

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD MARCH 16, 2022 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 16, 2022 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: Melinda Rodriguez
Arturo Gomez
Jaime Martinez
Chief Carlos Garcia
Michael Davis
Janie Velasquez
Memo Rico
Jorge Montero
Karina Franco
Jose Herrera
Zeus Yanez
Officer Christopher Esparza
Ariel Chavez
Margie Recio

OTHERS PRESENT: Rev. Andreas Lewis
Jorge De La Colina
Family of Officer Christopher Esparza

1. Meeting Called To Order

The Chairman called the meeting to order at 5:43 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. Administer Oath of Office to Officer Christopher Esparza

Chief Garcia administered the oath of office to Officer Christopher Esparza.

b. Port Monthly Operations Summary Report

Mr. Yanez made the report to the Board.

c. Senior Lien Revenue Refunding Bonds, Series 2022 - Update

Mr. Yanez made the report to the Board. Discussion followed.

The Chairman then asked that the Board adjourn into executive session. Commissioner Guerra so moved, Commissioner Wood seconded, and the motion passed unanimously. The Chairman noted that the time was 5:57 p.m., and that the Board would recess into executive session.

The Chairman then announced that the time was 6:14 p.m. Commissioner Guerra moved to reconvene in open session, Commissioner Wood seconded, and the motion passed unanimously. 6:14.

The Chairman then called Item 14 for discussion and action.

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

Commissioner Guerra moved to approve a modification of and one-year extension to the contract of the Port Director / CEO, along with a 5% raise in the Port Director / CEO's salary, Commissioner Cowen seconded, and the motion carried unanimously.

Chairman Lopez then informed the Board that he had to leave the meeting and asked Vice-Chairman Cowen to assume the chair.

CONSENT AGENDA

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

- a. Approval of the Minutes of the Regular Board Meeting of March 2, 2022.
- b. Approval to authorize payments over \$25,000.00:
 - 1. Aguaworks, the amount of \$27,548.74, for South Yard Trach Expansion Project
 - 2. Foremost Paving, Inc, the amount of \$30,354.00, for BND South Port Connector Road Project;
 - 3. Pederson Construction Company, Inc., the amount of \$71,307.00, for 2020 BND Water Lines Replacement Project; and
 - 4. Vulcan Materials Company, the amount of \$124,689.06, for Crushed Limestone for Port Maintenance.

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

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

Mrs. Rodriguez addressed the Board regarding the following items:

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1. B & L Freight Services, LLC (**Authority to Negotiate**)

The lease with B & L Freight Service LLC under BND contract # 3944 will expire on March 31, 2022, with no renewal options. The staff sought authority to negotiate a new lease for a term of five years with one renewal option of 5 years. The site is located at 2775 Foust Road. Commissioner Reed moved to approve the authority to negotiate a new lease, Commissioner Guerra seconded, and the motion passed unanimously.

2. CVC Construction, Inc. dba Welding Works International, Inc. (**Authority to Negotiate**)

The lease with CVC Construction, Inc. dba Welding Works International, Inc. under BND contract #3965 will expire on April 18, 2022, with no renewal options. The staff sought authority to negotiate a new lease for a term of five years with one renewal option of 5 years. The site is located at 2800 Everglades. The purpose clause is for Welding/Construction (carbon steel plates & piping material). Commissioner Guerra moved to approve the authority to negotiate a new lease, Commissioner Wood seconded, and the motion passed unanimously.

3. Gulf Facilities, Inc. (**Authority to Negotiate**)

The lease with under Gulf Facilities, Inc. BND contract #3995 will expire on June 17, 2022, with no renewal options. The staff seeks authority to negotiate a new lease for a term of five years. The site is located at 4701 Foust Road. The purpose clause is for storage of aluminum, bagged sand, steel products, and other bulk & breakbulk cargo; as well as the handling of trucks and railcars. Commissioner Wood moved to approve the authority to negotiate a new lease, Commissioner Reed seconded, and the motion passed unanimously.

4. Sesco Terminals Corp. (**Authority to Negotiate**)

Sesco Terminals Corp. seeks authority to negotiate a one-year Option to Lease of 75 acres of land on the north side of the ship channel. The purpose clause is for a cement terminal and/or multi-modal terminal. Commissioner Guerra moved to approve the authority to negotiate an option to lease, Commissioner Reed seconded, and the motion passed unanimously.

