

MINUTES OF MEETING

BE IT REMEMBERED that the Commissioners of the Port of Bay City Authority met Thursday, February 8, 2024, at the Matagorda County Economic Development Corporation Board Room, 1112 7th 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
Craig Hlavinka	Harbor Master
Sharron Perez	Office Manager
Leslie Bacon	Norton Rose Fulbright
Dimitiri Millas	Norton Rose Fulbright
Visitors:	
Hayden Smith	Anchor QEA LLC
Ian Fisher	Anchor QEA LLC
Glenn Escovedo	LPL Financial
Jessica Sheppard	The Bay City Sentinel
Kate Allen	Visitor
Absent:	
Trey Treybig	Commissioner

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 – Joey Sliva led those in attendance in prayer.

Item 3 – Glenn Escovedo, with LPL Financial, reviewed the Port of Bay City Authority’s current investments and their maturities. The current investments are GNMA’s, FNMA’s, and Freddie Macs which are all one hundred percent government backed. The investments are being moved to GNMA’s as they are more conservative. As interest rates drop, individuals refinance their mortgages. The original investment is received faster. Treasury bills are also currently being invested in for diversification. Deflation occurred due to COVID, and inflation has occurred due to rates. The investment portfolio is now split roughly two-thirds CMO’s, of which sixty percent is in GNMA’s, and one-third is invested in Treasury bills. Glenn Escovedo discussed the marketability and returns. George Harrison asked Glenn Escovedo to attend three meetings per year to update the Commissioners on the investment portfolio. George Harrison suggested February, during the summer, and late fall. Dimitri Millas asked if the coupon cash flow is based on expected maturities. George Harrison advised that he has a conference call with Glenn Escovedo once a week for acquisitions and cash flow. Glenn Escovedo advised that there are safeguards in place and that LPL Financial finds the cleanest GNMA’s to invest in. George Harrison stated that the investments have been ultra conservative. There is a cushion for rate rises. There were no questions at this time.

Item 4 – The minutes of the regular meeting of January 11, 2024 were reviewed. On motion of Commissioner Joey Sliva, seconded by Commissioner Matt Ashcraft, the Commissioners unanimously approved the minutes of the regular meeting of January 11, 2024.

Item 5 –On motion of Commissioner Matt Ashcraft, seconded by Commissioner Lee Weathers, the following disbursements were unanimously ratified and approved:

ANCHOR QEA LLC	34,632.75
--PROFESSIONAL FEES (2023)	
ANCHOR QEA LLC	20,665.75
--PROFESSIONAL FEES (2023)	
DIRECT ENERGY	28.74
--PUBLIC UTILITIES (2023)	
DIRECT ENERGY	51.94
--PUBLIC UTILITIES (2023)	
DIRECT ENERGY	125.24
--PUBLIC UTILITIES (2023)	
HDR ENGINEERING LLC	30,644.06
--PROFESSIONAL FEES (2023)	
ACE HARDWARE	1,194.11
--OPERATING SUPPLIES	
AQUA-ZYME SERVICES INC	320.00
--PUBLIC UTILITIES	
AQUA-ZYME SERVICES INC	320.00
--PUBLIC UTILITIES	

