

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND  
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF  
CAMERON COUNTY, TEXAS HELD DECEMBER 16, 2020 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, December 16, 2020 at 5:30 p.m.** The following individuals were present and absent:

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

**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  
Ariel Chavez  
Steve Tyndal  
Oscar Garcia  
Lorena Hernandez  
Jaime Martinez  
Chief Carlos Garcia  
Michael Davis  
Tony Rodriguez  
Margie Recio  
Janie Velasquez  
Memo Rico  
Jorge Montero  
Blanca Melguizo  
Jose Herrera  
Karina Franco  
Rosie Hinojosa

**OTHERS PRESENT:** Rev. Andreas Lewis  
Ken Schaefer  
Jorge de la Colina  
Adam Prestidge  
Norma Torres  
Kevin Garcia

### **1. Meeting Called To Order**

The Chairman called the meeting to order at 5:37 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**

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.

### **CONSENT AGENDA**

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

- a. Approval of the Minutes of the Regular Board Meeting of December 2, 2020.
- b. Approval to authorize payments over \$25,000.00:
  1. A&I Custom Manufacturing, LLC, the amount of \$98,145.00, for Bulk Cargo Dock Platforms;
  2. R.M. Walsdorf, Inc., the amount of \$278,576.40, for Oil Dock #6 North Pipe Bridge Project; and
  3. Tyler Technologies, Inc., the amount of \$38,740.80, for 2021 Annual user/subscription fees.

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

#### **5. Presentation by Pesquera Project.**

Mr. Campirano made a presentation about the multi-billion dollar steel mill owned and operated by the Port of Brownsville's largest steel shipper, Ternium De Mexico. Discussion followed regarding logistics and timing for the project.

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

Mr. Tyndal addressed the Board regarding the following items:

##### **1. Iron Mike Marine, Inc. (New Lease)**

Iron Mike Marine, Inc. is a current lessee under BND Contract #3813. This contract is scheduled to expire on December 31, 2020 and the lessee has requested a new lease. The purpose of the lease is for a barge fleeting area. Commissioner Reed moved to approve the new lease with Iron Mike Marine, LLC, Commissioner Cowen seconded, and the motion passed unanimously.

##### **2. Fortune Ferrous, Inc. (Amendment)**

Fortune Ferrous, Inc. began negotiation with the Port in September 2010 under Contract # 3786, which was a Right of First Refusal on 35.64 acres. This allowed them time to submit and obtain permits to various agencies for their proposed project. Then in August 2012 Fortune Ferrous went to full lease under BND Contract # 3891 on 20 acres and had an option under BND Contract #

3892 on the remaining 15.64 acres. Later in 2016 they exercised their option on the 15.64 acres and now have a lease for the original 35.64 acres. The lease site is waterfront property, located on Ostos Road. They source, process and ship non-ferrous scrap metals. They ship a lot of their metals to China and, as a result of the pandemic, their business has declined. They requested to amend their lease to reduce the footprint back to its original size of 20 acres, which would result in reducing it by 15.64 acres. Commissioner Reed moved to approve and sign the amendment to Fortune Ferrous, Inc. to reduce its site, Commissioner Wood seconded, and the motion passed unanimously.

**3. Texas LNG Brownsville LLC (New Lease)**

Texas LNG, LLC's first lease option began 12/20/13 under contract # 3983 and has been extended 4 times since inception to allow them to get through the regulatory process and further their project engineering design. They are now ready to move forward to a lease. The lease shall not become effective unless/until they make FID for the first phase of the project. The effective date shall be no later than 1/1/23, but in the event, they do not make FID by then, the Port will consider giving additional time if they can demonstrate that they are moving forward with the FID process. The primary term of the lease is 30 years with two 10-year renewal options. Mr. Campirano asked to table consideration of Item 3 and the Chairman noted that the meeting would continue with Item 4.

**4. D&A Seafoods, LLC (Authority to negotiate)**

D & A Seafoods, LLC has requested a new lease for shrimping purposes. They are requesting to lease the sites formerly leased by Captain Memo. Property 1 is 0.459 acres tract at 2875 Angler's Place Rd. and Property 2 is 0.198 acres tract & 165 linear feet of dock at 3345 Dry Dock Rd. The properties would be combined into one contract. Commissioner Guerra moved to approve the Authority to Negotiate a new lease with D & A Seafoods, LLC, Commissioner Cowen seconded, and the motion passed unanimously.

