

MINUTES OF MEETING

BE IT REMEMBERED that the Commissioners of the Port of Bay City Authority met Thursday, September 10, 2020 at the office of the Authority, 1305 Seventh St, Bay City, Texas. The following Commissioners and staff were present:

Mike Griffith	Chairman
George Harrison	Vice-Chairman
Joey Sliva	Secretary
Lee Weathers	Commissioner
Buddy Treybig	Commissioner
Allen Cumbie	Port Attorney
Craig Hlavinka	Harbor Master
Sharron Perez	Office Manager
Visitors:	
Steve VanManen	HWU
Darryl Elliott	MWDWSC President
George Lazaro	MWDWSC Engineer
George Lazaro	Visitor
Rodney Parrot	Sharky's Food Truck
Sonya Turner	Sharky's Food Truck
Absent:	
Tommy Countz	Commissioner

The meeting was called to order at 6:30pm by Commissioner Mike Griffith.

Item 1 – The minutes for the August 13, 2020 were not available for review prior to the meeting. The minutes were tabled until the next meeting.

Item 2 - On motion of Commissioner Joey Sliva, seconded by Commissioner George Harrison, the following disbursements were unanimously ratified and approved:

ACE HARDWARE	657.94
--OPERATING SUPPLIES	
ACE HARDWARE	578.46
--OPERATING SUPPLIES	
ACE HARDWARE	399.99
--OPERATING SUPPLIES	
ACE HARDDWARE	483.66
--OPERATING SUPPLIES	
AQUA MARINE SUPPLY	68.29
--REPAIRS & MAINTENANCE – HARBOR	
AQUA-ZYME SERVICES INC	480.00
--PUBLIC UTILITIES	
AQUA-ZYME SERVICES INC	320.00
---PUBLIC UTILITIES	
AT&T	359.72
--TELEPHONE	
AT&T	68.44
--TELEPHONE	
A TEAM LANDSCAPING	240.00
--REPAIRS & MAINTENANCE – OFFICE	
A TEAM LANDSCAPING	240.00
--REPAIRS & MAINTENANCE - OFFICE	
BAY CITY PLUMBING SUPPLY	60.52
--REPAIRS & MAINTENANCE – HARBOR	
JENNIFER CHILDERS	4,660.00
--REPAIRS & MAINTENANCE – HARBOR	
CPL BUSINESS	42.61
--PUBLIC UTILITIES	
B ALLEN CUMBIE	14,223.51
--ATTORNEY'S FEES	
DEX.YP	26.50
--PROMOTION & DEVELOPMENT	
DIRECT ENERGY	359.61
--PUBLIC UTILITIES	
DIRECT ENERGY	3,540.06
--PUBLIC UTILITIES	
DIRECT ENERGY	79.39
--PUBLIC UTILITIES	
DIRECT ENERGY	18.76
--PUBLIC UTILITIES	
ELLEN DODD	1,360.00

