

MINUTES OF MEETING

BE IT REMEMBERED that the Commissioners of the Port of Bay City Authority met Thursday, November 10, 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
Craig Hlavinka	Harbor Master
Allen Cumbie	Port Attorney
Visitors:	
Leslie Bacon	Norton Rose Fulbright
Dimitri Millas	Norton Rose Fulbright
Absent:	
Buddy Treybig	Commissioner
Trey Treybig	Commissioner
Sharron Perez	Office Manager

The meeting was called to order at 6:45pm by Commissioner George Harrison.

Item 1 – The Commissioners discussed the minutes of the regular meeting of October 13, 2022. On motion of Commissioner Joey Sliva, seconded by Commissioner Trey Treybig, the Commissioners unanimously approved the minutes of the October 13, 2022 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	1,573.88
--OPERATING SUPPLIES	
ANCHOR QEA	10,458.13
--MATAGORDA HARBOR IMPROVEMENTS	
AQUA MARINE SUPPLY	1,931.53
--REPAIRS & MAINTENANCE - HARBOR	
AQUA-ZYME SERVICES INC	320.00
--PUBLIC UTILITIES	
AQUA-ZYME SERVICES INC	480.00
--PUBLIC UTILITIES	
AT&T	69.18
--TELEPHONE EXPENSE	
AT&T	958.28
--TELEPHONE EXPENSE	
BAREFOOT BULKHEAD AND PIERS	32,500.00
--REPAIRS & MAINTENANCE - PORT	
B ALLEN CUMBIE	5,589.28
--ATTORNEY'S FEES	
DIRECT ENERGY	257.29
--PUBLIC UTILITIES	
DIRECT ENERGY	69.33
--PUBLIC UTILITIES	
DIRECT ENERGY	863.68
--PUBLIC UTILITIES	
ELLEN DODD	1,360.00
--SPECIAL DISTRICT ACCOUNTING FEE	
FRONTZ ELECTRICAL MECHANICAL SERVICE INC	179.00
--REPAIRS & MAINTENANCE – OFFICE	
G&W ENGINEERS INC	1,725.00
--PROFESSIONAL SERVICES	
GFL	974.37
--PUBLIC UTILITIES	
GRAINGER	1,078.58
--OPERATING SUPPLIES	
HARRISON, WALDROP, & UHEREK	11,250.00
--INDEPENDENT AUDITOR FEES	
J&S CONTRACTOS INC	3,250.00
--REPAIRS & MAINTENANCE – PORT	
KRONBERG FLAGS & FLAGPOLES	676.00
--OPERATING SUPPLIES	
KRONBERG FLAGS & FLAGPOLES	364.00
--OPERATING SUPPLIES	
MATAGORDA LAWN SERVICE	110.00
--REPAIRS & MAINTENANCE - HARBOR	

MATAGORDA WD&WSC	105.50
--PUBLIC UTILITIES (HOUSE)	
MATAGORDS WD&WSC	819.35
--PUBLIC UTILITIES (SPRINKLER)	
MATAGORDA WD&WSC	726.30
--PUBLIC UTILITIES (TRAILER PARK)	
MATAGORDA WD&WSC	311.95
--PUBLIC UTILITIES (BOAT SHED)	
MATAGORDA WD&WSC	333.25
--PUBLIC UTILITITES (TENT AND FISH CLEANING)	
MATAGORDA WD&WSC	47.50
--PUBLIC UTILITIES (PUMP)	
MATAGORDA WD&WSC	96.20
--PUBLIC UTILITIES (MEETING HOUSE)	
MATAGORDA WD&WSC	131.60
--PUBLIC UTILITIES (RESTROOM)	
MCCOYS	673.39
--OPERATING SUPPLIES	
NORTON ROSE FULBRIGHT	20,322.50
--ATTORNEY FEES	
NORTON ROSE FULBRIGHT	31,510.00
--ATTORNEY FEES	
PURCHASE POWER	1,092.11
--OPERATING SUPPLIES	
QUILL CORPORATION	182.95
--OPERATING SUPPLIES	
QUILL CORPORATION	306.45
--OPERATING SUPPLIES	
JAY SCHOLTEN	1,600.00
--REPAIRS & MAINTENANCE – HARBOR	
SHARRON’S BOOKKEEPING AND TAX SERVICE	7,089.64
--OFFICE MANAGER – CONTRACT SERVICES	
--PROFESSIONAL SERVICES	
--OPERATING SUPPLIES	
--TELEPHONE EXPENSE	
--TRAVEL	
SHORELINE CONSTRUCTION	7,307.33
--REPAIRS & MAINTENANCE – HARBOR	
SUTHERLANDS	574.37
--REPAIRS & MAINTENANCE – HARBOR	
THE BAY CITY SENTINEL	970.24
--MATAGORDA HARBOR IMPROVEMENTS	
THE BAY CITY SENTINEL	255.00
--ADVERTISEMENTS	
THE HOME DEPOT	1,608.40
--REPAIRS & MAINTENANCE – HARBOR	
TOWN SQUARE PUBLICATIONS	850.00
--PROMOTION & DEVELOPMENT	
VERIZON	100.90
--TELEPHONE EXPENSE	
WEST MARINE PRO	308.60
--REPAIRS & MAINTENANCE - HARBOR	
WILLSCOT	264.25
--MISCELLANEOUS EXPENSE	
CRAIG HLAIVINKA	6,024.64
--TRAVEL	
--VEHICLE EXPENSE	
--OPERATING SUPPLIES	
--REPAIRS & MAINTENANCE - EQUIPMENT	

