

MINUTES OF MEETING

BE IT REMEMBERED that the Commissioners of the Port of Bay City Authority met Thursday, September 14, 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
Dimitri Millas	Norton Rose Fulbright
Leslie Bacon	Norton Rose Fulbright
Visitors:	
Mike Ferdinand	MCEDC Executive Director
Mike Reddell	Bay City Sentinel
Teresa Gibbons	Matagorda Volunteer Fire Dept
Gayle Cook	Matagorda Volunteer Fire Dept
Clay Cook	Matagorda Volunteer Fire Dept
Mike Estlinbaum	Matagorda County Pct 2 Commissioner
Zachary Phillips	ZPI
Hayden Smith	Anchor QEA
Luke Cressman	HDR Engineers Inc

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

Item 1 – George Harrison led those in attendance in 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 August 10, 2023 and the special called meeting of August 30, 2023 were reviewed. On motion of Commissioner Joey Sliva, seconded by Commissioner Trey Treybig, the minutes of the regular meeting of August 10, 2023 and the special called meeting of August 30, 2023 were unanimously approved as read.

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

ACE HARDWARE	895.64
--OPERATING SUPPLIES	
ANCHOR QEA	18,979.05
--PROFESSIONAL SERVICES	
AQUA-ZYME SERVICES INC	160.00
--PUBLIC UTILITIES	
AQUA-ZYME SERVICES INC	320.00
--PUBLIC UTILITIES	
AQUA-ZYME SERVICES INC	480.00
--PUBLIC UTILITIES	
AT&T	1,276.48
--TELEPHONE EXPENSE	
AT&T	1,019.84
--TELEPHONE EXPENSE	
AT&T	750.53
--TELEPHONE EXPENSE	
AT&T	69.18
--TELEPHONE EXPENSE	
A-TEAM LANDSCAPING	200.00
--REPAIRS & MAINTENANCE - OFFICE	
BAY CITY CHAMBER OF COMMERCE	750.00
--PROMOTION & DEVELOPMENT	
BAY CITY JANITORIAL	566.43
--OPERATING SUPPLIES	
BAY CITY LIONS CLUB	80.00
--PROMTION & DEVELOPMENT	
B&C MOWING & LANDSCAPING	250.00
--REPAIRS & MAINTENCE – HARBOR	
COASTAL SIGNS & MORE LLC	1,100.00
--OPERATING SUPPLIES	

B ALLEN CUMBIE	6,394.75
--ATTORNEY'S FEES	
DIRECT ENERGY	118.09
--PUBLIC UTILITIES	
DIRECT ENERGY	119.51
--PUBLIC UTILITIES	
DIRECT ENERGY	49.98
--PUBLIC UTILITIES	
DIRECT ENERGY	50.39
--PUBLIC UTILITIES	
DIRECT ENERGY	426.94
--PUBLIC UTILITIES	
DIRECT ENERGY	5,211.13
--PUBLIC UTILITIES	
DIRECT ENERGY	4,643.79
--PUBLIC UTILITIES	
ELLEN DODD	1,360.00
--SPECIAL DISTRICT ACCOUNTING FEE	
GFL	1,096.08
--PUBLIC UTILITIES	
GRAINGER	530.49
--OPERATING SUPPLIES	
GRAINGER	906.28
--OPERATING SUPPLIES	
HDR INC	28,083.67
--PROFESSIONAL FEES	
HDR INC	778.00
--PROFESSIONAL FEES	
LOWE'S	690.76
--REPAIRS & MAINTENANCE – HARBOR	
MANUEL MENDOZA	10,415.00
--REPAIRS & MAINTENANCE - HARBOR	
MATAGORDA BOAT & RV STORAGE	1,680.00
--MISCELLANEOUS EXPENSE	
MATAGORDA COUNTY APPRAISAL DISTRICT	8,697.47
--APPRAISAL DISTRICT FEES	
MATAGORDA WD&WSC	109.50
--PUBLIC UTILITIES (HOUSE)	
MATAGORDS WD&WSC	798.65
--PUBLIC UTILITIES (SPRINKLER)	
MATAGORDA WD&WSC	278.30
--PUBLIC UTILITIES (TRAILER PARK)	
MATAGORDA WD&WSC	306.00
--PUBLIC UTILITIES (BOAT SHED)	
MATAGORDA WD&WSC	351.45
--PUBLIC UTILITITES (TENT AND FISH CLEANING)	
MATAGORDA WD&WSC	115.60
--PUBLIC UTILITIES (MEETING HOUSE)	
MATAGORDA WD&WSC	139.00
--PUBLIC UTILITIES (RESTROOM)	
MATAGORDA WD & WSC	47.50
--PUBLIC UTILITIES (PUMP)	
MCCOYS	540.06
--REPAIRS & MAINTENANCE – HARBOR	
PITNEY BOWES	183.57
--MISCELLANEOUS EXPENS	
PURCHASE POWER	620.01
--OPERATING SUPPLIES	
QUILL CORPORATION	199.95
--OPERATING SUPPLIES	
QUILL CORPORATION	45.18
--OPERATING SUPPLIES	
QUILL CORPORATION	244.96
--OPERATING SUPPLIES	
JAY SCHOLTEN	1,600.00
--REPAIRS & MAINTENANCE – HARBOR	
SHARRON'S BOOKKEEPING AND TAX SERVICE	7,186.27
--OFFICE MANAGER – CONTRACT SERVICES	
--PROFESSIONAL SERVICES	
--OPERATING SUPPLIES	
--TELEPHONE EXPENSE	
--TRAVEL	
SHORELINE CONSTRUCTION	14,895.41
--REPAIRS & MAINTENANCE – HARBOR	

