

MINUTES OF MEETING

BE IT REMEMBERED that the Commissioners of the Port of Bay City Authority met Thursday, February 9, 2023, at the office of the Authority, 1305 Seventh St, Bay City, TX 77414. 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	Office Manager
Visitors:	
Mike Estlinbaum	Matagorda County Commissioner Pct 2
Dimitri Millas	Norton Rose Fulbright
Leslie Bacon	Norton Rose Fulbright
Hayden Smith	Anchor QEA
Trey Cash	Masterson Advisors
Vee Strauss	AEP
Taylor Ashcraft	A-Team Landscaping
Donna Huitt	Visitor

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

Item 1 – The Commissioners, staff, and visitors recited the pledge of allegiance to the flags.

Item 2 – Joey Sliva led the Commissioners, staff, and visitors in prayer.

Item 3 – The minutes of the regular meeting of January 12, 2023 and the special called meeting of November 10, 2022 were discussed. On motion of Commissioner Joey Sliva, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved the minutes of the regular meeting of January 12, 2023 and the special called meeting of November 10, 2022.

Item 4 – On motion of Commissioner Matt Ashcraft, seconded by Trey Treybig, the following disbursements were unanimously ratified and approved:

ACE HARDWARE	577.99
--OPERATING SUPPLIES	
ACE HARDWARE	461.69
--OPERATING SUPPLIES	
ACE HARDWARE	1,020.32
--OPERATING SUPPLIES	
ANCHOR QEA	22,720.88

--MATAGORDA HARBOR IMPROVEMENTS	
AQUA MARINE SUPPLY INC	1,952.68
--REPAIRS & MAINTENANCE	
-- HARBOR	
AQUA-ZYMENT SERVICES INC	320.00
--PUBLIC UTILITIES	
AQUA-ZYME SERVICES INC	480.00
--PUBLIC UTILITIES	
A TEAM LANDSCAPING	1,750.00
--REPAIRS & MAINTENANCE	
-- OFFICE	
AT&T	959.43
--TELEPHONE	
AT&T	69.18
--TELEPHONE	
B ALLEN CUMBIE	6,461.00
--ATTORNEY FEES	
DIRECT ENERGY	28.15
--PUBLIC UTILITIES	
EATON CORPORATION	4,054.35
--REPAIRS & MAINTENANCE	
-- RV PARK	
ELLEN DODD	1,360.00
--SPECIAL DISTRICT ACCOUNTING	
GFL	988.89
--PUBLIC UTILITIES	
GRAINGER	129.00
--OPERATING SUPPLIES	
GRAINGER	604.93
--OPERATING SUPPLIES	
GRAINGER	374.54
--OPERATING SUPPLIES	
KLEPAC PEST CONTROL	64.00
--REPAIRS & MAINTENANCE	
-- OFFICE	
LOWES	898.19
--REPAIRS & MAINTENANCE-HARBOR	
LYLE PRINTING 240.20	
--OPERATING SUPPLIES	
MATAGORDA COUNTY EDC	18,000.00
--PROFESSIONAL SERVICES	
-- GRANT WRITER	
MATAGORDA COUNTY SELF-INSURANCE POOL	163,245.00
--INSURANCE & BONDS	
-- PROPERTY INSURANCE	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	328.00
--PUBLIC UTILITIES	
-- TRAILER PARK	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	107.70

--PUBLIC UTILITIES	
-- MEETING HOUSE	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	132.30
--PUBLIC UTILITIES	
-- HOUSE	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	132.40
--PUBLIC UTILITIES	
-- RESTROOM	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	574.85
--PUBLIC UTILITIES	
-- TENT AND FISH TABLE	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	370.35
--PUBLIC UTILITIES	
-- BOAT SHED	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	1,039.05
--PUBLIC UTILITIES	
-- SPRINKLER	
MATAGORDA WASTE DIPOSAL & WATER SUPPLY CORPORATION	47.50
--PUBLIC UTILITIES	
--PUMP	
MCCOYS	521.49
--OPERATING SUPPLIES	
MCCOYS	775.63
--OPERATING SUPPLIES	
NAPA AUTO & TRUCK PARTS	121.24
--REPAIRS & MAINTENANCE	
-- EQUIPMENT	
NORTON ROSE FULBRIGHT	10,418.75
--ATTORNEY FEES	
QUILL CORPORATION	139.63
--OPERATING SUPPLIES	
QUILL CORPORATION	74.48
--OPERATING SUPPLIES	
QUILL CORPORATION	775.26
--OPERATING SUPPLIES	
JAY SCHOLTEN	1,600.00
--REPAIRS & MAINTENANCE – HARBOR	
SHARRON’S BOOKKEEPING AND TAX SERVICE	6,985.77
--OFFICE MANAGER	
-- CONTRACT SERVICES	
--PROFESSIONAL SERVICES	
--TELEPHONE	
--OPERATING SUPPLIES	
--TRAVEL	
SHORELINE CONSTRUCTION	3,794.04
--REPAIRS & MAINTENANCE	
-- HARBOR	
SOUTH TEXAS CORRUGATED PIPE	625.00
--REPAIRS & MAINTENANCE – HARBOR	

