUTIVE SESSION" MEANS A "CLOSED MEETING" AS DEFINED IN TEXAS GOVERNMENT CODE CHAPTER 551, THE OPEN MEETINGS ACT. THE BOARD RESERVES THE RIGHT TO ADJOURN INTO EXECUTIVE SESSION AT ANY TIME DURING THE COURSE OF THIS MEETING TO DISCUSS ANY SUBJECT, INCLUDING WITHOUT LIMITATION ANY SUBJECT APPEARING ON THIS AGENDA, AS AUTHORIZED BY THE OPEN MEETINGS ACT. FOLLOWING ANY EXECUTIVE SESSION, THE BOARD IN OPEN SESSION MAY TAKE A FINAL ACTION, DECISION, OR VOTE ON A MATTER DELIBERATED IN EXECUTIVE SESSION, AS AUTHORIZED BY THE OPEN MEETINGS ACT.

I certify that the above Notice of Meeting was posted in a place convenient to the public, in accordance with Chapter 551 of the Texas Government Code, on or before 4:00 p.m. Tuesday, June 14 2022.

Rodger Rees, Port Director/CEO

**PLEASE NOTE:
IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICANS WITH DISABILITIES ACT (ADA),
PERSONS IN NEED OF A SPECIAL ACCOMMODATION TO PARTICIPATE IN THIS PROCEEDING SHALL,
WITHIN THREE (3) DAYS PRIOR TO ANY PROCEEDING, CONTACT THE PORT'S OFFICE, 123
ROSENBERG, GALVESTON, TEXAS 77550 (409-765-3921).**

DATE ACTION TAKEN: _____

Approved: _____

Disapproved: _____

Deferred To: _____

Incorporated into Minutes: _____

Motion By: _____

Seconded By: _____

Unanimous: Yes No

By: _____

PORT OF GALVESTON

Briefing

DISCUSS AND CONSIDER AUTHORIZATION FOR PORT DIRECTOR/CEO TO EXECUTE AND NEGOTIATE AN AGREEMENT FOR DREDGING NEEDED FOR THE TURNING BASIN IN THE GALVESTON CHANNEL, AS REQUIRED BY THE GROUND LEASE DATED DECEMBER 12, 2019 BETWEEN THE BOARD OF TRUSTEES AND GALVESTON CRUISE TERMINAL LLC, IN AN AMOUNT NOT TO EXCEED \$2,000,000

Background

In 2019, the Board of Trustees of the Galveston Wharves and the Galveston Cruise Terminal LLC approved a ground lease agreement that requires the Wharves to widen the current turning basin to accommodate the Oasis class vessels. The arrival of the Allure of the Seas in November will require a wider turning basin from 1,400 feet to 1,500 feet. According to the U.S. Army Corps of Engineers, Hydraulic Design of Deep-Draft Navigation Projects, dated May 2006, the minimum diameter to accommodate a vessel of the Oasis class is 1.2 to 1.5 times the vessels total length. That formula establishes that the turning basin should be between 1,417 feet and 1,772 feet. In December of 2019, the Galveston-Texas City Pilots issued a letter to their commissioners that the 1,400-foot turning basin is insufficient. Port staff met with the Pilots and discussed on several occasions that a 1,500-foot turning basin would be sufficient under normal weather and current conditions. Subsequent pilot training simulations confirmed that the 1,500-foot diameter is adequate.

Current Situation

Port staff began discussions in March 2022, with our current maintenance contractor (Callan Marine) as well as the contractor performing the Federal Harbor project (Orion Marine) to get estimates for the expansion of the turning basin. The material to be removed is considered new-work and is denser than the typical maintenance material dredged annually and requires a specific size and equipped dredge-boat to perform the work. Port staff understood that there are only two available placement areas for dredge spoil materials from this project to be placed. Callan Marine began the Port's annual maintenance dredging in early May 2022, and has exclusive rights for the Port's placement area through late July. Orion Marine began the Federal Harbor dredging project in May of 2021 and has exclusive rights to the U.S. Corps Pelican Island placement area through August of 2022. Due to the timing of the turning basin's required completion date of September

1, 2022 and the exclusivity of the Port's and Federals placement areas, Port staff focused on those contractor's proposals. Port staff also reached out to a third company, Weeks Marine, who ultimately determined that they are unable to submit a proposal.

Callan Marine's and Orion Marine's proposals are still in discussion as this situation fluctuates based on the Port's current maintenance dredging operation and the management of our placement area as well as Orion Marine's private contracts and the Federal placement area capacities. It is imperative that the Port have the ability to negotiate an agreement with a contractor to ensure the new turning basin is completed by September 1, 2022.

While staff had hoped to have a final proposal to recommend to Trustees at the June 28, 2022 Regular Monthly meeting, staff recently learned that the U.S. Army Corps of engineers has scheduled a temporary halt to the Federal Harbor Project. Staff is concerned that if Orion Marine turns out to be the only company that can do the work, and their dredge-boat could be relocated to another project before June 28, 2022, the timely completion of this project could be put at risk.

Fiscal Impact

Staff Recommendation

The Board of Trustees of the Galveston Wharves is respectfully requested to review the attached information, to listen to the briefing by the Deputy Port Director, and to approve the Authorization For Port Director/CEO To Execute And Negotiate An Agreement For Dredging Needed For The Turning Basin In The Galveston Channel, As Required By The Ground Lease Dated December 12, 2019 Between The Board Of Trustees And Galveston Cruise Terminal LLC, In An Amount Not To Exceed \$2,000,000.