

MINUTES OF MEETING

BE IT REMEMBERED that the Commissioners of the Port of Bay City Authority met Friday, December 9, 2022, 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
David Svec	Dock Master
Dimitri Millas	Norton Rose Fulbright
Leslie Bacon	Norton Rose Fulbright
Hayden Smith	Anchor QEA LLC
Dan Opdyke	Anchor QEA LLC
John Hockenyoos	TXP
Steve Parker	Canal Co.
Bob McKie	Canal Co.
Chuck McKie	Canal Co.
Rebecca Sanders	Matagorda WD&WSC
Jeff Reich	Matagorda WD&WSC
Joe Zamora	Matagorda WD&WSC
George Lazaro	Matagorda WD&WSC
Leslie R Lazaro	Visitor
Zachary Phillips	ZPI

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

Item 1 – The minutes of the regular meeting of November 7, 2022 and the special called meetings of November 10, 2022 and November 30 ,2022 were not available for review at this time. The minutes were tabled until the next regular meeting.

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

A&A BAR-B-QUE	519.85
--PROMOTION & DEVELOPMENT	
ANCHOR QEA	12,439.75
--PROFESSIONAL SERVICES	
ANCHOR QEA	28,097.29
--PROFESSIONAL SERVICES	
AQUA-ZYME SERVICES INC	320.00
--PUBLIC UTILITIES	
AQUA-ZYME SERVICES INC	480.00
--PUBLIC UTILITIES	
AT&T	69.18
--TELEPHONE EXPENSE	
AT&T	958.42
--TELEPHONE EXPENSE	
BAY CITY JANITORIAL	517.83
--OPERATING SUPPLIES	
BIG STATE PLUMBING SERVICES INC	450.00
--REPAIR & MAINTENANCE - OFFICE	
B ALLEN CUMBIE	13,837.75
--ATTORNEY’S FEES	
DIRECT ENERGY	11,177.77
--PUBLIC UTILITIES	
DIRECT ENERGY	11.57
--PUBLIC UTILITIES	
DIRECT ENERGY	320.13
--PUBLIC UTILITIES	
ELLEN DODD	1,360.00
--SPECIAL DISTRICT ACCOUNTING FEE	
FLOCK SAFETY	2,850.00

--SUPPLIES	
GFL	1,011.45
--PUBLIC UTILITIES	
HDR ENGINEERING INC	9,941.00
--PROFESSIONAL SERVICES	
HDR ENGINEERING INC	30,016.95
--PROFESSIONAL SERVICES	
HDR ENNGINEERING INC	9,350.25
--PROFESSIONAL SERVICEES	
KLEPAC PEST CONTROL	64.00
--REPAIRS & MAINTENANCE – OFFICE	
LOWES	1,741.91
--REPAIRS & MAINTENANCE – HARBOR	
MATAGORDA LAWN SERVICE	110.00
--REPAIRS & MAINTENANCE – HARBOR	
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 UTILITITES (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)	
MCCOYS	877.50
--OPERATING SUPPLIES	
MYRA’S GARDEN NURSERY	1,442.00
--REPAIRS & MAINTENANCE - HARBOR	
NORTON ROSE FULBRIGHT	29,932.00
--ATTORNEY FEES	
PITNEY BOWES	183.57
--MISCELLANEOUS EXPENSE	
QUILL CORPORATION	210.95
--OPERATING SUPPLIES	
JAY SCHOLTEN	1,600.00
--REPAIRS & MAINTENANCE – HARBOR	
SHARRON’S BOOKKEEPING AND TAX SERVICE	7,105.04
--OFFICE MANAGER – CONTRACT SERVICES	
--PROFESSIONAL SERVICES	
--OPERATING SUPPLIES	
--TELEPHONE EXPENSE	
--TRAVEL	
SHORELINE CONSTRUCTION	7,192.12
--REPAIRS & MAINTENANCE – HARBOR	
SIGNCITY	1,035.00
--REPAIRS & MAINTENANCE – HARBOR	
SOUTH TEXAS CORRUGATED PIPE	630.00
--REPAIRS & MAINTENANCE – HARBOR	
TOWN SQUARE PUBLICATIONS	850.00
--PROMOTION & DEVELOPMENT	
THE HOME DEPOT	1,851.14
--REPAIRS & MAINTENANCE – HARBOR	
THRYVE	26.50
--PROMOTION & DEVELOPMENT	
VERIZON WIRELESS	100.90
--TELEPHONE EXPENSE	
WEST MARINE PRO	308.60
--REPAIRS & MAINTENANCE - HARBOR	
WILLSCOT	264.25
--MISCELLANEOUS EXPENSE	
CRAIG HLAVINKA	5,747.54
--TRAVEL	
--VEHICLE EXPENSE	
--OPERATING SUPPLIES	
STEVEN WEINHEIMER	460.00
--DEPOSIT REFUND	
ROBERT FAAS	500.00