**5. Lone Star Mineral Development, LLC. (Authority to negotiate)**

Lone Star Mineral Development, LLC is requesting authority to negotiate for a new lease for the purpose of construction and shipyards operations. They are requesting to lease the 15.64 acres that Fortune Ferrous, Inc. is giving back. Commissioner Reed moved to approve the Authority to Negotiate with Lone Star Mineral Development, LLC, Commissioner Cowen seconded, and the motion passed unanimously.

**7. Consideration and Action to approve payment of the District's .63776 pro-rata portion of the 2021 Cameron Appraisal District (CAD) budget for an annual total of \$36,566.**

Ms. Hernandez addressed the Board requesting approval of payment of the District's .63776 pro-rata portion of the 2021 Cameron Appraisal District (CAD) budget for an annual total of \$36,566. The District and other taxing entities of the Cameron County are assessed a pro-rata portion of the Cameron Appraisal District's (CAD) annual budget based on the relationship of their individual tax levy to the tax levies of other taxing entities. The 2021 CAD adopted budget is \$5,733,557, an increase of \$152,490 from their previous 2020 budget. The District's .63776 pro-rata portion to total levies requires an annual contribution of \$36,566, a decrease of \$6,008 or 14.11 % from the District's 2020 contribution of \$42,574. Commissioner Guerra moved to authorize payment of the District's \$36,566 pro-rata contribution of the 2021 CAD Budget to be paid in four quarterly

payments of \$9,141.50/each, Commissioner Cowen seconded, and the motion passed unanimously.

**8. Consideration and Action to approve the District's Fiscal 2021 Operating and Capital Budgets.**

Ms. Hernandez addressed the Board requesting approval on the District's Fiscal 2021 Operating and Capital Budgets. Staff is recommending approval of the attached Fiscal Year 2021 Operating & Capital Budgets. A draft version of the 2021 budgets was presented for the Board's initial review on the December 2, 2020 Commission meeting. The FY 2021 budget binders remain as previously submitted; no further adjustments were made. FY 2021 budget assumptions include 12-month personnel and fringe benefit costs for all employees including vacant positions and a continuation of the additional \$50,000/month DB pension employer contributions. The budget also reinstates staff and Commissioners travel, business development and trainings as well as increases for the 85th Port Anniversary Event, operational costs for 3 mobile cranes and personnel requests for 5 general laborers, 4 skilled craftsmen, 1 warehouse clerk, 1 accounting specialist II and 2 security guards. Budget reductions include a \$156,000 annual insurance cost savings due to a 15% reduction in employee medical insurance premiums. The FY 2021 Capital Budget includes Port road, dock & railroad crossing improvements, purchase of 9 vehicles & heavy equipment, water line replacement program, FH Sewer Plant Replacement, CBP Building and IT security system & server upgrades. Commissioner Wood moved to approve the proposed FY 2021 Operating and Capital Budgets, Commissioner Guerra seconded, and the motion passed unanimously.

**9. Consideration and Action to extend contract with Conroe Wood Products Inc. for the purchase of treated lumber for a period of one year.**

Mr. Garcia addressed the Board requesting the extension of the contract with Conroe Wood Products Inc. for the purchase of treated lumber for a period of one year. The District awarded a contract to Conroe Wood Products Inc. for treated lumber for the period 01/17/2020-12/31/2020. That contract is expiring at the end of this year, however the agreement contains a provision for year-to-year extensions with the consent of both parties, if there is no increase in the unit price. Conroe Wood Products Inc. submitted an offer to extend this agreement for 2021 with no increase in the unit price. Commissioner Reed moved to approve the extension of contract with Conroe Wood Products Inc. for the purchase of treated lumber for one year, January 1, 2021 through December 31, 2021, Commissioner Cowen seconded, and the motion passed unanimously.

**10. Consideration and Action to extend contract #4433 with Vulcan Construction Materials, LLC for the purchase of crushed limestone for a period of one year.**

Mr. Garcia addressed the Board requesting the extension of contract #4433 with Vulcan Construction Materials, LLC for the purchase of crushed limestone for a period of one year. The District awarded a contract to Vulcan Construction Materials, LLC for crushed limestone for the period 02/06/2020 - 12/31/2020. That contract is expiring at the end of this year, however the agreement contains a provision for year-to-year extensions with the consent of both parties, if there is no increase in the unit price. Vulcan Construction Materials, LLC submitted an offer to extend this agreement for 2021 with no increase in the unit price. Commissioner Reed moved to approve the extension of Contract #4433 with Vulcan Construction Materials, LLC for the purchase of crushed limestone for one year, January 1, 2021 through December 31, 2021, Commissioner Cowen seconded, and the motion passed unanimously.