STEPHANIE WURTZ	1,542.35
--ELECTION EXPENSE	
STEPHANIE WURTZ	506.24
--ELECTION EXPENSE	
SUTHERLANDS	636.53
--REPAIRS & MAINTENANCE – HARBOR	
SUTHERLANDS	213.38
--REPAIRS & MAINTENANCE – HARBOR	
TEXAS PORTS ASSOCIATION	5,000.00
--SEMINARS & DUES	
THE HOME DEPOT	331.98
--REPAIRS & MAINTENANCE – HARBOR	
THE SHERWIN WILLIAMS	755.28
--REPAIRS & MAINTENANCE – HARBOR	
VERIZON	133.20
--TELEPHONE EXPENSE	
WEST MARINE PRO	56.97
--REPAIRS & MAINTENANCE - HARBOR	
WILLSCOT	286.05
--MISCELLANEOUS EXPENSE	
CRAIG HLAVINKA	3,151.72
--TRAVEL	
--VEHICLE EXPENSE	
--OPERATING SUPPLIES	

Item 5 – Sharron Perez reviewed the Billing, Collection, Accounts Receivable, and Financial Reports for August 2023. There were no significant items to report on at this time, and Sharron Perez asked if there were any other questions regarding the financial information. Sharron Perez will double check the Port site rentals and ensure that all have been billed. On motion of Commissioner Matt Ashcraft, seconded by Commissioner Joey Sliva, the Commissioners unanimously approved the financial reports for August 2023. Detailed copies of these reports are kept as part of the current records of the Port of Bay City Authority.

Sharron Perez also presented a report on past due accounts and actions taken on these accounts. There were ten 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 6 - Craig Hlavinka reported on activity at the Port of Bay City. Everything is running smoothly. AEP is wrapping up the underground line. Roehm Americas has not agreed to the Barge and Wharfage agreement. Roehm Americas does not want to put the Port Authority as additional insured. Roehm Americas does not agree with the indemnification clause. The Port Authority will only be liable if the Port Authority is solely liable so there would be no exposure. Craig Hlavinka advised that Roehm Americas has made some deliveries by barge already and that they have a shipment in route to the Port turning basin. Craig Hlavinka suggested that the Port Authority allow Roehm Americas to unload the shipment that is in route and then no other shipments can be delivered until the agreement is signed. George Harrison advised Craig Hlavinka to contact Roehm Americas and advise them of the Port Authority's decision. Allen Cumbie advised that Roehm Americas had changed the \$5million dollar insurance requirement to \$2million although they have agreed to the \$5million but want to use their umbrella policy for the difference. Dimitri Millas advised the Port Authority that Norton Rose Fulbright did not have an issue with this. George Harrison stated that it would depend on how the umbrella policy is structured. George Harrison advised that if the umbrella policy triggers at \$2million then the Port Authority would be okay with it if there is no gap in coverage. Allen Cumbie advised that the Port Authority would need to be additional insured on both policies. Craig Hlavinka advised that Roehm Americas crew has completed significant improvements to the facility.

