

MINUTES OF MEETING

BE IT REMEMBERED that the Commissioners of the Port of Bay City Authority met Thursday, March 9, 2023, at the office of the Authority, 1305 Seventh St, 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 Ferdinand MCEDC Exec Director
Mike Estlinbaum MC County Commissioner Pct 2
Hayden Smith Anchor QEA LLC
Kyle Wundt HDR Engineering Inc

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

Item 1 – Those in attendance recited the pledge of allegiance to the flags.

Item 2 – George Harrison led those in attendance in prayer.

Item 3 – The minutes of the regular meeting of February 9, 2023 and the workshop of February 24, 2023 were read. On motion of Commissioner Joey Sliva, seconded by Commissioner Trey Treybig, the Commissioners unanimously approved the minutes of the regular meeting of February 9, 2023 and the workshop of February 24, 2023.

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

ACE HARDWARE	8.32
--OPERATING SUPPLIES	
ACE HARDWARE	480.87
--OPERATING SUPPLIES	
ANCHOR QEA	50,039.87
--PROFESSIONAL SERVICES	
AQUA-ZYME SERVICES INC	480.00
--PUBLIC UTILITIES	
AQUA-ZYME SERVICES INC	320.00
--PUBLIC UTILITIES	
A TEAM LANDSCAPING	200.00
--REPAIRS & MAINTENANCE – OFFICE	

AT&T	1,488.92
--TELEPHONE EXPENSE	
AT&T	69.18
--TELEPHONE EXPENSE	
AT&T	742.92
--TELEPHONE EXPENSE	
AT&T	742.35
--TELEPHONE EXPENSE	
AT&T	775.81
--TELEPHONE EXPENSE	
AT&T	665.82
--TELEPHONE EXPENSE	
B ALLEN CUMBIE	10,766.50
--ATTORNEY'S FEES	
DIRECT ENERGY	351.66
--PUBLIC UTILITIES	
DIRECT ENERGY	4,279.55
--PUBLIC UTILITIES	
DIRECT ENERGY	27.81
--PUBLIC UTILITIES	
DIRECT ENERGY	50.20
--PUBLIC UTILITIES	
DIRECT ENERGY	119.53
--PUBLIC UTILITIES	
DIRECT ENERGY	404.31
--PUBLIC UTILITIES	
DIRECT ENERGY	50.06
--PUBLIC UTILITIES	
DIRECT UTILITIES	301.07
--PUBLIC UTILITIES	
ELLEN DODD	1,360.00
--SPECIAL DISTRICT ACCOUNTING FEE	
ENVIROTECH DRILLING SERVICES LLC	9,112.50
--PROFESSIONAL SERVICES	
G&W ENGINEERS INC	1,900.00
--PROFESSIONAL SERVICES	
GFL	979.86
--PUBLIC UTILITIES	
GRAINGER	748.97
--OPERATING SUPPLIES	
HDR ENGINEERING INC	1,142.00
--PROFESSIONAL SERVICES	
HDR ENGINEERING INC	948.00
--PROFESSIONAL SERVICES	
HDR ENGINEERING INC	7,166.57
--PROFESSIONAL SERVICES	
HDR ENGINEERING INC	2,982.23
--PROFESSIONAL SERVICES	
KRONBERGS FLAGS & FLAGPOLES	406.00

