

MINUTES OF MEETING

BE IT REMEMBERED that the Commissioners of the Port of Bay City Authority met Thursday, May 11, 2023, 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
Trey Treybig	Commissioner
Sharron Perez	Office Manager
Allen Cumbie	Port Attorney
Visitors:	
Mike Ferdinand	MCEDC Exec Director
Mike Reddell	Bay City Sentinel
Hayden Smith	Anchor QEA LLC
Dan Opdyke	Anchor QEA LLC
Steve Cappellino	Anchor QEA LLC
Dimitri Millas	Norton Rose Fulbright
Leslie Bacon	Norton Rose Fulbright
Don Woods	Visitor
Amanda Sullivan	Driftwood C&C LLC
Zachary Phillips	ZPI
Absent:	
Buddy Treybig	Commissioner
Craig Hlavinka	Harbor Master

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 – The minutes of the regular meeting of March 9, 2023, the workshop of March 20, 2023, the special called meeting of April 7, 2023, and the public information meetings of April 5, 2023, April 6, 2023, and April 12, 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 March 9, 2023, the workshop of March 20, 2023, the special called meeting of April 7, 2023, and the public information meetings of April 5, 2023, April 6, 2023, and April 7, 2023. The minutes of the regular meetings of April 13, 2023 and the workshop of March 13, 2023 were tabled until the next regular meeting.

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

ACE HARDWARE	832.75
--OPERATING SUPPLIES	
ACE HARDWARE	12.09
--OPERATING SUPPLIES	
ANCHOR QEA LLC	111,174.92
--MATAGORDA HARBOR IMPROVEMENTS	
--PROFESSIONAL SERVICES	
AQUA-ZYME SERVICES INC	480.00
--PUBLIC UTILITIES	
AQUA-ZYME SERVICES INC	320.00
--PUBLIC UTILITIES	
AQUA-ZYME SERVICES INC	480.00
--PUBLIC UTILITIES	
AQUA-ZYME SERVICES INC	320.00
--PUBLIC UTILITIES	
A TEAM LANDSCAPING	200.00
--REPAIRS & MAINTANCE – OFFICE	
AT&T	389.52
--TELEPHONE EXPENSE	
AT&T	69.18
--TELEPHONE EXPENSE	
AT&T	1,276.26
--TELEPHONE EXPENSE	
AT&T	715.59
--TELEPHONE EXPENSE	

BAY CITY JANITORIAL	546.84
--OPERATING SUPPLIES	
CITY OF BAY CITY	5,641.34
--TIRZ FEES	
CITY OF BAY CITY	5,617.44
--TIRZ FEES	
B ALLEN CUMBIE	9,725.18
--ATTORNEY'S FEES	
DIRECT ENERGY	27.80
--PUBLIC UTILITIES	
DIRECT ENERGY	366.54
--PUBLIC UTILITIES	
DIRECT ENERGY	50.25
--PUBLIC UTILITIES	
DIRECT ENERGY	119.70
--PUBLIC UTILITIES	
ELLEN DODD	1,360.00
--SPECIAL DISTRICT ACCOUNTING FEE	
DRIFTWOOD C&C LLC	5,400.00
--OFFICE IMPROVEMENTSS	
EPW	7,500.00
--REPAIRS & MAINTENANCE – HARBOR	
GFL	968.64
--PUBLIC UTILITIES	
HDR ENGINEERING INC	5,586.00
--PROFESSIONAL SERVICES	
HDR ENGINEERING INC	10,696.06
--PROFESSIONAL SERVICES	
INSYTEFUL	1,680.00
--PROMOTION & DEVELOPMENT	
LOWES	506.49
--REPAIRS & MAINTENANCE - HARBOR	
MATAGORDA WD&WSC	124.90
--PUBLIC UTILITIES (HOUSE)	
MATAGORDA WD&WSC	803.35
--PUBLIC UTILITIES (SPRINKLER)	
MATAGORDA WD&WSC	210.70
--PUBLIC UTILITIES (TRAILER PARK)	
MATAGORDA WD&WSC	296.55
--PUBLIC UTILITIES (BOAT SHED)	
MATAGORDA WD&WSC	336.55
--PUBLIC UTILITIES (TENT AND FISH CLEANING)	
MATAGORDA WD&WSC	90.80
--PUBLIC UTILITIES (MEETING HOUSE)	
MATAGORDA WD&WSC	116.00
--PUBLIC UTILITIES (RESTROOM)	
NAPA AUTO & TRUCK PARTS	416.14
--REPAIRS & MAINTENANCE – EQUIPMENT	
NORTON ROSE FULBRIGHT	29,552.50
--ATTORNEY FEES	
PURCHASE POWER	1,000.00
--OPERATING SUPPLIES	
LORA BETH ROBICHEAUX	1,031.25
--OFFICE IMPROVEMENTS	
JAY SCHOLTEN	1,600.00
--REPAIRS & MAINTENANCE – HARBOR	
SHARRON'S BOOKKEEPING AND TAX SERVICE	7,143.84
--OFFICE MANAGER – CONTRACT SERVICES	
--PROFESSIONAL SERVICES	
--OPERATING SUPPLIES	
--TELEPHONE EXPENSE	
--TRAVEL	
SHORELINE CONSTRUCTION	22,500.32
--REPAIRS & MAINTENANCE – HARBOR	
SOUTH TEXAS CORRUGATED PIPE	2,349.50
--REPAIRS & MAINTENANCE – HARBOR	
SUTHERLANDS	616.94
--REPAIRS & MAINTENANCE – HARBOR	
TEXAS COASTAL LIMO	1,250.00
--TRAVEL	
VERIZON WIRELESS	100.51
--TELEPHONE EXPENSE	
WILLSCOT	264.05
--MISCELLANEOUS EXPENSE	

