

MINUTES OF MEETING

BE IT REMEMBERED that the Commissioners of the Port of Bay City Authority met Thursday, October 13, 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:	
Mike Reddell	Bay City Sentinel
Stephen Van Manen	Harrison, Waldrop, & Uherek LLP
Hayden Smith	Anchor QEA LLC
Dan Opdyke	Anchor QEA LLC
Zachary Phillips	Zachary Phillips Inc

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

Item 1 – The Commissioners discussed the minutes of the regular meeting of August 11, 2022 and September 8, 2022 and the minutes of the public hearing and special called meeting of September 21, 2022. On motion of Commissioner Joey Sliva, seconded by Commissioner Trey Treybig, the Commissioners unanimously approved the minutes of the August 11, 2022 meeting, September 8, 2022 meeting, September 21, 2022 public hearing, and September 21, 2022 special called meeting as read.

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

ACE HARDWARE	699.95
--OPERATING SUPPLIES	
ACE HARDWARE	1,536.46
--OPERATING SUPPLIES	
AQUA-ZYME SERVICES INC	320.00
--PUBLIC UTILITIES	
AQUA-ZYME SERVICES INC	480.00
--PUBLIC UTILITIES	
A TEAM LANDSCAPING	240.00
--REPAIRS & MAINTENANCE - HARBOR	
AT&T	1,335.67
--TELEPHONE EXPENSE	
AT&T	69.18
--TELEPHONE EXPENSE	
AT&T	959.71
--TELEPHONE EXPENSE	
BAY CITY JANIITORIAL & BEST CARPET LIONS CLUB	508.83
--OPERATING SUPPLIES	
B ALLEN CUMBIE	7,676.25
--ATTORNEY’S FEES	
DIRECT ENERGY	10,659.99
--PUBLIC UTILITIES	
DIRECT ENERGY	98.06
--PUBLIC UTILITIES	
DIRECT ENERGY	80.13
--PUBLIC UTILITIES	
DIRECT ENERGY	46.14
--PUBLIC UTILITIES	
DIRECT ENERGY	1,026.06
--PUBLIC UTILITIES	
ELLEN DODD	1,360.00
--SPECIAL DISTRICT ACCOUNTING FEE	
GERNAND BUILDERS’ SUPPLY	249.00
--REPAIRS & MAINTENANCE - OFFICE	
GFL	974.37
--PUBLIC UTILITIES	
GOOLSBY WATER WELL SERVICE LLC	12,424.12
--REPAIRS & MAINTENANCE – PORT	
GRAINGER	419.17
--OPERATING SUPPLIES	

