

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD JULY 20, 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, July 20, 2022 at 5:30 p.m.** The following individuals were present and absent:

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

ABSENT: None

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

STAFF MEMBERS: Ariel Chavez
Michael Davis
Karina Franco
Chief William Dietrich
Arturo Gomez
Jose Herrera
Jaime Martinez
Jorge Montero

Tony Rodriguez
Melinda Rodriguez

Janie Velasquez
Zeus Yanez
Carlos Martinez

OTHERS PRESENT: Rev. Andreas Lewis
Carlos Garcia
Tom Ramsey
Kevin Garcia
Rosendo Escareno
Enrique Mena, ZIWA
John Jurenger, Terracon
Cuauhtemoc Plascencia
Family of William Dietrich

1. Meeting Called To Order

The Chairman called the meeting to order at 5:44 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

Cuauhtemoc Plascencia, of the Confederacion de Trabajadores de Mexico, addressed the Board regarding opportunities for cooperation between his organization and the Port of Brownsville.

3. Receive Director’s Report

- a. Administer Oath of Office to Chief William G. Dietrich**
- b. Receive Port Monthly Operations Summary Report**

Mr. Campirano addressed the Board and introduced the new Chief of Police, William G. Dietrich. Chairman Guerra then administered the oath of office to Chief Dietrich. Chief Dietrich briefly addressed the Board.

Mr. Yanez then delivered the Port Monthly Operations Summary Report.

CONSENT AGENDA

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

- a. Approval of the Minutes of the Special Board Meeting of June 30, 2022 and the Regular Board Meeting of July 06, 2022.
- b. Approval to authorize payments over \$25,000.00:
 - 1. G & T Paving, LLC, the amount of \$442,378.79, for South Yard Track Expansion – Ostos Road Pavement;
 - 2. Carr, Riggs & Ingram, the amount of \$31,100.00, for Final billing for Pension Plan audit for the year ended December 31, 2021.

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

5. Appointment of BND Commission to Boards and Committees.

Chairman Guerra then made the following appointments of BND Commissioners to Boards and Committees:

Audit Committee:	Commissioners Reed and Wood
Policy Committee:	Commissioners Wood and Cowen
Security Committee:	Commissioners Cowen and Lopez
Southmost Regional Water Authority Board:	Commissioner Cowen
Leasing Committee:	Chairman Guerra and Commissioner Lopez
Economic Development Committee:	Chairman Guerra and Commissioner Reed
Board Policy Committee:	Commissioners Wood and Cowen

6. Overview of the Port of Brownsville's Information Technology Road Map to Becoming a SMART Port.

Mrs. Rodriguez addressed the Board regarding the Port of Brownsville's Information Technology Road Map to Becoming a SMART Port. Discussion followed.

Commissioner Cowen left the meeting room.

7. Presentation of District's Investment Report for the quarter ended June 30, 2022.

Mr. Yanez addressed the Board to present the District's Investment Report for the quarter ended June 30, 2022.

8. Consideration and Action to ratify authorizing Port Director and CEO to sign Subordination Agreement for West Plains, LLC.

Mr. Campirano addressed the Board requesting the ratification authorizing Port Director and CEO to sign Subordination Agreement for West Plains, LLC. West Plains, LLC is securing a loan for rehab and improvements to the grain elevator at the Port of Brownsville. The Subordination Agreement is needed so that West Plains, LLC can close on the loan and received the loan proceeds. Legal Counsel has reviewed the agreement. The Port Director and CEO signed the Subordination Agreement on July 12, 2022. Commissioner Wood moved to approve the ratification of the Port Director and CEO signature on the Subordination Agreement, Commissioner Reed seconded, and the motion passed by a vote of 4-0.

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

Commissioner Cowen returned to the meeting room.

Mrs. Rodriguez addressed the Board regarding the following items:

1. International Shipbreaking Limited, LLC (Lease Amendment)

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

2. ARX Energy, LLC (New Lease)

Jupiter Brownsville, LLC a current lessee under BND #4148 was granted an extension on the primary term of their lease and is set to expire on July 30, 2022. ARX Energy, LLC, which is under the same ownership as Jupiter Brownsville, LLC, is requesting a new lease for a primary term of thirty (30) years commencing on the Effective Date (primary term) with options for subsequent Renewal Terms, for the purposes and upon subject to the terms and conditions set forth in the lease agreement. The Primary Term shall not commence unless and until Lessee or Lessee's Affiliate makes a positive Final Investment Decision ("FID") for the Project. The payment of monthly rent would commence on August 1, 2022, but the Effective Date of the Primary Term of the Lease would not commence until Lessee makes FID, which must be made by February 1, 2023. The deadline to make FID may be extended an additional six (6) months on certain terms and conditions included in the lease. Provided no Event of Default has occurred under this Lease, and provided Lessee timely gives notice as hereinafter provided, Lessee shall have the option to renew and extend the Term of this lease beyond the Primary Term for up to two (2) consecutive renewal periods consisting of ten (10) years each. The property leased is for the purposes of constructing,