--DEPOSIT REFUND	
MATAGORDA COUNTY APPRAISAL DISTRICT	8,697.47
--APPRAISAL DISTRICT FEES (2023 INVOICE)	
MATAGORDA COUNTY SELF-INSURANCE POOL	24,458.00
--INSURANCE & BONDS	

Item 3 – Sharron Perez reviewed the Billing, Collection, Accounts Receivable, and Financial Reports for November 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 Lee Weathers, the Commissioners unanimously approved the financial reports for November 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 eleven 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 completed the dirt work for the area needed to ship and store their construction modules.

Craig Hlavinka reported on the activity at Matagorda Harbor. Everything has been running smoothly. Occupancy is 92% for all docks excluding G-dock which is at 86%. The dredge left a couple of days ago. The channel at the Mouth of the Colorado River has been dredged. Craig Hlavinka introduced the representatives from Matagorda Waste Disposal and Water Supply Corporation. George Lazaro, the engineer that is working on the expansion of the water and sewer lines, passed out information including project maps and minutes of the water corporation’s meeting approving the expansion. This project will benefit the community and future harbor expansion. Matagorda WD&WSC submitted an EDA grant application and has been awarded \$1.5 million with a \$300,000 match. EDA has given the water corporation the okay to move forward with the project. Matagorda WD&WSC is needing property from the Port of Bay City Authority for the location of a water storage tank. George Harrison suggested property on the north side of Old Gulf Road. The size of the area needed is 200 feet by 200 feet, and Matagorda WD&WSC would prefer to have an easement for the location of the water storage tank. There is a deadline of May 2023 that the water corporation will need to meet. It is critical that the Port Authority is engaged and supportive of the project. There has been no opposition to the project. George Lazaro will work with Craig Hlavinka to determine a location for the storage tank. George Harrison stated that once the location is determined the Port Authority will have its legal team draft the easement agreement and have the property surveyed. The draft easement will then be provided to Matagorda WD&WSC for approval. Allen Cumbie discussed the conference that Matagorda County Conservation and Reclamation District had with the US Corps of Engineers regarding the water/sewer line crossing the ring levee. The property being discussed at that time was the north side of Gulf Road and would cross by the Storm Shack directly across from the existing RV Park. Craig Hlavinka asked if the expansion will affect Cook’s Camp and other areas that have their own water and septic. Allen Cumbie advised that the Corps made it clear that any lines will have to go over the levee. George Lazaro advised that at the present time there will be one eight-inch line.

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. On motion of Commissioner Matt Ashcraft, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved the following amended budget totals:

Total Amended Budgeted Revenues	\$ 3,742,614
Total Amended Personnel	\$ 265,600
Total Amended Operations	\$ 1,438,525
Total Amended Promotion & Development	\$ 77,828
Total Amended Capital	\$ 384,000

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 briefly discussed the Municipal Advisor Engagement Letter as submitted by Masterson Advisors LLC. There are some questions regarding verbiage in the letter that Norton Rose Fulbright will review. There may need to be a special called meeting to approve the engagement letter.