--OPERATING SUPPLIES	
LOWES	1,709.99
--OPERATING SUPPLIES	
MASTERTON ADVISORS LLC	8,750.00
--PROFESSIONAL SERVICES	
MATAGORDA COUNTY SELF-INSURANCE POOL	172,768.00
--INSURANCE & BONDS	
MATAGORDA WD&WSC	188.80
--PUBLIC UTILITIES (HOUSE)	
MATAGORDS WD&WSC	692.60
--PUBLIC UTILITIES (SPRINKLER)	
MATAGORDA WD&WSC	211.90
--PUBLIC UTILITIES (TRAILER PARK)	
MATAGORDA WD&WSC	286.75
--PUBLIC UTILITIES (BOAT SHED)	
MATAGORDA WD&WSC	325.80
--PUBLIC UTILITITES (TENT AND FISH CLEANING)	
MATAGORDA WD&WSC	47.50
--PUBLIC UTILITIES (PUMP)	
MATAGORDA WD&WSC	84.00
--PUBLIC UTILITIES (MEETING HOUSE)	
MATAGORDA WD&WSC	90.80
--PUBLIC UTILITIES (RESTROOM)	
MCCOYS	128.28
--REPAIS & MAINTENANCE - HARBOR	
NORTON ROSE FULBRIGHT	54,663.08
--ATTORNEY FEES	
PITNEY BOWES	183.57
--MISCELLANEOUS EXPENSE	
PRO SECURITY WAREHOUSE	1,196.33
--OPERATING SUPPLIES	
PROSPERITY BANK	78.11
--OPERATING SUPPLIES	
PURCHASE POWER	1,020.99
--OPERATING SUPPLIES	
JOHN RILEY	8,300.00
--REPAIRS & MAINTENANCE – HARBOR	
JAY SCHOLTEN	1,600.00
--REPAIRS & MAINTENANCE – HARBOR	
SHARRON’S BOOKKEEPING AND TAX SERVICE	7,024.08
--OFFICE MANAGER – CONTRACT SERVICES	
--PROFESSIONAL SERVICES	
--OPERATING SUPPLIES	
--TELEPHONE EXPENSE	
--TRAVEL	
SHORELINE CONSTRUCTION	8,188.96
--REPAIRS & MAINTENANCE – HARBOR	
SUTHERLANDS	807.84
--REPAIRS & MAINTENANCE – HARBOR	

THE HOME DEPOT	1,330.43
--REPAIRS & MAINTENANCE - HARBOR	
THE HOME DEPOT	1,589.73
--REPAIRS & MAINTENANCE - HARBOR	
THRYVE	276.93
--PROMOTION & DEVELOPMENT	
VERIZON WIRELESS	100.62
--TELEPHONE EXPENSE	
WILLSCOT	264.25
--MISCELLANEOUS EXPENSE (2023)	
CRAIG HLAVINKA	3,948.69
--TRAVEL	
--VEHICLE EXPENSE	
--OPERATING SUPPLIES	
--REPAIRS & MAINTENANCE – HARBOR	
--PROMOTION & DEVELOPMENT	
JEREMY FINDLEY	50.00
--DEPOSIT REFUND	
RICHARD FRALEY	2,074.28
--DEPOSIT REFUND	
--PREPAID RENT	

Item 5 – Sharron Perez reviewed the Billing, Collection, Accounts Receivable, and Financial Reports for February 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 Trey Treybig, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved the financial reports for February 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 eighteen 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 activity at the Port of Bay City. Everything is running smoothly. Gulf Mark Energy is continuing to ship on a regular basis. Roehm Americas is continuing to prep the site for their shipments. The easement for the underground electrical service to the dock is waiting on AWP’s field notes.

Craig Hlavinka reported on activity at Matagorda Harbor. The license plate camera has been installed. The metal has been delivered for the cap rail. ZPI should have it completed in a couple of weeks. Trey Treybig advised that he had been down to the harbor and the cap rail project looks good. Craig Hlavinka and Sharron Perez are looking at the last five years for maintenance with a breakdown of big items. The harbor is thirty years old, and with the age of the facility, a thorough maintenance plan needs to be prepared to move forward with budgeting. Craig Hlavinka is meeting with engineers that have expertise in marine facilities to look at the pilings and roofs. The maintenance plan will help manage

repairs, determine if any mitigation can be done, and determine the life for these items. George Harrison advised that this maintenance plan is key to manage cash resources for the harbor.

