
CITY OF PORT LAVACA

PORT COMMISSION: 07. 21.2026

DATE: 7.15.2026

TO: JODY WEAVER, CITY MANAGER

FROM: KATERYNA THOMAS, GRANTS & CIP COORDINATOR

SUBJECT: CONSIDER APPROVAL FOR THE USACE BASE FEE REQUIRED TO INITIATE A SECTION 408 REVIEW FOR CEPRA HARBOR OF REFUGE PROJECT

Background:

The City of Port Lavaca is continuing implementation of the Coastal Erosion Planning and Response Act (CEPRA) Harbor of Refuge Project, which is designed to improve shoreline resiliency and enhance the Harbor of Refuge.

As part of the federal permitting process, the U.S. Army Corps of Engineers (USACE) has requested payment of a Section 408 administrative review fee. This fee is required to initiate and process the USACE Section 408 review because the project may interact with a federal navigation project, specifically the Harbor of Refuge Channel.

According to USACE, the administrative fee is not a lease payment or consideration for the use of federal property. Instead, it is a standard user fee that covers the personnel and administrative costs associated with reviewing the project. These activities include project coordination, contract preparation, engineering and operational review, site inspections, mapping, communications with the applicant, and other administrative tasks necessary to complete the Section 408 review. This administrative fee has been routinely required for local and state government projects within USACE real estate along the Texas coast for several years.

The City has already completed the required Section 408 coordination with USACE. Payment of this administrative fee is necessary for USACE to continue processing the project.

The Texas General Land Office (GLO) did not anticipate that the U.S. Army Corps of Engineers (USACE) Section 408 administrative review fee would be required for this project. As a result, funding for this expense was not included in the CEPRA project budget. To avoid delays in the federal review and permitting process and to allow the Harbor of Refuge CEPRA Project to proceed as scheduled, the City of Port Lavaca will pay the required administrative fee.

Financial Implication:

The required USACE Section 408 administrative fee is \$19,900.00. The fee will be paid from the City's Port & Harbor Fund.

Request Action:

Consider approval of the payment of the \$19,900.00 U.S. Army Corps of Engineers Section 408 administrative review fee from the City's General Fund to allow the Harbor of Refuge CEPRA Project to continue through the federal review and permitting process.

Attachments:

Letter from USACE



DEPARTMENT OF THE ARMY
UNITED STATES ARMY CORPS OF ENGINEERS
GALVESTON DISTRICT
2000 FORT POINT ROAD
GALVESTON, TEXAS 77550

SUBJECT: Matagorda Ship Channel, Port Lavaca Harbor to Refuge Project; Calhoun County, Texas; REIN 26-025

Jody Weaver
City Manager
City of Port Lavaca
202 N. Virginia St.
Port Lavaca, TX 77979

Dear Ms. Weaver:

We have received your request to construct numerous shoreline protection projects and a Beneficial Use sight within the Matagorda Ship Channel, Port Lavaca Harbor to Refuge Project, Calhoun County, Texas. The Real Estate Intake Number (REIN) assigned to your request is REIN 26-025.

The costs for your requested transaction are currently estimated to be \$19,900. These costs include payment for work products like environmental, cultural, and historical assessments, contract preparation, determinations of value, and preparation of land surveys, maps, and legal descriptions, and additional efforts including site visits, compliance inspections, and general correspondence.

Payment in the amount of \$19,900 can be remitted by either Wire Transfer or Automated Clearing House (ACH). Any funds received must also have the same entity's name that is consistent on all the following documents: Real Estate application, Regulatory Permit, W-9, and Articles of Incorporation (also known as Formation Documents):

Wire transfer:

Bank Name: Treas NYC/Funds Transfer Division
Account Name: Treas NYC/CTR/BNF=/AC-00008736
Bank ABA Number: 021030004
Account Number: 00008736
Bank Address: Federal Reserve Bank New York City, NY

ACH/EFT:

Bank Name: Cash Link – ACH Receiver
Account Name: USACE Finance Center
Bank ABA Number: 051036706
Account Number: 220025
Bank Address: Riverdale, MD

Account Type: Checking

Include the REIN (26-025) in the remarks section of your remittance to ensure the transaction is processed correctly. Payment of administrative fees must be received within 45 days from the receipt of this letter, or your application could be closed for inactivity. Please ensure that the payment is sent directly from the entity, which is identified as the applicant, payments sent from any other entity will be returned.

