

MINUTES OF MEETING

BE IT REMEMBERED that the Commissioners of the Port of Bay City Authority met Thursday, November 9, 2023, at the Matagorda County Economic Development Corporation Board Room, 1112 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
Jessica Sheppard	Bay City Sentinel
Daniel Shook	Fire Marshall City of Bay City
Zachary Phillips	ZPI
Shaun Kulcak	Harbor Bait & Tackle
Courtney Kulcak	Harbor Bait & Tackle
Luke Cressman	HDR Engineers Inc
Kate Allen	Visitor

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 October 10, 2023, the public hearing of October 10, 2023, and the special called meeting of October 27, 2023 were reviewed. On motion of Commissioner Joey Sliva, seconded by Commissioner Matt Ashcraft, the minutes of the regular meeting of October 10, 2023, the public hearing of October 10, 2023, and the special called meeting of October 27, 2023 were unanimously approved as read.

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

ANCHOR QEA	2,803.00
--PROFESSIONAL SERVICES	
AQUA-ZYME SERVICES INC	320.00
--PUBLIC UTILITIES	
AQUA-ZYME SERVICES INC	320.00
--PUBLIC UTILITIES	
AT&T	1,283.03
--TELEPHONE EXPENSE	
AT&T	343.28
--TELEPHONE EXPENSE	
AT&T	754.66
--TELEPHONE EXPENSE	
AT&T	957.86
--TELEPHONE EXPENSE	
AT&T	69.18
--TELEPHONE EXPENSE	
A-TEAM LANDSCAPING	200.00
--REPAIRS & MAINTENANCE - OFFICE	
BAY CITY JANITORIAL	488.87
--OPERATING SUPPLIES	
B&C MOWING & LANDSCAPING	500.00
--REPAIRS & MAINTENCE – HARBOR	
B ALLEN CUMBIE	5,880.75
--ATTORNEY’S FEES	
DIRECT ENERGY	26.79
--PUBLIC UTILITIES	
DIRECT ENERGY	403.40
--PUBLIC UTILITIES	
DIRECT ENERGY	9,824.38
--PUBLIC UTILITIES	

DIRECT ENERGY	52.05
--PUBLIC UTILITIES	
DIRECT ENERGY	125.62
--PUBLIC UTILITIES	
ELLEN DODD	1,360.00
--SPECIAL DISTRICT ACCOUNTING FEE	
GFL	1,126.83
--PUBLIC UTILITIES	
GULF INTRACOASTAL CANAL ASSOCIATION	600.00
--SEMINARS & DUES	
KLEPAC PEST & TERMITE CONTROL	64.00
--REPAIRS & MAINTENANCE - OFFICE	
MATAGORDA WD&WSC	84.10
--PUBLIC UTILITIES (HOUSE)	
MATAGORDS WD&WSC	2,457.40
--PUBLIC UTILITIES (SPRINKLER)	
MATAGORDA WD&WSC	241.70
--PUBLIC UTILITIES (TRAILER PARK)	
MATAGORDA WD&WSC	701.80
--PUBLIC UTILITIES (BOAT SHED)	
MATAGORDA WD&WSC	367.70
--PUBLIC UTILITIES (TENT AND FISH CLEANING)	
MATAGORDA WD&WSC	139.20
--PUBLIC UTILITIES (MEETING HOUSE)	
MATAGORDA WD&WSC	124.20
--PUBLIC UTILITIES (RESTROOM)	
NAPA AUTO & TRUCK PARTS	134.18
--REPAIRS & MAINTENANCE – EQUIPMENT	
NORTON ROSE FULBRIGHT	22,127.50
--ATTORNEY FEES	
NORTON ROSE FULBRIGHT	33,761.05
--ATTORNEY FEES	
QUILL CORPORATION	243.97
--OPERATING SUPPLIES	
QUILL CORPORATION	9.18
--OPERATING SUPPLIES	
JAY SCHOLTEN	1,600.00
--REPAIRS & MAINTENANCE – HARBOR	
SHARRON’S BOOKKEEPING AND TAX SERVICE	7,017.90
--OFFICE MANAGER – CONTRACT SERVICES	
--PROFESSIONAL SERVICES	
--OPERATING SUPPLIES	
--TELEPHONE EXPENSE	
--TRAVEL	
SHORELINE CONSTRUCTION	27,911.81
--REPAIRS & MAINTENANCE – HARBOR	
SUTHERLANDS	196.90
--REPAIRS & MAINTENANCE – HARBOR	
THE BAY CITY SENTINEL	1,980.48
--ELECTION EXPENSE	
THE BAY CITY TRIBUNE	378.93
--ADVERTISING	
VERIZON	135.47
--TELEPHONE EXPENSE	
WILLSCOT	286.05
--MISCELLANEOUS EXPENSE	
CRAIG HLAVINKA	1,451.71
--TRAVEL	
--VEHICLE EXPENSE	
--OPERATING SUPPLIES	