Item 8 & 9 – Kyle Wundt, with HDR Engineering Inc, updated the Commissioners on the status of the Caney Creek project. Luke Cressman, with HDR Engineering Inc has prepared a project scope change for the additional work required. The existing permit is for the west side of the Caney Creek Cut and upstream from the “Y”. The dredging will qualify under the Nationwide 35 permit. The feasibility for placement utilizing geo-tubing is being reviewed. The geo-tubing will keep the sediment contained. There has been a FOIA submitted to the US Corps of Engineers to determine if there is a permit for dredging for the east side to the mouth. HDR Engineering Inc is working with Matagorda County Drainage District No. 1 for the permits. A topographic survey will need to be done to determine the placement of the geo-tubing as well as bathymetric survey. A Nationwide 35 permit cannot be utilized to dredge any contaminated materials. Three exploratory drills will have to be done to test the dredge material, then the dredge specs can be prepared to put the project out for bids. There was a discussion regarding whether to move forward with the west side or hold off until there is a determination on the east side. The level of documents required for the bid is unknown by HDR Engineering Inc as there are no standard terms and conditions for dredging. Allen Cumbie advised that there are none that he is aware of. Kyle Wundt asked which entity would be in charge of the project. The permit is thru Matagorda County Drainage District No. 1; therefore, they would be the point of contact for the project. George Harrison advised that Matagorda County Drainage District No. 1 has asked the Port of Bay City Authority to split the cost of the Caney Creek project. George Harrison will reach out to Barrett Franz to obtain a copy of the last dredge contract. Matagorda County Drainage District No. 1 would put the project out for bid, award the bid, and control the project. The Port of Bay City Authority would reimburse Matagorda County Drainage District No. 1 a portion of the project. County Commissioner Mike Estlinbaum does not believe the east side of Caney Creek was not permitted. There was a discussion regarding whether or not to wait until a determination is made on the existence of a permit for the east side. The Commissioners discussed moving forward on the west side and assisting the Matagorda County Drainage District No. 1 with pursuing the east side dredging. The changes to the current scope of work were discussed. Kyle Wundt advised that it will cost approximately \$125,000 to perform the soil borings, topographic survey, bathymetric survey, and tech specs. Kyle Wundt did not have the exact figures and discussed small contingencies. This item will be discussed on Monday at a special called meeting.

Items 10 & 11 – Hayden Smith, with Anchor QEA, went on a tour of Sargent. George Harrison, County Judge Bobby Seiferman, and County Commissioner Mike Estlinbaum are all supportive of the Sargent Park project. George Harrison is working with the Sargent community to determine what needs to be done in the area. Hayden Smith is meeting with some community members regarding the severe degradation of the facilities. Hayden Smith discussed some possible grants that could be applied for to improve or rebuild the facilities. The estimated costs of the project were discussed. George Harrison advised that the grant proposals would be submitted by Matagorda County. Commissioner Mike Estlinbaum advised that the County is working to clean the existing park and make it accessible. Matagorda County has a twenty-five-year lease on the property that will expire the end of July. County Attorney Jennifer Chau is currently working on the new lease for the property. Commissioner Mike Estlinbaum wants to make sure the new lease is signed prior to moving forward with the project. It will take some time to gather key stake holders and determine what the community would like to see constructed in the

area. The public restroom has crumbled and currently a port-a-potty is sitting next to old facility. George Harrison has contacted Kandas Graham, and the Sargent Chamber of Commerce endorses the project. George Harrison discussed what the Port Authority can utilize funds for. The Port of Bay City Authority can assist with navigation related issues; therefore, it can assist with the master site plan the includes the boat ramps and parking for the boat ramps, as well as navigation related signage. Allen Cumbie agreed that Port Authority can only fund navigation projects under Section 63 of the Texas Water Code. Allen Cumbie advised the boat ramp is navigation related but the parks and restroom would not be. George Harrison advised the Port Authority could assist with planning, as it includes the boat ramp and signage; however, Matagorda County would be over the balance of the project. The Port Authority will assist in any way it can under the Texas Water Code. Hayden Smith discussed the Sargent Beach renourishment project is moving forward. Commissioner Mike Estlinbaum advised that the boat ramp repair or construction of a new boat ramp would be very beneficial to the area. Commissioner Mike Estlinbaum is looking forward to discussions with Hayden Smith and is interested in pursuing the project. Hayden Smith advised the Scope of Work for the project is \$41000 with a contingency of \$17000. Joey Sliva supports the site plan, as it includes the boat ramp. Buddy Treybig clarified that the Port Authority would be paying for the Scope of Work for the Master Site Plan. George Harrison advised that the Port Authority would pay for the Scope of Work, if the Commissioners approved. Joey Sliva clarified the cost of the scope would be \$58,000. Hayden Smith advised that the initial cost would be \$41,000 over the next month and a half. The \$17,000 contingency would have to be approved by the Commissioners prior to moving forward. Buddy Treybig expressed that the Port Authority should move forward with the scope as it includes the boat ramp and parking for the boat ramp. On motion of Commissioner Matt Ashcraft, seconded by Commissioner Trey Treybig, the Commissioner approved the Scope of Work for the Sargent Park master site plan for the initial \$41,000.