This payment of fees does not assure the ultimate approval of your request. Please note that if the actual costs for executing this transaction are greater than the above estimate, you will be notified, in writing, and required to pay the additional amount prior to our continuing the processing of the action. If excess funds exist at the time your action is complete, such funds will be remitted to the Treasury as general operations and maintenance funds in accordance with Title 10 U.S.C. 2695 and a final accounting will be provided to you.

For questions regarding this letter, please contact David Jordan at 409-766-6348 or by email at david.t.jordan@usace.army.mil.

Sincerely,

BUCHALSKI.ROB
ERT.JOHN.10267
20393

Digitally signed by
BUCHALSKI.ROBERT.JOHN.
1026720393
Date: 2026.05.15 13:19:42
-05'00'

Robert J. Buchalski
Chief, Management and Disposal Branch

cc:
Jennifer Hymel

RE: [EXTERNAL] Fw: REIN 26-025 Fee Letter

From Josh Carter <Josh.Carter@coastharboreng.com>

Date Tue 6/16/2026 10:36 AM

To Abigail Richardson <Abigail.Richardson@glo.texas.gov>; Kirsten McElhinney <Kirsten.Mcelhinney@coastharboreng.com>

Cc Thomas Everett <Thomas.Everett@coastharboreng.com>; Jody Weaver <jweaver@portlavaca.gov>; Jody Weaver <jweaver@portlavaca.gov>; Kateryna Thomas <kthomas@portlavaca.gov>

Abigail,

Thanks, I'm forwarding to Jody and Kateryna to be sure they get the message to wait on any payment activities.

I believe we need more information from USACE to justify the need for this fee.

I reached out to one of our permitting experts about this request as I had not heard of it before; this is their response, which does not provide much more clarity but some context:

The \$20,000 is the USACE base fee required to initiate a Section 408 review. It is an amount the Corps has determined is necessary to cover the personnel resources needed to process an application through the review. If USACE real estate is involved or determined to be potentially adversely affected, additional fees are often assessed. Typically, the notice from the Section 408 team is received shortly after the regulatory permit application has been submitted and is under evaluation.

Interestingly, you are the third person to contact me about Section 408 this week. I recently heard from regulatory leadership that new procedures related to the processing of both regulatory permits and Section 408 reviews are expected to be rolled out soon. I do not have any details yet, but I suspect the changes may be aimed at preventing Section 408 reviews from delaying issuance of regulatory permits.

As an example, last week we received an extension of time authorization for a project that had been approved for more than 10 years and for which the client had long ago paid the required Section 408 fees. After the extension was issued, the Section 408 team contacted us and indicated that additional review was necessary. That was a first for me, and the regulatory project manager—who has several decades of experience—had not encountered that situation before either.

The letter that USACE sent referred to Real Estate and 408 coordination (note: 408 is coordination with USACE when our project may potentially impact/interact with a federal project, here, the harbor of refuge channel). We have already completed 408 coordination (it was very brief and simple). I have completed 408 evaluation with USACE Galveston on 2 other projects and it was similarly simple and brief and no fee was assessed. I have completed 408 evaluation with several projects with USACE New Orleans that were substantially more extensive and a fee was never mentioned. If the fee is for 408 evaluation, I would be shocked if the 408 coordinator spent more than 4 hours in review and coordination with us.

If the fee is regarding some real estate issue, I do not understand what that may be. The work is 100% on state owned waterbottoms or City of Port Lavaca land. It does not interact with USACE property or easements. I see no role for USACE real estate in any of this action.

It is possible there are new rules that require funding the USACE to operate in their review capacity; I have not heard of this before or read any notices about this if it is the case, but that doesn't mean its not possible.

Thanks,
Josh

Josh Carter, PE*, BC.CE

Principal

Coast & Harbor Engineering, Inc.

