

MINUTES OF MEETING

BE IT REMEMBERED that the Commissioners of the Port of Bay City Authority met Thursday, January 13, 2022, at the Office of the Authority, 1305 Seventh Street, Bay City, Texas. The following Commissioners and staff were present:

George Harrison	Vice-Chairman
Joey Sliva	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
Shawna Burkhart	City Manager City of Bay City
Mitch Thames	Bay City Chamber of Commerce President
Zachary Phillips	Zachary Phillip Inc
Absent:	
Matt Ashcraft	Commissioner

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

Item 1 – The Commissioners discussed officers for the Port of Bay City. Commissioner Joey Sliva nominated Commissioner George Harrison as Chairman. Commissioner Buddy Treybig seconded the nomination. The Commissioners unanimously appointed Commissioner George Harrison as Chairman. Commissioner Buddy Treybig nominated Commissioner Joey Sliva as Vice-Chairman. Commissioner Lee Weathers seconded the nomination. The Commissioners unanimously appointed Commissioner Joey Sliva as Vice-Chairman. Commissioner Trey Treybig nominated Commissioner Matt Ashcraft as Secretary. Commissioner Buddy Treybig seconded the nomination. The Commissioners unanimously appointed Commissioner Matt Ashcraft as Secretary.

Item 2 – The Commissioners discussed the minutes from the December 9, 2021 meeting. Item five discussing the extension of the jetties was incorrect. The extension of the jetties will be between 1200’ and 1800’. On motion of Commissioner Joey Sliva, seconded by Commissioner Buddy Treybig, the Commissioners unanimously approved the minutes of the December 9, 2021 meeting as corrected.

Item 3 - On motion of Commissioner Joey Sliva, seconded by Commissioner Lee Weathers, the following disbursements were unanimously ratified and approved:

ACE HARDWARE	640.96
--OPERATING SUPPLIES	
AQUA-ZYME SERVICES INC	480.00
--PUBLIC UTILITIES	
AQUA-ZYME SERVICES INC	320.00
--PUBLIC UTILITIES	
AT&T	69.22
--TELEPHONE (A/P)	
AT&T	615.04
--TELEPHONE (A/P)	
AT&T	679.29
--TELEPHONE	
AT&T	613.68
--TELEPHONE	
ALLEN CUMBIE	3,721.25
--ATTORNEY FEES (A/P)	
DEXYP	26.86
--PROMOTION & DEVELOPMENT (A/P)	
DEXYP	26.86
--PROMOTION & DEVELOPMENT	
DIRECT ENERGY	20.85
--PUBLIC UTILITIES (A/P)	
DIRECT ENERGY	205.13
--PUBLIC UTILITIES (A/P)	
DIRECT ENERGY	20.85
--PUBLIC UTILITIES (A/P)	
DIRECT ENERGY	41.05
--PUBLIC UTILITIES (A/P)	
DIRECT ENERGY	89.37
--PUBLIC UTILITIES (A/P)	