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--PUBLIC UTILITIES	
AQUA-ZYME SERVICES INC	320.00
--PUBLIC UTILITIES	
AT&T	75.27
--TELEPHONE	
AT&T	197.40
--TELEPHONE	
AT&T	754.66
--TELEPHONE	
AT&T	1,281.16
--TELEPHONE	
AT&T	957.95
--TELEPHONE	
AT&T	162.38
--TELEPHONE	
AT&T	69.18
--TELEPHONE	
B&C MOWING & LANDSCAPING	250.00
--REPAIRS & MAINTENANCE – HARBOR	
B5 CONSTRUCTION	51,700.00
--BAY CITY OFFICE IMPROVEMENTS	
B ALLEN CUMBIE	1,347.88
--ATTORNEY FEES	
DIRECT ENERGY	330.65
--PUBLIC UTILITIES	
DIRECT ENERGY	4,598.15
--PUBLIC UTILITIES	
ELLEN DODD	1,600.00
--SPECIAL DISTRICT ACCOUNTING FEE	
GRAINGER	129.00
--SEMINARS, DUES	
KRONBERGS FLAGS AND FLAGPOLES	420.00
--OPERATING SUPPLIES	
MATAGORDA BOAT & RV STORAGE	1,500.00
--MISCELLANEOUS EXPENSE	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	414.55
--PUBLIC UTILITIES – TENT & FISH CLEANING TABLE	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	1,750.40
--PUBLIC UTILITIES – SPRINKLER	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	157.30
--PUBLIC UTILITIES – HOUSE	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	100.00
--PUBLIC UTILITIES – RESTROOM	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	597.35
--PUBLIC UTILITIES – BOAT SHED	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	142.20
--PUBLIC UTILITIES – MEETING HOUSE	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	201.00
--PUBLIC UTILITIES – MEETING HOUSE	
MATAGORDA WASTE DISPOSAL & WATER SUPPLY CORPORATION	565.40
--PUBLIC UTILITIES – TRAILER PARK	
NAPA AUTO & TRUCK PARTS	191.30
--VEHICLE EXPENSE – GAS & OIL	
NORTON ROSE FULBRIGHT	15,572.50
--ATTORNEY FEES	
PITNEY BOWES BANK INC	500.00
--OPERATING SUPPLIES	
JAY SCHOLTEN	1,600.00
--REPAIRS & MAINTENANCE – MATAGORDA HARBOR	
SHARRON'S BOOKKEEPING AND TAX SERVICE	7,891.11
--OFFICE MANAGER – CONTRACT SERVICES	
--PROFESSIONAL SERVICES	
--TRAVEL	
--OPERATING SUPPLIES	
SHORELINE CONSTRUCTION	22,755.48
--REPAIRS & MAINTENANCE – MATAGORDA HARBOR	
SUTHERLAND LUMBER-SOUTHWEST INC	714.71
--REPAIRS & MAINTENANCE – MATAGORDA HARBOR	
SUTHERLAND LUMBER-SOUTHWEST INC	781.46
--REPAIRS & MAINTENANCE – MATAGORDA HARBOR	
THE HOME DEPOT	2,396.04
--REPAIRS & MAINTENANCE – MATAGORDA HARBOR	
THRYVE	14.93

--PROMOTION & DEVELOPMENT	
THRYVE	29.21
--PROMOTION & DEVELOPMENT	
VERIZON WIRELESS	245.87
--TELEPHONE	
WILLIAMS SCOTSMAN INC	286.05
--MISCELLANEOUS EXPENSE	
WILLIAMS SCOTSMAN INC	328.23
--MISCELLANEOUS EXPENSE	
CRAIG HLAVINKA	3,440.85
--OPERATING SUPPLIES	
--REPAIRS & MAINTENANCE – MATAGORDA HARBOR	
--VEHICLE EXPENSE – GAS & OIL	
--TRAVEL	

Item 6 – Sharron Perez presented the financial reports for January 2024. On motion of Commissioner Matt Ashcraft, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved the financial reports and monthly billing and collection reports for January 2024. A detailed copy is kept as part of the permanent records of the Port of Bay City Authority.

Leslie Bacon advised that Air Liquide has initiated payment for the rail spur. Air Liquide still has not provided their calculation for the wharfage and dockage. Joey Sliva asked if AEP has agreed to the terms of the various easements. AEP has agreed and will send the signature pages.

Item 7 – Craig Hlavinka reported on activity at the Port of Bay City. Everything is running smoothly. Shipping has been temporarily interrupted by the river rise. AEP has almost completed the reroute of the 138KV line and fixing the road.