Craig Hlavinka reported on the activity at Matagorda Harbor. The rentals are holding steady. The meeting room remodel is complete.

Item 7 – George Harrison advised the Commissioners that there was an invoice in the bills to be paid in the amount of \$39,994.83 to the Matagorda Volunteer Fire Department for assistance in purchasing a firefighting boat. The dockage for the firefighting boat will be discussed when the boat is delivered. On motion of Commissioner Trey Treybig, seconded by Commissioner Matt Ashcraft, the Commissioners unanimously approved the payment of \$39,994.83 to the Matagorda Volunteer Fire Department for assistance in purchasing a firefighting boat. Clay Cook advised that the boat may be ready in April and a slip would be needed then.

Item 8 – Leslie Bacon, with Norton Rose Fulbright, advised that the proposed lease agreement for PCC is on the 24th revision. Norton Rose Fulbright has been involved with this for a year and a half, and the Port Authority has been working on it longer. There are a few items that need to be discussed. First,

the HUD documents show the Port Authority as the “seller” not “lessor”. The HUD document covers the title insurance on the improvements. Encumbrances still need to be cleared up. There will be a five-year option on the property indicated in exhibit D-2. Leslie Bacon advised that there are a few items that still need to be hammered out. Once PCC obtains financing for the project, the Port Authority may have to make some changes. The ten-year due diligence is covered. Allen Cumbie sent information to Michael Dickamp regarding the rail crossing the levee. Allen Cumbie does not see any issue with this once the engineering plans are submitted. On motion of Commissioner Joey Sliva, seconded by Commissioner Matt Ashcraft, the Commissioners unanimously approved the Ground Lease Agreement between the Port of Bay City Authority of Matagorda County, Texas and PCC Chemicals Corporation and authorize George Harrison to sign the agreement.

Item 9 – Matagorda County Precinct 2 Commissioner Mike Estlinbaum advised the Commissioners that the Matagorda County Commissioners will discuss the 1.755 acres under the Matagorda Bridge at the Gulf Intracoastal Waterway if the Port Authority is interested in moving forward. Leslie Bacon advised that the Port Authority would not have a clear title to the property. The best route forward would be for the Port Authority to obtain the land. Matagorda County would be able to donate the property or sale it to the Port Authority at below market value. Leslie Bacon advised that the Port Authority would need a purchase agreement and title policy. On motion of Commissioner Matt Ashcraft, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved authorizing Norton Rose Fulbright to contact the Matagorda County attorney after Matagorda County discusses the matter to look at a potential commercial fishing harbor on the 1.755 acres under the Matagorda bridge.

Item 10 – Sharron Perez discussed the expense items that need to be amended for 2023 at this time. On motion of Commissioner, Trey Treybig, seconded by Commissioner Matt Ashcraft, the Commissioners unanimously approved the following amended budget totals:

Total Amended Budgeted Revenues	\$ 2,651,740.09
Total Amended Personnel Expenditures	\$ 277,987.00
Total Amended Operation Expenditures	\$ 1,856,428.00
Total Amended Promotion and Development	\$ 57,165.00
Total Amended Capital Expenditures	\$ 832,000.00

A copy of the detailed amended budget is attached as part of these minutes, and a properly signed amended budget will be provided to the Port’s bookkeeper.

Items 11 -13 – The Commissioners discussed the various tax rates as provided by Matagorda County Tax Assessor-Collector. Sharron Perez proposed that the Port Authority adopt the 2023 Voter Approval Tax Rate of \$0.04754. On motion of Commissioner Joey Sliva, seconded by Commissioner Trey Treybig, the Commissioners unanimously approved to place a proposal to adopt the 2023 Voter Approval Tax Rate of \$0.04754 at the next scheduled public hearing/meeting to be held at 6:30pm on Tuesday, October 10, 2023 at the Matagorda County Economic Development Corporation Board Room, 1112 7th Street, Bay City, Texas.

