

MINUTES OF MEETING

BE IT REMEMBERED that the Commissioners of the Port of Bay City Authority met Thursday, June 9, 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:	
Alyssa Dibbern	City of Bay City Engineering Tech
Hayden Smith	Anchor QEA
Zachary Phillips	ZPI Industrial
Mike Reddell	The Bay City Sentinel

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

Item 1 – The minutes of the May 16, 2022 meeting were not available. This item was tabled until the July meeting.

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

ACE HARDWARE	1,028.27
--OPERATING SUPPLIES	
ACE HARDWARE	29.90
--OPERATING SUPPLIES	
AQUA-ZYME SERVICES INC	480.00
--PUBLIC UTILITIES	
AQUA-ZYME SERVICES INC	320.00
--PUBLIC UTILITIES	
A-TEAM LANDSCAPING	180.00
--REPAIRS & MAINTENANCE - HARBOR	
AT&T	804.96
--TELEPHONE EXPENSE	
AT&T	69.18
--TELEPHONE EXPENSE	
CITY OF BAY CITY	5,891.99
--TIRZ FEES	
CITY OF BAY CITY	3,826.81
--TIRZ FEES	
B ALLEN CUMBIE	5,901.35
--ATTORNEY’S FEES	
DIRECT ENERGY	273.72
--PUBLIC UTILITIES	
DIRECT ENERGY	41.41
--PUBLIC UTILITIES	
DIRECT ENERGY	92.87
--PUBLIC UTILITIES	
DIRECT ENERGY	3,341.61
--PUBLIC UTILITIES	
ELLEN DODD	1,360.00
--SPECIAL DISTRICT ACCOUNTING FEE	
GERNAND BUILDERS SUPPLY INC	191.93
--REPAIRS & MAINTENANCE - HARBOR	
GFL	722.70
--PUBLIC UTILITIES	
GRAINGER	918.21
--REPAIRS & MAINTENANCE – HARBOR	
LOWES	1,847.02
--REPAIRS & MAINTENANCE – HARBOR	
LYLE PRINTING	249.20
--OPERATING SUPPLIES	
MATAGORDA COUNTY APPRAISAL DISTRICT	7,245.09
--APPRAISAL DISTRICT FEES	
MATAGORDA LAWN SERVICE	110.00

--REPAIRS & MAINTENANCE – HARBOR	
MATAGORDA WD&WSC	102.50
--PUBLIC UTILITIES (HOUSE)	
MATAGORDS WD&WSC	653.40
--PUBLIC UTILITIES (SPRINKLER)	
MATAGORDA WD&WSC	288.00
--PUBLIC UTILITIES (TRAILER PARK)	
MATAGORDA WD&WSC	261.85
--PUBLIC UTILITIES (BOAT SHED)	
MATAGORDA WD&WSC	319.65
--PUBLIC UTILITITES (TENT AND FISH CLEANING)	
MATAGORDA WD&WSC	47.50
--PUBLIC UTILITIES (PUMP)	
MATAGORDA WD&WSC	96.30
--PUBLIC UTILITIES (MEETING HOUSE)	
MATAGORDA WD&WSC	216.70
--PUBLIC UTILITIES (RESTROOM)	
MCCOYS	390.24
--OPERATING SUPPLIES	
MYRA’S GARDEN NURSERY	625.00
--REPARIS & MAINTENANCE - HARBOR	
NAPA AUTO & TRUCK PARTS	1,362.90
--REPAIRS – EQUIPMENT	
NAPA AUTO & TRUCK PARTS	180.13
--VEHICLE EXPENSE	
NORTON ROSE FULBRIGHT US LLP	197.50
--ATTORNEY FEES	
PITNEY BOWES	183.57
--MISCELLANEOUS EXPENSE	
JAY SCHOLTEN	1,600.00
--REPAIRS & MAINTENANCE – HARBOR	
SHARRON’S BOOKKEEPING AND TAX SERVICE	6,068.83
--OFFICE MANAGER – CONTRACT SERVICES	
--PROFESSIONAL SERVICES	
--OPERATING SUPPLIES	
--TELEPHONE EXPENSE	
--TRAVEL	
SHORELINE CONSTRUCTION	36,080.27
--REPAIRS & MAINTENANCE – HARBOR	
--REPAIRS & MAINTENANCE - OFFICE	
SOUTH TEXAS CORRUGATED PIPE	2,895.25
--REPAIRS & MAINTENANCE - HARBOR	
SUTHERLANDS	667.11
--REPAIRS & MAINTENANCE – HARBOR	
T BAKER SMITH	5,050.00
--PROFESSIONAL SERVICES	
THE HOME DEPOT	865.84
--REPAIRS & MAINTENANCE - HARBOR	
VERIZON	99.59
--TELEPHONE EXPENSE	
WILLSCOT	264.25
--MISCELLANEOUS EXPENSE	
ZACHARY PHILLIPS INC	14,975.00
--IMPROVEMENTS – MATAGORDA HARBOR	
ZACHARY PHILLIPS INC	153,957.15
--IMPROVEMENTS – MATAGORDA HARBOR	
CRAIG HLAVINKA	4,210.55
--TRAVEL	
--VEHICLE EXPENSE	
--OPERATING SUPPLIES	
--REPAIRS & MAINTENANCE - HARBOR	
CHARLIE EWING	500.00
--DEPOSIT REFUND	
SCOTT HARDWICK	2,746.30
--TRAVEL	