Item 5 – Sharron Perez reviewed the Billing, Collection, Accounts Receivable, and Financial Reports for October 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. On motion of Commissioner Matt Ashcraft, seconded by Commissioner Trey Treybig, the Commissioners unanimously approved the financial reports for October 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. There has been good communication between the tenants regarding loading/offloading of products and materials. There will be seven barges at the Port Authority for the month of November. The hay guy has mowed most of the Port of Bay City.

Craig Hlavinka reported on the activity at Matagorda Harbor. The rentals are holding up.

Item 7 – Daniel Shook, Fire Marshall of the City of Bay City, presented information to the Port Authority regarding the current dispatch system being used for the volunteer fire departments. Each department is dispatched differently and requires the dispatcher to utilize various systems to notify first responders. The City applied for a grant to purchase 65 pagers to be divided between the volunteer fire departments and reprogramming the dispatch consoles to accommodate the new pagers; however, the City was not awarded a grant. The City is now reaching out to other avenues to raise the funds for this project. George Harrison asked if the cost of the system includes the necessary training. Daniel Shook advised that it does. George Harrison asked Leslie Bacon and Dimitri Millas if there were any issues in the Port Authority participating in the cost of the project. There were none. On motion of Commissioner Matt Ashcraft, seconded by Commissioner Lee Weathers, the Commissioners unanimously approved the Port Authority participating in the cost of the new paging system for the Matagorda County Volunteer Fire Departments in the amount of \$5000.

Item 8 – Shaun Kulcak, owner of Harbor Bait & Tackle, updated the Commissioners on the bait shop located at Matagorda Harbor. Shaun Kulcak has completed the necessary repairs to the facility in a timely manner. Courtney Kulcak advised the Commissioners that they would like to have a long-term lease agreement for the bait shop. George Harrison asked if the Kulcaks have an offer for the bait shop. Shaun Kulcak advised that he does want to sale but not for a break even amount or less. There are no agreements to sale at this time. George Harrison asked the Commissioners if there were any question for the Kulcaks. There were none. George Harrison turned the lease negotiations over to Norton Rose Fulbright. George Harrison advised the Kulcaks that the current monthly price was for a prime period and this would be reviewed. Norton Rose Fulbright will make their recommendations regarding the long-term lease agreement to the Port Authority and a final decision will be made at the December meeting. Shaun Kulcak also asked the Commissioners if the fuel cap of ten percent could be removed. Buddy Treybig advised the Commissioners that he would like to see the bait camp be able to charge any amount. Matt Ashcraft agreed. Shaun Kulcak advised the board that he is not looking to overcharge customers. George Harrison asked Norton Rose Fulbright if the term “fair and reasonable” could be used in the lease agreement. Buddy Treybig feels that the Port Authority should not tell tenants how to run their business. Courtney Kulcak asked the Commissioners if they had any questions for them. George Harrison asked how business was going. Courtney Kulcak advised that they are having trouble keeping bait alive. George Harrison advised that the Port Authority has been in contact with the US Corps of Engineers regarding dredging Matagorda Harbor. The Port Authority has hired an engineering firm to determine the depths and how much sediment will have to be removed in order to get the depth back to 13 feet. There will be approximately 33,000 cubic yards. The Port Authority would dredge utilizing the Nationwide 35 permit as the harbor is a harbor of safe refuge. After the Corps approves the dredging at the lower levels, the dredging project would have to be approved by the Dallas branch and then the Real Estate Division. George Harrison explained working with the Corps can be glacial, but hopefully, the dredging project will take place next spring.

Item 9 – Luke Cressman, with HDR Engineers Inc, provided the West Basin Bulkhead submitted in April with no issues. The MARAD grant was applied for in order to develop the West side of the Port Turning Basin. The dock on the east side is sixty years old and no longer sufficient for the shipping needs of potential new tenants. The Port of Bay City Authority was awarded approximately \$9.9 million by MARAD for the Port turning basin improvements. There will be several meetings with MARAD regarding the timeline and necessary paperwork. The paperwork and grant funding has to be completed by September 30, 2026. As soon as the paperwork is approved, the project will have to be completed within five years. The timeline will include meetings with various representatives of MARAD, permitting process, surveying, Geotech activities, design, and construction. Compliance requirements will be critical during all phases of the grant award and construction. George Harrison asked Luke Cressman to prepare a scope of work on the project management with the compliance requirements built in to the scope. There will be an initial virtual meeting to go over the general guidelines. There will be several additional meetings and site visits. The Port of Bay City Authority is one of forty-one recipients. The first site visit with Brian Hill will be held the week of November 27th. Luke Cressman will attend the meeting. Craig Hlavinka advised that Roehm Americas current lease expires on May 31, 2023. George Harrison thanked Luke Cressman for all of his hard work on the grant application.

