

MINUTES OF MEETING

BE IT REMEMBERED that the Commissioners of the Port of Bay City Authority met Thursday, January 12, 2023, at the Recreation Room, Matagorda Harbor, Matagorda, 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:	
Mike Ferdinand	MCEDC Exec Director
Dimitri Millas	Norton Rose Fulbright
Leslie Bacon	Norton Rose Fulbright
Hayden Smith	Anchor QEA LLC
Trey Cash	Mastersons Advisors
Tina Peterman	Mastersons Advisors
George E Lazaro	Engineer for MWD&WSC
George W Lazaro	Engineer for MWD&WSC
Joe Zamora Sr	Matagorda WD&WSC
Jeffrey Reich	Matagorda WD&WSC
Zachary Phillips	ZPI
Mike Reddell	Bay City Sentinel
Donna Huitt	Visitor
Becca Sitz	Visitor

The meeting was called to order at 7:00pm by Commissioner George Harrison.

Item 1 – The minutes of the regular meetings of November 7, 2022 and December 9, 2022 and the special called meetings of November 10, 2022 and November 30, 2022 and December 27, 2022 were discussed. On motion of Commissioner Joey Sliva, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved the minutes of the regular meetings of November 7, 2022 and December 9, 2022 and the special called meetings of November 10, 2022 and November 30, 2022 and December 27, 2022.

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

ACE HARDWARE	219.02
--OPERATING SUPPLIES	
ACE HARDWARE	798.19
--OPERATING SUPPLIES (2023)	
ANCHOR QEA	89,499.13
--PROFESSIONAL SERVICES	
A TEAM LANDSCAPING	120.00
--REPAIRS & MAINTENANCE – OFFICE	
A TEAM LANDSCAPING	200.00
--REPAIRS & MAINTENANCE – OFFICE (2023)	
AQUA-ZYME SERVICES INC	320.00
--PUBLIC UTILITIES	
AT&T	69.18
--TELEPHONE EXPENSE	
AT&T	958.47
--TELEPHONE EXPENSE (2023)	
B ALLEN CUMBIE	8,694.75
--ATTORNEY’S FEES	
DIRECT ENERGY	4,293.84
--PUBLIC UTILITIES	
DIRECT ENERGY	51.67
--PUBLIC UTILITIES	
DIRECT ENERGY	123.67
--PUBLIC UTILITIES	
DIRECT ENERGY	3,853.04
--PUBLIC UTILITIES	

DIRECT ENERGY	27.47
--PUBLIC UTILITIES	
DIRECT ENERGY	119.05
--PUBLIC UTILITIES	
DIRECT ENERGY	50.06
--PUBLIC UTILITIES	
DIRECT UTILITIES	301.07
--PUBLIC UTILITIES	
ELLEN DODD	1,360.00
--SPECIAL DISTRICT ACCOUNTING FEE	
GFL	1,015.98
--PUBLIC UTILITIES	
MATAGORDA BOAT & RV STORAGE	1,500.00
--MISCELLANEOUS EXPENSE (2023)	
MATAGORDA COUNTY ECONOMIC DEVELOPMENT CORPORATION	50,000.00
--PROMOTION & DEVELOPMENT (2023)	
MATAGORDA WD&WSC	98.30
--PUBLIC UTILITIES (HOUSE)	
MATAGORDS WD&WSC	915.20
--PUBLIC UTILITIES (SPRINKLER)	
MATAGORDA WD&WSC	369.80
--PUBLIC UTILITIES (TRAILER PARK)	
MATAGORDA WD&WSC	340.85
--PUBLIC UTILITIES (BOAT SHED)	
MATAGORDA WD&WSC	383.70
--PUBLIC UTILITIES (TENT AND FISH CLEANING)	
MATAGORDA WD&WSC	47.50
--PUBLIC UTILITIES (PUMP)	
MATAGORDA WD&WSC	93.00
--PUBLIC UTILITIES (MEETING HOUSE)	
MATAGORDA WD&WSC	121.30
--PUBLIC UTILITIES (RESTROOM)	
NORTON ROSE FULBRIGHT	13,583.75
--ATTORNEY FEES	
QUILL CORPORATION	210.95
--OPERATING SUPPLIES	
JAY SCHOLTEN	1,600.00
--REPAIRS & MAINTENANCE – HARBOR	
SHARRON’S BOOKKEEPING AND TAX SERVICE	6,849.21
--OFFICE MANAGER – CONTRACT SERVICES	
--PROFESSIONAL SERVICES (2023)	
--OPERATING SUPPLIES (2023)	
--TELEPHONE EXPENSE (2023)	
--TRAVEL (2022/2023)	
SHORELINE CONSTRUCTION	16,975.55
--REPAIRS & MAINTENANCE – HARBOR (2022/2023)	
SOUTH TEXAS CORRUGATED PIPE	1,950.00
--REPAIRS & MAINTENANCE – HARBOR	
SUTHERLANDS	1,833.27
--REPAIRS & MAINTENANCE – HARBOR	
THE BAY CITY SENTINAL	1,497.00
--ADVERTISING	
THE BAY CITY TRIBUNE	659.49
--ADVERTISING	
THRYVE	26.86
--PROMOTION & DEVELOPMENT (2023)	
VERIZON WIRELESS	100.52
--TELEPHONE EXPENSE	
WEST MARINE PRO	485.71
--REPAIRS & MAINTENANCE - HARBOR	
WILLSCOT	264.25
--MISCELLANEOUS EXPENSE (2023)	
CRAIG HLAVINKA	4,481.22
--TRAVEL (2022/2023)	
--VEHICLE EXPENSE (2022/2023)	
--OPERATING SUPPLIES (2022/2023)	
DAKOTA BREWTON	400.00
--DEPOSIT REFUND	
CLIFTON COOK	577.42
--DEPOSIT REFUND	
--PREPAID RENT	
MATTHEW LEOPARD	425.00
--DEPOSIT REFUND	

