

MINUTES OF MEETING

BE IT REMEMBERED that the Commissioners of the Port of Bay City Authority met Tuesday, June 6, 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
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 Reddell	Bay City Sentinel
Hayden Smith	Anchor QEA LLC
Luke Cressman	HDR Engineering Inc
Evan Marks	Eneus Energy
Dimitri Millas	Norton Rose Fulbright
Leslie Bacon	Norton Rose Fulbright
Bill Balboa	Matagorda Bay Foundation
Don Woods	Visitor

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 special called meeting of May 30, 2023 was read. On motion of Commissioner Joey Sliva, seconded by Commissioner Trey Treybig, the Commissioners unanimously approved the minutes of the special called meeting of May 30, 2023. The minutes of the regular meetings of April 13, 2023 and May 11, 2023, the workshop of March 13, 2023, and the special called meeting of May 19, 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	594.64
--OPERATING SUPPLIES	
AQUA MARINE SUPPLY	1,948.13
--REPAIRS & MAINTENANCE - HARBOR	
AQUA-ZYME SERVICES INC	480.00
--PUBLIC UTILITIES	
AQUA-ZYME SERVICES INC	320.00
--PUBLIC UTILITIES	
AT&T	1,452.80
--TELEPHONE EXPENSE	
AT&T	288.94
--TELEPHONE EXPENSE	
AT&T	875.20
--TELEPHONE EXPENSE	
AT&T	69.18
--TELEPHONE EXPENSE	
BAY CITY JANITORIAL	151.98
--OPERATING SUPPLIES	
B ALLEN CUMBIE	9,655.61
--ATTORNEY’S FEES	
DIRECT ENERGY	355.34
--PUBLIC UTILITIES	
DIRECT ENERGY	4,102.04
--PUBLIC UTILITIES	
DIRECT ENERGY	55.70
--PUBLIC UTILITIES	
ELLEN DODD	1,360.00
--SPECIAL DISTRICT ACCOUNTING FEE	
HDR ENGINEERING INC	9,969.50
--PROFESSIONAL SERVICES	
HDR ENGINEERING INC	33,614.25

--PROFESSIONAL SERVICES	
KLEPAC PEST & TERMITE CONTROL	64.00
--REPAIRS & MAINTENANCE - HARBOR	
LOWES	641.86
--REPAIRS & MAINTENANCE - HARBOR	
MATAGORDA COUNTY	600.00
--PROFESSIONAL SERVICES	
MATAGORDA COUNTY APPRAISAL DISTRICT	8,697.47
--APPRAISAL DISTRICT FEES	
MATAGORDA WD&WSC	119.80
--PUBLIC UTILITIES (HOUSE)	
MATAGORDS WD&WSC	866.35
--PUBLIC UTILITIES (SPRINKLER)	
MATAGORDA WD&WSC	205.80
--PUBLIC UTILITIES (TRAILER PARK)	
MATAGORDA WD&WSC	309.10
--PUBLIC UTILITIES (BOAT SHED)	
MATAGORDA WD&WSC	311.65
--PUBLIC UTILITITES (TENT AND FISH CLEANING)	
MATAGORDA WD&WSC	86.30
--PUBLIC UTILITIES (MEETING HOUSE)	
MATAGORDA WD&WSC	121.80
--PUBLIC UTILITIES (RESTROOM)	
PITNEY BOWES	273.87
--OPERATING SUPPLIES	
POSTMASTER	166.00
--OPERATING SUPPLIES	
PURCHASE POWER	1,000.00
--OPERATING SUPPLIES	
QUILL	36.23
--OPERATING SUPPLIES	
QUILL	244.94
--OPERATING SUPPLIES	
JAY SCHOLTEN	1,600.00
--REPAIRS & MAINTENANCE – HARBOR	
SHARRON’S BOOKKEEPING AND TAX SERVICE	7,003.53
--OFFICE MANAGER – CONTRACT SERVICES	
--PROFESSIONAL SERVICES	
--OPERATING SUPPLIES	
--TELEPHONE EXPENSE	
--TRAVEL	
SHORELINE CONSTRUCTION	17,765.23
--REPAIRS & MAINTENANCE – HARBOR	
SUTHERLANDS	1,232.40
--REPAIRS & MAINTENANCE – HARBOR	
THE HOME DEPOT	899.00
--OPERATING SUPPLIES	
VERIZON WIRELESS	133.95
--TELEPHONE EXPENSE	
WILLSCOT	286.05
--MISCELLANEOUS EXPENSE	
CRAIG HLAVINKA	3,167.16
--TRAVEL	
--VEHICLE EXPENSE	
--OPERATING SUPPLIES	