SUTHERLANDS	167.89
--REPAIRS & MAINTENANCE – HARBOR	
VERIZON WIRELESS	100.62
--TELEPHONE	
WEST MARINE PRO	728.32
--OPERATING SUPPLIES	
WILLSCOT	264.25
--MISCELLANEOUS EXPENSE	
CRAIG HLAVINKA	6,314.54
--OPERATING SUPPLIES	
--REPAIRS & MAINTENANCE - OTHER	
--TRAVEL	
--VEHICLE	

Item 5 – Sharron Perez reviewed the Billing, Collection, Accounts Receivable, and Financial Reports for January 2023. There were no significant items to report on at this time, and Sharron Perez asked if there were any questions regarding the financial information. On motion of Commissioner Joey Sliva, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved the financial reports for January 2023. Detailed copies of these reports are kept as part of the current records of the Port of Bay City Authority.

Item 6 – Sharron Perez also presented a report on past due accounts and actions taken on these accounts. There were thirteen 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 7 – Craig Hlavinka reported on the activity at the Port of Bay City. Craig Hlavinka passed out engineering drawing from Roehm showing the lay down yard, road improvement, and widening of the two gates. Roehm will need to widen the road going to the laydown yard. Roehm is ready to start but is waiting on an easement from AEP. Joey Sliva questioned Roehm’s timeline. Craig Hlavinka advised that Roehm is a little behind schedule. The Commissioners agreed to the plans provided by Roehm for the road and gate improvements. Craig Hlavinka reported on the activity at Matagorda Harbor. Everything is running smoothly. Occupancy at the harbor is 91% excluding G-dock which is at 86%. Craig Hlavinka advised that the signs for Bragg’s Cut are being made.

Item 8 - Dimitri Millas discussed the order prepared by Norton Rose Fulbright calling for a bond election. Leslie Bacon reviewed the order calling for the \$68,000,000 bond election. The order provides broad language to work on all harbor improvements. There will be one polling place in Bay City at the Service Center and one polling place in Palacios at Matagorda County Navigation District No. 1. Part of the order calling for a bond election is the resolution calling for the election. Leslie Bacon will update the polling locations in the orders. Allen Cumbie provided the election contract to Matagorda County Clerk Stephanie Wurtz and Matagorda County Attorney Jennifer Chau. On motion of Commissioner Joey Sliva, seconded by Commissioner Trey Treybig, the Commissioners unanimously approve the Order Calling a Bond Election to be held by the Port of Bay City Authority of Matagorda County, Texas on May 6, 2023, making provisions for the conduct of a joint election and resolving other matters incident and related to

such an election with the corrections to the polling places. The Commissioner authorized George Harrison to sign the joint election contract with Matagorda County.

Item 9 – Hayden Smith presented regarding the RAISE grant. Anchor QEA is working thru the first round of the technical review. Hayden Smith will send out the preliminary grant on Thursday. The Commissioners will need to review the grant application and get any revisions back to Anchor QEA. Hayden Smith has reached out to various individuals, businesses, and governmental branches regarding letters of support. There may be issues with submitting the governmental support letters due to the upcoming bond election. All letters of support will be reviewed by Norton Rose Fulbright. George Harrison advised that Norton Rose Fulbright will have final review of all documents. The Raise grant will be submitted on February 27, 2023. The other grant being pursued is thru Texas Parks and Wildlife Department and is due May 1, 2023.

Item 10 – Hayden Smith discussed the GIS map. A link was sent to all Commissioners to access the GIS map. Hayden Smith reviewed several aspects of the GIS map. The GIS map can be used to look at any property and can be layered utilizing various data bases. Future data bases can be added to the GIS map. The Port Authority can use this to map electric and water lines. The GIS map also shows dredge material placement areas. Hayden Smith advised the Commissioners that Anchor QEA will upload data as they obtain it.

