



PORT COMMISSION MEETING

Tuesday, May 04, 2021, at 10:00 AM
Electronically through Zoom

MINUTES

STATE OF TEXAS §
COUNTY OF CALHOUN §
CITY OF PORT LAVACA §

MINUTES OF 05/04/2021 REGULAR PORT COMMISSION MEETING

The Agenda having been properly posted, Chairman Alex Davila called the meeting to order at 10:03 A.M. on Tuesday, May 4, 2021. Members attending were Commissioner Mike McGuire, Commissioner David Roberts, Commissioner Sue Traylor, Commissioner Raymond Butler. City Staff attending were, City Manager Jody Weaver, Finance Director Susan Lang, Harbor Master Jim Rudellat and Rachel Garza. Visitors in attendance Matt Glaze, Urban Engineering.

CONSENT AGENDA

- a) MINUTES OF REGULAR MEETING April 6, 2021
*A motion was made to approve the minutes by Commissioner Mike McGuire, Seconded by Commissioner David Roberts
Motion Carries.*

REPORTS

1. RECEIVE FINANCIAL REORTS OF PORT REVENUE FUND

- a) Tariff Report
- b) Account Aging Report
- c) Payment Report
- d) Revenue and Expenditure Report
- e) Balance Sheet
- f) Profit and Loss Cash Flow Report

*Account Aging Report: Jim Rudellat, Harbor Master will continue to follow up on all past due all accounts.
Cable One Inc. – Jody Weaver, City Manager will reach out to Cable One regarding past due amount.
Profit and Loss Cash Flow Report to be provided to the Port Commissioners by email.
No action necessary and none taken.*

2. RECEIVE STATUS REPORTS OF CAPITAL IMPROVEMENT PROJECTS**a) Low Docks at City Harbor**

The contractor has completed all work on the project.

The final inspection was held 4-26-21.

The contractor was asked to add additional crushed concrete to the north side of the project and level the repair area near Scully's. This work is expected to take place next week.

b) Scully's Bulkhead and Finger Pier Repairs

The contractor has completed all work on the project with the exception of the aluminum handrails. Shirley plans to install the handrails next week.

c) Dredging of Smith Harbor

Urban Engineering received the executed contract documents and bond from the contractor today. Once reviewed for completeness, the documents will be sent to the City for execution.

d) Renovations to Nautical Landings Marina Break-water – TPWL Grant

I received an email on Tuesday, April 20 from Robin Kolton with the Texas Parks and Wildlife. She let me know that she had our grant agreement on her desk to complete and was just verifying the Mayor and Finance Director's name. I have not had any more contact with her despite many attempts to reach out again by email. Understand all the State Agencies are still working from home and there is no way to contact them except email.

Based upon her April 20th email though I am optimistic we should have something in hand within a couple of weeks.

Once the Contract is executed, Urban will work to get the bid documents completed in short order.

e) Improvements to the Nautical Landings Marina Building

The Port Commission has a total of \$80,000 budgeted for a Facelift to the Building and replace doors. \$4,935.00 has been spent to date to contract with Mark Barefoot to replace one door to get a better picture of the construction involved to replace these doors.

Jim Rudellat, Harbor Master has ordered 3 doors and accompanying windows like the one Barefoot replaced for a cost of \$4,191.00. These are special order and have about an 8-week lead time. In the meantime, I have asked Victor Fredricksen, P.E. for a proposal to put together a technical specification package so we can go out to bid for the installation of these three doors being furnished by the city plus furnishing and installation of 5 other single man-doors and reverse the swing on the double doors. (These 5 doors are not special order and are proposed to be furnished by the contractor). As time permits, I am trying to put a plan together to make revisions to the concrete walk and parking in the front of the building.

f) Receive report of Nautical Landings Marina Project 6448. Payment of fund request forms.

Jody Weaver presented copies of the Fema reimbursement request 1 & 2 for the Nautical Landing Marina.