ZACHARY PHILLIPS INC	132,942.60
--MATAGORDA HARBOR IMPROVEMENTS	
ZACHARY PHILLIPS INC	1,950.00
--MATAGORDA HARBOR IMPROVEMENTS	
ZACHARY PHILLIPS INC	10,215.08
--MATAGORDA HARBOR IMPROVEMENTS	
CRAIG HLAVINKA	2,477.33
--TRAVEL	
--TELEPHONE	
--OPERATING SUPPLIES	
--REPAIRS & MAINTENANCE - EQUIPMENT	

Item 5 – Sharron Perez reviewed the Billing, Collection, Accounts Receivable, and Financial Reports for March 2023 and April 2023 were tabled until the next meeting

Items 6 & 7 – Craig Hlavinka was not in attendance; therefore, there was no update on the activity at the Port of Bay City and Matagorda Harbor.

Items 8 & 9 – Brandon Gavranovic was not in attendance to give a presentation on his mobile pressure washing business. On motion of Commissioner Matt Ashcraft, seconded by Commissioner Trey Treybig, the Commissioners unanimously tabled this matter.

Item 10 – George Harrison updated the Commissioners on the Caney Creek project. The Port Authority has taken the lead on the dredging project. The permits are in Matagorda County Drainage District No.1's (MCDD1) name; therefore, when the Nationwide 35 is prepared, it will be prepared in MCDD1's name. The bid package should be ready in June. The bids will have to be approved by the Port Authority and MCDD1. The cost of the project will be split between the two entities.

Item 11 – Allen Cumbie advised the Commissioners that he prepared two different Interlocal agreements. The first one is based on prior agreement with a cap on the amount that the Port Authority is liable for. The second one is based on an equal split of expenses. Since the permit is in MCDD1's name, they will meet the contract requirements. The Port Authority's obligation is funding only. George Harrison advised that the Port Authority took the lead on the engineering contract. The budgetary estimate of the project is estimated to be between \$900,000 and \$1.1 million. The project will utilize geotubing on the three-acre non-jurisdictional tract of the triangle. The dredging will be on the west side and up around. A permit has not been located to dredge the east side. The engineers submitted a FOIA that has not resulted in any findings to date. All parties endorse moving forward with the existing permit and then moving forward with MCDD1 on the east side dredging. There are also alternate placement sites being worked toward. The amount paid to HDR Engineering by the Port Authority will be taken into consideration when computing the 50/50 split. Joey Sliva believes that the original conversation is what we paid would be included in the total amount divided. Matt Ashcraft asked if there is not a definite amount for the project, then would the Interlocal Agreement cover any amount? Allen Cumbie advised that if an amount is put on the agreement and the amount changes, then the Interlocal Agreement would have to be amended. George Harrison asked Allen Cumbie if he is more comfortable with an amount being stated in the agreement. Allen Cumbie advised that an amount could be included and amended if needed. The Commissioners discussed an amount of \$1.35 million which would include a \$50,000 contingency. Once the project is put out for bid, the Port Authority is hoping to have at least three dredge operators to look at the project. Mr. Woods feels that the residents will be happy to have the work done whenever the dredge company can get to it. George Harrison reviewed the contractual terms that require egress and ingress provided to the community. The dredging will have minimum impact on the community. On motion of Commissioner Matt Ashcraft, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved the Interlocal Government Agreement between Matagorda County Drainage District No. 1 and the Port of Bay City Authority of Matagorda County, Texas concerning a dredging project known as the Caney Creek Improvement Project of 2023, which involves the dredging of a portion of Caney Creek located in Matagorda County, Texas.