Item 3 – Sharron Perez reviewed the Billing, Collection, Accounts Receivable, and Financial Reports for October 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 October 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 twelve 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. Roehm continues to prep the area. They have made modifications to the dock and gates. The cluster pile has been fixed. The other

two cluster piles will need to be replaced. Craig Hlavinka advised that the new ones will be steel with rubber fenders.

Craig Hlavinka reported on the activity at Matagorda Harbor. Everything has been running smoothly. Occupancy is 90% for all docks excluding G-dock which is at 86%. The dredge burned up a generator on the way from North Carolina. There was a discussion regarding the dredging of the impoundment area and channel when the Texas General Land Office is ready to place the sand in Sargent. George Harrison has touched base with Seth Jones from the US Corps of Engineers; however, there are no definite timeframes for the dredging to occur. There was also discussion regarding the signage for Bragg's Cut. Seth Jones indicated that he will pull the paperwork and review but felt it may be the Port Authority's responsibility. George Harrison asked Craig Hlavinka if he had a range of the projected cost for the cap rail repair. Craig Hlavinka advised that he did not; however, there were three bid packets given out. George Harrison asked Craig Hlavinka to reach out to the engineers and ask for a projected range prior to the bid opening on Thursday.

Item 6 – The Commissioners discussed the amended budget for the year 2022 as prepared by Sharron Perez. There was a brief discussion of the accounts that were being amended. The Commissioners did move the budgeted amount for Harbor Enhancements to Harbor Improvements. On motion of Commissioner Trey Treybig, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved the following amended budget totals:

Total Amended Budgeted Revenues	\$ 3,228,329
Total Amended Personnel Expenditures	\$ 254,411
Total Amended Operations Expenditures	\$ 1,386,875
Total Amended Promotion & Development Expenditures	\$ 52,004
Total Amended Capital Expenditures	\$ 670,000

A copy of the detailed amended budget is attached as part of these minutes, and a properly signed amended budget will be provided to the Port's bookkeeper.

Item 7 – The Commissioners discussed the relocation of the four-acre drill site and/or consideration of reduction of the total drill site acreage. PCC Chemicals is interested in moving the drill site due to their site layout. PCC Chemicals has not indicated where they would like the site relocated to. Allen Cumbie has not contacted the FASH Family principals and suggested that George Harrison contact Robert Fondren to get his feel. Allen Cumbie discussed the provision to reduce the drill site is based on it being a "dry hole". The Commissioners discussed options.

Item 8 – Craig Hlavinka advised the Commissioners that moving the line to the fence line would be best for the Port Authority as it will open up eight acres of land. There are discussions regarding the 100' easement required by AEP.

Item 9 – Jerry Converse from Norton Rose Fulbright is working on revisions for the AEP easements. AEP has removed the indemnification clause that needs to be in easements. The Port Authority does not have any access to the substation and does not need access to the property. Matt Ashcraft asked if the indemnification clause was the only issue. Allen Cumbie advised that there are a couple of other issues. Joey Sliva asked if Allen Cumbie had heard from Paul Saenz. Allen Cumbie advised that he and Jerry Converse were working on a reply.