Item 3 – Sharron Perez reviewed the Billing, Collection, Accounts Receivable, and Financial Reports for May 2022. Sharron Perez advised that the investments are brought to fair market value at the end of each year. Sharron Perez asked if there needs to be a reversing entry made each year. Geroge Harrison advised her to discuss this matter with the external auditors. On motion of Commissioner Matt Ashcraft, seconded by Commissioner Trey Treybig, the Commissioners unanimously approved the financial reports for May 2022. Detailed copies of these reports are kept as part of the current records 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. The hay guy will cut in the next ten days.

Craig Hlavinka reported on the activity at Matagorda Harbor. Occupancy is at 90% for everything excluding G-dock which is at 69%. The tournament pavilion is completed. George Harrison asked if Craig Hlavinka had thoroughly inspected the pavilion. Craig Hlavinka has. Matt Ashcraft asked about the lighting. Temporary lighting is up for now. LED lighting will be installed by Shoreline Construction.

Craig Hlavinka received a call from a cell phone company that is interested in putting up a cell phone tower on Port property. The area needed would be 100' by 100'. The company is offering \$700 per month rental. The proposed cell phone tower would not be as tall as the existing towers but would expand the coverage in the area.

Craig Hlavinka discussed the depth survey of Matagorda Harbor prepared by T Baker Smith. The area where the tow boats tie up is at a depth of 17', while the dock areas around 8' to 9' deep. The area by Harbor Bait & Tackle is at a depth of 4' to 5'. There is a deep trench from the entrance to the tie-up area. Craig Hlavinka will work with T Baker Smith to develop a plan for dredging.

Items 6 and 7 – Hayden Smith, with Anchor QEA, reviewed the scope of work for both the Harbor expansion and the Mouth of the Colorado River project. Hayden Smith went over the tasks of each scope. In regard to the Mouth of the Colorado River project, Hayden Smith advised the Commissioners that Anchor QEA could run studies if the US Corps of Engineers timeline is not agreeable for the project.

Hayden Smith advised that the projected cost for the Harbor expansion scope only covers Task 1. There would be a meeting with two of Anchor QEA's staff, George Harrison, Matagorda Chamber of Commerce, and Tourism Bay City to discuss different aspects of the proposed project. The meeting will be held for key stakeholders to discuss the project and reach out to others to gather more input. Allen Cumbie questioned the funding of the expansion. Anchor QEA will be looking into potential grants from the Texas General Land Office, Texas Parks and Wildlife, and others. George Harrison believes the community will embrace the expansion. The expansion will also include bird watching platforms and bike and walking trails into town. The expansion will help the community during the winter months. Buddy Treybig feels that the public will be more supportive of a recreational facility rather than a commercial facility. Allen Cumbie reviewed the purpose of a navigation district as defined by the Texas Water Code and the scope of this project. George Harrison advised that the property would be leased to entrepreneurs. Matagorda Harbor is a harbor of safe refuge. There was a discussion regarding the expansion and harbor of safe refuge. George Harrison appreciated Allen Cumbie's input and asked Allen Cumbie to reach out to counsel previously used to look at any issues that could arise.

Joey Sliva asked if Anchor QEA would move forward with the Mouth of the Colorado River project.

On motion of Commissioner Matt Ashcraft, seconded by Commissioner Buddy Treybig, the Commissioners unanimously approved the scope of work for the Matagorda Harbor expansion project Task 1 and the Mouth of the Colorado River project Tasks 1 -3 as prepared by Anchor QEA. Allen Cumbie advised Hayden Smith that a form 1295 will need to be filed by Anchor QEA with the State of Texas. Hayden Smith will provide a copy of the form 1295 once it is filed.