--SPECIAL DISTRICT ACCOUNTING FEES	
EATON CORPORATION	4,548.60
--REPAIRS & MAINTENANCE – HARBOR	
-- REPAIRS & MAINTENANCE – RV PARK	
EL CAMPO SPRAYING INC	9,469.50
--REPAIRS & MAINTENANCE – PORT	
--REPAIRS & MAINTENANCE – DUNBAR	
GRAINGER	53.62
--OPERATING SUPPLIES	
GRAINGER	838.06
--OPERATING SUPPLIES	
GRAINGER	28.90
--REPAIRS & MAINTENANCE – HARBOR	
GRAINGER	288.80
--OPERATING SUPPLIES	
HART DISTRIBUTING INC	629.99
--OPERATING SUPPLIES	
KECO PUMP & EQUIPMENT	123.60
--REPAIRS & MAINTENANCE – HARBOR	
KLEPAC PEST CONTROL	65.00
--REPAIRS & MAINTENANCE - OFFICE	
LOWES	253.66
--OPERATING SUPPLIES	
MATAGORDA COUNTY ECONOMIC DEVELOPMENT CORPORATION	50,000.00
--PROMOTION & DEVELOPMENT	
MATAGORDA LAWN SERVICE	220.00
--REPAIRS & MAINTENANCE - HARBOR	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	266.15
--PUBLIC UTILITIES - BOAT SHED	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	436.40
--PUBLIC UTILITIES - TENT & FISH CLEANING TABLE	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	47.50
-- PUBLIC UTILITIES - PUMP	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	282.70
--PUBLIC UTILITIES - TRAILER PARK	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	112.00
-- PUBLIC UTILITIES - RESTROOM	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	124.00
-- PUBLIC UTILITIES - HOUSE	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	110.00
--PUBLIC UTILITIES - MEETING HOUSE	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	807.75
--PUBLIC UTILITIES – SPRINKLER	
NAPA AUTO & TRUCK PARTS	256.63
--REPAIRS & MAINTENANCE – EQUIPMENT	
PITNEY BOWES	183.57
--MISCELLANEOUS EXPENSE	
PURCHASE POWER	1,342.85
--OPERATING SUPPLIES	
JAY SCHOLTEN	1,600.00
--REPAIRS & MAINTENANCE - HARBOR	
SHARRON'S BOOKKEEPING AND TAX SVC	5,812.79
--OFFICE MANAGER - CONTRACT SERVICES	
--PROFESSIONAL SERVICES	
--TELEPHONE	
--OPERATING SUPPLIES	
--TRAVEL	
SHORELINE CONSTRUCTION	6,150.96
--REPAIRS & MAINTENANCE - HARBOR	
THE HOME DEPOT	398.99
--OPERATING SUPPLIES	
VERIZON WIRELESS	137.20
--TELEPHONE	
WCA	443.91
--PUBLIC UTILITIES	
WILSCOT	220.25
--MISCELLANEOUS EXPENSE	
CRAIG HLAVINKA	2,041.97
--TRAVEL	
--OPERATING SUPPLIES	
--VEHICLE EXPENSE	
--REPAIRS & MAINTENANCE – HARBOR	
SARAH CAIN	450.00
--DEPOSIT REFUND	

Item 3 - The Billing, Collection, Accounts Receivable Reports, and Financial Reports for August 2020 were not available for review. The item was tabled until the next meeting.

Item 4 – The report on past due accounts and actions taken on these accounts was not available for review. This item was tabled until the next meeting.

Item 5 - Craig Hlavinka reported on activity at the Port of Bay City. Everything is going smoothly. Air Liquide is still moving dirt back and forth. GulfMark Energy is shipping a barge about every eleven days. The mowing crew mowed the areas that the hay guy does not bale. Craig Hlavinka visited with AEP but did not receive any information before the meeting. The lease amendment and legal description needs to be completed. Craig Hlavinka discussed getting all of the various items laid out prior to moving the drill site location. FASH Family Partnership 1992 is holding on the legal description of the drill site. Mike Griffith feels that they are wanting the legal description prior to making a decision. There was some discussion regarding moving the drill site in the future and the possible reduction in size if no drilling occurs.

Craig Hlavinka reported on the activity at Matagorda Harbor. Occupancy is at 89% for all docks excluding G-dock which is at 73%. The Trump boat parade was discussed. Craig Hlavinka advised the Commissioners that there were not that many launching from the Harbor. There were several boats that came from Sargent. Everything ran very smoothly at the Harbor. On the day of the parade, the Game Wardens were patrolling. They gave a ticket to one boat that was in the Harbor and arrested a gentleman for public intoxication.

Item 6 – Steve VanManen, with HWU, presented the independent audit for the year ended December 31, 2019. Steve VanManen thanked the Commissioners for the opportunity to prepare the audit and their understanding regarding the later completion date. He advised that if the Commissioners utilized HWU in the future that the May 15th deadline would be met. Steve VanManen advised that the books are in great shape and the financial position is sound. The audit resulted in a clean opinion. George Harrison did read thru the audit and thought it was a good report. On motion of Commissioner George Harrison, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved the audit as submitted for the year ended December 31, 2019. Mike Griffith did advise that the Port Commissioners would look at amending the investment policy and changing the capitalization amount.

