

MINUTES OF MEETING

BE IT REMEMBERED that the Commissioners of the Port of Bay City Authority met Thursday, February 10, 2022, at the Office of the Authority, 1305 Seventh Street, Bay City, Texas. The following Commissioners and staff were present:

George Harrison	Chairman
Joey Sliva	Vice-Chairman
Matt Ashcraft	Secretary
Lee Weathers	Commissioner
Buddy Treybig	Commissioner
Trey Treybig	Commissioner
Craig Hlavinka	Harbor Master
Sharron Perez	Office Manager
Allen Cumbie	Port Attorney
Visitors:	
Scott Hardwick	MCEDC Executive Director
Bill Balboa	Matagorda Bay Foundation
Terri Balboa	Visitor
Alyssa Dibbern	City of Bay City Engineering Tech
Jim Gann	Visitor
Luke Cressman	HDR Engineering
Hayden Smith	Arthur QEA, LLC
John Dickerson III	Visitor
Bob McKee	Big Hill Project Team Member
Clayton McKee	Big Hill Project Team Member
Chuck McKee	Big Hill Project Team Member
Adrian Wu	Big Hill Project Team Member
Nirav Patel	Big Hill Project Team Member
Rick Chapman	Big Hill Project Team Member
Lyndsey Thompson	Big Hill Project Team Member
Zachary Phillips	Zachary Phillip Inc

The meeting was called to order at 6:30pm by Commissioner George Harrison.

Item 1 – The Commissioners discussed the minutes from the January 13, 2022. On motion of Commissioner Joey Sliva, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved the minutes of the January 13, 2022 meeting as read.

Item 2 - On motion of Commissioner Matt Ashcraft, seconded by Commissioner Trey Treybig, the following disbursements were unanimously ratified and approved:

AQUA-ZYME SERVICES INC	480.00
--PUBLIC UTILITIES	
AQUA-ZYME SERVICES INC	320.00
--PUBLIC UTILITIES	
AT&T	69.14
--TELEPHONE	
AT&T	679.10
--TELEPHONE	
ALLEN CUMBIE	7,564.30
--ATTORNEY FEES	
DIRECT ENERGY	89.37
--PUBLIC UTILITIES	
DIRECT ENERGY	41.05
--PUBLIC UTILITIES	
DIRECT ENERGY	180.34
--PUBLIC UTILITIES	
ELLEN DODD	1,360.00
--SPECIAL DISTRICT ACCOUNTING FEES	
EATON CORPORATION	129.05
--REPAIRS & MAINTENANCE - HARBOR	
GFL	555.90
--PUBLIC UTILITIES	
GRAINGER	338.57
--REPAIRS & MAINTENANCE - HARBOR	
GRAINGER	166.18
--OPERRATING SUPPLIES	
GRAINGER	106.10
--REPAIRS & MAINTENANCE – HARBOR	
GULF INTRACOASTAL CANAL ASSOCIATION	600.00
--SEMINARS & DUES	

KLEPAC PEST & TERMITE CONTROL	64.00
--REPAIRS & MAINTENANCE - OFFICE	
LOWE'S	1,473.66
--OPERATING SUPPLIES	
MATAGORDA COUNTY	2,791.13
--TAX COLLECTION FEES	
MATAGORDA COUNTY ECONOMIC DEVELOPMENT CORPORATION	50,000.00
--PROMOTION & DEVELOPMENT	
MATAGORDA COUNTY ECONOMIC DEVELOPMENT CORPORATION	1,466.00
--PROMOTION & DEVELOPMENT	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	293.40
--PUBLIC UTILITIES - BOAT SHED	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	376.45
--PUBLIC UTILITIES - TENT & FISH CLEANING TABLE	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	47.50
-- PUBLIC UTILITIES - PUMP	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	211.90
--PUBLIC UTILITIES - TRAILER PARK	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	109.90
-- PUBLIC UTILITIES - HOUSE	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	95.60
--PUBLIC UTILITIES - MEETING HOUSE	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	812.90
--PUBLIC UTILITIES – SPRINKLER	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	114.00
--PUBLIC UTILITIES – RESTROOM	
MCCOYS	668.68
--REPAIRS & MAINTENANCE - HARBOR	
NAPA AUTO & TRUCK PARTS	276.81
--REPAIRS & MAINTENANCE – HARBOR	
QUILL CORPORATION	255.72
--OPERATING SUPPLIES	
JAY SCHOLTEN	1,300.00
--REPAIRS & MAINTENANCE – HARBOR	
SHARRON'S BOOKKEEPING AND TAX SVC	5,925.18
--OFFICE MANAGER - CONTRACT SERVICES	
--PROFESSIONAL SERVICES	
--TELEPHONE	
--OPERATING SUPPLIES	
--TRAVEL	
SHORELINE CONSTRUCTION	6,878.52
--REPAIRS & MAINTENANCE – HARBOR	
SUTHERLANDS	773.24
--REPAIRS & MAINTENANCE – HARBOR	
SUTHERLANDS	104.21
--REPAIRS & MAINTENANCE – HARBOR	
SUTHERLANDS	223.90
--REPAIRS & MAINTENANCE – HARBOR	
SUTHERLANDS	425.59
--REPAIRS & MAINTENANCE – HARBOR	
THE HOME DEPOT	1,052.33
--OPERATING SUPPLIES	
VERIZON WIRELESS	99.62
--TELEPHONE	
WILLSCOT	264.25
--MISCELLANEOUS EXPENSE	
CRAIG HLAVINKA	2,604.59
--TRAVEL	
--VEHICLE EXPENSE	
--OPERATING SUPPLIES	
MICHAEL REDDINGTON	175.00
--DEPOSIT REFUND	