operating and maintaining of a facility to store and/or produce crude oil, refined hydrocarbons, chemicals, industrial gases, renewable fuels, and other related or derivative clean products for its use permitted pursuant to existing permits issued to Lessee as well as any other incidental permits that may be required for the installation or operation of the aforementioned facilities. Tom Ramsey made a presentation to the Board regarding the proposed project. Commissioner Lopez moved to table this Item for discussion in executive session, Commissioner Reed seconded, and the motion passed unanimously.

10. Consideration and Action award bid and authorize payment for the South Towers Fiber Line Replacement Project.

Mr. Martinez addressed the Board requesting approval to award bid and authorize payment for the South Towers Fiber Line Replacement Project. The Ports fiber line infrastructure which allows for internet access for use of the Port and transmission of security camera access data from different points around the port including every camera tower, the Harbor Master's Office, the Command Center, and the Main Administration Office needs complete replacement. Currently, it is urgent that Staff replace a section of fiber that runs from the south water tower to the CBP tower, approximately three and a half miles. This section of fiber has exposure and severe damage that continues to grow due to elements like water and dirt that seeps into the fiber line, which has caused camera outages as recent as two Fridays ago. Staff has temporarily continued communication of data by using wireless access points, but the considerable amounts of data that is transmitted can overload and damage other data transmission equipment like switches and transceivers which can be very costly to replace. The current fiber line was installed over twelve years ago and is not only damaged but is obsolete. This fiber line will be replaced with updated fiber that is suitable for the growing infrastructure of the Port. This fiber line enables the Port to comply with Coast Guard regulations and security expectations and the replacement will allow us to comply with Title 33 of the Code of Federal Regulations parts 105 and 106, which implement the Maritime Transportation Security Act of 2002. On May 4th, the IT department received approval to advertise for bids for this project. The IT and Engineering department collaborated to prepare the bid package. A mandatory pre-bid meeting was held on Friday, May 20th and the bid opening was held on Tuesday, May 31st BND Staff advertised in the local newspaper, BND website, and contacted several vendors by email. Three bids were received as follows: Sigad Group, LLC, \$1,021,423.70; C&A Industrial Supply, \$989,230.40; Juniper Global Technologies \$960,806.40, with a cashier's check for purposes of a bid bond for 5% of the bid amount. One-year of warranty/maintenance will be included, which includes monthly maintenance of all fiber splices at every tower and junction box and repair of any part of the fiber that might get damaged along the conduit. This one year of maintenance has a value of \$32,408.15. This project is estimated to take four months to be completed. The bid opening tabulation and a map where the fiber will be replaced along R.L. Ostos Road were provided as reference. Commissioner Cowen moved to award the bid for the South Towers Fiber Line Replacement Project to the lowest responsive bidder Juniper Global Technologies in the amount of \$960,806.40 and authorized BND staff to issue the Notice of Award, Commissioner Reed seconded, and the motion passed unanimously.

11. Consideration and Action to authorize Port staff to advertise for bids for sand for the installation of RCP for the Pesqueria Project.

Mr. Herrera addressed the Board requesting authorization for Port staff to advertise for bids for sand for the installation of RCP for the Pesqueria Project. This material is needed for the installation of reinforcement concrete pipes for the Pesqueria Project. Commissioner Wood moved to authorize Port staff to advertise for bids for sand, and to open the received bids thereof, Commissioner Cowen seconded, and the motion passed unanimously.

12. Consideration and Action to make an award(s) on the request for proposals issued for Crushed Limestone for the Expansion of Patio 22.