GRAINGER	200.25
--OPERATING SUPPLIES	
GRAINGER	226.93
--OPERATING SUPPLIES	
GRAINGER	276.71
--OPERATING SUPPLIES	
LOWES	3,464.50
--REPAIRS & MAINTENANCE – HARBOR	
MATAGORDA LAWN SERVICE	220.00
--REPAIRS & MAINTENANCE - HARBOR	
MATAGORDA WD&WSC	110.00
--PUBLIC UTILITIES (HOUSE)	
MATAGORDS WD&WSC	914.80
--PUBLIC UTILITIES (SPRINKLER)	
MATAGORDA WD&WSC	609.40
--PUBLIC UTILITIES (TRAILER PARK)	
MATAGORDA WD&WSC	330.00
--PUBLIC UTILITIES (BOAT SHED)	
MATAGORDA WD&WSC	330.20
--PUBLIC UTILITITES (TENT AND FISH CLEANING)	
MATAGORDA WD&WSC	47.50
--PUBLIC UTILITIES (PUMP)	
MATAGORDA WD&WSC	91.80
--PUBLIC UTILITIES (MEETING HOUSE)	
MATAGORDA WD&WSC	121.00
--PUBLIC UTILITIES (RESTROOM)	
MCCOYS	517.99
--REPAIRS & MAINTENANCE - HARBOR	
NAPA AUTO & TRUCK PARTS	238.58
--VEHICLE EXPENSE	
NORTON ROSE FULBRIGHT	13,715.00
--ATTORNEY FEES	
PITNEY BOWES INC	520.14
--OPERATING SUPPLIES	
JAY SCHOLTEN	1,600.00
--REPAIRS & MAINTENANCE – HARBOR	
SHARRON’S BOOKKEEPING AND TAX SERVICE	7,158.49
--OFFICE MANAGER – CONTRACT SERVICES	
--PROFESSIONAL SERVICES	
--OPERATING SUPPLIES	
--TELEPHONE EXPENSE	
--TRAVEL	
SHELMARK ENGINEERING LLC	8,312.50
--MATAGORDA HARBOR IMPROVEMENTS	
SHELMARK ENGINEERING LLC	14,437.50
--MATAGORDA HARBOR IMPROVEMENTS	
SHORELINE CONSTRUCTION	25,638.23
--REPAIRS & MAINTENANCE – HARBOR	
SUTHERLANDS	346.92
--REPAIRS & MAINTENANCE – HARBOR	
SUTHERLANDS	933.18
--REPAIRS & MAINTENANCE – HARBOR	
SUTHERLANDS	613.85
--REPAIRS & MAINTENANCE – HARBOR	
THE BAY CITY TRIBUNE	378.93
--ADVERTISING	
THE HOME DEPOT	687.45
--REPAIRS & MAINTENANCE – HARBOR	
THRYVE	26.86
--PROMOTION & DEVELOPMENT	
THRYVE	26.86
--PROMOTION & DEVELOPMENT	
VERIZON	101.02
--TELEPHONE EXPENSE	
WILLSCOT	264.25
--MISCELLANEOUS EXPENSE	
WILLSCOT	264.25
--MISCELLANEOUS EXPENSE	
CRAIG HLAVINKA	4,009.80
--TRAVEL	
--VEHICLE EXPENSE	
--OPERATING SUPPLIES	
--REPAIRS & MAINTENANCE – HARBOR	

ORVILLE BUCHORN	768.00
--DEPOSIT REFUND	
MICHAEL HELMIG	450.00
--DEPOSIT REFUND	
BRUCE RICHARDSON	125.00
--DEPOSIT REFUND	

Item 3 – Sharron Perez reviewed the Billing, Collection, Accounts Receivable, and Financial Reports for September 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 Buddy Treybig, the Commissioners unanimously approved the financial reports for September 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 ten 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. One of cluster piles failed. These were built in the late 1960's or early 1970's. The tow boats can work around it. Craig Hlavinka is working to get this completed. The hay guy cleared the 100 acres. The water well has been replaced. Wood Group is prepping the eight-acre tract for Roehm and has done a great job.

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%. There will be a pre-bid meeting for the cap rail repair on November 18, 2022. The timeline for the repair is November 2022 thru March 15, 2023. The engineering firm believes the job can be completed with sixty days. Allen Cumbie advised that the first notice had been published in the paper.

George Harrison advised the Commissioners that there will be a meeting with the Port of Corpus Christi scheduled for November 14, 2022. The Port of Bay City will post an agenda so that all of the Commissioners can attend. The meeting will consist of meeting with the Executives and Stevedores as well as a tour of the facility.

Item 6 – Stephen Van Manen with Harrison, Waldrop, & Uherek LLP presented the Independent Auditor's Annual Report for the year ended December 31, 2021. The audit went smoothly this year. There were no disagreements with management. The Port Authority was given an unmodified or clean opinion. Stephen Van Manen reviewed different aspects of the audit as well as the fund balance. George Harrison discussed the existing 221 agreement with the Corps of Engineers for the Mouth of the Colorado jetties. The Port of Bay City Authority is the local sponsor and has a 16% match. Stephen Van Manen discussed the decline in market value on investments. George Harrison discussed the investments are in FNMAs and GNMA's. If these are kept to maturity, there are no realized losses. Stephen Van Manen reviewed the increase in fund balance, the foot notes to the financial statement, and the budget comparison. Stephen Van Manen asked if the Commissioners had any questions. There were none. On motion of Commissioner Joey Sliva, seconded by Commissioner Matt Ashcraft, the Commissioners unanimously approved the Independent Auditor's annual report for the year ended December 31, 2021 as prepared by Harrison, Waldrop, & Uherek LLP.