Item 10 – Matagorda County has not signed the lease agreement with the United States Corps of Engineers for the West Mooring Park Restoration project; therefore, the interlocal agreement between the Port of Bay City Authority of Matagorda County, Texas and Matagorda County for the West Mooring Park Restoration.

Item 11 – The Commissioners discussed the Scope of Work for the West Mooring Dock Park Restoration project. George Harrison advised that the project is moving forward slowly. Matagorda County is still working on the lease agreement with the USCOE for the property. Matagorda County Precinct 2 Commissioner expects the lease to be finalized next week. Once the lease agreement is signed, the Port Authority can approve both the Interlocal Agreement and the Scope of Work can be discussed at the December meeting. Allen Cumbie advised the Commissioners that the County is determining how much they will have to contribute to the improvements at the facility in order to enter into a new lease agreement. Allen Cumbie prepared an interlocal agreement based on the prior one for the facility. Hayden Smith has been advised the Port Authority will take the lead on the boat ramp project. The existing boat ramp was put in utilizing subpar concrete. George Harrison wants to maintain standards on the project. The initial scope of work will cover mostly regulatory issues. George Harrison advised that it is difficult to determine the cost of the project at this time. The Port Authority is confined to navigation related projects and will be in charge of the boat ramp. Matagorda County will be constructing the park and restroom facilities. The Port Authority will put signage to engage boat safety rules. Joey Sliva clarified that the County will have to have a lease in place first. George Harrison advised that the lease agreement could be delayed. Mike Estlinbaum advised that the county has met all of the challenges. George Harrison will set up a meeting with Matagorda County and the County Attorney.

Item 12 – Leslie Bacon, with Norton Rose Fulbright, advised that Air Liquide has sent a comment wanting the rail easement to be permanent; however, she advised that the easement could only be for the term of the existing lease with extensions. The rail agreement will not be included in a first amendment but as a completely separate agreement. Leslie Bacon is waiting for a response from Air Liquide.

Items 13- 15 – Leslie Bacon, with Norton Rose Fulbright, advised that they received a reply from AEP Texas Inc regarding the captive insurance. There is no disagreement in regards to the insurance, and the easements should be ready to sign at the December meeting. The Commissioners discussed the consideration to be paid by AEP for the three easements. Leslie Bacon advised that the initial consideration was \$325,000. A letter was sent to AEP increasing the consideration \$100,000 if the easements were not agreed upon within thirty days with an additional \$50,000 per month until the easements were signed. George Harrison advised that the Port Authority has delayed the agreements by four weeks.

Items 16 – 17 – Allen Cumbie has received the preliminary results from the November 7, 2023 election. Allen Cumbie congratulated Buddy Treybig and George Harrison for winning the election. Allen Cumbie passed out the proposed canvas. Once the County approves the results, the Port Authority will have to meet within fourteen days of the election to approve the canvas. Leslie Bacon advised that only two Commissioners have to be present in order to have quorum.

Item 18 - Mike Ferdinand, Executive Director of Matagorda County Economic Development Corporation, updated the Commissioners on the various prospects interested in Matagorda County. There are two sets of tax abatements that are being discussed currently. There is a reinvestment zone being discussed. Project Motivation has turned in an application for tax abatement. Matagorda County is a finalist on one site. The state is sending projects looking for low-cost land and buildings for projects.

Item 19 – The Commissioners discussed the Matagorda Waste Disposal and Water Supply Corporation's proposed tower/tank that will be placed on Port property. Buddy Treybig advised that the water company will be meeting next week to discuss this project.

Buddy Treybig asked about the property under the bridge. Leslie Bacon has not received any comments on the proposed property. George Harrison advised that negotiations with Matagorda County Attorney Jennifer Chau is moving slowly. George Harrison will have Norton Rose Fulbright to prepare a document to send to Jennifer Chau. Allen Cumbie asked if there is a need to obtain a warranty deed.

Item 20 - Kate Allen congratulated George Harrison and Buddy Treybig and thanked the Port Authority help with dredging Caney Creek.

On motion of Commissioner Matt Ashcraft, seconded by Commissioner Trey Treybig, the Commissioners unanimously adjourned the meeting at 7:31pm.

Attest:

Approve:

/s/ George Harrison

/s/ Matthew Ashcraft