

MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
MINUTES OF THE BOARD OF COMMISSIONERS
REGULAR BOARD MEETING
October 28, 2021

I. Chairman Neeley called the meeting of October 28, 2021, to order at 1:00 p.m. Chairman Neeley announced the Notice of Meeting had been duly posted and there was a quorum present. The Pledge of Allegiance was recited. Chairman Neeley welcomed those in attendance and thanked them for coming.

ATTENDEES:

David Aparicio, Commissioner
Victor Eggemeyer, Commissioner
Jimmy Neeley, Chairman
Greg Seaman Commissioner
Donny Tran Commissioner
Victor Martinez, Port Director

Verna H. Williams, Port Office Mgr.
Isidro Castanon, Port Attorney
Alan Schulman, Palacios Beacon
Tom Schmidt, Urban Engineering
Scott Hardwick, MCEDC
Craig Estlinbaum (1:30 p.m.)

I. 5. Report from Matagorda County Economic Development Corporation. Scott Hardwick, MCEDC Executive Director, gave a brief report.

II. 1. Consideration and approval of Minutes of Previous Meetings (9/22/2021). Minutes from the Regular Board Meeting of September 22, 2021, were reviewed. Commissioner Aparicio moved to accept the minutes as presented. Commissioner Eggemeyer seconded the motion. All voted affirmatively and the motion passed.

II. 2. Consideration and approval of Lease Activity since last Regular Board Meeting. Mr. Martinez reported on lease activity since the last regular Board meeting. There was one Recreational Lease renewal (T. Riccio). Occupancy for TB#3 Docks B-E is 92% and 60% for F&G slips are occupied. A motion was made by Commissioner Seaman to approve Port Lease Activity, as presented. Commissioner Tran seconded the motion. All voted affirmatively and the motion passed.

II. 3. Consideration and possible acceptance of successful bid(s) for surplus property – Marine Education Center, together with any improvements thereon, which includes the 75.79 Acre Upland Tract and 42.64 Acre Marsh Land Tract. The improvements include each of the buildings on the Marine Education Center property listed as the Hulen House, Main Education Classroom Building, Small Lab, Large Lab, Well House, Covered Walkway, Wood Pier, and the building known as the Diesel Mechanic Shop. Mr. Martinez stated, we received one successful bid from the Ed Rachal Foundation. The bid amount was \$3,355,000 with a check equaling 5% of the bid amount as a guarantee. We all understand the work the Foundation has been doing at the MEC and we are excited and encouraged for the potential of the development of the MEC property into a world class oyster research and resource facility for the State of Texas. The Port Attorney, Castanon, reviewed the bid packet and recommends acceptance of the bid. Mr. Martinez also recommends we accept this bid for the purchase of the Marine Education Property by the Ed Rachal Foundation. Commissioner Seaman made a motion to accept the successful bid from the Ed Rachal Foundation in the amount of \$3,355,000 for the purchase of the surplus property being the Marine Education Center consisting of the property listed above and as indicated within the Bid Packet. Commissioner Eggemeyer seconded the motion. All voted affirmatively and the motion passed.

II. 4. Consideration and approval of Prosperity Bank Wire Transfer Agreement. Mr. Martinez stated Prosperity Bank is requiring that we sign this agreement with them for Bank Wire Transfers. This is a standard Agreement which is required from all Commercial Account Holders. Port Attorney, Castanon, reviewed the documents and recommends the approval of the Agreement. Mr. Martinez also recommends approval of the Agreement in order to comply with Prosperity Bank's Wire Transfer regulations. Commissioner Eggemeyer made a motion to approve the signing of the Prosperity Bank Wire Transfer Agreement. Commissioner Tran seconded the motion. All voted affirmatively and the motion passed.

II. 5. Consideration and approval of purchasing and the installation of a GENERAC Generator at the Administration Building from Generator Supercenter. Mr. Martinez stated, we received two quotes for a generator from The Generator Supercenter in Victoria. First quote was for \$33,000 for the purchase and installation of a 48KW GENERAC generator. Second quote is \$46,000 for an 80KW GENERAC generator purchased and installed. Either one of these would keep the lights going for us, however we wouldn't need to worry about putting too much of load on the 80KW generator. This would run off diesel/propane, so we would need to buy/lease and install a propane tank. It was suggested to use natural gas. After some discussion, Commissioner Seaman made a motion to table this Agenda Item until the next Board Meeting so more information could be gathered on this subject. Commissioner Eggemeyer seconded the motion. All voted affirmatively and the motion passed.

II. 6. Consideration and possible action to approve the Matagorda County 2021 Levy Tax Roll Report and the Matagorda County 2021 Grand Total Report. Mr. Martinez stated, Property Tax Code Section 26.09 (e) requires us as the governing body to approve the Levy Tax Roll Report and the Grand Total Report as given by the Tax Assessor. I have looked over each of the reports and they match up with the estimated taxes we budgeted for in FY2022. Commissioner Eggemeyer made a motion to approve the Matagorda County 2021 Levy Tax Roll Report and the Matagorda County 2021 Grand Total Report. Commissioner Aparicio seconded the motion. All voted affirmatively and the motion passed.