Item 12 - Amanda Sullivan, with Driftwood C&C LLC, reviewed the plans for the Bay City office remodel. George Harrison discussed the need for the bathrooms to be ADA compliant. The bid notice will need to be published twice in the newspaper. Sharron Perez will get the notice to The Bay City Sentinel with a bid opening to be held on July 11, 2023. There was a discussion regarding the bid deadline being July 10, 2023. On motion of Commissioner Trey Treybig, seconded by Commissioner Matt Ashcraft, the Commissioners unanimously approved putting out for bid the Business Office Interior Renovation Project of the Port of Bay City office located at 1305 Seventh Street, Bay City, Texas.

Item 13 – Hayden Smith thanked the Commissioners for their time. Dan Opdyke and Steve Cappellino were also in attendance. The next Sargent Uplift Community meeting is set for June 13, 2023 due to Judge Seiferman's availability. George Harrison had Hayden Smith explain the project. The project

would include the Sargent Beach parks, boat ramp, the pier, etc. The Port Authority is assisting Matagorda County with the master site plan which includes the boat ramp. The Port Authority is limited in what it can expend public funds on. The project has to be navigation related. The current pier, "Little Stubby", needs to be extended and stairs added. The Port Authority can put signage up for marine and boating safety. Every opportunity needs to be taken to inform the public on navigation issues and boating safety. Matagorda County leases the property from the US Corps of Engineers. There will be an Interlocal Agreement with Matagorda County for the project. The meetings have included member of the Lions Club, Sargent Chamber of Commerce, Mud District, Fire Department, and Muriell Tipps. The thought process is to create a vision that the community wants, include the community, and move forward with pursuing funding. George Harrison feels that the project needs to be what the community wants and needs. Some needed items are working restroom facilities with possible outdoor showers and possibly pavilions with lighting instead of picnic tables here and there. George Harrison advised that this project will take the Port Authority, Matagorda County, and the community working together.

Item 14 – Hayden Smith reviewed the Matagorda Harbor Expansion project. Although the bond issuance failed, the project came a long way. It started as cartoon drawing on an Ipad and grew to stakeholder meetings. All studies will be beneficial to move forward with any plans on the site. George Harrison stated that a clear message was received from the community. George Harrison and the Commissioners thanked Anchor QEA for all of their hard work and are ready to move forward with other projects.

Item 15 – Hayden Smith updated the Commissioners on the pre-design field investigations on the property adjacent to Matagorda Harbor. The wetland, Geotech, and topographic results are all turned in. These results can be used for anything that will be done on this property. The soil borings were taken in two locations inside the existing harbor and two locations to the east of the harbor. Most of the soil is clay with no contaminants. The property is anywhere from +10ft to -2ft with the average being 7ft. The wetlands are at +3ft. George Harrison advised that the Port Authority will keep the reports and provide copies to Michael Ferdinand.

Item 16 – Hayden Smith updated the Commissioners on the grant proposals. The TPWD and RAISE grants were submitted. The RAISE grant should award in late June, and the TPWD grant should award in July. There was a question raised regarding whether or not to pull the grants after the bond failed. Hayden Smith advised that if the grants are awarded the Port Authority could try to reappropriate the funds for the Sargent.

Item 17 – The Scope of Work was discussed for the Harbor site assessment project. Cody Cook, a local electrician, has responded to Hayden Smith's request for electrical review. Matagorda Harbor is thirty-three years old. George Harrison wants to create a harbor improvement plan with the purpose of extending life without failure. A detailed five-year plan needs to be put together and a ten-year plan needs to be looked at. The life of the boat docks needs to be determined and a plan for repair and/or replacement needs to be determined. Another item to take into consideration during the repair and/or replacement is managing the relocation of boats on the docks. Hayden Smith is coordinating getting teams to the harbor to inspect the structures. Joey Sliva asked if the field estimates would be ready by the end of July. George Harrison stated that the Port Authority is focused on items for the 2024 budget. Dan Opdyke clarified that in order to complete the 2024 budget that the Port Authority would need the information by August 1<sup>st</sup>. Dan Opdyke also clarified that findings would be classified in term priorities. George Harrison stressed that safety is the top priority. Joey Sliva feels the Port Authority should move forward with the scope of work. On motion of Commissioner Matt Ashcraft, seconded by Commissioner Trey Treybig, the Commissioners unanimously approved the Scope of Work for the Matagorda Harbor Site Assessment.