Joey Sliva asked how high the water got into the warehouse due to the river rise. Craig Hlavinka advised it was one foot. Buddy Treybig advised that the water in the locks was six feet higher than the water in the canal. The Commissioners discussed the issues entering West Bay. George Harrison updated the Commissioners on his latest meeting with representatives of the US Army Corps of Engineers. The Corps has maintained ownership of the jetty walkway but is wanting various agencies to partner in the repairs and maintenance. George Harrison and Matagorda County Judge Bobby Seiferman met with Karl Brown and Seth Jones from the US Army Corps of Engineers and Bill Balboa from Matagorda Bay foundation. There is a push to dredge the Diversion Channel, not as a navigation project but as flood control. Bill Balboa discussed the impact this has had on the health of West Bay. Buddy Treybig discussed the damage this has done to the oyster population. George Harrison discussed the Wharton County Levee Project. Joey Sliva asked for a timeline on dredge appropriations. George Harrison advised that these appropriations will not come out until normal appropriations. There is currently work being done to utilize the dredge material for habitats with the Matagorda Bay Foundation. Joey Sliva asked for an update on the Jetties. George Harrison advised that one fix is the extend the jetties five hundred to one thousand feet with the more probable length being eight hundred feet. George Harrison feels the Diversion Channel is more doable. There was a brief discussion regarding installing weir dams at Parker’s Cut and on the old river channel.

Craig Hlavinka reported on activity at Matagorda Harbor. All docks, excluding “G” dock are at 89% occupancy, with “G” dock at 91% occupancy. There are logs in Matagorda Harbor that the staff and Shoreline Construction are working to move. There was minimal damage from the freeze.

Craig Hlavinka reported on the TIRZ meeting that he attended. TIRZ 1 has started receiving funds and is looking to improve Cottonwood Park. George Harrison explained what TIRZ is and how it operates. Craig Hlavinka also advised that TIRZ 1 is looking to improve the park by the dog park by installing a playground.

Item 8 – Leslie Bacon updated the Commissioners regarding the conveyance of the 1.7 acres located under the bridge in Matagorda County from Matagorda County to the Port of Bay City Authority. The Port of Bay City Authority will cover all closing costs and title insurance with a limit of \$25,000. Leslie Bacon has tracked the history of the land ownership. Matagorda County will have to have a reversion of the deed to Matagorda County if the land is not utilized for public purposes. On motion of Commissioner Matt Ashcraft, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved the payment of closing costs and title insurance policy, up to \$25,000, for the conveyance of the 1.7 acres located under the bridge in Matagorda from Matagorda County to the Port of Bay City Authority of Matagorda County, Texas utilizing Bay City Abstract and Title to complete the transaction.

Item 9 – The Commissioners tabled the Interlocal Contractor Agreement between Sharron Perez and the Port of Bay City Authority of Matagorda County, Texas until after Executive Session.

Item 10 – The Commissioners discussed the Investment Policy. The investment policy will be reviewed annually and will be updated with new legislation. The Commissioners discussed alternate investment officers. Matt Ashcraft and Sharron Perez will take the investment training course in person sponsored by the Texas Municipal League. On motion of Commissioner Joey Sliva, seconded by Commissioner Buddy Treybig, the Commissioners unanimously approved the Port of Bay City Authority Investment Policy as revised including the investment strategy and two primary Investment officers, George Harrison and Matt Ashcraft, with Sharron Perez as the alternate Investment officer.

Items 11 & 12 – Matagorda County has not obtained a lease agreement with the US Army Corps of Engineers for the West Mooring Dock Park; therefore, the Commissioners tabled the Interlocal Agreement between the Port of Bay City Authority of Matagorda County, Texas and Matagorda County and the Scope of Work for the West Mooring Dock Park Restoration.

Item 13 – The Commissioners discussed putting out for bid the purchase and installation of a portable office building to be located at the Port of Bay City Turning Basin. The portable office building will be comprised of a small office, a small conference room, and an ADA compliant bathroom. The office is needed for the upcoming grant progress meetings, phase two of Highly Innovative Fuels development, and a coffee area. Matt Ashcraft advised that he felt nine hundred square feet would cover the necessary space. George Harrison discussed the possibility of converting a tiny home into an office space. The bedroom could be the small office with the living room and dining room being converted into a conference room. The office will have one bathroom and central air conditioning and heating. On motion of Commissioner Joey Sliva, seconded by Commissioner Matt Ashcraft, the Commissioners unanimously approved putting out for bid the purchase and installation of a portable office building to be located at the Port of Bay City Turning Basin.

