

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD MARCH 6, 2019 AT 5:30 P.M.**

The Board of Navigation and Canal Commissioners of the Brownsville Navigation District of Cameron County, Texas, held a regular meeting on **Wednesday, March 6, 2019 at 5:30 p.m.** The following individuals were present and absent:

PRESENT: John Reed, Chairman
Sergio Tito Lopez
Ralph Cowen
John Wood
Esteban Guerra

ABSENT: None

ALSO PRESENT: Eduardo A. Campirano, Port Director and CEO
Daniel Rentfro Jr., District Counsel
William J. Irwin, Associate District Counsel

STAFF MEMBERS: Donna Eymard
Steve Tyndal
Bea Rosenbaum
Ariel Chavez
Oscar Garcia
Manuel Martinez
Jaime Martinez
Lorena Hernandez
Karina Franco
Jorge Montero
Jose Herrera
Chief Carlos Garcia
Michael Davis
Tony Rodriguez
Debby Duke
Memo Rico
Margie Recio
Santos Barbosa

OTHERS PRESENT: Rev. Andreas Lewis
Robert Walsdorf
Kimberly Walsdorf
Wanda Reyes
Eddie Duran
Dean Ellis
Representatives of Lone Star Bank

Representatives of BBVA Compass Bank
Rita Hernandez
Christi Tovar
Fabian de la Garza
Scott Donoho
Roberto Ruiz
Jorge de la Colina

1. Meeting Called To Order

The Chairman called the meeting to order at 5:35 p.m. Reverend Lewis offered a prayer. The Chairman then led those present in the Pledge of Allegiance to the United States and Texas flags.

2. Public Audience

The following persons registered to address the Board:

- a. Rita Hernandez addressed the Board in support of approval of Agenda Item 7.
- b. Christi Tovar addressed the Board in opposition of approval of Agenda Item 7.

3. Receive Director's Report

The reports were in the agenda packet. Discussion followed regarding the proposed CBP lease.

Mr. Campirano then recognized Santos Barbosa, the Port's newly promoted Assistant Director of Maintenance. Mr. Barbosa briefly addressed the Board.

CONSENT AGENDA

4. Consideration and Action on the Following Consent Agenda Items:

- a. Approval of the Minutes of the Pilot Board Meeting and Regular Board Meeting of February 20, 2019.
- b. Approval to authorize payments over \$25,000.00:
 1. Hamilton & Lucio, PC, the amount of \$25,077.24, for Legal Services;
 2. HDR, the amount of \$29,940.60, for Construction Admin. and Observation Services for Oil Docks 3 & 6, and Maintenance Dredging;
 3. Triton Marine Construction, the amount of \$448,798.92, for Oil Dock 6, Oil Dock 3 Fender System Replacement, Oil Dock 3 Facility Enhancements and Maintenance Dredging;
 4. L&G Concrete Construction, Inc, the amount of \$706,347.00, for Public Vessel Assembly & Erection Pad;
 5. G&T Paving, the amount of \$418,124.25, for BND Port Road Improvements Phase II; and
 6. Robert J. Ruiz, the amount of \$64,334.31, for Architectural Services on the Administration Building Complex.

Commissioner Wood moved to approve all consent agenda items, Commissioner Guerra seconded, and the motion passed unanimously.

5. Consideration and Action on Assignments, Negotiations, Easements, Subleases, and Contracts in General.

Mrs. Rosenbaum addressed the Board regarding the following items:

1. R.M. Walsdorf, Inc. / Combustibles De Oriente, S.A. De C.V. (Authority to negotiate)

R. M. Walsdorf, Inc. is no longer negotiating the sale of their improvements with Casa Sumi, but is now negotiating with Combustibles De Oriente, S.A. De C.V. to sell their improvements and R. M. Walsdorf's plan is to relocate their operation to a different location. Combustibles De Oriente intends to use the property to build a liquid bulk storage facility and distribution terminal for diesel and gasoline and they plan to tie into the liquid cargo docks. Commissioner Lopez moved to authorize the Staff to negotiate a new lease with Combustibles De Oriente, S.A. De C.V. and to negotiate a release of lease to R.M. Walsdorf, Inc., Commissioner Wood seconded, and the motion passed unanimously.

6. Consideration and Action on appointing a Commission Member to the Leasing Committee.

Chairman Reed addressed the Board requesting the appointment of Commissioner Sergio Tito Lopez to the Leasing Committee. The Leasing Committee was created at the direction of the Port Director several years ago to assist the Director of Industrial Development in the review and vetting of potential lessees at the Port of Brownsville. The Committee Chair is Deputy Port Director Donna Eymard and the members include the Department Directors of the following divisions: Administrative Services, Engineering, Facilities Maintenance, Finance, General Manager's Office, Harbor Master's Office, Marketing & Business Development, and Police & Security Services. The Leasing Committee meets weekly and reviews lease applications. Issues to be reviewed and discussed may include the lease application and supporting information, purpose of the lease, business activity, financial credibility, potential lease sites, compatibility with surrounding uses, waterborne cargo component, rail component, safety and security issues, etc. The Leasing Committee will also discuss issues that arise with existing tenants and/or their operators at the port. These issues may include defaults under the lease and or operational issues such as truck traffic, truck parking, activities not included in the purpose clause, etc. Commissioner Guerra moved to appoint Commissioner Sergio Tito Lopez to the Leasing Committee, Commissioner Cowen seconded, and the motion passed unanimously.