Item 8 – Allen Cumbie updated the Commissioners regarding the possible relocation of the four-acre drill site. Allen Cumbie sent information to Rob Fondren with FASH Family regarding the relocation of the drill site to the six-acre tract south of GulfMark. Mr Fondren will reach out to the other parties to determine if there are any objections to this site. Mr Fondren indicated that he did not foresee any issues but will also get with an oil and gas consultant.

Items 9 – 12 – Allen Cumbie advised that all easements have been sent to Paul Saenz, the attorney for AEP, after final review by Norton Rose Fulbright. No response has been received at this time.

Item 13 – There was a brief discussion regarding the rail easement from the Port of Bay City Authority requested by Air Liquide. George Harrison advised that PCC has agreed to the location. Once the lease agreement is finalized with PCC, then Norton Rose Fulbright working the easement. RITD working on the necessary exhibits.

Item 14 – The Port Authority, PCC, and attorneys for both parties met on November 29, 2022 to negotiate the terms on the lease agreement. George Harrison advised that some progress has been made. Norton Rose Fulbright researched some issues and sent a memo. PCC has agreed to the additional fifteen year extension without an assignment of the lease or first right of refusal.

Item 15 - Allen Cumbie discussed 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. The area that PCC would need to cross is on the west side of the 99.97 acre-tract. Allen Cumbie advised that MCC&R did not see an issue with crossing the levee as long as no change is made to the height of the levee. This item will be discussed at the next MCC&R meeting.

Item 16 – John Hockenyoos, with TXP, presented the economic feasibility study for the proposed harbor expansion. The study covers the impact of the construction, operations, and additional housing and other aspects due to the increased workforce in the area. George Harrison discussed the improved quality of life resulting from the new businesses coming in, ie PCC, Big Hill, and HIF. The project will also benefit the existing businesses in the area. Buddy Treybig asked how businesses would be brought in for the expanded facility. A RFP would be developed and distributed offering leases. George Harrison advised that a marketing firm would be utilized to market plans to various business. George Harrison has been contacted by a company that is interested in promoting the facility. As the infrastructure is being completed, the promotion can begin. John Hockenyoos advised that a master developer would be beneficial to bringing businesses in.

Item 17 – On motion of Commissioner Matt Ashcraft, seconded by Commissioner Trey Treybig, the Commissioners unanimously approved the economic feasibility study for the proposed harbor expansion as submitted by TXP.

Item 18 – Hayden Smith, with Anchor QEA, updated the Commissioners on the projected cost of the harbor expansion which is now at \$65 million. This is the amount currently being discussed for the bond election. The items that were adjusted were briefly discussed.

Item 19 – There was no action taken at this time regarding the projected costs of the proposed harbor expansion.

Item 20 – Hayden Smith, with Anchor QEA, reviewed the 3D renderings and go-bys of the proposed harbor expansion. George Harrison advised the Commissioners that the current plans were developed over seven to eight hours of workshops. The Port Authority will only construct the infrastructure, utility hook-ups, and public areas. The risk factors of each area of the project have been weighed. George Harrison discussed contacting the possible partnering with a university that would provide dual enrollment for marine biology courses. The intellectual infrastructure was also discussed to increase safety and boost wi-fi capabilities in the area.

Item 21 – There was no action taken at this time regarding the 3D renderings and go-bys of the proposed harbor expansion.

Item 22 - There was a discussion regarding Port Authority Order No. PA-O-001-2022 concerning a proposed Matagorda Harbor Expansion and the construction of appurtenant improvements related to the harbor expansion. On motion of Commissioner Matt Ashcraft, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved the Port Authority Order No. PA-O-001-2022 concerning a proposed Matagorda Harbor Expansion and the construction of appurtenant improvements related to the harbor expansion.