Direct: 512.615.0816

Mobile: 512.289.3857

www.coastharboreng.com



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*PE licened in TX, LA, MS, AL, FL, VA

From: Abigail Richardson <Abigail.Richardson@glo.texas.gov>

Sent: Tuesday, June 16, 2026 7:09 AM

To: Kirsten McElhinney <Kirsten.Mcelhinney@coastharboreng.com>

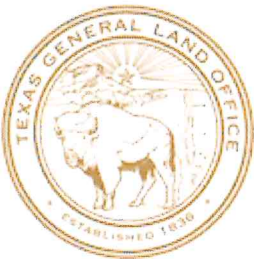
Cc: Thomas Everett <Thomas.Everett@coastharboreng.com>; Josh Carter <Josh.Carter@coastharboreng.com>; Whitlow Jack <jweaver@portlavaca.org>

Subject: RE: [EXTERNAL] Fw: REIN 26-025 Fee Letter

Hello All again,

Please pause any payment activities, We thought this was something different. We are investigating this further and well let you all know more when we know more. Please feel free to call or email if you have any questions.

Thank you,



Abigail Richardson

CEPRA Project Manager

Coastal Protection Department

Texas General Land Office

Commissioner Dawn Buckingham, M.D.

Office: (512) 475-5400



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From: Abigail Richardson

Sent: Friday, June 12, 2026 8:09 AM

To: Kirsten McElhinney <Kirsten.Mcelhinney@coastharboreng.com>

Cc: Thomas Everett <Thomas.Everett@coastharboreng.com>; Josh Carter <Josh.Carter@coastharboreng.com>; Whitlow Jack <jweaver@portlavaca.org>

Subject: RE: [EXTERNAL] Fw: REIN 26-025 Fee Letter

Hello All,

I spoke with Kelly Brooks (Program Manager for CEPRA) and this is not unusual. How we normally proceed is the applicant (Port Lavaca in this case) pays the fee and bills the GLO.

Please let me know if there are any questions,



Abigail Richardson

CEPRA Project Manager

Coastal Protection Department

Texas General Land Office

Commissioner Dawn Buckingham, M.D.

Office: (512) 475-5400



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From: Kirsten McElhinney <Kirsten.Mcelhinney@coastharboreng.com>

Sent: Thursday, June 11, 2026 1:26 PM

To: Abigail Richardson <Abigail.Richardson@glo.texas.gov>

Cc: Thomas Everett <Thomas.Everett@coastharboreng.com>; Josh Carter <Josh.Carter@coastharboreng.com>; Whitlow Jack <jweaver@portlavaca.org>
Subject: [EXTERNAL] Fw: REIN 26-025 Fee Letter

You don't often get email from kirsten.mcelhinney@coastharboreng.com. [Learn why this is important](#)
Hi Abigail,

We received the attached letter from USACE Real Estate division regarding a required fee for the Harbor of Refuge Project. We I asked the USACE real estate specialist to clarify what this fee is for, he gave the response below. I have never seen a request like this in my previous permitting efforts. Have you dealt with this previously?

"This is the user fee it takes us to work the project. This isn't consideration/rent, it's the administrative funds we need to process and review everything. So, we'll charge to this for things like contract preparation, site inspection visits, communications with applicant, mapping, etc., and note this fee also includes what Operations needs to review the project and the paperwork on their side. You shouldn't receive an additional letter from them. All projects across coastal Texas that are within a USACE tract receive an administrative fee letter which has included all local and state government for at least the last 6+ years."

Thanks,
Kirsten

Kirsten McElhinney, PE*

Project Manager - Coastal Engineer
Coast & Harbor Engineering, Inc.
Direct: (904) 469-1159
www.coastharboreng.com



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*PE in TX and FL

From: Jordan, David T CIV USARMY CESWG (USA) <David.T.Jordan@usace.army.mil>
Sent: Thursday, June 4, 2026 5:25 PM
To: jweaver@portlavaca.org <jweaver@portlavaca.org>; Kirsten McElhinney <Kirsten.Mcelhinney@coastharboreng.com>
Cc: Espinoza, Dana M. CIV USARMY CESWG (USA) <Dana.M.Espinoza@usace.army.mil>
Subject: REIN 26-025 Fee Letter

Good afternoon,

Please see the attached administrative fee letter for REIN 26-025. Once funds are received, Dana Espinoza will be your POC for this project.

Thanks,

David Jordan
Realty Specialist, M&D Branch
USACE Galveston District
Office: (409) 766-6348
Cell: (409) 291-1707
Email: david.t.jordan@usace.army.mil