Item 7 – The Commissioners discussed the relocation of the four-acre drill site and/or consideration of the reduction of the total drill site acreage. No decision could be made at this time as the layout for the PCC project needs to be determined in order to proceed on this matter.

Item 8 – Craig Hlavinka advised the Commissioners that AEP requires a 100' easement for the powerline. PCC has asked if their roads can account for part of the easement. Vee Strauss, with AEP, is looking into this request.

Item 9 – RITD is working on the final proposal for the proposed rail easements. George Harrison will contact RITD for an update.

Item 10 – Allen Cumbie advised the Commissioners that AEP has sent proposals for the easements for the electric transmission lines, substation, and access to the AEP substation. Jerry Converse, with Norton Rose Fulbright, has a draft for the substation easement. He is reviewing the other easements. Allen Cumbie advised that he agrees with the changes that Jerry Converse has made to the agreements. AEP and the Port of Bay City Authority may need to negotiate some aspects of the easement agreements. The consideration totaling \$325,000 has been agreed to. The insurance requirements have changed. The indemnification aspects are still being worked on.

Items 11 & 18 – Hayden Smith, with Anchor QEA, discussed the Scope of Work for the Matagorda Harbor Expansion. The Harbor expansion project is gaining momentum. Hayden Smith reviewed the Scope of Work for Matagorda Harbor Development Phase 2. The Scope of Work includes planning, grant research, preliminary cost estimates, regulatory coordination, estimate of economic impacts, public information support, and preparation of a summary document for future development at the Port's property adjacent to Matagorda Harbor. There are many aspects of the project that Anchor QEA will need assistance from the Port Authority to complete, ie clarification of Port projects versus leasee projects, lengths of boardwalks, etc. George Harrison advised that it is valuable to research what grant opportunities are available for the project. George Harrison also discussed looking at various options and the cost of such options such as the type of material utilized for the walkways/boardwalks. The Commissioners discuss qualitative versus quantitative information. Joey Sliva asked if the current permit would be used for the project. The Port Authority would have to apply for a new permit for the expansion as the design is different from the original permit. Joey Sliva questioned the water flow on the design for the Harbor expansion. There would be a coastal study completed to look at the water flow. Dan Opdyke discussed Matagorda Harbor being a harbor of safe refuge and will check with the US Corps of Engineers to verify that there would be no issues with the proposed expansion project. Matt Ashcraft feels this project would expand the harbor of safe refuge. George Harrison asked if the giving up the existing permits would help in obtaining new permits. There was a discussion regarding US Corps of Engineers 408 permits. Dan Opdyke advised that a 408 permit may not be needed but he will verify with the Corps. On motion of Commissioner Joey Sliva, seconded by Commissioner Matt Ashcraft, the Commissioners unanimously approved the Scope of Work, submitted by Anchor QEA LLC, excluding the summary document at a cost of \$147,000. Anchor QEA will provide the Scope of Work tomorrow for George Harrison to sign.

Item 12 – Hayden Smith updated the Commissioners on the grant application for the Matagorda Bay Mitigation Trust. There are two grant applications that will be submitted. The first is for Matagorda Harbor and will be submitted under the funding priorities of public access and environmental research. The total project is requesting \$500,000 grant with a \$50,000 match from the Port Authority. The second is for the Park proposal at Matagorda Harbor and will be submitted under the funding priorities public education, youth camps, public access improvement, environmental research, and habitat restoration. The project is requesting \$400,000 grant with a \$50,000 match from the Port Authority. The letters for support are still coming in. The grant applications have to be submitted by 5:00pm on Monday, October 17, 2022. A representative of the Port Authority will need to be available for the submission of the grant applications. Hayden Smith provided copies of the grant applications to the Commissioners to review. Joey Sliva asked about the timeline for the grant funding. Hayden Smith advised that there is no specific timeline; however, the funds are running out. George Harrison asked if anyone from Matagorda County has received any of the grant funds. Hayden Smith advised that he did not know of anyone in Matagorda County that had received grant funds. This is the third year for grants thru the Matagorda Bay Mitigation Trust.

