

MINUTES OF MEETING

BE IT REMEMBERED that the Commissioners of the Port of Bay City Authority met in a special called meeting on Monday, August 30, 2021, at the office of the Authority, 1305 Seventh St, Bay City, Texas. Due to the COVID-19 pandemic and the large number of confirmed cases in Matagorda County, Texas, and the danger and risk to the general public and the Commissioners of the Port of Bay City Authority, the Commissioners participated through video/teleconference and were not physically present at the meeting. The Port office was open to the general public to allow the general public to listen to the meeting, join in, and participate in the video/teleconference meeting. The following Commissioners and staff were present:

Mike Griffith	Chairman
George Harrison	Vice-Chairman
Joey Sliva	Secretary
Lee Weathers	Commissioner
Tommy Countz	Commissioner
Buddy Treybig	Commissioner
Allen Cumbie	Port Attorney
Craig Hlavinka	Harbor Master
Sharron Perez	Office Manager

The meeting was called to order at 6:00pm by Commissioner Mike Griffith.

Item 1 – The Commissioners discussed the proposed budget for the year 2022. The Commissioners were each provided a copy of the proposed budget and explanation of the budgeted items. There was a discussion regarding the interest from LPL Financial and a general discussion regarding other various budget items. The proposed budget is based on the adoption of the 2021 Voter-Approval Rate. On motion of Commissioner George Harrison, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved the following budget totals for 2022:

Total Budgeted Revenues	\$ 3,228,329
Total Budgeted Personnel Expenses	\$ 254,411
Total Budgeted Operations Expenses	\$ 847,941
Total Budgeted Promotion & Development Expenses	\$ 52,004
Total Capital Expenditures	\$ 470,000

The individual accounts in the budget are provided for informational purposes only. A detailed budget is attached as part of these minutes, and a properly signed budget will be provided to Ellen Dodd.

Items 2 & 3 – The Commissioners reviewed the tax rates, in general, for the year 2021. The 2021 No New Revenue Tax Rate, which would produce approximately the same amount of tax revenue as 2020, is \$0.05119 per \$100 valuation. The 2021 Voter Approval Tax Rate, the highest rate that can be adopted without holding an election, is \$0.05299 per \$100 valuation. There was no action taken to adopt the 2021 No New Revenue Tax Rate of \$0.05119 per \$100 valuation. On motion of Commissioner George Harrison, seconded by Commissioner Lee Weathers, unanimously approved the setting of a public hearing regarding the adoption of the 2021 Voter-Approval Tax Rate of \$0.05299 per \$100 valuation to be held on Thursday, September 9, 2021 at 6:15pm at the Port of Bay City Authority office, 1305 Seventh Street, Bay City, Texas. Sharron Perez will put the notice of the public hearing in the Bay City Sentinel and post proper notices at the Matagorda County Courthouse and Port office.

Item 4 – Allen Cumbie updated the Commissioners regarding the status of AEP’s substation easement and transmission line easement. AEP has sent back a revised easement agreement that included changes, ie increased the area of the easement, changed the indemnification clause, and length of term was changed to perpetual. George Harrison is not comfortable with less indemnification. Also, the Port of Bay City has not had a perpetual agreement in the past. In order to increase the size of the easement, Air Liquide will have to release additional acreage. Mike Griffith advised that AEP basically trespassed and constructed the substation and transmission line without the easements and consideration. The Port Authority did sign a consent form for AEP to proceed at their own risk to construct on the 99 acres and has offered to pay the \$125,000 in consideration of the easements. This fee was calculated based on a sixty-five-year easement. This term was based on the Air Liquide lease. Allen Cumbie advised the Commissioners that the current proposal should be rejected. The Commissioners will await AEP’s response.

Item 5 – Allen Cumbie reviewed the election information. Matt Ashcraft was the only applicant for Position No. 1. The three applicants for Position No. 5 were Tommy Countz, Trey Treybig, and Alyssa Dibbern. The order on the ballot per the drawing held on August 24, 2021 for Position No. 5 will be Alyssa Dibbern, Trey Treybig, and Tommy Countz. Allen Cumbie advised the Mike Griffith will need to sign the notice of election. There are constitutional amendments that will also be on the ballot. On motion of Commissioner George Harrison, seconded by Commissioner Lee Weathers, the Commissioners

unanimously approved the Notice of Election for the upcoming election of November 2, 2021 for Commissioner Position No. 1 and Position No. 5.

Item 6 – Allen Cumbie discussed a conversation that he and Craig Hlavinka had regarding virtual meetings. Craig Hlavinka had advised Allen Cumbie that the Texas Ports Association had notified the Port Authority's that the virtual meeting exception would end August 31, 2021. Allen Cumbie also advised the Commissioners that the Port Authority may not have been completely compliant with not all of the Commissioners being visible on the video/conference call, recording the meetings, and public access to the meeting virtually. Mike Griffith suggested that the Port Authority may need to ratify all actions at a later date.

There being no further business to come before the meeting, the Commissioners adjourned the meeting at 6:18pm.

Attest:

Approve:

/s/ Mike Griffith

/s/ Joey Sliva