Item 3 – The financials for December were not available prior to the meeting. This will be discussed at our next regular meeting.

Item 4 – The delinquent account information was not available prior to the meeting. This will be discussed at our next regular meeting.

Item 5 - Craig Hlavinka reported on activity at the Port of Bay City. Wood Group is getting all of the survey work done. The dirt work has been completed. The lease agreement for Roehm is for a twenty-four-month term ending in November 2024.

Craig Hlavinka reported on the activity at Matagorda Harbor. Everything has been running smoothly with regular maintenance occurring. Zachary Phillips updated the Commissioners on the cap rail repair. Everything has been saw cut, and the metal should arrive by the end of January. Once the metal has arrived, the installation will begin. Zachary Phillips indicated the area by the old fish cleaning table is bad.

Items 6 & 7 – George Lazaro, engineer for Matagorda Water Supply and Waste Disposal Corporation, discussed the water system expansion. One of the anchors for receiving the grant from EDA was the increased needs. He was very excited to hear of the potential harbor. George Lazaro believes the proposed plan would work for the water storage tank. The tank is proposed to be 200' by 200'; however, it could increase to 350' by 350' based on the additional need. The water company would need up to an acre for the water storage tank. The water company is working to finalize plans to turn into EDA. The deadline to have the plans approved is in June 2023. George Harrison verified with Allen Cumbie that Buddy Treybig would need to abstain from voting since he is on the water board. George Harrison advised George Lazaro that the Port Commissioners appreciated the discussion at the last meeting and that the water company is an important partner to the Port Authority as well as essential to the community in Matagorda. Craig Hlavinka reviewed the placement of the water storage tank and advised the Commissioners that he approves of the proposed area. George Harrison discussed the possible exchange of the easement for the water storage tank for the pump out station at Matagorda Harbor. Jeff Reich, President of MWS&WDC, would need to discuss this with the board but did not see an issue with this. The area for the easement will need to be surveyed. George Harrison asked Allen Cumbie if we want to officially reserve the area pending the contractual agreement being signed. Once the water company stakes the area, the Port Authority will have the property surveyed. Allen Cumbie advised that the survey, field notes, and plat will have to be completed as part of the easement agreement. On motion of Commissioner Joey Sliva, seconded by Commissioner Matt Ashcraft, the Commissioners unanimously approved the location of the 350' by 350' easement with the Port Authority covering the cost of the survey. Buddy Treybig abstained from voting.

Items 8 & 9 – Russell Durham has unable to attend the meeting and requested that the discussion regarding a food truck at Matagorda Harbor be tabled until the February meeting.

Item 10 – The Commissioners discussed the relocation of the four-acre drill site and the proposed lease with PCC. There has been communication from FASH. An oil and gas consultant looked at moving the site. There has also been a brief discussion regarding the Port Authority acquiring the four-acre drill site. This is the first time that this possibility was discussed. No action was taken at this time.

Items 11 -14 – The Commissioners discussed the various AEP easements. At the end of November, Allen Cumbie had sent over the last revisions on the various easement agreements incorporating the insurance indemnifications and rail under the AEP lines. Paul Saenz will present comments back this week. George Harrison advised AEP that once the feedback is received the Port Authority would like to have a Webex with all attorneys and management in attendance so the agreements could be finalized. George Harrison asked Allen Cumbie is there were any other items to discuss at this time. No action was taken at this time.

Item 15 – George Harrison updated the Commissioners on the rail easement with Air Liquide. There is an agreement with RITD for the rail design. Jerry Converse, with Norton Rose Fulbright, is working on the easement agreement. Once the easement agreement is approved, the Port Authority can exclude this area from the PCC option agreement. When the PCC option agreement was signed, the Port Authority was not aware of Air Liquide's need for a rail easement. Leslie Bacon, with Norton Rose Fulbright, advised that the rail easement is basically completed. Jerry Convers will get with Allen Cumbie on a few details. The draft rail easement agreement should be ready by the end of the month for the parties to review.