Item 3 – Sharron Perez reviewed the Billing, Collection, Accounts Receivable, and Financial Reports for December 2021 and January 2022. There were no significant items to report on at this time, and Sharron Perez asked if there were any other questions regarding the financial information. On motion of Commissioner Matt Ashcraft, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved the financial reports for December 2021 and January 2022. Detailed copies of these reports are kept as part of the current records of the Port of Bay City Authority. George Harrison discussed having Glenn Escovedo, with LPL Financial, to review the investments of the Port of Bay City Authority.

Item 4 – Sharron Perez also presented a report on past due accounts and actions taken on these accounts. There were five tenants to which a ten-day letter will need to be sent this month. A detailed copy of the report is kept as part of the current records of the Port of Bay City Authority.

Item 5 - Craig Hlavinka reported on activity at the Port of Bay City. AT&T is installing fiber-optic lines.

Craig Hlavinka reported on the activity at Matagorda Harbor. Occupancy at the harbor is at 89% excluding G-dock which is at 59%. Craig Hlavinka set the completion date for the tournament pavilion construction for the end of June. The bid notice will be ready to put out for bid prior to the next meeting.

Item 6 – Bill Balboa with the Matagorda Bay Foundation gave a presentation regarding Parker's Cut. Bill Balboa reviewed his employment background including his work with Texas Parks and Wildlife. Bill Balboa discussed making the bay sustainable, and making the bay a sanctuary. The opening of Parker's Cut to divert fresh water into the bay was discussed. Everything needs to be taken off of the table and the project revisited. If the cut is reopened, it would reduce fish kills, improve access to the bay, promote economic development on Beach Road, and moderate the salinity levels in the bay. George Harrison asked if the cut would be completely opened or a weir dam put in place. The options need to be reviewed and determine what benefits each would provide. Bill Balboa recommended opening the cut in order to provide boat access. Bill Balboa is approaching this matter thru his background as a Parks and Wildlife agent. George Harrison advised Bill Balboa that the Port Authority's position is to have Parker's Cut open as this would also help improve the flow thru the jetties to improve shoaling issues. Matagorda Bay Foundation is looking for partners and support as they move forward. George Harrison advised that the Port Authority will support the project.

Item 7 – Luke Cressman, Marine Structure Engineer with HDR Engineering, discussed potential funding options for various projects that the Port Authority is currently looking at. They are currently tracking development of the IJA which will provide funding for Port improvement plans that may tie into the projects. One of the projects is the commercial barge terminal with the Big Hill project. Big Hill owns a large tract on the GIWW with an existing marine terminal. The Port of Virginia has this same type of project which representatives of HDR Engineering assisted with the agreements, etc. Luke Cressman advised that the Port Authority does not have to own the property in order to apply for grant assistance; however, an agreement has to be in place for the project. George Harrison asked HDR Engineering to assist the Port Authority with the Big Hill project. The existing infrastructure needs to be upgraded. HDR Engineering will assist with developing an agreement for the project, assist with the contract language, review the existing infrastructure, roadway design, improvements, and construction for the commercial barge terminal. George Harrison advised Bob McKee of Big Hill it means a lot that they approached the Port Authority in mutual assistance for a commercial barge terminal on the GIWW. The Port Authority has to protect the public's interest and minimize its risk as much as possible by transferring as much risk thru insurance. The Port Authority has to protect county resources.

