

MINUTES OF MEETING

BE IT REMEMBERED that the Commissioners of the Port of Bay City Authority met Thursday, September 8, 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:	
Amanda Sullivan	Driftwood
Mike Reddell	Bay City Sentinel

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

Item 1 – The minutes of the regular meeting of August 11, 2022 were not available for review at this meeting. The minutes of the regular meeting of August 11, 2022 will be reviewed at the next regular meeting.

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

ACE HARDWARE	671.50
--OPERATING SUPPLIES	
ANCHOR QEA	11,645.00
--MATAGORDA HARBOR IMPROVEMENTS	
AQUA MARINE SUPPLY	2,410.61
--REPAIRS & MAINTENANCE – HARBOR	
AQUA MARINE SUPPLY	230.16
--REPAIRS & MAINTENANCE - HARBOR	
AQUA-ZYME SERVICES INC	320.00
--PUBLIC UTILITIES	
AQUA-ZYME SERVICES INC	480.00
--PUBLIC UTILITIES	
AT&T	959.27
--TELEPHONE EXPENSE	
AT&T	69.18
--TELEPHONE EXPENSE	
AT&T	666.23
--TELEPHONE EXPENSE	
BAY CITY LIONS CLUB	50.00
--PROMOTION & DEVELOPMENT	
B ALLEN CUMBIE	10,814.75
--ATTORNEY’S FEES	
DIRECT ENERGY	21.35
--PUBLIC UTILITIES	
DIRECT ENERGY	373.40
--PUBLIC UTILITIES	
DIRECT ENERGY	91.76
--PUBLIC UTILITIES	
DIRECT ENERGY	4,367.10
--PUBLIC UTILITIES	
DIRECT ENERGY	41.76
--PUBLIC UTILITIES	
ELLEN DODD	1,360.00
--SPECIAL DISTRICT ACCOUNTING FEE	
FRONTZ ELECTRICAL MECHANICAL SERVICE INC	104.13
--REPAIRS & MAINTENANCE - OFFICE	
GFL	974.37
--PUBLIC UTILITIES	
HDR	4,344.00
--PROFESSIONAL FEES	
LOWES	1,508.66
--REPAIRS & MAINTENANCE – HARBOR	
LYLE PRINTING	507.54
--OPERATING SUPPLIES	

MATAGORDA COUNTY	600.00
--PROFESSIONAL SERVICES	
MATAGORDA COUNTY APPRAISAL DISTRICT	7,245.09
--APPRAISAL DISTRICT FEES	
MATAGORDA LAWN SERVICE	110.00
--REPAIRS & MAINTENANCE - HARBOR	
MATAGORDA WD&WSC	123.80
--PUBLIC UTILITIES (HOUSE)	
MATAGORDS WD&WSC	992.70
--PUBLIC UTILITIES (SPRINKLER)	
MATAGORDA WD&WSC	549.80
--PUBLIC UTILITIES (TRAILER PARK)	
MATAGORDA WD&WSC	345.20
--PUBLIC UTILITIES (BOAT SHED)	
MATAGORDA WD&WSC	406.30
--PUBLIC UTILITITES (TENT AND FISH CLEANING)	
MATAGORDA WD&WSC	47.50
--PUBLIC UTILITIES (PUMP)	
MATAGORDA WD&WSC	119.50
--PUBLIC UTILITIES (MEETING HOUSE)	
MATAGORDA WD&WSC	147.00
--PUBLIC UTILITIES (RESTROOM)	
NAPA AUTO & TRUCK PARTS	409.26
--VEHICLE EXPENSE	
PITNEY BOWES INC	183.57
--MISCELLANEOUS EXPENSE	
QUILL CORPORATION	224.94
--OPERATING SUPPLIES	
JAY SCHOLTEN	1,600.00
--REPAIRS & MAINTENANCE – HARBOR	
SHARRON’S BOOKKEEPING AND TAX SERVICE	7,131.10
--OFFICE MANAGER – CONTRACT SERVICES	
--PROFESSIONAL SERVICES	
--OPERATING SUPPLIES	
--TELEPHONE EXPENSE	
--TRAVEL	
SHELMARK ENGINEERING LLC	14,437.50
--MATAGORDA HARBOR IMPROVEMENTS	
SHORELINE CONSTRUCTION	15,834.06
--REPAIRS & MAINTENANCE – HARBOR	
--MATAGORDA HARBOR IMPROVEMENTS	
SUTHERLANDS	1,057.93
--REPAIRS & MAINTENANCE – HARBOR	
THE HOME DEPOT	1,545.90
--REPAIRS & MAINTENANCE – HARBOR	
THRYVE	26.50
--PROMOTION & DEVELOPMENT	
VERIZON	101.33
--TELEPHONE EXPENSE	
CRAIG HLAVINKA	5,376.09
--TRAVEL	
--VEHICLE EXPENSE	
--OPERATING SUPPLIES	
--PROMOTION & DEVELOPMENT	
THOMAS F ORSAK II	665.00
--DEPOSIT REFUND	

Item 3 – Sharron Perez reviewed the Billing, Collection, Accounts Receivable, and Financial Reports for August 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 August 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 seven 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. GulfMark is continuing shipments. Roehm is continuing with the preparation of the eight-acre laydown site and has met with the

utility companies to lay the lines underground to avoid overhead obstacles. Upgrades to the low water dock are being discussed.