Item 11 – Hayden Smith discussed the Scope of Work for collecting critical data for field investment work. This will cover the types of vegetation, species of animals and fowls, wetlands, etc. This will assist in getting an understanding for the permits needed from the Corps of Engineers. The schedule for completing the pre-design investigations for the environmental permit critical path is the end of March 2023. Topographic surveys of the property will be performed to determine the material capacity and where excess material will be placed or what material will need to be brought in. There will be aerial and ground surveys. Approximately fifteen or more soil borings will be done to determine soil composition. This will determine if the material being excavated can be used to build up low areas on the property and also determine the water table in the area. In regards to the cultural resource, a desktop evaluation will be done for the present time. In the future, there will need to be a full cultural survey. George Harrison felt like this scope is value to the property even if bond election does not move forward. The advantage of having this information is to help with Corps of Engineers meetings and permit requests. The total for this scope of work is \$277,250. On motion of Commissioner Matt Ashcraft, seconded by Commissioner Trey Treybig, the Commissioners unanimously approved the pre-design investigation Scope of Work for the environmental permit critical path as submitted by Anchor QEA.

Item 12 – The proposed location of the water storage tank for Matagorda Waste Disposal and Water Supply Corporation has been agreed upon. The surveyors came out to the location and are preparing the field notes for the easement. Allen Cumbie is working with Norton Rose Fulbright on the proposed easement for the location of the water storage tank. Allen Cumbie advised the Commissioners that the field notes are needed to complete the easement, and there needs to be a provision that if the water storage tank is not built that the easement will revert back to the Port of Bay City Authority. George Harrison advised that the Port of Bay City Authority agreed to the location of the water storage tank which

will be a 350' by 350' area. The proposed location of the water storage tank is not on property located in the expansion of Matagorda Harbor.

Items 13 and 14 – Russell Durham was not able to attend the Port meeting to discuss the possibility of having a food truck at Matagorda Harbor.

Item 15 – The Commissioners discussed the possible relocation of the four-acre drill site and/or acquisition of the site. The FASH Family Partnership has been contacted and were contacting a mineral consultant. Allen Cumbie's last correspondence with FASH was on January 9, 2023. FASH has not advised of a proposed sales price. George Harrison advised Allen Cumbie to reach out to FASH and advise that the Port Authority is interested in acquiring the property in order to begin negotiations.

Item 16 – The Commissioners had discussed the potential agreement between Matagorda County, Matagorda County Economic Development Corporation, and the Port of Bay City Authority for professional services of Patriot Services. Patriot Services will prepare grant applications, lobby for the grants, etc. George Harrison had advised that the Port Authority would partner for one year. The Port Authority's contribution will be \$18,000 for one year of services. Matagorda County Commissioner Mike Estlinbaum advised that Matagorda County approved the agreement. On motion of Commissioner Trey Treybig, seconded by Commissioner Matt Ashcraft, the Commissioners unanimously approved the Memorandum of Agreement between Matagorda County, Matagorda County Economic Development Corporation, and the Port of Bay City Authority of Matagorda County Texas for the professional services of Patriot Services.

Item 17 – George Harrison advised the Commissioners of the discussions with Air Liquide for the rail spur agreement/easement. Norton Rose Fulbright has prepared a draft agreement which Allen Cumbie has reviewed. This draft is the terms of the agreement but the exhibits will come from RITD. This is a comprehensive agreement stating the rights of all parties including obligations and responsibilities of all parties. The consideration for the easement is \$500,000. This will be the initial agreement. Allen Cumbie reviewed a couple of items including the insurance agreement of \$1,000,000 per occurrence and \$2,000,000 aggregate. George Harrison advised that Craig Hlavinka is working with Kathleen Hicks, the Port Authority's insurance agent, to determine the coverage needed. The Commissioners also discussed environmental coverage. The agreement does include strong indemnification language. The easement will revert back to the Port Authority at the end of Air Liquide's lease. The proposed rail spur easement will be provided to Air Liquide for their review. George Harrison asked if the Commissioners were agreeable to moving forward with the proposed easement. The Commissioners were in agreement. Craig Hlavinka will get the insurance requirements from Kathleen Hicks. Jerry Convers with Norton Rose Fulbright will proceed with the revisions and provide the agreement to Allen Cumbie to review. Once Allen Cumbie reviews, the rail spur easement/agreement will be provided to Air Liquide for their review.

Item 18 – AEP has not reached the Port property yet to relocate the 138kv line which crosses the northeast corner of the Fondren property. AEP has purchased the poles but are not ready to install the poles.

Items 19, 20, and 21 – The Commissioners discussed the various easements for AEP's substation, transmission line, and access. Norton Rose Fulbright revised the language on the various agreements, and

Allen Cumbie reviewed the revisions. The easements have been sent back to AEP. AEP is in the process of reviewing the easements. Vee Strauss, a representative of AEP, advised that risk management is going over the insurance requirements and terms of lease including the height of the fence surrounding the substation. Once AEP has reviewed the terms, there will be a Webex meeting set up to resolve any outstanding issues. Vee Strauss will check to see if another breaker can be added to the Esperanza substation to facilitate other projects. George Harrison advised Vee Strauss that the Port Authority wants decision makers on the Webex meeting so that the two agencies can come to an agreement.