Luke Cressman then discussed the possible expansion of the recreational harbor. The original plan was to expand the harbor on the 42-acre tract and utilize the 120-acre tract for a commercial barge terminal. With the potential commercial barge terminal at the Big Hill project, the Port Authority is now looking at utilizing the entire area to expand the recreational harbor. Luke Cressman has reviewed all of the property for full development. There are wetlands, tidal grass, and oysters that will need to be taken into consideration when developing. There is a potential to excavate the uplands and open the canal. The existing permit can be utilized for a different area on the property as long as the area is the same size. HDR Engineering will look at mitigation options. The expansion of the recreational harbor would include additional boat slips, RV spaces, and campgrounds. Ecotourism can be enhanced with boardwalks. Organizing a workshop with Commissioners and key stake holders, ie Matagorda Chamber of Commerce, Bay City Community Development Corporation, etc was discussed. The various organizations could discuss potential projects and have a couple representatives from each attend the workshop. HDR Engineering could then gather input from the various organizations, map out the potential plan, and meet with the Port Authority to develop a master site plan. This project may have to be done in phases.

Luke Cressman also discussed the Port Turning Basin. The bulkhead needs to be upgraded at the turning basin. The main goal is to increase the barge unloading. A company currently shipping out of Freeport is looking to improve shipments, have a lay down yard, etc. Craig Hlavinka has taken Trey Treybig and Matt Ashcraft to the Port Turning Basin to view the facility.

HDR Engineering will work with Craig Hlavinka to prepare grant proposals. The IJA has several award types. The 2022 notice of funding for the Port Infrastructure Development Program has not been released. Last year, \$4.14 million was utilized for small ports. The initiative is to reduce emissions from trucks and improve coastal flooding issues. The infrastructure bill will utilize \$8 billion over five years to reduce congestion. While the Rebuild America Infrastructure plan will cover 80% of a project ranging from \$1 million to \$25 million. These grant funds can be used for safely moving goods, climate change,

and economic competitiveness. Big Hill would be an eligible project for this grant. IJA funding can be used to improve infrastructure, avoid additional dredging, port to road specialty operations, etc. In the recreational harbor, electrical charging stations could be installed. At the Port facility, bulkhead improvements, road improvements, and coastal flooding improvements could qualify.

Bob McKee, with Big Hill, introduced the group attending the meeting. Bob McKee advised the Commissioners that the logistic ability is in place. The docks and dolphins need refurbished. Big Hill owns property on both sides of the GIWW, and there is a cut going into the bay on the property. Once operational, Big Hill will manufacture nine products being shipped by rail, truck, and barge. Eventually, product will be shipped by ocean vessels 11 to 15 miles offshore utilizing the existing pipeline to load the vessels. George Harrison advised that there is still a lot of items to discuss before a contract can be finalized. The Port Authority and Big Hill will work together to identify potential projects for grants. There will be a workshop scheduled to begin the process.

George Harrison asked Jim Gann if he had any comments at this time. Jim Gann advised he attended to hear Bill Balboa's presentation on the Matagorda Bay Foundation.

George Harrison asked Hayden Smith, with Arthur QEA LLC, if he had any comments at this time. Hayden Smith had no comments but is looking forward to the growth at Matagorda.

Item 8 – Craig Hlavinka discussed the potential lease of ten acres by Roehm for a work area. Craig Hlavinka would require a temporary fence to be installed around the work area to limit access to other areas of the Port Turning Basin. Joey Sliva wants to ensure that the work area would not interfere with the bulkhead improvements. The Commissioners discussed moving the area to the west. This project will help with Roehm's construction and will generate tariff income for the Port Authority. Craig Hlavinka is anticipating \$50-\$60,000 in tariff income in addition to the lease amount.

Item 9 – The Commissioners discussed the various AEP easements. There is still a long way to go before agreements are reached on the easements. George Harrison, Joey Sliva, and Allen Cumbie had a telephone conference with AEP's legal team and management. Easement documents were sent to the Port Authority that did not include any of the items discussed in the telephone conference. AEP wants a redline copy of the agreement. The agreement is for \$125,000 for 65-years with a 20-year option for an additional \$125,000. The transmission line easement is for \$25,000 for 65-years with a 20-year option for an additional \$25,000. The access easement is on property currently leased by Air Liquide, and Air Liquide has granted the easement to AEP. AEP is asking for perpetual easements. Commissioners discussed authorizing Sharron Perez to sign the agendas for the Port of Bay City Authority. Commissioner George Harrison advised that Sharron Perez has been signing the agendas on behalf of Mike Griffith for the past several years. On motion of Commissioner Lee Weathers, seconded by Commissioner Joey Sliva, the Commissioners unanimously approved Sharron Perez, Office Manager, to sign the agendas by utilizing "/s/ Sharron Perez" as the signature.

Item 10 – The Commissioners discussed Air Liquide's proposal to consent to AEP Texas' proposed easement instead of releasing portions back to the Port Authority for easement purposes. Air Liquide released the property for Centerpoint's easement. George Harrison asked about indemnification in this case. Joey Sliva asked if the property is leased to Air Liquide and Air Liquide agrees to consent, does the Port Authority need to clarify liability? The original lease with Air Liquide has an indemnification clause. AEP is not including indemnification in the easement agreements; however, the Port Authority is requiring indemnification.