Item 14 – Hayden Smith updated the Commissioners on the award of a \$250,000 grant from Texas Parks and Wildlife Department for the installation of a boat ramp at Matagorda Harbor. The grant application did include a caveat if the bond did not pass. The funds would be used for the planning stage with matching funds from the Port of Bay City Authority in the amount of \$83,000. The award of these funds will allow the Port of Bay City Authority to be considered for \$1,000,000 construction grant with matching funds of \$333,000. George Harrison discussed waiting until after the fishing tournaments and summer rush are over to expand public access. Hayden Smith reviewed part of the grant application. George Harrison advised that the Port Authority is not endorsing the expansion of Matagorda Harbor but is not prohibiting the expansion. Hayden Smith reviewed three locations for the installation of additional boat ramps. The first location would be on the Gulf Intracoastal Waterway which George Harrison felt did not meet the intention of public access. The other two options would be across from the existing docks in Matagorda Harbor. Option two would include the excavation of 4.1 acres with an estimated cost of \$5,000,000. Option three would include the excavation of 6.5 acres with an estimated cost of \$9,000,000. The Commissioners want to make sure safety is a priority. Joey Sliva asked if the Port Authority utilizes any of the presented location what other amenities will need to be installed, ie restroom, fish cleaning tables, etc. Matt Ashcraft discussed the pros of the 4.5-acre excavation and location. George Harrison added the possibility of future expansion. The Commissioners want to pursue additional boat ramps. George Harrison advised moving forward with the 4.5-acre expansion. Leslie Bacon advised that this would require a new Scope of Work and new contract. Hayden Smith advised that there was a contract, but it is closed. The new Scope of Work will be capped at \$30,000. Matt Ashcraft clarified the 4.5-acre drawing. Craig Hlavinka discussed getting rid of the middle finger pier which will make the area 22' wide in total. Craig Hlavinka discussed this making four boat ramps that larger boats can use. On motion of Commissioner Joey Sliva, seconded by Commissioner Matt Ashcraft, the Commissioners unanimously approved the obtaining of a Scope of Work for the installation of additional boat ramps at Matagorda Harbor.

Item 15 – George Harrison updated the Commissioners on the remodel of the Port of Bay City office located at 1305 Seventh Street in Bay City. All asbestos has been removed, and the remodel is moving forward.

Item 16 – Mike Ferdinand was attending a conference for site locators; therefore, there was no update from the Matagorda County Economic Development Corporation.

Item 19 – Public comments and comments from the Commissioners were moved to allow comments prior to adjourning into Executive Session. Kate Allen asked for an update on the dredging of Caney Creek. George Harrison advised that comments were received from the US Army Corps of Engineers two weeks ago. The Corps stops reviews until the comments are received. The potential timeline is to approve the project in March. The US Army Corps of Engineers Real Estate Division has not commented. The dredge material is considered moving real estate. Kate Allen asked for an update on the groin. George Harrison advised that this is not part of the dredging project. Texas General Land Office is slow moving. The project is anticipated to occur in late 2024 or 2025. Kate Allen asked who would be responsible for this project. George Harrison advised that the project is thru Matagorda County; therefore, it is Matagorda County Judge Seiferman and Matagorda County Precinct No. 2 Commissioner Mike Estlinbaum.

Item 17 – At approximately 7:49pm, all members of the general public exited the meeting. The Commissioners adjourned to Executive Session.

Item 18 – At approximately 8:16pm, the Commissioners entered Regular Session with no action being taken in Executive Session.

The Commissioners discussed the Independent Contractor Agreement as prepared by Sharron Perez and tightening controls on accounts receivable. On motion of Commissioner Matt Ashcraft, seconded by Commissioner Joey Sliva, the Commissioners unanimously approved the Independent Contractor Agreement between Sharron Perez and the Port of Bay City Authority of Matagorda County, Texas beginning February 1, 2024 and ending January 31, 2026.

Item 20 – There being no further business to come before the Board the meeting adjourned at 8:22pm.

Attest:

Approve:

/s/ George Harrison

/s/ Matthew Ashcraft