3. RECEIVE STATUS REPORTS ON SPECIAL PROJECTS**a) GLO cleanup of old Bilge Reclamation Site at City Harbor.**

Tony Belton, GLO had previously contracted a company to conduct the removal and disposal event but were forced to rescind the contract when the vendor refused to acquire the necessary liability insurance for the potential issues we identified. I am happy to say, we have completed the contract solicitation again for this fiscal term and have a new vendor identified for the removal, cleaning and disposal of the equipment, materials and site located at the Port Lavaca Harbor. I cannot definitively state the exact start date, but we hope it will be within the next 120 days. Once I receive word from our legal department and the vendor, we will contact you to discuss the logistics of the operation. Since this is a multi-location event, we want to ensure all parties are prepared and that we can meet everyone's expectations.

b) Voluntary Restoration of disturbed final cover at the Harbor of Refuge Tract 16.

Jim Rudellat, Matt Glaze and I met with Randy Boyd on Tuesday, April 27 to discuss this work. Randy has agreed to complete the required voluntary restoration work per the plans approved by TCEQ. RLB will provide all the required materials, labor, equipment, and methane detection during the work.

RLB plans to complete this work sometime during the month of May but commits to having it completed no later than the end of June. -

The work involves providing 18" of clay soil and 6" of topsoil over an area of about 150' x 95' and graded to drain.

c) Limited Phase II Environmental Site Assessment of Harbor of Refuge Tracts 16, 17, and 17A.

Jody Weaver, presented a summary report of the CRG Texas Environmental Services, limited Phase II Environmental Site Assessment detail conducted for the Harbor of Refuge Tract 16, 17, and 17A.

d) Proposed Air Burner for Brush Operations and Cleanup at the Harbor of Refuge.

Jody Weaver, City Manager, spoke again with the vendor and he confirmed that the lead time for delivery once the unit is ordered in 12-14 weeks. The vendor was able to give me someone to contact at TCEQ to get preliminary information on what (if any) improvements we would need to make to a site at the Harbor of Refuge to locate the burner there for at least the first year or so. I am waiting to hear back.

Wayne is setting up a meeting with Vern Lyssy to start a serious dialogue on the potential of establishing a recycle center along with the brush staging and Air burning out at the County's recycle center site on Rosenbaum Road.

Prior to purchase we need to determine which is the best option: electric or diesel powered. We have been discussing electric, but there is no 3-phase service at the Harbor of Refuge site, so we need to look at the cost to get it there. We could consider using a generator but would not want to do that for an extended period of time.

4. RECEIVE HARBOR MASTER'S OPERATIONS, PROMOTION/DEVELOPMENT ACTIVITY REPORT. Presenter Jim Rudellat**a) City Harbor**

- 1) *Miller Seafood: We received a letter from Curtis Miller expressing his interest in entering into a new lease agreement when the current lease expires on July 31.*
- 2) *Wild Reef Seafood: John Tesvich made repairs to the dock at his lease.*
- 3) *We are getting pricing for a boundary survey of track 10 and the area that had been leased by SCR to determine exact location of a 50 ft road right-of-way and exact area of length of dockage available to rent.*

c) Nautical Landings Building – No Updates**d) Nautical Landings Marina**

- 1) *John Pena: court date May 13, 2021*
- 2) *Dominic Diodato: awaiting court date*
- 3) *Matt Estes: awaiting Probate*
- 4) *Horizon Environmental has been onsite eleven (11) times since last PC meeting*

e) Smith Harbor

- 1) *Poor Boys Bait: lease up August 31, 2021*

f) Harbor of Refuge

- 1) *Helena Agri-Enterprises, LLC: At Helena's request, we had a meeting at City Hall on April 8, 2021, to discuss tariff rates with Louis Rodrigue, VP of the Southern Unit of Helena; Ward Bloodworth, National Director of Fertilizer; Jeff Holley, the local operations manager; Alex Davila, Jody Weaver, and myself. This meeting was a topic of Councilman Smith's at the April 12 City Council Meeting.*
- 2) *Equalizer, Inc: I have been in talks about dockage charges.*
- 3) *Been in Talks with the Police Chief about camera system for HOR.*

5. RECEIVE HARBOR MASTER'S INSPECTION / MAINTENANCE REPORT

*Checklist submitted by Jim Rudellat, Harbor Master.
Commissioners discussed this agenda item.
No action necessary and none taken.*

V. ACTION ITEMS: LEASES**6. CONSIDER Amendment No. 1 to the Ground Lease Agreement for TRACTS 7, 8, and 11 at CITY HARBOR (WILD REEF SEAFOOD): Presenter Jody Weaver**