Item 11- The Commissioners tabled the Amendment No. 1 to the City of Bay City and Port of Bay City agreement to Participate in Tax Increment Reinvestment Zone Number Two, City of Bay City, Texas until the March 10th meeting.

Item 12 – Craig Hlavinka advised the Commissioners that HDR is completing the bid specs for the open steel frame tournament pavilion. This will be put out for bids to be opened at the March 10th meeting. On motion of Commissioner Joey Sliva, seconded by Commissioner Matt Ashcraft, the Commissioners unanimously approved the publication of the bid notice, including specifications for a new open steel frame pavilion and concrete slab.

Item 13 – The bids for maintenance of Port properties were discussed. Allen Cumbie reviewed the insurance requirements. ZPI's bid did not include workman's compensation coverage, and the insurance company used for general liability covered by an out of state company. Shoreline Construction's bid included all insurance. Craig Hlavinka had compared the bids based on the work invoices from 2021. ZPI was 2.9% cheaper. Both bids were commercially competitive. On motion of Commissioner Matt Ashcraft, seconded by Commissioner Lee Weathers, the Commissioners unanimously awarded the bid for maintenance to Shoreline Construction pending receipt of the 1295 form filed with Texas Ethics Commission.

Item 14 – Sharron Perez updated the Commissioners on the progress of the website. The agendas are being posted to the site. The minutes will be the next item to be posted. Insyteful is handling the posting until training can be arranged. There was a brief discussion regarding emails for the Commissioners and the different options. Sharron Perez will look into options and discuss further at the next meeting.

Item 15 – Scott Hardwick, Executive Director of Matagorda County Economic Development Corporation, advised the Commissioners that there has been a tremendous amount of activity in Matagorda County. OQ expansion to accommodate Roehm will begin by March. This will be a \$500 million project with 70 jobs. The distillery project is on hold at this time. Project Helix is looking at three locations at this time. This project will be a \$4.25 billion investment. They are submitting 313 agreements to the two school districts. This project will have ancillary development. A company is looking at the Port of Bay City for location of a facility that will be a \$500 million to \$1 billion investment with 300 jobs. There are several renewables looking at Matagorda County. There are several housing developments ongoing.

Item 16 - There were no public or Commissioner comments at this time.

Item 17 – George Harrison discussed the conference he had with Barrett Franz of Matagorda County Drainage District No. 1 regarding dredging of Caney Creek. George Harrison reviewed the matter with Mike Griffith. Caney Creek is outside of the federal channels, and the US Corps of Engineers do not dredge non-federal channels. George Harrison advised Barrett Franz that the Port Authority would participate at one-half of the cost up to \$150,000. Caney Creek is considered a drainage project under MCDD#1. Barrett Franz would like the Port of Bay City Authority to help facilitate this project.

There is funding, in the amount of \$9 million, available for the Mouth of the Colorado River Jetties. The Corps of Engineers is looking at dredging the impound which would give the jetties approximately five years before dredging is needed again. The Corps of Engineers is starting the planning and looking at a bid award in September with dredging in October and November. George Harrison requested the scope of work documents to be provided to the Port Authority and asked about the progress on the design deficiency to extend the jetties. George Harrison will check with the Corps of Engineers in two to three weeks. The match for the project would be 16%; however, the match may be decreased due to the design deficiency.

Item 18 - At approximately 8:15pm, the regular meeting was closed and the Commissioners adjourned to Executive Session to discuss:

1. Commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations;
2. Purchase, exchange, lease, or value of real if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third party;
3. Conduct a private consultation with its attorney when:
 - A. The governmental body seeks advise of its attorney about:
 - i. Pending or contemplated litigation; or
 - ii. A settlement offer; or
 - B. On a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter;

Item 19 – The meeting was called back into regular session at approximately 8:33pm with no action being taken in Executive Session. On motion of Commissioner Joey Sliva, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved an option agreement between the Port of Bay City Authority of Matagorda County, Texas and PCCSE.

George Harrison updated the Commissioners regarding the Waterfront Restaurant. The property has been appraised at \$385,000. The Commissioners discussed potential lease amounts if the Port Authority were to purchase the building. Tami Savage is looking at costs. George Harrison discussed a potential lease of \$30,000 per annum. There was a discussion regarding the seasonal aspect of the business. Allen Cumbie discussed having someone to lease the building if the Port Authority purchases the building. George Harrison discussed that if the building is vacant, it will become dilapidated.

There being no further business to come before the meeting, the Commissioners adjourned the meeting at 8:40pm.

Attest:

/S/ George Harrison

Approve:

/S/ Matthew Ashcraft