7. Consideration and Action on new lease to Rio Grande LNG, LLC for 983.97 acres of land, more or less, situated in the Rafael Garcia, Cameron County Texas, T. Kinder, Isabel Y Garcia, R.R. Stoley and Brownsville Navigation District Surveys, Abstracts 1, 264, 270, 272, 274, & 275, Cameron County, Texas.

Commissioner Lopez moved to table the item until after executive session, Commissioner Wood seconded, and the motion carried unanimously.

8. Consideration and Action on extending the Agreement for Professional Services with Randolph L. Delay.

Mr. Campirano addressed the Board requesting approval on extending the Agreement for Professional Services with Randolph L. Delay. The Brownsville Navigation District has engaged

the services of Randolph L. DeLay to represent the Port's interest in federal and state matters involving both public and private agencies. The current agreement is set to expire March 31, 2019. Randolph L. Delay has been instrumental in securing favorable considerations of Port's interests in federal as well as state matters. Randolph L. DeLay continues to work with Port officials and Staff and has been successful in securing funding for Port related activities. Commissioner Cowen moved to approve the Extension of the Agreement with Randolph L. DeLay for a period of two years, Commissioner Lopez seconded, and the motion passed unanimously.

9. Consideration and Action to enter into an agreement with Rio Grande Hauling for hauling services.

Mr. Garcia addressed the Board requesting approval to enter into an agreement with Rio Grande Hauling for hauling services. On January 16, 2019, The District awarded a bid to B & L Freight Services for hauling services. The District staff requested that a second provider be awarded a hauling contract in order to put two providers on a rotation basis. Rio Grande Hauling was one of three companies that responded to requests for bids for hauling services. After discussion, Commissioner Cowen moved to approve the agreement with Rio Grande Hauling for hauling services, Commissioner Wood seconded, and the motion passed unanimously.

10. Consideration and possible Action on selection of a District Depository and Authorization of the Chairman and Secretary to execute a Depository Agreement.

Ms. Hernandez addressed the Board requesting the selection of a District Depository and authorization of the Chairman and Secretary to execute a Depository Agreement. The District received 4 bank depository applications, which were reviewed by the Audit Committee on January 25, 2019. The Board was provided with an analysis that was a comparison of the two best applications for the Board for their review to allow the Board to select the District's Depository. The current Depository's contract expires when a successor has been selected by the Board. The selected Depository's contract will start upon approval from the Board and is to be effective for four years. Commissioner Wood moved to approve Lone Star National Bank as the District's Depository for a 4-year period starting on the date of Board approval (3/06/2019) through (3/05/2023), Commissioner Lopez seconded, and the motion passed unanimously.

11. Consideration and Action to approve a renewal agreement with American Surveillance Company, Inc. and the Brownsville Navigation District "DBA" as the Port of Brownsville for the purchase of camera licenses and support for a period of three years for the Port Security Surveillance Camera System.

Chief Garcia addressed the Board requesting the approval of a renewal agreement with American Surveillance Company, Inc. and the Brownsville Navigation District for the purchase of camera license and support for a period of three years for the Port Security Surveillance Camera System. The District has been utilizing American Surveillance Company Inc. to perform maintenance, camera license renewals or purchases, software upgrades, repair or replace equipment for the Port Security Surveillance Camera System. This proposed agreement would only authorize American Surveillance Company Inc. to purchase 208 camera licenses and support (software updates) for a period of three years for the Port Security Surveillance Camera System. This agreement does not provide support for maintenance, repairs or replacement of equipment to the security surveillance camera system. Commissioner Lopez moved to approve the proposed agreement for the period of

March 14, 2019 to March 13, 2022, Commissioner Guerra seconded, and the motion passed unanimously.

12. Consideration and Action on Memorandum of Agreement (MOA) between the Brownsville Navigation District and the United States Army Corps of Engineers (USACE) defining the requirements for the release of a portion of USACE Easement Tract No. 9 and authorize payment of \$29,990.00 review fees to USACE.