Mr. Herrera addressed the Board requesting approval to make awards on the request for proposals for Crushed Limestone for the Expansion of Patio 22. On June 15, 2022, Facilities Maintenance Staff received approval by the BND Commission to request proposals for the purchase of crushed limestone and/or alternative base materials. Staff received three proposals from local companies: TD American Limestone, Cal-ixa Aggregates LLC, and Olmito Sandpit. Respondents were evaluated based on Understanding of Scope of Work, Qualifications/Experience of the Firm, Service Availability, and Value of Cost. The work will be assigned to the selected firm(s), at the District's discretion, considering cost, availability and demonstration of ability to provide the material requested with the best value provided to the District. Discussion followed regarding availability of the product and the increase in pricing. Commissioner Reed moved to award a purchase agreement to the two highest ranking respondents, TD American Limestone and Cal-ixa Aggregates LLC for the purchase of crushed limestone or alternative material for the expansion of Patio 22 and to authorize payment of the invoices when received, provided that there would be no commitment for the purchase of any limestone or other material and the Port would reserve the right to purchase material from other sources in its discretion, Commissioner Cowen seconded, and the motion passed by a vote of 4-1, with Commissioner Lopez voting Nay.

13. Consideration and Action on bids received for the BND Shop Vehicle Wash Bays project, and to authorize BND Staff to issue the Notice of Award to the successful bidder if awarded.

Mr. Chavez addressed the Board requesting to award bid received for the BND Shop Vehicle Wash Bays project and to authorize BND Staff to issue Notice of Award to the successful bidder if awarded. As authorized by BND Commissioners on June 1st, 2022, BND Staff published the Invitation to Bid on the BND Shop Vehicle Wash Bays project on June 6 and 13, 2022 in the local newspaper and also contacted known construction contractors by email and phone. A Mandatory Pre-Bid Meeting was held on June 14, 2022 with several potential bidders and suppliers attending. The Bid Opening was originally scheduled for June 21, 2022 and was ultimately changed by Addendum to July 12, 2022. On that date, only one bid was received from Ziwa Corporation in the amount of \$694,961.10. After review, the bid was deemed to be responsive. After checking the mathematics, a small error was apparent, making the bid \$694,960.94. Commissioner Reed moved to reject the bid and for Port staff to redesign the project and make changes necessary to lower the scope of work and the price of the project, Commissioner Lopez seconded, and the motion passed unanimously.

14. Consideration and Action to authorize Staff to advertise for Bids on the Grain & Bulk Handling Facility Development, Expansion and Upgrade Project components, and to open bids thereof.

Mr. Chavez addressed the Board requesting authorization for Staff to advertise for Bids on the Grain & Bulk Handling Facility Development, Expansion and Upgrade Project components, and to open bids thereof. BND Staff has been working with U.S. Department of Transportation Maritime Administration on a Grant Agreement for the project known as the Grain & Bulk Handling Facility Development, Expansion and Upgrade. BND and consultant HDR are finalizing the 100% Plans and Specifications package, and Staff anticipates approval to publish the Advertisement for Bids in the next two or three weeks. In preparation, BND Staff is asking for authorization to advertise to solicit bids, and to open bids on this project once received. There are three components to this project, to wit, (1) Rail and Road Improvements, (2) Improvements to the Grain Elevator Facility including equipment acquisition, and (3) structural repairs to the dock below the deck. Upon notice staff will publish an Invitation to Bid in the local newspaper for each of these components, as well as invite known contractors by email and/or by phone. Commissioner Cowen moved to authorize BND Staff to prepare an Invitation to Bid on the different components of the Grain & Bulk Handling Facility Development, Expansion and Upgrade project, to publish same in the local newspaper as required by BND Purchasing procedures, and to open bids once they are received, Commissioner Reed seconded, and the motion passed by a vote of 4-1, with Commissioner Lopez voting Nay.

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; 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 Cowen moved to adjourn into executive session, Commissioner Wood seconded, and the motion passed unanimously. The Chairman then announced that the time was 6:58 p.m., and that the Board would adjourn into executive session.

Commissioner Cowen moved to reconvene in open session, Commissioner Lopez seconded, and the motion passed unanimously. The Chairman then announced that the time was 7:30 p.m., and that the Board had reconvened in open session.

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

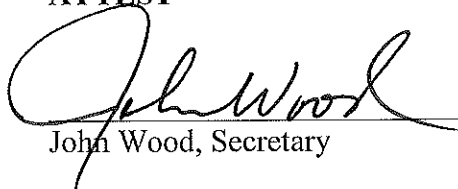
The Chairman recalled Item 9(2).

Commissioner Lopez moved to approve a 30-day extension to the Jupiter Brownsville, LLC lease, Commissioner Cowen seconded, and the motion passed unanimously.


17. Adjournment.

Commissioner Lopez moved to adjourn the meeting, Commissioner Reed seconded, and the meeting was adjourned by unanimous consent at 7:30 p.m.

ATTEST



John Wood, Secretary



Esteban Guerra
Chairman of the Board