

MINUTES OF MEETING

BE IT REMEMBERED that the Commissioners of the Port of Bay City Authority met Thursday, July 14, 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:	
Robert George	Lockmaster Colorado River
Mike Reddell	Bay City Sentinel
Angie Arrington	Wave Wireless
Anthony Perez	Wave Wireless
Don Simons	Visitor

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

Item 1 – The Commissioners discussed the minutes from the regular meeting of May 16, 2022. The minutes of the regular meeting of June 9, 2022 were not available for review. On motion of Commissioner Joey Sliva, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved the minutes of May 16, 2022 as read. The minutes of the regular meeting of June 9, 2022 will be reviewed at the next regular meeting.

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

ACE HARDWARE	213.46
--REPAIRS & MAINTENANCE - HARBOR	
AQUA-ZYME SERVICES INC	480.00
--PUBLIC UTILITIES	
AQUA-ZYME SERVICES INC	320.00
--PUBLIC UTILITIES	
AT&T	815.62
--TELEPHONE EXPENSE	
AT&T	69.18
--TELEPHONE EXPENSE	
AT&T	683.18
--TELEPHONE EXPENSE	
AT&T	666.07
--TELEPHONE EXPENSE	
BAY CITY JANITORIAL	609.85
--OPERATING SUPPLIES	
B ALLEN CUMBIE	8,031.25
--ATTORNEY’S FEES	
DIRECT ENERGY	399.73
--PUBLIC UTILITIES	
DIRECT ENERGY	96.07
--PUBLIC UTILITIES	
DIRECT ENERGY	44.12
--PUBLIC UTILITIES	
DIRECT ENERGY	4,368.29
--PUBLIC UTILITIES	
DIRECT ENERGY	22.73
--PUBLIC UTILITIES	
DIRECT ENERGY	21.70
--PUBLIC UTILITIES	
ELLEN DODD	1,360.00
--SPECIAL DISTRICT ACCOUNTING FEE	
GFL	1,005.90
--PUBLIC UTILITIES	
GOOLSBY WATER WELL SERVICE	9,269.63
--REPAIRS & MAINTENANCE -PORT	
GOOLSBY WATER WELL SERVICE	3,641.86
--REPAIRS & MAINTENANCE - PORT	
GRAINGER	126.38
--OPERATING SUPPLIES	

GICA	1,000.00
--PROMOTION & DEVELOPMENT	
LOWES	2,956.49
--REPAIRS & MAINTENANCE – HARBOR	
MATAGORDA COUNTY	8,525.08
--TAX COLLECTION FEES	
MATAGORDA WD&WSC	122.80
--PUBLIC UTILITIES (HOUSE)	
MATAGORDS WD&WSC	792.50
--PUBLIC UTILITIES (SPRINKLER)	
MATAGORDA WD&WSC	280.30
--PUBLIC UTILITIES (TRAILER PARK)	
MATAGORDA WD&WSC	302.45
--PUBLIC UTILITIES (BOAT SHED)	
MATAGORDA WD&WSC	362.35
--PUBLIC UTILITITES (TENT AND FISH CLEANING)	
MATAGORDA WD&WSC	47.50
--PUBLIC UTILITIES (PUMP)	
MATAGORDA WD&WSC	104.90
--PUBLIC UTILITIES (MEETING HOUSE)	
MATAGORDA WD&WSC	84.20
--PUBLIC UTILITIES (RESTROOM)	
MCCOYS	673.17
--REPAIRS & MAINTENANCE - HARBOR	
MYRA’S GARDEN NURSERY	1,482.00
--REPARIS & MAINTENANCE - HARBOR	
NORTON ROSE FULBRIGHT US LLP	21,068.75
--ATTORNEY FEES	
QUILL CORPORATION	139.98
--OPERATING SUPPLIES	
QUILL CORPORATION	200.74
--OPERATING SUPPLIES	
QUILL CORPORATION	210.56
--OPERATING SUPPLIES	
QUILL CORPORATION	103.95
--OPERATING SUPPLIES	
QUILL CORPORATION	27.99
--OPERATING SUPPLIES	
QUILL CORPORATION	353.94
--OPERATING SUPPLIES	
JAY SCHOLTEN	1,600.00
--REPAIRS & MAINTENANCE – HARBOR	
SHARRON’S BOOKKEEPING AND TAX SERVICE	5,976.54
--OFFICE MANAGER – CONTRACT SERVICES	
--PROFESSIONAL SERVICES	
--OPERATING SUPPLIES	
--TELEPHONE EXPENSE	
--TRAVEL	
SHORELINE CONSTRUCTION	22,582.93
--REPAIRS & MAINTENANCE – HARBOR	
--REPAIRS & MAINTENANCE – PORT	
--MATAGORDA HARBOR IMPROVEMENTS	
SOUTH TEXAS CORRUGATED PIPE	1,950.00
--REPAIRS & MAINTENANCE - HARBOR	
SUTHERLANDS	413.41
--REPAIRS & MAINTENANCE – HARBOR	
SUTHERLANDS	394.76
--REPAIRS & MAINTENANCE - HARBOR	
THE HOME DEPOT	1,984.23
--REPAIRS & MAINTENANCE – HARBOR	
THRYVE	26.50
--PROMOTION & DEVELOPMENT	
THRYVE	26.86
--PROMOTION & DEVELOPMENT	
VERIZON	99.59
--TELEPHONE EXPENSE	
WILLSCOT	264.25
--MISCELLANEOUS EXPENSE	
CRAIG HLAVINKA	4,179.92
--TRAVEL	
--VEHICLE EXPENSE	
--OPERATING SUPPLIES	
--REPAIRS & MAINTENANCE - HARBOR	