DIRECT ENERGY	2,628.10
--PUBLIC UTILITIES (A/P)	
EL CAMPO SPRAYING	11,743.25
--REPAIRS & MAINTENANCE – HARBOR (A/P)	
--REPAIRS & MAINTENANCE – DUNBAR (A/P)	
--REPAIRS & MAINTENANCE – PORT (A/P)	
ELLEN DODD	1,360.00
--SPECIAL DISTRICT ACCOUNTING FEES (A/P)	
GFL	555.90
--PUBLIC UTILITIES (A/P)	
GRAINGER	92.84
--OPERATING SUPPLIES (A/P)	
GRAINGER	166.18
--OPERRATING SUPPLIES	
GRAINGER	338.57
--OPERATING SUPPLIES	
LOWE'S	93.94
--REPAIRS & MAINTENANCE – PORT (A/P)	
MATAGORDA BOAT & RV STORAGE	1,440.00
--MISCELLANEOUS EXPENSE	
MATAGORDA COUNTY SELF-INSURANCE POOL	20,382.00
--INSURANCE & BONDS	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	255.75
--PUBLIC UTILITIES - BOAT SHED (A/P)	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	330.30
--PUBLIC UTILITIES - TENT & FISH CLEANING TABLE (A/P)	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	47.50
-- PUBLIC UTILITIES - PUMP (A/P)	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	207.30
--PUBLIC UTILITIES - TRAILER PARK (A/P)	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	162.00
-- PUBLIC UTILITIES - HOUSE (A/P)	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	93.90
--PUBLIC UTILITIES - MEETING HOUSE (A/P)	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	643.10
--PUBLIC UTILITIES – SPRINKLER (A/P)	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	179.70
--PUBLIC UTILITIES – RESTROOM (A/P)	
NAPA AUTO & TRUCK PARTS	276.81
--REPAIRS & MAINTENANCE – HARBOR	
QUILL CORPORATION	152.55
--OPERATING SUPPLIES (A/P)	
QUILL CORPORATION	31.42
--OPERATING SUPPLIES (A/P)	
JAY SCHOLTEN	1,300.00
--REPAIRS & MAINTENANCE – HARBOR (A/P)	
SHARRON'S BOOKKEEPING AND TAX SVC	5,950.01
--OFFICE MANAGER - CONTRACT SERVICES	
--PROFESSIONAL SERVICES (A/P)	
--TELEPHONE	
--OPERATING SUPPLIES	
--TRAVEL	
--TRAVEL (A/P)	
SHORELINE CONSTRUCTION	7,199.89
--REPAIRS & MAINTENANCE – HARBOR	
--REPAIRS & MAINTENANCE – HARBOR (A/P)	
SUTHERLANDS	173.87
--REPAIRS & MAINTENANCE – HARBOR (A/P)	
THE BAY CITY SENTINEL	799.00
--ADVERTISEMENTS (A/P)	
TOWN SQUARE PUBLICATIONS	850.00
--PROMOTION & DEVELOPMENT (A/P)	
VERIZON WIRELESS	99.72
--TELEPHONE (A/P)	
WILLSCOT	264.25
--MISCELLANEOUS EXPENSE	
CRAIG HLAVINKA	4,290.32
--TRAVEL	
--TRAVEL (A/P)	
--VEHICLE EXPENSE	
--VEHICLE EXPENSE (A/P)	
--PROMOTION & DEVLOPMENT (A/P)	
--OPERATING SUPPLIES	
--OPERATINS SUPPLIES (A/P)	

MARK MANN	450.00
--DEPOSIT REFUND	
NATASHA PITTS	576.00
--DEPOSIT REFUND	
JOHN WHITE	450.00
--DEPOSIT REFUND	

Item 4 – Craig Hlavinka reported on activity at the Port of Bay City. GulfMark continues to ship three shipments per month.

Craig Hlavinka reported on the activity at Matagorda Harbor. Craig Hlavinka met with engineer to complete bid specifications for the tournament pavilion.

Commissioner George Harrison advised the Commissioners that the financials were not available at this time due to year-end adjustments that need to be made.

Item 5 – The 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 6 – Commissioner George Harrison discussed the conference he had with representatives of AEP Texas and their legal department. Commissioner George Harrison pointed out the disappointment with an agreement not being reached for the easements and disrespect for full installation of the power lines without an agreement. There have been several versions to the agreements. AEP Texas is insisting on a perpetual easement. The Port of Bay City Authority is requiring full indemnification. Commissioner George Harrison suggested leaving the easement agreement at \$125,000 for 65-years with a 20-year option for \$125,000. In regards to the transmission line easement, the term would be 65-years for \$25,000. Also, once operations cease, the Port Authority will require the facility to be reverted back to a green field. The casualty insurance will need to be increased from \$5 million to \$20 million. The current lease with Sunoco requires \$3 million in coverage, while the current lease with GulfMark requires \$5 million in coverage. This is a bigger project with more risk. The Commissioners discussed the possibility of selling the substation property to AEP Texas. This option would require an appraisal and minimum price. AEP Texas has been changing the plats during this time and wants access points to the lines. Air Liquide will allow access easements for AEP Texas. Craig Hlavinka questioned if the substation is large enough to serve other businesses. Commissioner George Harrison advised that it can be. Vee Strauss, with AEP Texas, has discussed that the substation can serve other businesses. Allen Cumbie will review all documents and send a memo to all Commissioners. No action was taken at this time.

Item 7 - Commissioner George Harrison advised the Commissioners that currently Commissioner Joey Sliva serves as the representative for the Port Authority on the Matagorda County Self Insurance Pool Board. Commissioner George Harrison and Commissioner Joey Sliva have discussed with Craig Hlavinka having Craig Hlavinka as the primary representative with Commissioner Joey Sliva being the alternate. Craig Hlavinka is familiar with the various properties and coverage that is needed on the properties. On motion of Commissioner Lee Weathers, seconded by Commissioner Trey Treybig, the Commissioners unanimously appointed Craig Hlavinka as the representative to the Matagorda County Self-Insurance Board and Commissioner Joey Sliva as the alternate.