Item 5 – The Billing, Collection, Accounts Receivable, and Financial Reports for May 2023 were tabled until the next meeting

Item 6 - Craig Hlavinka reported on activity at the Port of Bay City. Roehm received their first shipment. Everything went smoothly.

Craig Hlavinka reported on activity at Matagorda Harbor. The rentals are holding up. The logs have been terrible inside the Harbor. Regular maintenance items are being done. There have not been any big issues.

Items 7 & 8 – Craig Hlavinka introduced Evan Marks with Eneus Energy. Eneus Energy is a green ammonia company located out of Kansas City. Evan Marks visited with Craig Hlavinka a couple of weeks ago. Evan Marks discussed the background of Eneus Energy including but not limited to the exports to Europe, green ammonia and uses of such, and the future of ammonia as an energy source. Eneus Energy is a project developer that has a joint venture with one of the large players. There is interest from large

petrochemical companies. Evan Marks discussed his background and others with Eneus Energy. Eneus Energy has quadrupled employees in the past four months. Evan Marks discussed project funding. George Harrison asked where the project would be located. There is currently not enough available property at the Port facility. Evan Marks discussed the possible use of the Port facility for a storage facility and to export product. Evan Marks met with an AEP representative; however, it could take 5-6 years to get the power needed. Electrolyzers and transformers would be needed. Discussions with AEP started in January in regards to the development process. Evan Marks discussed other projects that Eneus Energy has in North Texas and Louisiana. Bay City offers multiple benefits and infrastructure. All current projects are in mid-stage. George Harrison asked for the amount of investment and how secure funding is. Evan Marks advised that, on average, there has been a \$2 – \$2.5 million investment per project. Eneus Energy would need to get a lease in place to market the Bay City project in order to get a partner in place. George Harrison clarified that the project is in the early stages of development and that the Port Authority needs to do some due diligence to determine the amount of property that is available at the Port facility as there are projects in various stages of development. The Port Authority would also need to understand the safety features that the project would have in place for the green ammonia as the river leads right into the bays and estuaries. Eneus Energy will provide additional information as other projects advance. One safety protocol is to limit the number of times that ammonia is moved. Eneus Energy is looking at transporting by pipeline or barge to minimize the shipping. George Harrison advised that the Port Authority is open for business and would need to determine amount of space Eneus Energy needs, amount of revenue the Port Authority would receive, the safety protocols Eneus Energy would have in place, etc. As Eneus Energy moves forward with planning, the Port Authority could have additional meetings to discuss matters further. Matt Ashcraft asked about the offtake agreement for Eneus Energy. Evan Marks advised that Eneus Energy is presently searching for an offtake agreement. George Harrison asked if Allen Cumbie, Leslie Bacon, or Dimitri Millas had any additional questions at this time. There were none. George Harrison advised that the Port Authority would like additional information on Eneus Energy's corporate structure and potential funding. George Harrison also asked if there were any audited financials. Evan Marks advised that there were no audited financials at this time. Evan Marks will work with Craig Hlavinka to provide the requested information. Evan Marks thanked the Commissioners for allowing him to present the project to them. There was no action taken at this time.