**11. Consideration and Action to accept work performed by contractor G&T Paving, LLC on the 2020 BND Road Improvements project, and authorizing Final Payment of \$573,533.90 which includes all completed work and release of \$222,085.70 in retained funds.**

Mr. Chavez addressed the Board requesting the acceptance of work performed by contractor G&T Paving, LLC on the 2020 BND Road Improvements project, and authorizing Final Payment of \$573,533.90 which includes all completed work and release of \$222,085.70 in retained funds. On May 6, 2020 BND Commissioners awarded the contract for the 2020 BND Road Improvements project to G& T Paving, LLC in the amount of \$1,938,957.25. The project comprised reconstruction of Chemical Road and West Oil Dock Road; rehabilitation of East Oil Dock Road, Anchor Road, Liquid Cargo Dock Road and part of Dock 15 Road, and concrete and asphalt paving at the BND Shop Yard and the BND Shop Office Parking Lot. On October 21, 2020 BND Commissioners approved Change Order #1 in the amount of \$284,398.62, including \$252,380.00 for repairs on Ostos Road and \$15,000.00 to reconstruct a collapsed manhole on Foust Road, for a current total contract price of \$2,223,355.87. Walk-thru inspections of the various components were performed and BND Engineering staff deemed the project to be satisfactorily completed. Commissioner Reed moved to accept the work by contractor G&T Paving, LLC on the 2020 BND Road Improvements project and authorized Final Payment of \$573,533.90, which includes all completed work and release of \$222,085.70 in retained funds, Commissioner Cowen seconded, and the motion passed unanimously.

**12. Consideration and Action to adopt the Department of the Army License to operate and maintain the Bulk Cargo Dock in and upon lands of the United States in U.S. Army Corps of Engineers Easement Tract No. 10, and to authorize the Port Director and CEO and the Port Director of Engineering Services to execute said license.**

Mr. Chavez addressed the Board requesting the adoption of the Army License to operate and maintain the Bulk Cargo Dock in and upon lands of the United States in U.S. Army Corps of Engineers Easement Track No. 10, and to authorize the Port Director and CEO and the Port Director of Engineering Services to execute said license. After completion of the installation of the new fendering system and other improvements on our Bulk Cargo Dock, Staff received notification from the Real Estate Division of the Galveston District (SWG) of the United States Army Corps of Engineers (USACE) that they had terminated the construction permit for the said Bulk Cargo Dock project, and were replacing it with a new Department of the Army License to operate and maintain the modified Bulk Cargo Dock. The new license requires signatures of Port Director and C.E.O Mr. Eduardo A. Campirano and of Port Director of Engineering Services Mr. Ariel Chavez II, P.EP/R.P.L.S. for execution. BND Staff is hereby requesting authorization from BND Commissioners for these signatures. Commissioner Wood moved to authorize Port Director and C.E.O. Mr. Eduardo A. Campirano and Port Director of Engineering Services Mr. Ariel Chavez II, P.E./R.P.L.S. to execute the Department of the Army License to operate and maintain Bulk Cargo Dock within United States Army Corps of Engineers (USACE) Easement Tract No. 10, Commissioner Guerra seconded, and the motion passed unanimously.

- 13. 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; 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 Reed seconded, and the motion passed unanimously. The Chairman then announced that the time was 6:39 p.m., and that the Board would adjourn into executive session.

The Chairman then announced that the time was 6:52 p.m., and that the Board had reconvened in open session.

**14. Possible action on matters or items discussed in Executive Session.**

The Chairman recalled Item 6(3).

Commissioner Wood moved to approve the new lease with Texas LNG, LLC, Commissioner Guerra seconded, and the motion passed unanimously.

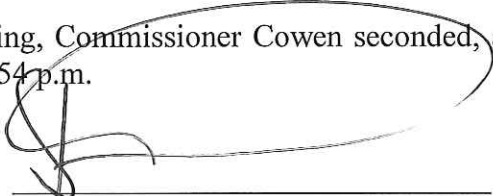
**15. Adjournment.**

Commissioner Guerra moved to adjourn the meeting, Commissioner Cowen seconded, and the meeting was adjourned by unanimous consent at 6:54 p.m.

ATTEST



Secretary

  
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Sergio Tito Lopez  
Chairman of the Board