Item 8 – Mitch Thames, President of the Bay City Chamber of Commerce, attended the meeting on behalf of Tax Increment Reinvestment Zone No. 2 (TIRZ#2). Mitch Thames discussed the expansion of TIRZ#2 to include the Milberger property for a housing development. Arthur Milberger will install a 17-acre retention pond to alleviate retention issues for the Bold Fox project. This housing development will have 200 homes. The sewer aspect is in good shape as Tenaris had sewer upgraded. The City of Bay City will add two water towers. There are four taxing entities for this area. The increased acreage is mainly going to consist of the retention pond and recreational area. There could possibly be a senior living facility closer to Old Van Vleck Road. Once the developer puts in 150 homes, TIRZ#2 will begin to collect tax. The homes have to be built in order for tax to be collected. Once taxes are collected, Bay City Community Development will be reimbursed for the parking lot at the movie theater. After all reimbursements are made to the City of Bay City and developers, TIRZ#2 will self-liquidate and all remaining funds will go to the taxing entities involved. Construction should begin in 18 months with all homes built to City of Bay City guidelines. While the property is not currently annexed, it will be annexed which will bring the development into Bay City but not into Bay City Independent School District. It will remain in the Van Vleck Independent School District. The expansion of TIRZ#2 does not extend the timeframe as it only adds acreage to the zone. Commissioner George Harrison advised that once the Port Authority receives the signed agreement it can be approved. Shawna Burkhart, City Manager, advised that housing is the number one issue in our area. David Pettit is preparing the expansion. Mr. Pettit prepared the original TIRZ. There is also a TIRZ#4 in the works that will include the area behind McCoy's for a housing

development. TIRZ#3 is in progress and will cover the housing development known as Marguerite Meadows. On motion of Commissioner Joey Sliva, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved Amendment No. 1 to the Agreement between the City of Bay City Texas and the Port of Bay City Authority concerning enlargement of Tax Increment Reinvestment Zone No. Two.

Item 9 – Allen Cumbie discussed the provision in the current lease agreement between the Port of Bay City Authority of Matagorda County Texas and Sunoco Logistics regarding exclusivity. Due to Sunoco not meeting the minimum tariff for two consecutive years, the Port Authority can enforce the terms of lease regarding exclusivity. On motion of Commissioner Joey Sliva, seconded by Commissioner Buddy Treybig, the Commissioners unanimously authorized Allen Cumbie to notify Sunoco Logistics that they no longer have exclusivity to the Port of Bay City Turning Basin.

Item 10 – Commissioner George Harrison opened the two bids received for maintenance of Port properties. The two bids were received from Zachary Phillips Inc and Shoreline Construction. The two bids had various rates for the different types of repairs. Commissioner George Harrison, Commissioner Joey Sliva, and Craig Hlavinka reviewed and compared the two bids. The two bids will need to be reviewed technically as well as the applicable insurance coverage that was submitted prior to a determination of the award of the bid. The Commissioners discussed reviewing the bids and discussing further at the next meeting. Allen Cumbie will review the insurance provided by the two companies. No action was taken at this time.

Item 11 – Commissioner George Harrison opened the one bid received for the mowing/spraying of Port properties. The bid was received from El Campo Spraying Inc. The bid for mowing was \$28 per acre, and the chemical application is \$115 per hour plus the cost of chemicals. El Campo Spraying Inc provided the certificate of insurance and Form 1295 that had been filed with the Texas Ethics Commission. On motion of Commissioner Joey Sliva, seconded by Commissioner Buddy Treybig, the Commissioners unanimously awarded the bid to El Campo Spraying Inc for the mowing/spraying of Port properties.

Item 12 – Allen Cumbie sent a summary of current leases to the Commissioners. Allen Cumbie reviewed the lease amounts and discussed any escalators. No action was taken at this time.

Item 13 – Sharron Perez is working to get the past two years of agendas, minutes, etc to Insyteful to have them posted to the Port of Bay City website. Commissioner George Harrison questioned the contact information that would need to be provided for each Commissioner. There was a discussion regarding having emails set up for each Commissioner thru the website. Sharron Perez will contact Insyteful to get emails set up. Allen Cumbie reviewed some of the information that needs to be on the website.

Item 14 – Scott Hardwick, Executive Director of Matagorda County Economic Development Corporation, updated the Commissioners on several ongoing projects and several prospects interested in Matagorda County. There is one prospect that is wanting an option on Port property. This item will be discussed at the next meeting. Big Hill is moving forward. The Commissioners discussed having a workshop with Big Hill in order for the Commissioners to understand the various phases of the project. Commissioner George Harrison will get potential dates and discuss a possible tour of the location. There is a pipeline for ocean vessel loading that is permitted.

Item 15 – There were no public or Commissioner comments at this time.

Item 16 – There was no new or unfinished business at this time.

There being no further business to come before the meeting, the Commissioners adjourned the meeting at 8:00pm.

Attest:

Approve:

/S/ George Harrison

/S/ Matthew Ashcraft