Item 12 – Craig Hlavinka has received no updates from Matagorda Water Supply and Waste Disposal Corporation in regards to the easement for placement of a water storage tank on the Port of Bay City property. Buddy Treybig updated that the water company will meet on March 20, 2023 to further discuss the project and get the field notes to the Port Authority.

Item 13 – The Commissioners discussed the relocation of the four-acre drill site. Rob Fondren has advised that FASH is not interested in selling the drill site or moving the drill site to the sic-acres. PCC has suggested moving the site to the front of the property along road. The proposed location would miss the proposed Air Liquide rail. Michael Dickamp, with PCC Chemicals, sent the proposed plot of land which will be uploaded to the ALTA survey to the Port Authority. Once it is uploaded, Allen Cumbie will send a new request to FASH. The PCC site will go around the four-acre drill site which can be accessed from FM 3057. Trey Treybig discussed that there is no guarantee that drilling will take place on the site. Craig Hlavinka advised that if PCC utilizes the area for parking and drilling occurs they would need an area for parking. By that time, the Roehm site would be available. G&W Engineers is plotting the proposed relocation site and will forward the information to Craig Hlavinka.

Item 14 – The Commissioners discussed the proposed Air Liquide rail spur. The draft of the proposed easement from Jerry Converse included everything but insurance. Kathleen Hicks with HR&R Risk Management recommend at least 5mil in coverage. George Harrison feel 5mil is too low. Allen Cumbie advised that the Port Authority could ask for more coverage. Craig Hlavinka believed 25mil was the initial

coverage amount discussed. Air Liquide will be shipping argon, which is not hazardous. Trey Treybig asked if this is the only product that will be shipped. Mike Ferdinand advised that this is the only product at this time. Trey Treybig discussed revisiting the insurance requirements if the product changed. The Commissioners discussed the consideration for the rail spur easement being \$500,000.

Item 15 – The Commissioners discussed AEP’s relocation of the 138kv line. No field notes have been provided by AEP. Craig Hlavinka advised that there are two sets of lines that the Port Authority is waiting on field notes for currently.

Items 16 -18 – There will be a meeting on Monday with AEP and attorneys for both parties to discuss the Substation, Transmission line, and access easements.

Item 19 – The Commissioners are waiting on the field notes for the underground electrical service to the dock.

Item 20 – A draft of the proposed lease agreement between PCC Chemicals and the Port Authority is being reviewed. There are two outstanding issues that need to be resolved regarding the four-acre drill site relocation and insurance. The Port Authority’s insurance broker is reviewing the proposed insurance requirements.

Items 21 & 22 – Hayden Smith, with Anchor QEA, thanked the Commissioners for the opportunity to man the booth at Matagorda County Livestock Fair. The positive comments outweighed negative comments for the possible Matagorda Harbor Expansion. Hayden Smith was at the proposed harbor expansion site today. The wetland delineation and habitat studies are being performed currently. Avoiding the wetlands is achievable. There will be more updates at the meeting on Monday. George Harrison updated the Commissioners on a preliminary meeting with Texas Parks & Wildlife. Some people feel increased fishermen and boaters will be detrimental to the bays. Texas Parks & Wildlife monitor the fish in the bays and keep the number stable. Southern Flounder populations are being affected by the warmth of the water. There was a discussion regarding the types of trees that will be planted on the proposed harbor expansion project. Hayden Smith reported that the RAISE grant was submitted a day early and has been received by the granting agency. The Texas Parks & Wildlife registration has been completed. The grant application will be provided to the Commissioners mid-April for their review.