II. 7. Consideration and possible action to approve a Letter of Agreement for KM&L, LLC to provide annual financial audit services to the Navigation District for FY2021. Mr. Martinez stated, KM&L, LLC conducted a very thorough and objective FY2020 financial audit for the District at a reasonable rate. Last year's audit expense was \$10K, due to the receipt of Grant Funds from TXDOT in 2020 and FEMA, Government Auditing Standards Board. However, since we didn't receive more than \$750K in grant funds in 2021, the cost for our audit maybe lower than \$10K. The Auditor will determine if this requires us to have a more detailed audit. KM&L, LLC proposes a fee not to exceed \$10K for the FY2021 audit. I recommend to approve a Letter of Agreement for KM&L, LLC to conduct the District's FY2021 financial audit. Commissioner Aparicio made a motion to approve a Letter of Agreement for KM&L, LLC to provide annual financial audit services to the Navigation District for FY2021. Commissioner Eggemeyer seconded the motion. All voted affirmatively and the motion passed.

II. 8. Consideration and approval of the updated Investment Policy as presented. Mr. Martinez stated, The MCND #1 Investment Policy and the Authorized List of Brokers/Dealers should be reviewed annually, and any changes recommended to the MCND #1 Commissioners for consideration. The MCND #1 Investment Policy was last revised on November 16, 2017. From time to time, Appendix B, Authorized List of Banks/Brokers/Dealers has been amended. A copy of the current Investment Policy is attached. At this time, the following changes to the Policy are recommended: Page 4, Section I. Authorized Investments, 1. Obligations of, or Guaranteed by, Governmental Entities (e), to read: "Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rate firm not less than A or its equivalent." This recommendation comes after speaking with a financial advisor which would allow us another avenue of investing that will be within the Texas Public Funds Investment Act. Commissioner Eggemeyer made a motion to approve the updated Investment Policy as presented. Commissioner Aparicio second the motion. All voted affirmatively and the motion passed.

II. 9. Consideration and possible approval of Resolution to Authorize Signatures on MCND #1 Financial Accounts. Mr. Martinez stated, as a matter of routine practice MCND #1 reviews and updates any documents that are required for standard business and to remain within auditing standards. Last Board meeting it was approved to start liquidating the C2 portfolio and put into guaranteed investments. This Resolution is to Authorize Signatures on Financial Accounts as needed to add Raymond James & Eagle Asset

Management as our institutions who we have accounts with. Mr. Martinez read the Resolution to the Board. Commissioner Tran made a motion to approve a Resolution to Authorize Signatures on MCND #1 Financial Accounts as read. Commissioner Seaman second the motion. All voted affirmatively and the motion passed.

II. 10. Discussion on updates and possible approval on continuing on Urban Task Order #46, FEMA Alternate Project. Matt Glaze handed out two Construction Plans drawings on the FEMA Alternate Projects: MCND#1 Dock Improvements (Docks B, C, F & G) and MCND#1 TB#4 Drainage Improvements. He and the Board had discussion on both sets of drawings.

III. INTERNAL & FINANCIAL REPORTS for Board discussion and appropriate action Internal Reports.

- a. Contractor's Port Maintenance Report (not available)
- b. Port Director's Operations, Promotion & Development Activity

Consideration and approval of Current Voucher Control Report. Commissioner Seaman made a motion to accept the Current Voucher Control Report. Commissioner Tran seconded the motion. All voted affirmatively and the motion passed.

Consideration and approval of Current Register Reports. After review, Commissioner Aparicio made a motion to approve the current Register Reports. Commissioner Tran seconded the motion. All voted affirmatively and the motion passed.

Consideration and approval of 2nd Quarter Financial Report. After review, Commissioner Aparicio made a motion to approve the 2nd Quarter Financial Report. Commissioner Eggemeyer seconded the motion. All voted affirmatively and the motion passed.

Consideration and approval of Current Investment Activity Report. Mrs. Gonzalez reported on the Current Investment Activity Report. Commissioner Eggemeyer made a motion to approve the Current Investment Activity Report. Commissioner Tran seconded the motion. All voted affirmatively and the motion passed.


IV. EXECUTIVE SESSION – At 2:43 p.m., the Board went into an Executive Session, as authorized by the Texas Government Code Sections 551.071, 551.072, 551.074 and 551.087 of the Open Meetings Act, permitting discussion and deliberation in an Executive Meeting for the following purpose:

1. Consultation with Attorney on legal matters as permitted under Sections 551.071 including, but not limited to some of the other matters listed below to be discussed in Executive Session.
2. To conduct deliberations regarding real property and to conduct deliberations regarding economic development as permitted under Sections 551.072 and 551.087 including, but not limited to the following matters:
 - a. Discussion concerning future development of properties and leases
 - b. Discussion on economic development
 - c. Discussion on concerning default leases
 - d. Discussion on repair of Port property

V. RETURN TO OPEN SESSION – The Commissioners returned to Open Session at 4:34 p.m. Chairman Neeley made the following motion: to authorize Victor Martinez to get RFP's (Request for Proposals) for detail dock survey. Commissioner Eggemeyer seconded the motion. All voted affirmatively and the motion passed. No other motions were offered for action from Executive Session.

VI. SCHEDULE THE NEXT MEETING DATE, TIME, AND PLACE. The next Regular Board Meeting was scheduled for Wednesday, November 17, 2021, at 1:00 p.m. at the Port Administration Building.

VII. ADJOURNMENT. Commissioner Eggemeyer moved to adjourn and was seconded by Commissioner Aparicio the motion carried, and the meeting adjourned at 4:37 p.m.



Greg T Seaman, Secretary