*Motion to recommend to City Council approval of the above cited amendment to the definition of "Permitted Use" in the Ground Lease Agreement with Wild Reef Seafood and recommend Council authorize the Mayor to sign the TABC permit application as owner of the facility.
Motion was made by Commissioner Sue Traylor and Seconded by Commissioner Raymond Butler.
Motion carries*

7. CONSIDER two (2) year option to extend lease of SLIP CH1 and adjacent Land and Buildings (BIG BEAR SHRIMP AND SEAFOOD): Presenter Jody Weaver

Jody Weaver, City Manager, recommendation is to accept the location of the generator as part of the leased Slip CH1 space and more carefully describe the limits of the lease in a new lease document to be executed beginning July 1, 2023. Note Effective July 1, 2021, the rental rate of \$300 will be adjusted by the most current Municipal Cost Index published at that time. An MCI adjustment will also be made effective July 1, 2022.

Motion made by Commissioner Raymond Butler, Seconded by Commissioner Sue Traylor.

Voting Aye: Commissioner David Roberts

Voting Nay: Commissioner Mike McGuire

Motion carries

8. CONSIDER Amendment to current and Standard Lease document of the Section entitled Delinquent Payments: Presenter Jody Weaver

Tabled until next Port Commission Meeting – June 1, 2021

PROPOSED REVISED Section 5.04 Delinquent Payments

"The City of Port Lavaca is under no obligation to send an invoice or monthly Notice for Rent or Tariffs due. Rent and any Dock tariffs, which are established in the lease for a fixed linear footage of dock space, are due on the 1st of each month. All other tariffs and/or other payments required of Tenant are due by the 25th day of the month following the month when the charges are incurred. All payments for Oysters shall be accompanied by a copy of the applicable Texas Oyster Sales Fee Report the Tenant submitted to the Texas State Comptroller. All Rent and other payments required of Tenant hereunder which are not paid by the dates cited above shall bear interest at the maximum rate allowed by law (or, if there is no maximum rate, at ten percent (10%) per annum) from the date due until the date paid. In no event, however, shall the charges permitted under this Section or elsewhere in this Lease, to the extent any or all of the same are considered to be interest under applicable law, exceed the maximum rate of interest allowable under applicable law."

9. CONSIDER Moratorium on Rail Car Tariff charges, retroactive to October 1, 2020, to provide time to receive input from Helena Chemicals: Presenter Jody Weaver

Tabled until next Port Commission Meeting – June 1, 2021

At the City Council meeting on April 12, Council asked that Helena be provided time to gather information and then meet with myself, Jerry Smith, Jim Rudellat and representatives of the Port Commission to consider their information and reevaluate the tariff rates voted in last October and then bring a recommendation back to Council.

Therefore, in light of 1) the discussion at the City Council meeting on April 12 and 2) the fact that Helena has disputed the rail car rate in particular as being excessive and 3) there is a question of how many days are to be charged since the length of time the rail cars sit is out of Helena's control, and 4) Helena has therefore not paid any of this tariff to date, I am recommending to Port Commission to consider placing a moratorium on the \$75/day/car rail rate, retroactive to October 1, 2020, until such time this meeting requested by Council is accomplished and a recommendation is taken back to Council for any new action. Note: Helena is also requesting a re-evaluation of other rates, but Helena has been paying - and will continue to pay - those charges as stipulated in the current rate structure, until a recommendation is made to Council for any change.

VI. ACTION ITEMS: NEW BUSINESS

CONSIDER APPROVAL OF URBAN ENGINEERING TASK # 25 FOR ENGINEERING FOR IMPROVEMENTS TO THE UPPER DOCK AT THE CITY HARBOR: Presenter Jody Weaver

Motion was made to recommend to City Council and authorized Task Order No 25 for the engineering of Improvements to the Upper Dock at the City Harbor.

Motion was made by Commissioner Mike McGuire and Seconded by Commissioner David Roberts.

Motion carries.

VII. GENERAL COMMENTS FROM COMMISSIONERS

No comments.

No action necessary and none taken.

VIII. ADJOURNMENT

A motion was made by Commissioner David Roberts to adjourn the meeting. It was seconded by Commissioner Mike McGuire. The meeting was adjourned at 12:13 P.M.