

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD MARCH 20, 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 20, 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
Bea Rosenbaum
Manuel Martinez
Ariel Chavez
Steve Tyndal
Jaime Martinez
Chief Carlos Garcia
Michael Davis
Tony Rodriguez
Memo Rico
Lorena Hernandez
Jorge Montero
Oscar Garcia
Pablo Esquivel
Manuel Hernandez
Debby Duke
Margie Recio

OTHERS PRESENT: Jorge De la Colina
Joe Linck
Wanda Reyes
Pedro Santos
Pedro Alvarez

1. Meeting Called To Order

The Chairman called the meeting to order at 5:45 p.m. Mr. Chavez offered a prayer. The Chairman then led those present in the Pledge of Allegiance to the United States and Texas flags.

2. Public Audience

No person registered to address the Board.

3. Receive Director's Report

a. Receive Port Monthly Operations Summary Report

Ms. Hernandez made the report to the Board. Discussion followed.

Mr. Chavez addressed the Board and introduced Pablo Esquivel and Manuel Hernandez, recent additions to the Port's Engineering Department. Mr. Esquivel and Mr. Hernandez both briefly addressed the Board and thanked the Port for the opportunity.

CONSENT AGENDA

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

- a. Approval of the Minutes of the Regular Board Meeting of March 6, 2019.
- b. Approval to authorize payments over \$25,000.00:
 1. Russell Marine, LLC, the amount of \$439,749.66, for BND Bulk Cargo Dock Improvements;
 2. Vulcan Materials Company, the amount of \$170,680.00, for crushed limestone;
 3. Geo-Solutions, the amount of \$195,505.25, for Geogrid for Patio 22 expansion;
 4. Hamilton & Lucio, P.C., the amount of \$31,154.98, for legal services; and
 5. EDG, Inc., the amount of \$27,147.00, for BND Bulk Cargo Dock Improvements.
- c. Approval of the following leases:
 1. DSV Air & Sea, Inc. (New lease)

Commissioner Lopez expressed concern regarding the rent being charged under the proposed lease with DSV Air & Sea, Inc.

After discussion, Commissioner Lopez moved to approve Consent Agenda Items 4a and 4b1-5, and to table Item 4c1, Commissioner Cowen seconded, and the motion passed unanimously.

5. Presentation on MPO merger by Pedro Alvarez, TxDOT Pharr District Engineer.

Mr. Campirano introduced Pedro Alvarez who made a presentation regarding the proposed MPO merger. Discussion followed regarding the terms of the proposed merger.

6. Consideration and Action to enter into an Option to Lease Agreement with Andalusian Energy, LLC.

Mr. Tyndal addressed the Board requesting authorization to enter into an Option to Lease Agreement with Andalusian Energy, LLC. This Option to Lease with Andalusian Energy, LLC is to be effective as of March 20, 2019 for six months with one additional renewal option of six months. It is to be for the purpose to receive natural gas via pipeline and to develop a terminal for

compressing natural gas in containers and for the import and export of third party containerized cargo. Representing Andalusian was Pedro Santos who offered a presentation detailing the merits of the project, including gas delivery and shipping operations, safety precautions, and feasibility studies to be performed by Andalusian Energy and its agents. Mr. Santos also provided projected employment and container volumes. After discussion regarding the location of the project and Andalusian Energy's plans for feasibility studies, Commissioner Guerra moved to approve and sign the Option to Lease with Andalusian Energy, LLC, Commissioner Wood seconded, and the motion passed 4-0. Commissioner Lopez abstained.

7. Consideration and Action on the agreement with Estrada Hinojosa & Company, Inc. for financial advisory services.

Ms. Hernandez addressed the Board requesting the approval on the agreement with Estrada Hinojosa & Company, Inc. for financial advisory services. Estrada Hinojosa & Company Inc. has provided the District with financial advisory services for over twenty years. Proposed fees for services associated with the issuance of debt have a base fee plus a varying dollar amount based on the size of the bond sale. Continuing disclosure fees will be billed at \$5,000 each. Additional charges will apply for issuance of Revenue Bonds, Water Development Bonds and similar State or Federal bonds. The proposed fees are the same as the fees in the District's 2014 contract with Estrada Hinojosa. Hourly charges for special projects also remained the same. Estrada Hinojosa has been responsive to the District's needs and has provided excellent service. Commissioner Cowen moved to approve a five-year contract with Estrada Hinojosa & Company, Inc. for financial advisory services, Commissioner Wood seconded, and the motion passed unanimously.

8. Consideration and Action on the Grantee/Operator's Agreement between the Brownsville Navigation District-Foreign Trade Zone No. 62 and Parker & Company (Port Site).

Mr. Rodriguez asked that this item be tabled. Commissioner Guerra moved to table the item, Commissioner Cowen seconded, and the motion passed unanimously.

9. Consideration and Action to authorize the Port Director and C.E.O. and the Deputy Port Director to execute Amendment No. 2 to the U.S. Army Corps of Engineers' License to construct Oil Dock #6, extending the date of completion to December 31, 2019.

Mr. Chavez addressed the Board requesting authorization for the Port Director and C.E.O. and the Deputy Port Director to execute Amendment No. 2 to the U.S. Army Corps of Engineers' License to construct Oil Dock #6, extending the date of completion to December 31, 2019. On October 17, 2016, the United States Army Corps of Engineers (USACE) issued License No. DACW64-3-16-0110 granting the Brownsville Navigation District (BND) a license to construct Oil Dock #6. Due to unforeseen delays in the work, BND Staff has requested an extension to the term of License DACW64-3-16-0110 from December 31, 2018 to December 31, 2019 to continue construction of Oil Dock #6 and complete "As Built" surveys and drawings. USACE has concurred with the request and is asking that Amendment No. 2 be executed by BND's Port Director and Deputy Director. Commissioner Guerra moved to authorize the Port Director and C.E.O. and the Port Deputy Director to execute Amendment No. 2 to the U.S. Army Corps of Engineers' License No. DACW64-3-16-0110 to construct Oil Dock #6, extending the date of completion to December 31, 2019, Commissioner Cowen seconded, and the motion passed unanimously.

- 10. 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 Savage, Inc. v. Brownsville Navigation District of Cameron County, Texas (§551.071); 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).**

Commissioner Wood moved to adjourn into executive session, Commissioner Lopez seconded, and the motion passed unanimously. The Chairman then announced that the time was 7:20 p.m., and that the Board would adjourn into executive session.

The Chairman then announced that the time was 7:45 p.m., and that the Board had reconvened in open session.

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

The Board re-called Item 4c1.

Commissioner Lopez moved to approve the lease with DSV Air & Sea, Inc. provided that the term of the lease is for one year, with a renewal option term to be at the then-existing applicable lease rate, Commissioner Cowen seconded, and the motion passed unanimously.

The Board re-called Item 8.

Parker and Company have requested to activate approximately one acre on Patio 22 in the BND Foreign Trade Zone No. 62. The scope of the FTZ activation would be to store windmill components for a period of two years. Commissioner Lopez moved to authorize Parker & Company to be operators of FTZ No. 62 with respect to the one acre to be used to store windmill components, Commissioner Wood seconded, and the motion passed unanimously.

12. Adjournment.

Commissioner Lopez moved to adjourn the meeting, Commissioner Guerra seconded, and the meeting was adjourned by unanimous consent at 7:49 p.m.

ATTEST

Secretary



John Reed
Chairman of the Board