5. Transporte Internacional Lopez Ochoa, S.A. de C.V. (**Authority to Negotiate**)

Transporte Internacional Lopez Ochoa, S.A. de C.V. is a current lessee under BND Contract #4515. Staff sought authority to negotiate a new lease for an additional location for a term of 5 years with two renewal options of 5 years. The property of interest is located at 6865 Foust Road. The purpose clause is for a Truck Yard and Dock Access. Commissioner Reed moved to approve the authority to negotiate a new lease, Commissioner Guerra seconded, and the motion passed unanimously.

6. TransMontaigne Operating Company, L.P. (**Amendment to Lease**)

TransMontaigne Operating Company, L.P. is a current lessee under BND Contract #4193. This amendment is to reduce the premises from 7.028 acres to 6.818 acres. These adjustments for the additional rail spur are necessary for the award and implementation of the West Plains Grain Elevator Facility Improvement Grant by the Port Infrastructure Development Program (PIDP). Tract I: Current acreage: 3.44 / adjust to 3.43 (reduction of 0.01); Tract II: Current acreage: 3.201 / adjust to 3.001 (reduction of 0.20); Tract III: Current acreage: 0.387 (no changes made). Commissioner Wood moved to approve the lease amendment, Commissioner Reed seconded, and the motion passed unanimously.

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6. Consideration and Action authorizing Port Director & CEO to submit an application, for a planning grant, to the U.S. Department of Transportation under the Rebuilding America Infrastructure with Sustainability and Equity (RAISE) Grant Program.

Ms. Rodriguez addressed the Board requesting authorization for the Port Director & CEO to submit an application for a planning grant, to the U.S. Department of Transportation under the Rebuilding America Infrastructure with Sustainability and Equity (RAISE) Grant Program. The U.S. Department of Transportation (DOT) is currently accepting applications for Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grants, for the FY 2022 RAISE grant program. The “Bipartisan Infrastructure Law”, or “BIL” directs that \$75 million be awarded for the planning, or design-for example environmental analysis, equity analysis, community engagement, feasibility studies, and other pre-construction activities-or eligible surface transportation capital projects. The Port of Brownsville is an eligible applicant and application are due on April 14, 2022. Commissioner Guerra moved to authorize the Port Director & CEO to submit an application, for a planning grant, to the U.S. Department of Transportation under the Rebuilding America Infrastructure with Sustainability and Equity (RAISE) Grant Program, Commissioner Wood seconded, and the motion passed unanimously.

7. Consideration and Action on proposals received for the Data Frequency Radio Access Project.

Mr. Martinez addressed the Board requesting authorization to award proposal and authorize payment of the data frequency radio access project. Point-to-point high-end dual band access points and Ruckus-SFP Transceiver Modules need to be installed to be compatible with the rest of the Port’s network which have the proper frequency levels to create a strong air data frequency environment and are appropriate for the extreme weather conditions. This will allow for video and constant data communication access to the shrimp basin, where the camera system is currently no longer connected to the camera network due to extreme weather conditions and lack of frequency. On February 16, 2022, staff received approval by the Commission to request proposals. Staff has posted the request for proposals in the newspaper, BND website and have contacted different vendors. They have received proposals from C&A Industrial Supply, Juniper Global Technologies, and Sigad Group. After evaluating all three proposals based on experience, qualifications, expertise, understanding scope of work, and company that had the lowest price at \$58,528.96. Two years of warranty is included, and the equipment will be installed within three days. The estimated useful life of this equipment is approximately seven years. He recommended that the contract be awarded to Sigad Group in the amount of \$58,528.96, and to authorize payment. Commissioner Reed so moved, Commissioner Wood seconded, and the motion passed unanimously.

8. Consideration and Action on bids received for the purchase of treated lumber

Mr. Herrera addressed the Board requesting authorization to award a purchase agreement for the purchase of treated lumber. The District requested sealed bids for the purchase of treated lumber on February 18, 2022, with a bid opening date of March 7, 2022. Conroe Wood Products, INC. of Willis, TX submitted a bid with prices for timber of various dimensions. The bid stipulated that pricing would only be honored until March 21, 2022. He recommended that the contract be awarded to Conroe Wood Products. Discussion followed regarding storage of lumber and the possibility of purchasing a higher quantity of lumber now. Commissioner Reed moved to award

the contract to Conroe Wood Products for the purchase of treated lumber and to authorize payment in the amount of \$55,133.04, Commissioner Guerra seconded, and the motion passed unanimously.