Item 8 – The Commissioners discussed the dredging of Caney Creek. This is a Drainage District project; however, the Port Authority is working with them on the permitting. There is a question regarding the amount of spoil that will be dredged and the area for spoil disposal. A hydro survey will need to be done to determine the amount to be dredged. Joey Sliva advised that the Port Authority committed up to \$150,000. On motion of Commissioner Joey Sliva, seconded by Commissioner Trey Treybig, the Commissioners approved the scope of work for the permitting process for dredging at the mouth of Caney Creek as prepared by HDR Engineering.

Item 9 – There was no discussion in regards to the Right of Way easement request by AEP to access the electric lines on the northeast corner of the Fondren property at the Port of Bay City.

Items 10-12 – Allen Cumbie received a redline version of the easements. George Harrison has spoken to Vee Strauss, with AEP, and she has requested another month to work out the various issues. George Harrison stressed that the Port Authority has no access to the substation property and would not be responsible for activity at that site. Allen Cumbie advised that several items in the redline copy are unacceptable. AEP has added a 65-year option to the agreement and removed the indemnification. Allen

Cumbie also discussed the proposed rail access that would need to be taken into consideration for the prospective tenant and future needs. AEP has the transmission lines in place. The exclusive use of the transmission line easement was discussed as the rail spur crossing the easement may be an issue. Vee Strauss will set up a meeting with leadership to try to resolve the issues in order to finalize the easements. George Harrison has contacted Loadstar regarding rail easements and having a consultant to assist with the easements. There needs to be a long-term solution for future needs. Allen Cumbie advised that the easement agreements have been thru mitigation. George Harrison discussed moving forward without having to go thru litigation. Joey Sliva questioned the easement for the old electric line on the northeast corner of the property. This was an old CPL line, and the easement may have been granted by the Fondrens. Allen Cumbie is not aware of an existing easement for this line. George Harrison will contact Bobby Wilkerson to try to determine if there is an existing easement. The line ties into a South Texas Electric line. No action was taken at this time.

Item 13 – The Commissioners discussed the possible lease of approximately eight acres at the Port of Bay City to Roehm America LLC. The lease would be for a twenty-four-month period beginning June 1, 2022. Craig Hlavinka is satisfied with the area which will be used for staging equipment. There will be no employee parking on the site. Allen Cumbie has no issues with the proposal. On motion of Commissioner Matt Ashcraft, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved the lease of approximately eight acres at the Port of Bay City to Roehm America LLC.

Item 14 – George Harrison updated the Commissioners on the Big Hill project. The Port of Bay City Authority is looking at an engagement with Big Hill for a commercial barge terminal on their property. This would be a public-private agreement. There will be a meeting with Norton Rose Fulbright on Friday to discuss the frame work for the agreement to cover construction and operation phases. If the Port Authority is awarded the grant, the Port Authority will have to manage the funds. The Port Authority will have several meetings with Norton Rose Fulbright to develop a term sheet which will be provided to Big Hill for review. Once the term sheet is agreed upon, a formal agreement will be drafted. The Port of Corpus Christi wants an Interlocal Agreement with the Port Authority for shipments from the Port of Bay City to the Port of Corpus Christi. There is a site visit of the Port of Corpus Christi set up for June 27th. The Commissioners discussed the value of an agreement with the Port of Corpus Christi as they are a deep-water Port.

Item 15 – George Harrison advised the Commissioners that PCC is interested in an additional 90 acres. The project could be as large as Tenaris. PCC has an incredible safety culture and would be a good partner with the Port of Bay City. Bi-weekly zoom meetings have been set up to move forward with the due diligence for the project.

Item 16 – Sharron Perez advised the Commissioners that the training for the website is being coordinated.

Item 17 – George Harrison updated the Commissioners on various ongoing projects interested in Matagorda County. HIF has contacted the Port Authority and has set up a meeting for June 20th. Scott Hardwick has turned in his resignation. Jessica Russell will be interim.

Item 18 – There were no public or Commissioner comments at this time.

Item 19 – There was no new or unfinished business at this time.

Item 20 – At approximately 7:32pm, the regular meeting was closed and the Commissioners adjourned to executive session to discuss employee salaries and benefits.

Item 21 – The meeting was called back into regular session at approximately 7:45pm with no action being taken in Executive Session. On Motion of Commissioner Joey Sliva, seconded by Commissioner Matt Ashcraft, the Commissioners unanimously approved a five percent raise for Craig Hlavinka and a raise to \$11 per hour for David Svec effective July 1, 2022. Craig Hlavinka thanked the Commissioners.

There being no further business to come before the meeting, the Commissioners adjourned the meeting at 7:50pm.

Attest:

Approve:

/S/ George Harrison

/S/ Matthew Ashcraft