Mr. Chavez addressed the Board requesting approval of the Memorandum of Agreement (MOA) between the Brownsville Navigation District and the United States Army Corps of Engineers (USACE) defining the requirements for the release of a portion of USACE Easement Tract No. 9 and to authorize payment of \$29,990.00 in fees to USACE. The Galveston District (SWG) of the United States Army Corps of Engineers (USACE) is requesting that the Brownsville Navigation District enter into a Memorandum of Agreement (MOA) with the USACE on the requirements for the Release of USACE Easement Tract No. 9 in the Brownsville Ship Channel and its periphery. The Scope of the MOA is to define responsibilities to be fulfilled, documents and reports to be prepared, surveys to be performed, and other related documents required for the preparation of the Disposal Report by SWG Real Estate staff. USACE is also requiring that BND submit payment in the amount of \$29,990.00 for review of materials and reports and for processing and preparation of the Disposal Report for the release of the easement. Commissioner Guerra moved to approve the Memorandum of Agreement with the United States Army Corps of Engineers on the requirement for the Release of USACE Easement Tract No. 9 in the Brownsville Ship Channel and vicinity subject to review and confirmation by BND legal counsel, and to authorize payment of \$29,990.00 to the USACE, Commissioner Wood seconded, and the motion passed unanimously

13. Consideration and Action to authorize the Port Director to enter into a Private Security Lighting Record Agreement with the Brownsville Utilities Board for rental and energy charges for the Foust Road Truck Parking Facility project security lighting.

Mr. Chavez addressed the Board requesting authorization for the Port Director to enter into a Private Security Lighting Record Agreement with the Brownsville Utilities Board for rental and energy charges for the Foust Road Truck Parking Facility project security lighting. The Brownsville Public Utilities Board (BPUB) installed the Security lights during the construction phase of the truck parking facility concrete and asphalt pavement surface. BPUB is now requesting the District enter into a Private Security Lighting Record Agreement with them for the applicable rental and energy charges for the use of these security lights. The agreement provides for a 48-month period in which the Port may not request removal of the lights without paying a fee for such early removal. After the 48-month period removal would be free. The current LED light charge is \$14.75 per light plus fuel and energy charges. BPUB's legal counsel is currently reviewing their LED costs but seem to think costs will remain at the same. The agreement is in the same form as all other agreements for installation of security lights at the Port by BPUB. Commissioner Lopez moved to approve the Private Security Lighting Record Agreement, Commissioner Cowen seconded, and the motion passed unanimously.

14. Consideration and Action to accept work performed by contractor ZIWA Corporation on the Administration Complex Rehabilitation and authorize release and payment of the \$725,319.08 retainage.

Mr. Chavez addressed the Board requesting the acceptance of work performed by contractor ZIWA Corporation on the Administration Complex Rehabilitation and authorize release and payment of the \$725,319.08 retainage. After a period of final inspections performed by BND staff with project architect Roberto Ruiz, BND staff and the project architect have found the work to be satisfactory and acceptable, and Ziwa has submitted Payment Request No. 018 requesting release of the retainage amount of \$725,319.08, or 10% of the final contract price. ZIWA has also submitted the required close-out documents for this project. Commissioner Guerra moved to accept the work performed by ZIWA Corporation on the Administration Complex Rehabilitation and Building Additions contract and to authorize release of the retainage amount of \$725,319.08, Commissioner Cowen seconded, and the motion passed unanimously.

15. Adjourn into Executive Session, as authorized by Subchapter D of Chapter 551 of the Government Code to discuss with attorneys pending or contemplated litigation and matters in which the duty of the attorneys under the Rules of Professional Conduct clearly conflict with Chapter 551, including but not limited to Trinity Scrap Processors, Inc. and Intercoastal Salvage, Inc. v. Brownsville Navigation District of Cameron County, Texas; to conduct deliberations regarding real property (§551.072); to deliberate the deployment of security personnel or devices (§551.076); to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee (§551.074); and to conduct deliberations regarding economic development negotiations (§551.087).

The Chairman then announced that the time was 6:10 p.m., and that the Board would adjourn into executive session.

The Chairman then announced that the time was 7:08 p.m., and that the Board had reconvened in open session.

16. Possible action on matters or items discussed in Executive Session.

The Board recalled Item 7.

Chairman Reed addressed the Board regarding approval on new lease to Rio Grande LNG, LLC for 983.97 acres of land, more or less, situated in the Rafael Garcia, Cameron County Texas, T. Kinder, Isabel Y Garcia, R.R. Stoley and Brownsville Navigation District Surveys, Abstracts 1, 264, 270, 272, 274 & 275, Cameron County Texas. Next Decade LNG, LLC has an option agreement on approximately 984 acres for the construction of a liquefaction facility for the export of liquid natural gas from the Port of Brownsville. The parties agree that the effective date and term shall not become effective unless and until lessee or lessee's affiliate makes a positive final investment decision for the first phase of the LNG facility. Commissioner Wood, Cowen, Lopez and Guerra also made comments in support of the project. Wanda Reyes and Dean Ellis also addressed the Board in support of the project. Commissioner Lopez moved to approve the lease as presented, Commissioner Cowen seconded, and the motion passed unanimously.

17. Adjournment.

Commissioner Lopez moved to adjourn the meeting, Commissioner Guerra seconded, and the

meeting was adjourned by unanimous consent at 7:20 p.m.

ATTEST

Secretary

A handwritten signature in black ink, appearing to read "Ralph Louie", written over a horizontal line.A handwritten signature in blue ink, appearing to read "John Reed", written over a horizontal line.

John Reed
Chairman of the Board