Items 14 – 15 – Luke Cressman, with HDR Engineering, updated the Commissioners on the Caney Creek project. George Harrison advised the Commissioners of the Sargent Chamber of Commerce meeting. The need for dredging Caney Creek was discussed. The main priorities are safety and drainage without damaging any properties. The project will be cleaned up to the best of their ability as quickly as possible. Luke Cressman advised that the dredging will occur in Spring 2024. The meeting covered the specifics of the project. The front-end specs need to be finalized. Due to the nesting of the Eastern Black Rail, the project will be put out for bid in January or February with a starting date of late February or March. George Harrison advised that Matagorda County Drainage District No. 1 Chairman Barrett Franz attended the meeting and that the two entities are aligned on the project. George Harrison discussed the scope change for the dredging project. The scope covers the bid documents, pre-bid meeting, construction administration, developing front-end specifications, and agency coordination for permitting. The total for the change order is \$65,000. Approximately two-thirds of this will be during the construction phases. HDR would approve each funding request for the project prior to the request being submitted for payment. Sargent residents has complained about the debris and material being left after the US Corps of Engineers dredged. The change order will allow the Port of Bay City Authority and Matagorda County Drainage District No 1 to review the final project area prior to final payment being issued. On motion of Commissioner Joey Sliva, seconded by Commissioner Matt Ashcraft, the Commissioners unanimously approved the Scope Change No. PSC 002 – Bid Phase and Construction Administration Services for the Caney Creek Placement Area project in the amount of \$65,000.

Item 16 – Hayden Smith, with Anchor QEA, updated the Commissioners on the dredging of Matagorda Harbor. Hayden Smith reported on the meeting with Chris Honza and Aron Edwards from the US Corps of Engineers. The current depth of -7ft was discussed. The area around G-dock and Morgan Dock are both at -4ft. The boats are having to push thru the sludge on the bottom of the harbor. The proposed placement area will be in the Corps of Engineers placement area across the Gulf Intracoastal Waterway. Anchor QEA is working thru the process to have the dredging done. Core samples will have

to be taken. The project will have to go thru Operations in Galveston, District in Dallas, and then the Real Estate Division for final approval. The process to dredge Matagorda Harbor is more involved than in previous years. The possibility of having an updated survey performed to determine exactly how much material will need to be dredged. The Scope of Work will be presented at the October meeting for the project, as well as a Scope of Work for the Wetland delineation. If the wetland delineation is approved by the US Corps of Engineers, it will be good for five years. George Harrison advised that if the wetland delineation is approved by the US Corps of Engineers, then after the five years it can be renewed.

Item 17 – The rail spur agreement with Air Liquide was not discussed at this time.

Items 18 – 20 – Norton Rose Fulbright received feedback from Thomas St Pierre, the attorney for AEP. Leslie Bacon advised that the information is being reviewed and there are some concerns.

Item 21 – Mike Ferdinand, Executive Director of Matagorda County Economic Development Corporation, updated the Commissioners on the various prospects interested in Matagorda County. Tenaris has confirmed that their expansion project will be in Harris County after the tax abatement failed. Some prospects are continuing to look at the area, while others are looking elsewhere. There are manufacturing and chemical facilities still interested in Matagorda County.

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

Item 23 – At approximately 7:40pm, on motion of Commissioner Trey Treybig, seconded by Commissioner Lee Weathers, the Commissioners unanimously closed the regular meeting and adjourned to executive session to discuss the purchase, lease, or value of real property.

Item 24 – The meeting was called back into regular session at approximately 8:06pm with no action being taken in Executive Session.

On motion of Commissioner Trey Treybig, seconded by Commissioner Matt Ashcraft, the Commissioners unanimously approved Norton Rose Fulbright to submit a counter offer to Air Liquide and discuss options with their litigator and the Port Commissioners.

Item 25 – On motion of Commissioner Buddy Treybig, seconded by Commissioner Lee Weathers, the Commissioners unanimously adjourned the meeting at 8:08pm.

Attest:

Approve:

/s/ George Harrison

/s/ Matthew Ashcraft