Item 23 – George Harrison updated the Commissioners regarding the Mouth of the Colorado River and the Jetties. George Harrison had a call with Seth Jones, with the US Corps of Engineers, today. Major O’Sullivan was over emerging ports but is moving into a different role on coastal protection. Major Roberts will be taking over emerging ports. Seth Jones will arrange a meeting between the Port Authority. George Harrison advised that the Port Authority would post an agenda for this meeting and hold it at the MCEDC conference room. Hayden Smith will be invited to present information on the issues at the Mouth of the Colorado River and jetties and long-term solutions for the projects. Currently dredging of the Mouth of the Colorado River is scheduled for November regardless of the status of the Texas General Land Office project at Sargent. The dredging at Matagorda Harbor is still being looked at. The signage at Bragg’s Cut

was discussed. The US Corps of Engineers is not interested in maintain the Jetty Walkway. The Port Authority will meet with their engineer to discuss the necessary repairs for the pier and walkway. The Port Authority will discuss the project with other potential partners and look at options to keep the walkway and pier open. The US Corps of Engineers is adamant that they will not maintain the Jetty Walkway moving forward. Craig Hlavinka asked if all three lights are working on jetties. Buddy Treybig advised that they are.

Item 24 – There was no update on the big Hill project at this time.

Item 25 – Michael Ferdinand, Matagorda County Economic Development Corporation Executive Director thanked the Commissioners for allowing him to continue working on their behalf. From a project standpoint, there has been one business prospect added. Four prospects were picked up at Matagorda Day in Austin. One of these is a long shot, but Texas may be the only option in the United States for the prospect. There is a green project similar to the Big Hill project. Another prospect is a food additive manufacturer. HIF has signed contracts for the electrolyzers. There has been energy storage facilities and four more renewables interested in Matagorda County. One sight visit was looking at water and wants to do an analysis on usage. Another company is looking to utilize the salt slurry. There have been visits to Wharton County to look at their improvements to protect their community which will push water toward Matagorda County. There was an issue with the 312 approval for PCC. The agreement was approved but the wrong document. The PCC tax abatement with the hospital district has started and should be finished by the end of the month.

Item 26 – The Commissioners discussed the upcoming bond election. The public information meetings will be on April 5th at Matagorda Firemen’s Hall, April 6th at the Bay City Civic Center, and April 12th at the Caney Creek Chapel. Allen Cumbie submitted a joint election contract to County Clerk Stephanie Wurtz to be put on the Commissioner’s Court agenda for approval. Allen Cumbie will follow up with Norton Rose Fulbright tomorrow regarding publications.

Item 27 – There were no updates on the upcoming Commissioner election for Position No 2 and Position No. 6.

Item 28 – The bid specs are being finalized for the Bay City office renovation. These will be put out for bid in May.

Item 29 – There were no public or Commissioner comments at this time.

Item 30 – At approximately 7:52pm, all members of the general public exited the meeting. The Commissioners adjourned to Executive Session.

Item 31 – At approximately 8:39pm, the Commissioners entered Regular Session with no action being taken in Executive Session.

Item 32 – There was no action taken on the potential grant application for the commercial harbor. The Port Authority is holding on more information.

Item 33 – There was no action taken on the economic analysis of the feasibility of the Big Hill project. HDR is preparing the final scope of work.

Item 34 – There being no further business to come before the Board, on motion of Commissioner Matt Ashcraft, seconded by Commissioner Lee Weathers, the Commissioners unanimously adjourned the meeting at 9:39pm.

Attest:

Approve:

/S/ George Harrison

/S/ Matthew Ashcraft