Item 3 – Sharron Perez reviewed the Billing, Collection, Accounts Receivable, and Financial Reports for May 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 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 water well has played out. The water well has been temporarily repaired; however, a new water well needs to be drilled. Roehm America has been given access to their leased area. The hay guy will mow before August.

Craig Hlavinka reported on the activity at Matagorda Harbor. Everything has been running smoothly. Shoreline Construction is working to get the lights installed in the new tournament pavilion. Trey Treybig questioned the timeline due to upcoming tournaments. Temporary lighting has been put up where needed.

Item 6 – Amending the 2022 budget was tabled at this time.

Item 7 – Sharron Perez presented the Commissioners with an updated Independent Contractor Agreement for the office manager services. The new proposed fee will be \$6250 per month. Allen Cumbie discussed the automatic renewal of the contract. Allen Cumbie advised that the contract should be renewed after each election as there could be a change in Commissioners. On motion of Commissioner Matt Ashcraft, seconded by Commissioner Trey Treybig, the Commissioners unanimously approved the Independent Contractor Agreement between Sharron Perez and the Port of Bay City Authority of Matagorda County, Texas for office manager services thru January 31, 2024. Sharron Perez will make the necessary change to the term.

Item 8 – Anthony Perez and Angie Arrington, representative of Wave Wireless, discussed possibly leasing property on South Gulf Road for the placement of a cell phone tower. The property is located next to the County transfer station. The tower would not have any guide wires. George Harrison asked what the project would do for the area. The cell phone tower would expand coverage in the area depending on which carriers lease space on the tower and increase the speed to likely 5G. Wave Wireless would like to place the tower near the roadway for easy access. The tower would be located in a flood zone; therefore, the equipment would be ten to twelve feet off of the ground. A fence would be placed around the tower. Wave Wireless would like to lease the area for \$700 per month. The tower height would be 190 feet and could work with emergency services also. George Harrison would like the opportunity to enhance coverage in the area but would like the tower at the back of the property. Craig Hlavinka advised that the Port has not leased land for a cell phone tower. Matt Ashcraft proposed a lease amount of \$1500 per month with a 2% escalation per annum. Anthony Perez advised that the proposed rent was based on the cost of the tower and the number of residents. The towers that have been placed from west Texas to Beaumont have been placed on land leased for \$700 to \$900 per month. Craig Hlavinka asked if the tower will have back up power. George Harrison advised Anthony Perez to discuss the proposed amount and location with Wave Wireless and relay any feedback to the board at a future meeting.

Item 9 – Lock Master Robert George updated the Commissioners on the future of the Colorado River locks. Robert George advised the Commissioners of his background. Mr George then reviewed the history of the Colorado River locks. There are five to seven accidents per year at this location compared to over 100 at the Brazos River locks. When an accident occurs, the downtime costs the industry. The locks will be removed and replaced with a flood gate. Although the locks help control traffic, the main mission of the locks is to keep sand out of the GIWW. The flood gate will be installed 200 feet south of the existing locks. Mr George discussed the operation of the flood gate. Various cuts were discussed and the impact opening of the cuts could have on the area. The possibility of a weir dam was discussed. George Harrison would like to see some of the flaws addressed in the Mouth of the Colorado River. A channel needs to be opened into the bay. Robert George advised that there will be public hearings in regards to the locks. Construction of the flood gate would not begin for about three years. The Brazos River locks will be replaced first.

Robert George asked about the future plans for Matagorda Harbor. George Harrison advised that there will be meetings held with local key stakeholders to develop a master plan for the expansion of Matagorda Harbor.

Item 10 – Sharron Perez advised the Commissioners that she is proposing a rate increase for payroll services from \$35 per employee to \$37.50 per part time employee and \$40 per full time employee.

On motion of Commissioner Matt Ashcraft, seconded by Commissioner Trey Treybig, the Commissioners unanimously approve the rate increase provided by Sharron Perez for payroll services with the same term as the office manager contract.

Item 11 – George Harrison discussed the dredging of Caney Creek. This is a drainage issue and not a navigation issue; however, the Port of Bay City Authority assists with the permitting process. The Port Authority has a contract with HDR for the permitting process. Currently a survey of the dredge material is being done to determine if the dredge material will fit in the area at the Y. Trey Treybig asked what other options are available if there is too much dredge material for the area. One option is to barge the dredge material to the revetment area. The dredge area that TXDOT has was also discussed. There was no action required at this time.