Item 9 – Buddy Treybig advised the Commissioners that the bait shop does not make much on the sale of fuel at the bait shop. Previous owners of the bait shop had discussed the ten percent upcharge with Buddy Treybig. Buddy Treybig would like to see this limitation removed and does not feel that the Port Authority should limit the amount that can be charged by the bait shop. This is an accommodation. Buddy Treybig has been to numerous ports/harbors, and fuel is always higher at these locations. George Harrison advised that this amount is set forth in the current temporary contract which is thru September 30, 2023. The Commissioners will look at the fuel prices once a long-term contract is prepared.

Item 10 – Luke Cressman, with HDR Engineering, updated the Commissioners on the Caney Creek project. The intent is to supply all bid documents for approval at the July meeting. George Harrison advised that the Port Authority will meet on July 11th. Luke Cressman hopes to have the documents by the end of the month. The permit package should be finalized by the middle of next week with the drawings being finalized. George Harrison advised that the dredging would be done under a Nationwide 35 permit. At the last meeting, there were additional core drillings that needed to be done. Luke Cressman advised that this had been updated. There was a discussion regarding the GIWW and initial drawings in order to clarify the language. George Harrison advised that there would be a meeting in late June with Matagorda County Drainage District No. 1 "MCDD1". Danny Shindler, attorney for MCDD1, made a couple of minor changes to the agreement. Allen Cumbie reached out to Danny Shindler for an update; however, he did not receive an update prior to the meeting. George Harrison advised that as soon as the Port Authority receives the bid documents a copy will be forwarded to MCDD1 for their approval. Luke Cressman wanted to confirm a few items with George Harrison and Barrett Franz; however, Luke Cressman has not been able to reach Barrett Franz. Luke Cressman had a question regarding the staging area at the boat ramp in Sargent. George Harrison advised that they would have to work with the County as they have jurisdiction over that area. Luke Cressman verified that the Port Authority would allow him to contact Barrett Franz directly. George Harrison advised that if bid documents were ready on July 11th then the award would be in August or September. The Port Authority and MCDD1 would both have to agree on the award of bids. The Commissioners asked Luke Cressman about the grant for the turning basin. Luke Cressman advised that all materials were submitted and accepted; however, there have been no updates.

Item 11 – Hayden Smith, with Anchor QEA, updated the Commissioners on the Sargent Community Uplift Project. The next meeting is planned for Wednesday with key stakeholders.

Item 12 – Hayden Smith, with Anchor QEA, updated the Commissioners on the Matagorda Harbor Site assessment project. The crew and electrician will be at Matagorda Harbor next week for the site assessment. Anchor QEA hopes to be able to provide a report prior to budgeting timeline. George Harrison clarified that the site assessment is to ensure that the assets are managed to the end of life and not failure. The Port Authority would like to manage assets appropriately and look at ways to extend the life of the assets. Also, the Port Authority wants to properly budget maintenance of the facility for five-years and ten-years. This not only includes the items that can be seen but also those that cannot be seen, ie electrical and underwater. Hayden Smith thanked Craig Hlavinka and Sharron Perez for their assistance in providing necessary information.

Item 13 – Hayden Smith, with Anchor QEA, updated the Commissioners on the Boating Access Grant thru Texas Parks and Wildlife (TPWD). One part of the application regarded a resolution to be passed if it was applicable. Anchor QEA did not determine a resolution would be applicable; however, TPWD deemed it applicable. Allen Cumbie provided resolutions for both Matagorda Harbor and the Sargent Community Uplift project. Hayden Smith advised that only the one for Matagorda Harbor needs to be considered at this time as that is the project the grant was initially submitted for. There had been a discussion after the May election regarding pulling the grant since the bond failed to expand Matagorda Harbor. Hayden Smith advised that if the grant was awarded and could not be used at Matagorda Harbor, then the Port Authority could try to redirect the funding to the Sargent project. The resolution for the Sargent project would need to be discussed if the funds are awarded and the Port Authority decides to try to redirect the funding. George Harrison advised that one key point of the grant would be surveillance. If the funding is redirected to Sargent, the Port Authority would have to maintain the area for twenty-five years, including repairs and maintenance, security, and surveillance. The Port Authority does not have a facility in Sargent. George Harrison asked if this could be covered under an interlocal agreement with Matagorda County. Matagorda County has been helpful and willing to participate. The Port Authority could approach Matagorda County to see if they would be responsible for security and surveillance. George Harrison advised that the Port Authority is committed to working with Matagorda County on the Sargent Community Uplift Project. George Harrison advised that the resolution for Matagorda Harbor is the appropriate resolution to move forward with at this time. If the grant funds are awarded, then the Port Authority could look into redirecting these funds. Joey Sliva agreed with George Harrison. On motion of Commissioner Matt Ashcraft, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved Resolution No. PA-R-003-2023 “Boating Access Grant Resolution”.