9. Consideration and Action on bids received for the purchase of crushed limestone.

Mr. Herrera addressed the Board requesting authorization to award a purchase agreement to the responsible bidder for the purchase of crushed limestone. The District requested sealed bids to enter into a purchase agreement for the purchase of crushed limestone on February 18, 2022 with a bid opening date of March 7, 2022. Vulcan Construction Materials, LLC of Brownsville, TX submitted a bid with two options. Option 1 \$27.75 per standard ton delivered and Option 2 at \$23.50 per standard ton non-delivered. He clarified that this is an annual supply contract, and would not require the purchase of any specific amount of material. Commissioner Guerra moved to award the purchase agreement to Vulcan Construction Materials, LLC for the purchase of crushed limestone for Option 2 at \$23.50 per standard ton non-delivered, Commissioner Reed seconded, and the motion passed unanimously.

10. Consideration and Action to award bid and authorize payment for the purchase of two new 2023 year model dump trucks.

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

11. Consideration and Action on Proposal by HDR Engineering, Inc. on professional engineering design services for the Cargo Dock #3 Reconstruction project, and to authorize the Port Director & CEO to execute the Task Order.

Mr. Campirano asked to table the item. Commissioner Guerra so moved, Commissioner Wood seconded, and the motion passed unanimously.

12. Consideration and Action to Authorize the Port Director and CEO to enter into a contract with Orion Construction, LP for Oil Dock #3 & Liquid Cargo Dock Maintenance Dredging.

Mr. Campirano addressed the Board regarding a contract with Orion Construction, LP for Oil Dock #3 & Liquid Cargo Dock Maintenance Dredging. On October 1, 2021, the Port experienced heavy rains and as a result have experienced some unanticipated shoaling in the areas of Oil Dock #3 and the Liquid Cargo Dock. Staff discovered the shoaling on October 20, 2021 as a result of a vessel attempting to berth at Oil Dock #3 and they hit bottom. The Port took bathymetric surveys of the ship channel and discovered that the Liquid Cargo Dock also experienced shoaling. The shoaling appears to be due to the sediment from the drainage ditches that discharge stormwater into the ship channel from both the South and the North sides. This is damage to the areas in front of the docks that was unforeseen and unanticipated, and the shoaling problem needs to be addressed and remedied. Left unaddressed, it poses a problem to the tenants and potential safety hazard to vessel navigation. There is an opportunity to address this unforeseen damage and BND Staff solicited and received a proposal from Orion Construction, LP to perform dredging work on Oil Dock #3 and the Liquid Cargo Dock. Chapter 60 of the Water Code exempts ports and port authorities from competitive bidding requirements to address any unforeseen damage to the property of the port or port authority. Discussion followed regarding the nature of the damage and the steps that might be taken in the future to avoid the problem. Commissioner Reed moved to authorize Port Director and CEO to enter into a contract with Orion Construction, LP for the Oil Dock #3 and Liquid Cargo Dock Maintenance Dredging project in the amount of \$828,300.00, 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, and evaluation of a public officer or employee, including the renewal, extension, or modification of the Port Director and CEO's employment contract (§551.074); and to conduct deliberations regarding economic development negotiations (§551.087).**

The Vice-Chairman noted that all items for executive session had already been discussed.

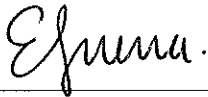
14. **Possible action on matters or items discussed in Executive Session.**

There was none, other than as previously noted.

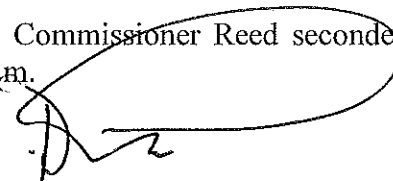
15. **Adjournment.**

Commissioner Guerra moved to adjourn the meeting, Commissioner Reed seconded, and the meeting was adjourned by unanimous consent at 6:59 p.m.

ATTEST



Esteban Guerra, Secretary



Sergio Tito Lopez
Chairman of the Board