Craig Hlavinka reported on the activity at Matagorda Harbor. Everything has been running smoothly. Occupancy is 91% for all docks excluding G-dock which is at 81%.

Item 6 – Sharron Perez reviewed the proposed budget. George Harrison addressed the inflation rates and asked if there were any question. On motion Commissioner Joey Sliva, seconded by Commissioner Matt Ashcraft, the Commissioners unanimously approved the following budget totals for 2023:

Total Budgeted Revenues	\$ 3,413,202
Total Budgeted Personnel Expenses	\$ 268,887
Total Budgeted Operations Expenses	\$ 1,155,610
Total Budgeted Promotion & Development Expenditures	\$ 57,165
Total Budgeted Capital Expenditures	\$ 705,000

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 7-9 – The Commissioners discussed the 2022 Proposed No New Revenue tax rate of \$0.04812, No New Revenue Maintenance and Operations tax rate of \$0.04838, and the Voter Approval tax rate of \$0.05007.

Item 10 – On motion of Commissioner Matt Ashcraft, seconded by Commissioner Buddy Treybig, the Commissioners unanimously approved the proposal to adopt the 2022 tax rate at the next scheduled public hearing/meeting to be held at the office of the Authority on Wednesday, September 21, 2022 at 6:15pm. The vote was recorded and Sharron Perez will provide the necessary information to Becky Cook for the newspaper publication.

Item 11 – Participation in the Tax Increment Reinvestment Zone Number 4 was tabled for now. It will be presented to the Port Authority once the City of Bay City approves the zone.

Items 12 & 13 – Craig Hlavinka advised that Shelmark Engineering will have the bid specs for the cap rail repairs ready on Monday. Craig Hlavinka would like to award these in November and have a completion deadline of March 31<sup>st</sup>. Craig Hlavinka explained the process of the repairs. Buddy Treybig asked if there is rust down below. On motion of Commissioner Joey Sliva, seconded by Commissioner Matt Ashcraft, the Commissioners unanimously approved the bid specs pending Craig Hlavinka and Allen Cumbie reviewing the specs and putting out for bid the cap rail repairs adjacent to the fuel dock at Matagorda Harbor to be opened at the November meeting.

Item 14 – Allen Cumbie reviewed the history of the four-acre drill site location and relocation. PCC would like the site moved; however, they have not indicated where the drill site needs to be moved to. Craig Hlavinka advised that their site plan is not finalized. Allen Cumbie advised that the Port Authority would need to know the location prior to proceeding with relocation.

Item 15 – AEP is in the process of replacing the poles on the 138kv line on the Port of Bay City property. The current location cuts off approximately eight acres of property. Rerouting this line along the property line has been discussed. AEP will reroute the 138kv line along the fence line at their cost as part of the upgrade. This will open up the eight acres and leave a small corner that has pipelines thru it. Rail can go under the line. On motion of Commissioner Matt Ashcraft, seconded by Commissioner Treybig, the Commissioners unanimously approved the rerouting of the 138kv line along the fence line. Criag Hlavinka will communicate the new route to PCC.

Item 16 – The Port Authority is still working with RITD in regards to the rail easements for Air Liquide and future tenants. Joey Sliva will be the contact while George Harrison is out.

Item 17 – George Harrison talked to AEP regarding the easements for the electric transmission lines, substation, and access to the AEP substation at the Port of Bay City turning basin. One document that Air Liquide needs to have notarized has been returned to AEP. Drafts of the easements will be provided to Allen Cumbie next week. Allen Cumbie will forward these to Norton Rose Fulbright for review. These easements will be discussed at the October meeting.