Item 14 – Bill Balboa, representative of Matagorda Bay Foundation, advised the Commissioners that he is working on a grant application for an area along the GIWW that effects East Matagorda Bay. The area being discussed is located at the bend in the GIWW. There is nothing in this area to block waves which causes recreational and commercial boating and safety hazards. The US Corps of Engineers asked Bill Balboa what the one project he would recommend when he came to this area and this was the project. Due to the fresh water in the area, oysters grow there. Bill Balboa’s proposal is to use material to connect the oyster reefs and have a living shoreline which would help eliminate waves and sediment transport in the GIWW. This would also enhance recreational fishing and make recreational boating safer. Bill Balboa has held local public meetings to discuss the project and has received support. This project would also increase the bird habitat in the area and hits environment, economy, and commerce. George Harrison questioned if the proposed project would affect drainage for Bay City. Bill Balboa advised that the living reefs would have gaps to allow fresh water to flow thru. This project is a priority for Texas General Land Office. The project would cost around \$18 million. The US Corps of Engineers has a Texas Coastal Plan which includes dredge management. Bill Balboa has submitted a grant application for \$500,000 thru the Texas General Land Office which will require a 40% match or \$200,000. If the grant is received, an engineer would be hired to move forward with the design. After the design is completed, Bill Balboa feels that Texas General Land Office, US Corps of Engineers, etc will move forward with the project. TXDOT and TPWD are supportive of the project and each have a stake in the benefits. Hayden Smith advised that this location is something that he had noticed for awhile and feels this would be a good project. Phase One would be the design phase, while Phase Two would be additional engineering. Phase Three would be the construction phase. Matagorda is an area that is overlooked by the US Corps of Engineers. George Harrison felt the US Corps of Engineers would be interested in this project. Bill Balboa asked the Texas General Land Office to hold the application until after the Port of Bay City Authority due to the 40% match. After the meeting and if the Port Authority will be the local sponsor, then the application would be vetted by the TXGLO. Allen Cumbie stressed that in order for the Port Authority to be the local sponsor the project would have to be either navigation or flood control related. Allen Cumbie stated that it could be

argued that the project falls in the jurisdiction of the Port Authority. Buddy Treybig supports the project and feels the Port Authority should move forward with it. George Harrison asked what would happen if the \$500,000 grant was received. Bill Balboa advised that an engineering firm would be hired. The Port Authority would have input on the project. George Harrison advised that flood control needs to be part of the project. Bill Balboa has applied for two employees to put together flood plans. Bill Balboa advised that there are so many reefs and ways to connect the reefs while allowing fresh water to continue flowing. George Harrison discussed the first step being planning and applying for additional grants. Bill Balboa is asking the Port Authority for the 40% match not to exceed \$200,000 in order to start the project. George Harrison asked Leslie Bacon and Dimitri Millas to review the project and verify that it will fall under the guidelines for the Port Authority to pursue. George Harrison advised that the Port Authority's legal will draft an agreement containing information on what the Port Authority can pursue. Buddy Treybig advised that the Port Authority can help the ecosystem of East Matagorda Bay thru navigation. Leslie Bacon advised that the Port Authority would need to receive all of the engineering documents. On motion of Commissioner Matt Ashcraft, seconded by Commissioner Trey Treybig, the Commissioners unanimously approved the Port Authority partnering with Matagorda Bay Foundation for 40% of the grant received, not to exceed \$200,000 for the funding match for Boggy Cut GIWW Stabilization GLO CEPRA funding application pending drafting of the agreement by Norton Rose Fulbright.