Item 12 – George Harrison advised the Commissioners that the Port Authority is working with AEP to possibly move the existing transmission line in the northeast corner of the property. The preferred route would be along the existing fence line. This would open up about eight acres of property in the corner. The Port Authority has a special committee that will meet with management and legal from AEP. The special committee is comprised of George Harrison, Joey Sliva, and Matt Ashcraft.

Item 13 – There was a discussion regarding the rail easement. George Harrison advised the Commissioners that LoadStar will be providing information regarding the proposed rail easement. The AEP easements will need legal language added to cover the rail crossing under the transmission lines or being located near the lines. George Harrison advised that NRF has been engaged to assist Allen Cumbie in reviewing the easements. The Port Authority wants to ensure that all interests are addressed in determining the easements.

Item 14 – George Harrison advised that there will be a meeting with AEP management and legal on June 28, 2022 to try to resolve the easement issues.

Item 15 – George Harrison updated the Commissioners on the Big Hill project. The Port Authority and Big Hill are working thru the commercial barge terminal project.

Item 16 – Allen Cumbie discussed the proposed term sheet. There have been several meetings via Zoom and in person with NRF to arrive at the final term sheet draft. George Harrison advised the Commissioners that the term sheet would be sent to Big Hill once the Port Authority approves it. Big Hill would then have time to review and contact the Port Authority of their changes to the term sheet. The Port Authority will review these changes and then negotiations will occur. George Harrison advised that the term sheet includes the Port Authority receiving a grant for the barge terminal but would change if the grant is not awarded to the project. The term sheet is a very strong document for the Port Authority and protects the Port Authority from operational issues. The proposed tariff split would be 70/30 after expenses are reimbursed. Allen Cumbie stated all items on the term sheet are negotiable. George Harrison asked if Allen Cumbie needs the Port Authority to approve the term sheet to provide it to Big Hill. On motion of Commissioner Matt Ashcraft, seconded by Commissioner Buddy Treybig, the Commissioners unanimously approved the term sheet and providing it to Big Hill. This will start the negotiation process for the public-private partnership to operate the commercial barge terminal.

Item 17 – George Harrison advised that there has been a lot of discussion with PCC in regard to the proposed project. The project would take a large portion of the Port property. PCC is wanting the spoil area also. The Port Authority has confirmed that there are no existing spoil easements on the area. PCC has contact Energy Transfer Partners regarding the area they currently lease at the Port of Bay City. The initial phase would be about a \$300 million project with all phases being approximately \$1.7 billion. They are anticipating a workforce of 700. This would be a significant project for the community. Currently, there have been bi-weekly meetings with PCC and a special committee comprised of George Harrison, Joey Sliva, and Matt Ashcraft. PCC will be in Bay City August 15<sup>th</sup>. George Harrison asked Joey Sliva, Matt Ashcraft, and Allen Cumbie if they had anything to discuss about the project. Joey Sliva advised that the group seems to be very sincere about having their project in Matagorda County. PCC has submitted a 313 agreement, incorporated in Delaware as PCC Chemicals Inc. They are entering into a lease agreement for office space in Bay City. George Harrison is happy with the progress that has been made.

Item 18 – Sharron Perez advised the Commissioners that she will attend website training on June 28<sup>th</sup>.

Item 19 – George Harrison gave the Matagorda County Economic Development Corporation update. George Harrison and Craig Hlavinka met with representatives of HIF to tour the turning basin. HIF is working to determine how to get the modules and equipment to their site. Craig Hlavinka advised that HIF will be limited by the FM 521 bridge. HIF is exploring all options.

Item 20 – Don Simons discussed his request for an access easement from South Gulf Road to his property which is adjacent to property owned by the Port Authority currently being looked at for harbor expansion. Don Simons is looking to buy, lease, or trade property to obtain access to his property. George Harrison advised that the Port Authority will need to complete the master site plan for the harbor expansion prior to possibly granting an easement. George Harrison also advised Don Simons that if the Port Authority were to sale property, the property would have to be put out for bid. As the master site moves forward, then the Port Authority will have a better idea if any of the proposals would work for the project.

Allen Cumbie advised the Commissioners that the lease sent by Texas General Land Office for property at the Kayak park needs to be reviewed and placed on a future agenda.

George Harrison advised that there is a subcommittee comprised of George Harrison, Matt Ashcraft, and Trey Treybig to discuss the harbor expansion. The subcommittee will attend the public meetings/workshops that Anchor QEA is setting up with key stakeholders.

George Harrison advised Buddy Treybig that Hayden Smith of Anchor QEA will be contacting him regarding the Mouth of the Colorado River.

There being no further business to come before the meeting, the Commissioners adjourned the meeting at 7:48pm.

Attest:

Approve:

*/S/ George Harrison*

*/S/ Matthew Ashcraft*