Item 7 – The Commissioners discussed the 2020 tax rate. On motion of Commissioner Joey Sliva, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved the Resolution No. PA-R-001-2019 “Resolution Adopting Tax Rate for Port of Bay City Authority of Matagorda County, Texas for the tax year 2020” at a rate of \$0.05628 per \$100 valuation.

Item 8 – Darryl Elliott, President of Matagorda Waste Disposal and Water Supply Corporation, discussed the letter of support needed for MWDWSC’s application for a loan from USDA to upgrade the water system for the Matagorda area and additional funding mechanisms for infrastructure expansion of the water and wastewater systems. George Lazaro, an engineer for MWDWSC, also attended the meeting to discuss the numerous issues that the current system has. George Lazaro provided a history on the current water system. MWDWSC is asking the Port Authority to provide a letter of support including upcoming projects that the Port Authority has, ie the commercial barge terminal and harbor expansion. Job creation will be a significant factor in obtaining grants for the upgrade thru the EDA program. Mike Griffith will prepare a letter of support and asked that MWDWSC provide information on needs that the company has.

Item 9 – Rodney Parrot and Sonya T Commissioners discussed the proposed budget for the year 2021. There was a general discussion in regards to various budget items. The Commissioners decreased the interest income due to current interest rates which in turn decreased the budgeted amount of promotion and development. On motion of Commissioner George Harrison, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved the following budget totals for 2021:

Total Budgeted Revenue	\$ 2,912,308
Total Budgeted Personnel Expenses	\$ 246,561
Total Budgeted Operations Expenses	\$ 823,454
Total Budgeted Promotion & Development Expenses	\$ 39,533
Total Budgeted Capital Expenses	\$ 465,000

The individual accounts in the budget are provided for informational purposes only. A detailed budget is attached as part of these minutes.

Item 7 - The Commissioners reviewed the 2020 No New Revenue (NNR) tax rate of \$.05413 per \$100 valuation. There was no motion to adopt the NNR tax rate.

Item 8 – The Commissioners reviewed the 2020 Voter-Approved Tax Rate of \$.05628 per \$100 valuation. On motion of Commissioner George Harrison, seconded by Commissioner Lee Weathers, the

Commissioners unanimously approved the setting of a public hearing on September 10, 2020 at 6:15pm at the office of the Authority, 1305 Seventh Street, Bay City. Sharron Perez will have the notice of public hearing in the Bay City Sentinel and post the proper notice at the Matagorda County Courthouse.

Item 9 - The Commissioners reviewed and discussed amending the 2020 budget to cover increased personnel and operating expenses. The largest of these being for the asphalt and paving repairs at Matagorda Harbor. On motion of Commissioner George Harrison, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved the following amended budget totals:

Total Amended Budgeted Revenue	\$ 2,784,743
Total Budgeted Personnel Expenses	\$ 246,546
Total Amended Operations Expenses	\$ 1,179,305
Total Amended Promotions & Development Expenses	\$ 43,029
Total Amended Capital Expenses	\$ 450,000

The individual accounts in the budget are provided for informational purposes only. A detailed budget is attached as part of these minutes.

Item 10 – The Commissioners discussed the relocation of the drill site pending FASH Family Partnership 1992's approval. There has been no decision on the drill site relocation at this time.

Item 11 – The Commissioners discussed the location and provisions of a proposed AEP Texas Inc easement on approximately 99.97 acres of land owned by the Port of Bay City Authority north of the current OXEA plant. The new projected rail easement is 185' off of the existing electrical easement. Craig Hlavinka updated the Commissioners on a call he received regarding the rail switch. George Harrison asked if Jackson Electric Coop is out of the equation for electrical service to the area. Mike Griffith confirmed that Air Liquide is using AEP. There is no action required at this time.

Item 12 – The Commissioners discussed Air Liquide's implied request for a rail spur corridor across the southeast portion of the 100 acre tract at the Port of Bay City. There is no action required at this time.

Item 13 – The Commissioners discussed an alternate electrical transmission line to accommodate the rail spur from the 100 acre tract across FM 3057 to the Air Liquide property. There was no action required this time.