Item 15 – Allen Cumbie updated the Commissioners on the relocation of the four-acre drill site. Allen Cumbie has sent emails to the Fondrens and is currently working on follow-up information. It seems the Fondrens are agreeable to the relocation as proposed by the Port Authority. Allen Cumbie is moving forward to complete the plats for the various easements. Jerry Converse, with Norton Rose Fulbright, has completed the amended drill site agreement. Craig Hlavinka is working to get the plats and field notes. The site has been staked. George Harrison advised that this is one of the last components needed for the PCC lease.

Item 16 – Norton Rose Fulbright is still in the process of determining the best way to respond to Air Liquide regarding the rail spur easement.

Item 17 – George Harrison updated the Commissioners on the easement for the 138KV line with AEP. Jerry Converse sent a copy of the easement to Allen Cumbie, and Allen Cumbie sent a reply back. The Port Authority is close to submitting the proposed easement to AEP for their approval. Craig Hlavinka advised that the right-of-way agent has requested access thru the Port facility to River Rice and Cattle property. George Harrison advised that for the Port Authority to grant access would require access being granted by River Rice and Cattle. Matt Ashcraft advised that granting access is premature at this time.

Items 18 – 20 – George Harrison contacted AEP today. AEP is in the process of turning over the easements from the Columbus office to the new Vice-President. George Harrison advised that the Port Authority may entertain different indemnification clauses on the different easements. George Harrison stressed to AEP that the agreements were reaching the thirty-day period. AEP advised that it could be as soon as next week and will forward the easements to legal. Joey Sliva asked if the thirty-day period is running. George Harrison advised that it has been running since the date of the notice sent to AEP.

Item 21 – Michael Ferdinand, Matagorda County Economic Development Corporation Executive Director thanked the Commissioners for allowing him to continue working on their behalf. MCEDC is continuing to support projects in process and is working with numerous major projects. Four projects are very active at this time and are mid-size to large corporations. These are looking outside of the Port's immediate footprint. Several of the prospects looking at Matagorda County are competing for the same resources. As new prospects become projects, the resources will become limited and limit the ability to serve other projects. HIF is moving forward working with LCRA for water needs. The public hearing for the reinvestment zone for Maverick is set for July 10, 2023. The Port Authority is targeting that week for PCC to sign a lease. Matagorda County is being evaluated for large projects. The available resources will limit the number of projects that can locate here. Water is needed for all projects and will require firm water contracts. Site visits have been occurring weekly.

Item 22 – There were no public or Commissioner comments at this time.

Item 23 – There was no discussion in regards to an option to lease real property for industrial development at the Port of Bay City.

Item 24 – On motion of Commissioner Joey Sliva, seconded by Trey Treybig, the Commissioners unanimously adjourned to Executive Session at approximately 6:59pm. All members of the general public exited the meeting.

Item 25 – At approximately 7:12pm, Regular Session was entered into with no action being taken in Executive Session.

Item 26 – Sharron Perez advised the Commissioners that employee pay needs to be discussed next month.

Michael Ferdinand advised the Commissioners that House Bill Five passed the senate and is going to the Governor's desk to be signed. This replaces the 313 which granted some relief to projects from school taxes. Renewables are excluded in the bill. George Harrison asked Michael Ferdinand to advise PCC of the passing of House Bill Five.

There being no further business to come before the Board, on motion of Commissioner Trey Treybig, seconded by Commissioner Lee Weathers, the Commissioners unanimously adjourned the meeting at 7:14pm.

Attest:

/s/ George Harrison

Approve:

/s/ Matthew Ashcraft