

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD JULY 24, 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, July 24, 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: Steve Tyndal
Lorena Hernandez
Ariel Chavez
Lieutenant Mario Esquivel
Jaime Martinez
Chief Carlos Garcia
Carlos Martinez
Oscar Garcia
Jose Herrera
Tony Rodriguez
Jorge Montero
Margie Recio

OTHERS PRESENT: Rev. Andreas Lewis
Jorge de la Colina
Scott Donnaho
Adela Garza
Ruben Herrera
Sylvia Atkinson
Kevin Garcia
Jesus Roberto Rodriguez
Ken Schaefer
Ricardo Quiroga
Mark Hoskins
Kristi Tovar
Alma Leal

Jim Chapman
William Berg
Josette Cruz

1. Meeting Called To Order

The Chairman called the meeting to order at 5:32 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

Ken Schaefer addressed the Board in opposition to Item 6(3).

Ricardo Quiroga addressed the Board in opposition to Item 6(3).

Jesus Roberto Rodriguez addressed the Board on behalf of Texas Southmost College regarding Item 8.

Kristi Tovar addressed the Board in opposition to the proposed LNG export facilities at the Port.

Alma Leal addressed the Board in opposition to the proposed LNG export facilities at the Port.

Jim Chapman addressed the Board in opposition to the proposed LNG export facilities at the Port.

William Berg addressed the Board in opposition to the proposed LNG export facilities at the Port.

Adela Garza addressed the Board on behalf of Texas Southmost College regarding Item 8.

Sylvia Atkinson addressed the Board regarding Item 8.

Josette Cruz addressed the Board in opposition to the proposed LNG export facilities at the Port.

3. Receive Director's Report

a. Receive Port Monthly Operations Summary Report

Ms. Hernandez made the report to the Board.

CONSENT AGENDA

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

- a. Approval of the Minutes of the Regular Board Meeting of July 10, 2019.
- b. Approval to authorize payments over \$25,000.00:
 1. Valley Stripping Corp, the amount of \$45,551.45, for BND Port Road Improvements Striping and Signage Project;
 2. L&G Concrete Construction, the amount of \$337,968.80, for Public Vessel Assembly & Erection Pad Project;
 3. EDG, Inc., the amount of \$26,769.00, for Bulk Cargo Dock Improvements Project;
 4. Russel Marine, LLC, the amount of \$520,610.40, for Bulk Cargo Dock Improvements Project; and
 5. HDR, the amount of \$30,650.73, for Dike 5B Relocation Project and Task Order 25 Tract 9 Easement Release.

Mr. Campirano noted that some of the funds in Items 4b2 and 4b3 are reimbursable to the Port.

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

5. Presentation of District Funds Investment Report for the Period April 1, 2019 through June 30, 2019.

Ms. Hernandez made the District Funds Investment Report for the period of April 1, 2019 through June 30, 2019.

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

Mr. Tyndal addressed the Board regarding the following items. Mr. Tyndal requested that the Board consider Item 6(2) prior to Item 6(1).

2. CRV Terminals, LLC (New Lease)

The new lease to CRV Terminals, LLC. (formally Combustibles De Oriente, S.A. De C.V.) is to be effective as of July 1, 2019, for five years and three additional options of five years each; for a total of twenty years. The purpose is to build a liquid bulk terminal for diesel and gasoline for a storage and distribution terminal. Commissioner Lopez moved to approve and the new lease to CRV Terminals, LLC, Commissioner Wood seconded, and the motion passed unanimously.

1. R.M. Walsdorf, Inc. (Release of Lease)

The Release of Lease to R. M. Walsdorf, Inc. is subject to the Board approving of a new lease to CRV Terminals, LLC covering the same site. Commissioner Guerra moved to approve the release of lease to R.M. Walsdorf, Inc., Commissioner Wood seconded, and the motion passed unanimously.

3. Admiral US Inc., d/b/a Admiral Stevedores (Authority to negotiate)

Chairman Reed noted that he would be abstaining.

Admiral US Inc., d/b/a Admiral Stevedores has requested a lease at the old Bougambilias site of approximately 1.03 acres for the purpose of constructing a warehouse and office for stevedore operations. Commissioner Wood moved to authorize the Staff to negotiate a new lease with Admiral US Inc., d/b/a Admiral Stevedores. Commissioner Wood's motion died for a lack of a second. Chairman Reed abstained.

4. TransMontaigne Operating Co., L.P. (License Agreement)

The License Agreement with TransMontaigne Operating Co., L.P. is for a pipeline from the licensee's lease site to Oil Dock 3. It is to be effective as of July 24, 2019, for ten years and thereafter for the duration of BND Contract 3307. Commissioner Wood moved to approve the License Agreement, Commissioner Lopez seconded, and the motion passed unanimously.

7. Consideration of and Action authorizing Port Director & CEO to execute a Memorandum of Understanding between the Brownsville Navigation District, Ternium Procurement S.A. and Gulf Stream Marine, Inc. to work together to facilitate the implementation of Project Mexico.

Mr. Campirano addressed the Board requesting authorization for the Port Director & CEO to execute a Memorandum of Understanding between the Brownsville Navigation District, Ternium Procurement S.A., and Gulf Stream Marine, Inc. to work together to facilitate the implementation of Project Mexico. Ternium is the largest shipper of slab steel through the Port of Brownsville. They are working to expand their production facilities in Pesqueria, N.L. This expansion will increase the volume of steel slab shipped to the Port of Brownsville. In order to meet Ternium's production schedules, it will be necessary to address the handling and movement of the steel in and through the Port to Ternium's facilities. The parties to the MOU agree to work together to develop plans and procedures to efficiently and effectively move the steel in and through the Port. This effort will require the collaboration of the parties to the MOU. After discussion, Commissioner Guerra moved to authorize the Port Director & CEO to execute the MOU between the Brownsville Navigation District, Ternium Procurement, S.A. & Gulf Stream Marine, Inc., Commissioner Cowen seconded, and the motion passed 4-1. Commissioner Lopez voted nay.

8. Consideration of and Action authorizing the signing of a Memorandum of Understanding between the Brownsville Navigation District, Texas A&M University System of Texas and Texas State Technical College on an initiative to develop work force training programs.

Commissioner Guerra moved to table this item, Commissioner Lopez seconded, and the motion passed unanimously.

9. 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 (§ 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 Guerra seconded, and the motion passed unanimously. The Chairman then announced that the time was 6:17 p.m. and that the Board would adjourn into executive session.

The Chairman then announced that the time was 7:20 p.m. and that the Board had reconvened in open session.


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


There was none.

11. Adjournment.

Commissioner Wood moved to adjourn the meeting, Commissioner Guerra seconded, and the meeting was adjourned by unanimous consent at 7:21 p.m.

ATTEST


Secretary


John Reed
Chairman of the Board