Item 13 – Hayden Smith discussed the proposed bond issuance for the Matagorda Harbor Expansion project. Representatives of the Port Authority, Anchor QEA, and Norton Rose Fulbright met on Monday to discuss the pursuing a bond election. The ideal timing would be in 2023 as there is not a presidential election. Norton Rose Fulbright will need Anchor QEA to develop a cost estimate for the project. There will need to be some discussions to clarify what aspects of the project will be funded by the Port Authority. There will need to be a reasonable idea of the size of the hotel, restaurants, etc. George Harrison advised that Thomas Davis would be a good resource. Allen Cumbie advised that part of compliance would be to draft the order calling for a bond election, have public hearings, and then pass the order. The process will take three weeks for publications with February 17, 2023 being a critical date to have the bond election. George Harrison questioned the timeframe for issuing bonds and construction of the Harbor expansion. Hayden Smith will have to verify the timeline. There is a lot of work to be done and a short timeline for the work to be completed in. Allen Cumbie provided Hayden Smith with the feasibility study that was prepared for the commercial barge terminal to give Anchor QEA an example of what is needed for the proposed bond issuance. Dan Opdyke asked what the Port Authority had learned regarding bond issuance from the attempt to pass a bond issuance for the commercial barge terminal. George Harrison felt that the commercial barge terminal next to the recreational harbor was not ideal. Also, there being no key tenant at the time was not comforting to the public. Dan Opdyke questioned there not being a key tenant for the harbor expansion at this time. George Harrison advised that the Port Authority will be upfront with the public. There could be a key tenant in place prior to the construction completion. Joey Sliva advised that Van Vleck ISD was trying to pass a bond at the same time that failed also. Buddy Treybig does not see a problem with the bond issuance but feels it would be nice to have a key tenant before the election. George Harrison likes the educational aspects to the harbor expansion and feels it will help with the proposed bond issuance. Dan Opdyke will speak to Bill Balboa regarding the educational aspects. George Harrison also discussed the possibility of the bird watching areas being the center for the Christmas bird count.

Items 14 & 19 – There was a discussion regarding the Colorado River Jetty improvements and the Mouth of the Colorado River project. There are some meetings scheduled to discuss the issues with the Corps of Engineers and Anchor QEA. No action was taken at this time.

Item 15 – Sharron Perez advised that she contacted Amanda Sullivan with Driftwood C&C regarding the Port of Bay City office remodel. Amanda Sullivan is working with contractors to get bid specifications and feels it will be the first of the year before contractors could start on the project.

Item 16 – George Harrison talked with Leslie Bacon with Norton Rose Fulbright. Norton Rose Fulbright still has some follow-up action on the Big Hill project term sheet. As soon as the follow-up action is complete, there will be a meeting scheduled with representatives of the Big Hill project.

Item 17 – Joey Sliva updated the Commissioners on the last meeting with representatives of PCC. There was a discussion on the various tax abatements that PCC is applying for. PCC is meeting with contractors for the module build. There was a brief discussion regarding possible bonds. PCC is planning to be in Bay City in November to wrap up negotiations on the lease agreement.

Item 20 – George Harrison advised the Commissioners that Matagorda County Economic Development Corporation has hired Michael Ferdinand as Executive Director.

Item 21 – George Harrison updated the Commissioners on the Caney Creek dredging project. HDR provided an environmental addendum. In regards to spoil disposal, the twenty-eight acres at the “Y” only contains three acres that are non-jurisdictional which is not enough room for the spoil disposal. HDR is looking into geo tubes. The Port Authority will turn the report over to Matagorda County Drainage District No. 1. George Harrison advised Luke Cressman, with HDR, to present the report to Matagorda County Drainage District No. 1. The Port Authority had committed to up to \$150,000 towards the project. Joey Sliva thanked George Harrison for all of his work on this project.

George Harrison thanked Dan Opdyke and Hayden Smith for their hard work, being a pleasure to work with, and always providing information on the various projects to the Port Authority. Matt Ashcraft advised Anchor QEA that if information is needed quickly to call or text.

The Commissioners thanked Mike Reddell from the Bay City Sentinel for attending the meeting and the various articles that he has been publishing relating to the various ongoing projects.

There were no additional public comments or comments from the Commissioners at this time.

Item 22 – 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 7:57pm.

Attest:

Approve:

/s/ George Harrison

/s/ Matthew Ashcraft