Item 14 – The Commissioners discussed AEP's request for a 3.2 acre substation easement located on the 20 acre Air Liquide property and exclusive right to provide electrical power to said property. The Port of Bay City is currently leasing 20 acres to Air Liquide. AEP will locate a substation on a portion of the property; however, AEP would like to enter into an agreement directly with the Port of Bay City. A proper release will have to be obtained in order for AEP to move forward with an agreement. Allen Cumbie will draft the necessary documents and then review any changes Air Liquide proposes. Allen Cumbie asked if any consideration would be due from AEP. The Commissioners advised that there would be no cost to AEP as Air Liquide will be liable for the full amount. The Commissioners discussed including a clause in the agreement with AEP requiring that if AEP ceases to provide electricity the substation will have to be removed within two years. On motion of Commissioner George Harrison, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved Allen Cumbie to draft the necessary paperwork for AEP to have a 3.2 acre substation on the property currently leased by Air Liquide and to review any changes requested by Air Liquide and/or AEP incorporating the items discussed.

Item 15 – Allen Cumbie updated the Commissioners on the 2007 condemnation by the Port of Bay City Authority of an undivided 77.78% interest out of approximately 8.11 acres out of Coastal Tract No. 3 and out of the townsite of Matagorda, Matagorda County, Texas. Allen Cumbie reviewed the history of the condemnation and the award of \$35,000 which was placed in the registry. The funds remain in the registry and have accrued interest of approximately \$5000. Allen Cumbie discussed the zoom hearing with Judge Hardin, at which Judge Hardin advised the two parties to try to reach an outside agreement. Allen Cumbie discussed the potential cost if the case goes to trial and the two potential outcomes as well as a similar case and its outcome. On motion of Commissioner George Harrison, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved an offer of an additional \$10,000 for the property.

Item 16 & Item 17 – The Commissioners did not enter into executive session.

Item 18 – Allen Cumbie discussed the area under the bridge that shrimp boats utilize for dockage. Allen Cumbie discussed the current deed of the property to the county and the history of the transaction. The County owns the property which is a long and narrow 1.75 acre tract. Mike Griffith discussed the area with George Deshotels. Kent Pollard had appointed three people to take care of the area; however, they had no authority over the property. The Commissioners discussed all of the improvements that would need to be made in order to maintain the property and rent the slips. There are some sunken boats and clean up that would have to be done. If the Port Authority decided to pursue this project, then another

employee would have to be hired. The Commissioners discussed whether or not utilizing public funds for the project would be justified as the investment would be made to property that the Port Authority does not own.

Item 19 - Michael Ferdinand, MCEDC Executive Director, updated the Commissioners on prospects looking at Matagorda County. Project Pelican has chosen a location outside of Matagorda County. Roehm America LLC is negotiating tax abatement at this time. There are three sites in the running for the facility. If the project moves forward, then there is a possibility that the Port of Bay City may be used for shipping which is projected at a barge per day. The site location is expected to be determined by the second week in September.

Michael Ferdinand turned over the discussion to Heather Case to discuss the website. MCEDC's website is in the process of being updated to include the two ports. Craig Hlavinka will assist in the Port of Bay City's section. The current plan is for the umbrella to be live by September then after the content on the individual sites has been reviewed each will go live. Heather Case then discussed the county wide strategic plan. MCEDC received three bids from outside consultants and is asking the partners for support and backing of the project. There is no request for funding at this time. George Harrison stressed that the Port of Bay City wants engagement in the strategic plan. Mike Griffith suggested looking into BP funding for assistance. The Port Authority has no objection to moving forward with the strategic plan and will place the resolution on the next agenda.

Michael Ferdinand discussed a couple of additional items. There was some discussion in regards to the salt domes in Markham/Clemville. There are several solar companies looking at Matagorda County.

Item 20 – Mike Griffith discussed the Henry Roe Jr contacting him in regards to the accretions that he has on the other side of the Gulf Intracoastal Waterway. Mr Roe believes that he owns twenty-five acres. The Commissioners discussed the possibility of having someone look into this as the harbor is going to need to be dredged and this would be a good placement area.

There being no further business to come before the meeting, the Commissioners adjourned the meeting at 8:32pm.

Attest:

Approve:

/s/ Mike Griffith

/s/ Joey Sliva