Item 16 – The Commissioners discussed the potential lease agreement with PCC Chemicals. PCC still has several outstanding issues including insurance and financial estopels to resolve before the lease agreement can be finalized. Craig Hlavinka is working with G&W Engineers to get the ALTA survey completed which will include the excluded area for the Air Liquide rail spur. George Harrison revied the last draft that Norton Rose Fulbright prepared including the updated minimum tariff. Leslie Bacon had no

other items to discuss at this time. The lease agreement has been in negotiations for several months to ensure that it meets all parties' needs.

Item 17 – There was no discussion at this time regarding the Matagorda County Conservation and Reclamation District's levee easement on the Port of Bay City's 99.97 acre tract at the Port of Bay City. PCC will need to provide the usage information for an easement. Craig Hlavinka advised the Commissioners that the area being discussed is the land bridge area.

Item 18 – The Commissioners discussed the order concerning the feasibility, practicality, and benefits to the public of the harbor expansion. The order was drafted by Allen Cumbie and attorneys with Norton Rose Fulbright. Allen Cumbie advised that if the order was approved then the next step would be to prepare an order calling for the bond election. Norton Rose Fulbright will draft this order. On motion of Commissioner Joey Sliva, seconded by Commissioner Trey Treybig, the Commissioners unanimously approved Port Authority Order No. PA-O-001-2023 concerning the feasibility, practicality and benefits to the public of the expansion of Matagorda Harbor including the construction of appurtenant improvements.

Item 19 – The Commissioners discussed the TIRZ No. 1A agreement. George Harrison asked Mike Ferdinand if he would like to discuss this matter. TIRZ No.1 is downtown and is being expanded to include Valor Park. Allen Cumbie has reviewed the documents. George Harrison asked Becca Sitz if the City has approved the amendment. On motion of Commissioner Joey Sliva, seconded by Commissioner Matt Ashcraft, the Commissioners unanimously approved the agreement between the City of Bay City Texas and the Port of Bay City Authority concerning Tax Increment Reinvestment Zone No. 1A.

Item 20 – The Commissioners discussed the TIRZ No. 4 agreement. On motion of Commissioner Joey Sliva, seconded by Commissioner Matt Ashcraft, the Commissioners unanimously approved the agreement between the City of Bay City Texas and the Port of Bay City Authority concerning Tax Increment Reinvestment Zone No. 4.

Item 21 – Hayden Smith, with Anchor QEA, had no updates on the Mouth of the Colorado River Project and Jetty improvements. Hayden Smith will reach back out to Seth Jones with the Corps of Engineers.

Item 22 - Sharron Perez has reached out to MARAD regarding the grant application and has not received any feedback. Sharron will follow-up with MARAD. Once the Port Authority receives the feedback and revised the proposed contract, then the Port Authority will meet with Big Hill to finalize the proposed agreement and provide an update on the grants. The Port Authority is working with the Port of Corpus Christi to set up the tour in March. Port of Corpus Christi is changing Commissioners in February and would like the new Commissioners to be on the board prior to the Port Authority's visit. George Harrison advised that an agenda will be posted and all Commissioners are invited to the Port of Corpus Christi.

Item 23 – Michael Ferdinand, Executive Director of MCEDC, updated the Commissioners on various projects in the County. PCC tax abatement has been approved by the County. They have contacted the hospital district in regards to tax abatement. Tract 4 has been submitted for a project and has made it thru the first cycle. MCEDC is now submitting more information.

Item 24 - George Harrison introduced Trey Cash and Tina Peterman, with Masterson Advisors, that are the fiduciary advisors for the harbor expansion. They are working with Norton Rose Fulbright on the bond election and reviewed the financial impact of the bonds. The debt service was discussed assuming the 2025 issuance of the full \$68 million bond. George Harrison discussed the regulatory feedback from Anchor QEA for the Corps permits. The Port Authority wants to time the bonds accordingly due to the three-year period to complete construction. The bond election will lock in the amount of the bonds but not the timing. The cost of inflation will need to be taken into consideration. The need to have the permitting completed prior to drawing on the bonds was discussed. The bonds could be called at the twenty-year mark. There will be approximately \$4.4 million in debt service. Tenaris will fall off the abatement rolls in 2024. This will be reevaluated. Once the debt service is in place, the increased tax liability would be \$59.71 per \$100,000 valuation. The proposed tax rate would need to be 7.5% for debt service and does not include the maintenance and operations rate. George Harrison asked if there were any questions for Trey Cash. There were none.

There were no other public or Commissioner comments.

There being no further business to come before the meeting, on motion of Commissioner Trey Treybig, seconded Commissioner Matt Ashcraft, the Commissioners unanimously adjourned the meeting at 8:30pm.

Attest:

/S/ George Harrison

Approve:

/S/ Matthew Ashcraft