Item 23 – There was a discussion regarding the publication of three notice of public hearing publications in a local newspaper for the purpose of discussing the feasibility of constructing a proposed Matagorda Harbor Expansion and the construction of appurtenant improvements related to navigation purposes and setting of a public hearing for January 12, 2023 at 6:00pm at the Port Authority Office at 1305 7th Street, Bay City, Texas 77414. On motion of Commissioner Joey Sliva, seconded by Commissioner Matt Ashcraft, the Commissioners unanimously approved the publication of three notice of public hearing publications in The Bay City Sentinel for the purpose of discussing the feasibility of constructing a proposed Matagorda Harbor Expansion and the construction of appurtenant improvements related to navigation purposes. The commissioners voting aye were Joey Sliva, Matt Ashcraft, Lee Weathers, Buddy

Treybig, Trey Treybig, and George Harrison. There were no commissioners voting naye, and all commissioners were present.

Item 24 – There was one bid received for the cap rail repair adjacent to the fuel dock at Matagorda Harbor. The bid was submitted by ZPI in the amount of \$132,942.60. This includes the salt inhibitor in the concrete. At the November meeting only one bid was received and was tabled so the project could be rebid. With only one bid being received for the second time, the Commissioners agreed to move forward with the project. On motion of Commissioner Matt Ashcraft, seconded by Commissioner Buddy Treybig, the commissioners unanimously approved the bid as submitted by ZPI in the amount of \$132,942.60 pending the verification of insurance by Allen Cumbie.

Items 25 – 26 – There was a brief discussion regarding the Tax Increment Reinvestment Zone No. 1A and Tax Increment Reinvestment Zone No. 4. These items were both tabled due to feedback on verbiage from Norton Rose Fulbright.

Item 27 – The outside auditor's engagement letter for the audit December 31, 2022 was tabled at this time.

Item 28 – Sharron Perez present the 2023 Texas County and District Retirement System required rate of 12.83% as prepared by TCDRS. On motion of Commissioner Trey Treybig, seconded by Commissioner Matt Ashcraft, the Commissioners unanimously approved the 2023 Texas County and District Retirement System required rate of 12.83%.

Item 29 – Hayden Smith, with Anchor QEA, updated the Commissioners regarding the Mouth of the Colorado River Project and Jetty Improvements. Seth Jones, with the US Corps of Engineers, is looking into some aspects of the project and will get back in touch with Anchor QEA and/or the Port of Bay City Authority. The dredging at the mouth was completed, and the additional dredging of the impoundment area and channel are expected to begin around October 23rd. The sand will be dredged is being repurposed to the Sargent Beach project by the Texas General Land Office. Dan Opdyke advised that communication is slow with the US Corps of Engineers. Seth Jones will brief Major O'Sullivan. Hayden Smith asked if the quantity dredged was known. Buddy Treybig advised that the area is filling up fast due to the shift in current.

Item 30 – Bob McKie gave an update on the Big Hill project. The eastern part of Old Gulf Road has been sealed off. They are currently clearing, hauling trash off, and working with the County regarding the bridge. A company has been engaged to refurbish the docks and dolphins as well as an engineer for the offshore platform. In March, they will move forward with the salt dome work to prepare for liquid storage. They are working to get rail to the facility. They are in the process of negotiating with a chemical company that could use the brine for feed stock. Other improvements to the facility that are being looked into are increasing the dock space, additional canal. George Harrison advised that the Port Authority is setting up a meeting with MURAD to discuss the PIDP grant application and determine how to strengthen future applications. Bob McKie discussed the three most important areas for the project being water, logistics, and the offshore capabilities. The project is moving forward.

Item 31 – Michael Ferdinand, Executive Director of Matagorda County Economic Development, updated the Commissioners on the various projects in the county. Jessica Russell is updating Michael Ferdinand on all existing projects. There is one project that he will submit the Port property for next week.

Item 32 – George Harrison is getting dates together for the Port of Corpus Christi visit to determine a time when Commissioners would be available.

Item 33 – There were no additional public comments or comments from the Commissioners at this time.

There being no further business to come before the meeting, the Commissioners adjourned the meeting at 8:30pm.

Attest:

Approve:

/s/ George Harrison

/s/ Matthew Ashcraft