Item 18 – Amanda Sullivan provided a proposal for the Bay City office remodel. Amanda Sullivan met with Craig Hlavinka and Sharron Perez to go over the items that need to be updated. The estimated costs were discussed as well as the scope of work including ADA compliance. The restrooms, kitchen, and and possible hallway were discussed. The possibility of mold was discussed. The Commissioners reviewed the estimated costs and determined the project would need to be put out for bid. Amanda Sullivan will meet with Allen Cumbie once bid specifications are developed to ensure all requirements are met. On

motion of Commissioner Matt Ashcraft, seconded by Commissioner Trey Treybig, the Commissioners approved the contract for design and oversight of the project by Amanda Sullivan, with Driftwood C&C, LLC not to exceed \$9000. On motion of Commissioner Joey Sliva, seconded by Commissioner Lee Weathers, authorized Amanda Sullivan of Driftwood C&C LLC to proceed with the planning and putting out for bid the remodel of the Port of Bay City office building. On motion of Commissioner Joey Sliva, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved putting out for bid the remodel of the Port office pending Allen Cumbie's review of the bid specifications.

Item 19 – George Harrison submitted the term sheet based on the PIDP grant to Big Hill. Big Hill has reviewed the term sheet. Bob McKie met with George Harrison and Joey Sliva to understand the notes. Once the notes are agreed upon Allen Cumbie will provide the term sheet to Norton Rose Fulbright for review. George Harrison and Joey Sliva took a tour of the property which will need a lot of clearing. Big Hill has various plans to produce green ammonia, brine, hydrogen, and mine the salt from the domes. Once Big Hill develops a milestone schedule, there will be a joint workshop regarding the timing, etc. George Harrison checked with HDR regarding the status of the PIDP grants. These have not been awarded yet. Joey Sliva advised the Commissioners that Big Hill has executed a contract to repair the dolphins and three decks within the next six months.

Item 20 – George Harrison updated the Commissioners on PCC. There was a meeting Wednesday to work on the contract. The workshop lasted almost seven hours with Allen Cumbie and representatives of Norton Rose Fulbright. PCC will provide a draft to the Port Authority for review. The Port Authority is working with attorneys to capture the correct language. Craig Hlavinka will contact Kathleen Hicks regarding insurance coverage needs to protect the Port Authority. Joey Sliva will be the contact person while George Harrison is out of town.

Items 21 & 22 – Hayden Smith, with Anchor QEA, updated the Commissioners on the Harbor Expansion and Mouth of the Colorado River projects. The meeting with key stakeholders was postponed. The three drafts are being updated and various potential businesses have been discussed. Some of the updates would include a water science area or aquarium. Educational information can be added to the bird watching platforms and trails. These items would benefit the local schools. There are various funding opportunities that are being looked at. The Audubon Society is interested in the educational information on the bird watching platforms. The berms will need to be kept or relocated to help protect the harbor. George Harrison advised that once the committee aligns on one design and makes a final recommendation that there would need to be town hall meetings. Anchor QEA will polish one design, prepare a 3D rendering, and develop preliminary cost estimates. George Harrison advised that the Port Authority will build the common areas, ie the restrooms, parking, gravel area, and bring in utilities. The Port Authority will not build the buildings that will be leased. George Harrison will be happy to see what comes from the town hall meetings. Anchor QEA does not have the preliminary drawings to scale in order to show the public what could be located in the area. George Harrison advised Hayden Smith to make sure that at each meeting those in attendance know that the drawing is not to scale.

Hayden Smith has met with a couple of local boaters regarding the Mouth of the Colorado River. Anchor QEA is pulling the background of the project but is missing the dredge information for prior years and this fall from the Corps of Engineers. George Harrison had sent an email to the Corps requesting this information and will contact the Corps to check on the status of the request. If George Harrison is not able to get in touch with someone, he will resend the email. Hayden Smith will reach out to Bill Balboa also. Due to the existing 221 agreement, the Port will have to pay a 16% match for the Mouth of the Colorado River project.

Hayden Smith discussed the potential funding opportunities. The Matagorda Bay Mitigation Trust has grants up to \$500,000 for various types of projects. Hayden Smith reviewed the types of projects and how these would tie into the harbor enhancement project. The deadline for the grant application is October 17, 2022. Anchor QEA will prepare the scope of work for the project. Trey Treybig will be the point of contact for the Port Authority. George Harrison advised Hayden Smith that the Port Authority will meet on September 21<sup>st</sup> and can discuss the contract. Hayden Smith will not be available but can send the proposal prior to the meeting.

Item 23 – George Harrison updated the Commissioners on all of the major projects in the county. HIF had a town hall meeting. Allen Cumbie advised that Mike Reddell had a veery informative article in the Sentinel regarding HIF. HIF has doubled the acreage and increased the updated cost to \$6 billion.

Item 24 – There were no public comments or comments from the Commissioners at this time.

Item 25 – There was no new or unfinished business to discuss at this time.

There being no further business to come before the meeting, the Commissioners adjourned the meeting at 8:29pm.

Attest:

*/s/ George Harrison*

Approve:

*/s/ Matthew Ashcraft*