Item 10 – George Harrison provided an update on the rail easement. Keaton has been in contact with PCC and Air Liquide. PCC is working to get their plant layout in order to finalize the rail plan. Air Liquide is 95% complete with the initial work to finalize their rail. All entities are working toward final plans in order for the layout to meet each entity's needs. Joey Sliva discussed the transmission line and rail easement. PCC may need an electric switch yard that is being taken into consideration in the overall plant layout. The cost of electricity from AEP and JEC were discussed. Jackson Electric Cooperative is providing power to Roehm.

Items 11 – 12 – Hayden Smith, with Anchor QEA, updated the Commissioners on various items that they are working on. He advised that the US Corps of Engineers has no obligation to dredge the harbor. The grant application to Matagorda Bay Mitigation Trust was submitted two hours prior to the deadline. The approval process will take approximately three and a half to four months. Hayden Smith provided a draft image of the hotel for public feedback over the next couple weeks. HDR Engineering had costs estimates of \$45 million for the commercial harbor. The recreational harbor will have a larger value. George Harrison advised that a lot of acreage will be gravel and the area can be adjusted. The total project could be around \$75 million. Another option would be to dredge the harbor at a shallower depth. Matt Ashcraft advised that depth should not be decreased to decrease cost. Dredging deeper once the harbor is filled with water will cost more. The construction of buildings on stilts versus foundation was discussed. George Harrison spoke to Norton Rose Fulbright regarding a fiduciary for the bond election. Allen Cumbie discussed the need for public hearings prior to the bond election and the passage of the order for the bond election. George Harrison discussed having the public hearings between February 17th and the May

bond election. There will also need to be a publication in the newspaper showing the individual increase in property taxes.

Item 13 – There will be a meeting on Thursday with Norton Rose Fulbright to look at the agreement with Big Hill. Information has been provided on the proposed offshore pipeline. The Port of Corpus Christi has applied for grants including hydrogen hubs. There are six projects currently feeding thru the Port of Corpus Christi. George Harrison advised that there is currently no contractual agreement between the Port of Corpus Christi and the Port of Bay City Authority, but the Port of Corpus Christi has included the Port of Bay City Authority in their grant proposals. Big Hill has also issued grant proposals mentioning the Port of Bay City Authority. Trey Treybig asked if the Port of Bay City Authority being mentioned in their grant proposals strengthens the grant proposals. George Harrison advised that it does due to the poverty line in Matagorda County. Users of the Port of Bay City are only able to reach deep water thru the Port of Freeport and Port of Corpus Christi. There was a discussion regarding the depth needed to load super tankers. Big Hill still wants to know how much money the Port Authority is willing to contribute to the project. George Harrison advised that the grant funds would be utilized; however, if the grant was not awarded, then Big Hill would need to come pack to the board. The underground pipeline going offshore is not a project that the Port Authority can contribute to. Joey Sliva questioned if it was an advantage for Big Hill to be tied to the Port Authority in order to limit liability. Allen Cumbie advised that only the governmental entity has sovereign governmental immunity if acting in its governmental capacity. George Harrison stressed the required sixteen percent match that the Port Authority will have to pay for the jetty extension. George Harrison advised that the Port Authority would own its equipment at the location. There was a discussion regarding only extending the east jetty to deep water. Buddy Treybig advised that based on how the currents ran this year as opposed to prior years that he is not sure if this will remedy the situation. Hayden Smith discussed the extension to 1000 feet would go past the depth contour. The rock from the old jetty may be used if needed. Seth Jones, with the US Corps of Engineers, is using a project team out of Mississippi. Buddy Treybig discussed the current is pulling offshore. The current depth is twelve to thirteen feet, and Mitchell's Cut is accessible.

Item 14 – There was no update on PCC project at this time.

Item 15 – George Harrison advised that Michael Ferdinand will begin work as the Executive Director of Matagorda County Economic Development on November 14, 2022.

Item 16 – Matt Ashcraft asked if the December meeting could be moved to Friday, December 9, 2022. The Commissioners agreed.

Item 17 – 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 8:25pm.

Attest:

Approve:

/S/ George Harrison

/S/ Matthew Ashcraft