Item 22 – George Harrison advised that progress is being made on the proposed lease agreement with PCC Chemicals. The proposed project is moving forward; however, there are still a few outstanding issues. One issue is the alta survey. Craig Hlavinka advised that the survey is nearing completion. The relocation of the drill site is still in the works. Norton Rose Fulbright has almost completed the changes regarding the tariff and financial estoppel. The insurance clause is still not completed at this time. PCC Chemicals is sending the information that they have been working on with Lockton.

Item 23 – The Commissioners discussed the easement to AEP for electrical service to Roehm. This is an underground easement that is waiting on field notes for the easement agreement to be completed.

Item 24 – There were no additional updates on the expansion of Matagorda Harbor.

Item 25 – Hayden Smith advised the Commissioners that Anchor QEA will be reaching out to the Corps of Engineers once again regarding the Mouth of the Colorado River project and Jetty improvements.

Item 26 – George Harrison spoke to Bob McKee with Big Hill. A workshop has been proposed to be held on February 24, 2023 at 10:00am at the conference room at Matagorda County Economic Development Corporation to update on Big Hill's proposed project and the Port's progress on the contract proposal. The contract proposal will only be for the port terminal not the offshore pipeline. The advantages of the partnership with the Port of Bay City Authority will be discussed. HDR Inc will attend the meeting to update on the proposed PIDP grant which will need to be submitted on or before April 28, 2023. The original PIDP grant application was not reviewed; however, the Port Authority grant application would be stronger by having a partnership agreement in place and if Big Hill officially announces prior to the filing of the grant application.

Item 27 – Michael Ferdinand, Executive Director of MCEDC, was not in attendance. George Harrison updated on PCC, Big Hill, HIF, and Roehm. George Harrison spoke to a HIF consultant, and their FID will be in 2024. HIF has not closed on the various pieces of property.

Item 28 – Allen Cumbie sent Commissioners the proposal Amanda Sullivan provided. Allen Cumbie advised that he is not versed in some of the architectural plans. Allen Cumbie has reviewed the bid and insurance requirements with Amanda Sullivan. Allen Cumbie discussed the timing of the project. George Harrison advised that additional requirements are needed to draw up the proposed plan to allow the bid to be accurate. Someone with an engineering and architectural background will need to be involved with the plans. The bathrooms in the Port office are not ADA compliant. The project was turned over to Craig

Hlavinka to contact Lynn Group to see what they can do to put together an appropriate bid package. Lynn Group will provide the architectural aspects with Amanda Sullivan providing the design aspects.

Item 29 – Commissioner Position 2 and Commissioner Position 6 will be up for election on November 7, 2023. These positions are currently held by Buddy Treybig and George Harrison respectively. The qualifications for running for a position are posted on the Port Authority’s website. The filing period will be June thru July. There will have to be an order to call the election. This election will be a joint election with Matagorda County. Position 6 is at large; therefore, any individual that is a resident in the Port’s taxing jurisdiction can run for the position. Position 2 is based on the precinct 2 boundaries as they existed in 1967. A map of the jurisdiction boundaries is at the Port Authority’s office in Bay City.

Item 30 – HWU and KM&L both submitted engagement letters for the annual audit for the year ended December 31, 2022. Sharron Perez advised the Commissioners regarding the over \$3000 price difference between the two auditors. On motion of Commissioner Joey Sliva, seconded by Commissioner Trey Treybig, the Commissioners unanimously approved the outside auditor’s engagement letter for the year ended December 31, 2022 as submitted by HWU not to exceed \$11,250. Sharron Perez will advise HWU.

Item 31 – Donna Huitt advised the Commissioners of thirty-seven acres of land in Matagorda on Beach Road that is available for lease. The property could be used for additional birding areas, kayaking, fishing, crabbing, etc. The owners would like some to lease the property and keep it in its natural state without development. Matagorda County Commissioner Pct 2 Mike Estlinbaum congratulated the Port Authority for taking the next steps for a bond election to fund the Harbor expansion. Trey Cash advised that the impact on a \$100,000 valuation will be approximately \$60 per year. Trey Cash is working on a voter information paper. Vee Strauss advised that she would like to discuss options with Hayden Smith for the electrical needs of the Harbor expansion. Taylor Ashcraft did not have any items to discuss.

Item 32 – There was no further business to discuss at this time. On motion of Commissioner Joey Sliva, seconded by Commissioner Matt Ashcraft, the Commissioners unanimously approved adjourning the meeting at 7:39pm.

Attest:

Approve:

/S/ George Harrison

/S/ Matthew Ashcraft