Item 18 – Allen Cumbie updated the Commissioners on the relocation of the four-acre drill site. The Port Authority is waiting to hear from FASH. George Harrison will reach out to Rob Fondren. Allen Cumbie advised that this would be the appropriate action to take at this time.

Items 19 – 23 – These items regarding the Air Liquide rail spur and various AEP easements will be discussed in Executive Session. In regards to the 138KV line, AEP advised that there is a blanket easement on the Fondren property. The easement does not seem to have ever been filed. Allen Cumbie advised the Commissioners not to ratify the old easement. The blanket easement would allow AEP to put electrical lines, etc anywhere on the Fondren property.

Item 24 – The Commissioners discussed the granting of an underground easement to AEP for underground electrical service to the dock at the Port facility. Allen Cumbie discussed the easement with Jerry Converse who has sent a final draft of the proposed easement to AEP. Joey Sliva and Allen Cumbie visited the dock at the Port facility to assess the easement request. Matt Ashcraft asked if this will impede

any other projects. The electric line will be relocated to an underground line; therefore, it will not impede any other projects. On motion of Commissioner Joey Sliva, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved granting an easement to AEP for underground electrical service to the dock at the Port of Bay City.

Item 25 – Michael Ferdinand, Matagorda County Economic Development Corporation Executive Director thanked the Commissioners for allowing him to continue working on their behalf. A prospect has visited the Port facility. There have been serious inquiries from significant projects. House Bill 5 has passed the house and is presently in the Senate. This would replace the 313 agreements. The Senate had proposed a bill that would look at rebates instead of abatements. George Harrison thanked Michael Ferdinand for all he does to support the Port of Bay City.

Item 26 – Don Woods advised the Commissioners that there should be more information provided to the residents of Sargent to communicate what the Port of Bay City Authority and Matagorda County are doing for the area. George Harrison discussed utilizing the Chamber as a platform and having them post to Facebook. Facebook would a good source for residents of Sargent. George Harrison has also asked Muriell Tipps to put information out regarding the Sargent Community Uplift Project and Caney Creek dredging. Sargent is a very diversified area. You can have ten people with ten different visions. George Harrison discussed possibly having a public information meeting with Anchor QEA and Matagorda County once the stakeholder meetings have ended.

Zachary Phillips, with ZPI, advised the Commissioners that he had completed the cap rail replacement at the fuel dock area. Joey Sliva asked if the A-frame was installed. Zachary Phillips advised that it is complete, and the bait shop owner is happy with the work.

There were no public or Commissioner comments at this time.

Item 27 – There was no discussion in regards to an option to lease real property within Matagorda Harbor.

Item 28 – On motion of Commissioner Joey Sliva, seconded by Matt Ashcraft, the Commissioners unanimously adjourned to Executive Session at approximately 6:28pm. All members of the general public exited the meeting.

Item 29 – At approximately 7:49pm, Regular Session was entered into with no action being taken in Executive Session.

The Commissioners discussed sending Air Liquide a letter regarding the rail spur agreement. On motion of Commissioner Trey Treybig, seconded by Commissioner Matt Ashcraft, the Commissioners unanimously authorized Norton Rose Fulbright to draft communication to Air Liquide regarding the rail spur agreement/easement between the Port of Bay City Authority of Matagorda County, Texas and Air Liquide including the consideration to be paid by Air Liquide to the Port of Bay City Authority.

The Commissioners discussed sending a letter to AEP regarding the easements for the electrical substation, transmission lines, and access advising that after thirty days the consideration would increase \$100,000 and continue to increase \$50,000 for every thirty days after that the easements remain unresolved. On motion of Commissioner Lee Weathers, seconded by Commissioner Trey Treybig, the Commissioners unanimously authorized Norton Rose Fulbright to draft a letter to AEP advising them of the \$100,000 in additional consideration that will be due if the easements are not resolved within thirty days and the additional \$50,000 for every thirty-day period following that until the easements are all resolved.

The Commissioners discussed sending a letter to Shaun Kulcak regarding the lease on Harbor Bait & Tackle. The lease had expired and the option was not exercised. On motion of Commissioner Lee Weathers, seconded by Commissioner Matt Ashcraft, the Commissioners authorized Norton Rose Fulbright to draft a letter to Shaun Kulcak advising that the option to extend the lease was not exercised and that the lease would continue on a month-to-month basis thru September 30, 2023 at \$2500 per month. At the end of this term, the lease would be discussed and possibly renegotiated.

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 7:51pm.

Attest:

Approve:

*/S/ George Harrison*

*/S/ Matthew Ashcraft*