

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD AUGUST 03, 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, August 03, 2022 at 5:30 p.m.** The following individuals were present and absent:

PRESENT: Esteban Guerra, Chairman
Ralph Cowen
Sergio Tito Lopez
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: Ariel Chavez
Jose Herrera
Jaime Martinez
Jorge Montero
Margie Recio
Tony Rodriguez
Melinda Rodriguez
Janie Velasquez
Zeus Yanez

OTHERS PRESENT: Rev. Andreas Lewis
Donald Lantz
Janie Lopez
Stephen Putegnat
Kevin Garcia

1. Meeting Called To Order

The Chairman called the meeting to order at 5:35 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

Donald Lantz addressed the Board regarding his father, Ersel Lantz, a former employee of the Port of Brownsville.

Janie Lopez addressed the Board regarding her candidacy for the Texas House of Representatives.

3. Receive Director's Report

a. Receive Directors Reports

The reports were in the agenda packet. Discussion followed.

Commissioner Lopez asked Mr. Campirano for an update on the recent BRG derailment. Mr. Campirano addressed 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 20, 2022.
- b. Approval to authorize payments over \$25,000.00:
 1. EarthCo, LLC, the amount of \$28,500.00, for Subsurface Exploration and Geotechnical Engineering Reports on four sites; and
 2. HDR Engineering, Inc., the amount of \$25,583.14. for Engineering Services – West Plains LLC Port Infrastructure Development Program Grant.

5. Consideration and Action on amending the Brownsville Navigation District Foreign Trade Zone No. 62, Zone Schedule, administration page.

Mr. Campirano noted that Item 4b2 is reimbursable to the Port.

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

6. Consideration and Action to acknowledge receipt of Certified Appraisal Roll and Property Tax calculations for the District's 2022 tax year levy.

Mr. Yanez addressed the Board requesting acknowledgment of receipt of Certified Appraisal Roll and Property Tax calculations for the District's 2022 tax year levy. On July 20, 2022, the Cameron Appraisal District, certified the appraisal roll for properties in the District's jurisdiction. Submittal to the BND Commissioners of the certified appraisal roll and the property tax rate calculations are required steps in the tax assessment process of the Texas Tax Code Chapter 26. The 86th Legislature passed Senate Bill 2 with most amendments effective 1/1 /2020, including adopting new terminology and calculations for the no-new-revenue (formerly effective) and voter-approval (formerly rollback) tax rates. SB 2 amendments also limits the allowed increases in the no-new-revenue M.O. rate to 3.5%, formerly 8%, and now requires taxing units to hold an automatic election for voters to accept or reject an adopted tax rate that exceeds the voter-approval tax rate. The District's \$0.028604 no-new-revenue and \$0.029658 voter-approval tax rates will be published and posted on the District's website along with other required information and notices. Under a subsequent item on this August 4th meeting, Staff will be recommending for the BND Commissioners to vote to publish a Proposed Tax Rate of \$0.029658 which exceeds the no-new-revenue tax rate (\$0.028604) but does not exceed the voter-approval tax rate (\$.029658) for 2022. The final vote to adopt the 2022 proposed tax rate will take place at a subsequent Board meeting. Commissioner Reed moved to acknowledge receipt of the Certified Appraisal Roll and Property

Tax calculations for the District's 2022 Property Tax Levy, Commissioner Lopez seconded, and the motion passed unanimously.

7. Consideration and Action to vote to publish a 2022 Proposed Tax Rate for the Brownsville Navigation District.

Mr. Yanez addressed the Board requesting vote to publish a 2022 Proposed Tax Rate for the Brownsville Navigation District. Under this item, the BND Commissioners voted to publish a 2022 Proposed Tax Rate at \$0.029658 per \$100 valuation. This proposed tax rate exceeds the no-new-revenue tax rate of \$0.028604 per \$100 valuation but does not exceed the voter approval tax rate of \$0.029658 per \$100 valuation. A public hearing is required since the District is proposing to increase property taxes in the 2022 tax year. Since the \$0.029658 Proposed Tax Rate does not exceed the \$0.029658 voter-approval tax rate, the District is not required to hold an election to seek voter approval of the rate. The Board had the option of accepting the \$0.029658 proposed tax rate or proposing an alternative rate. Once the motion was made to accept the 2022 Proposed Property Tax Rate of \$0.029658 per \$100 of valuation, the Board took a roll call vote. The vote was recorded in the "Notice of Public Hearing on Tax Increase" which will be published in the Brownsville Herald & District's website. After holding the required public hearing, the BND Commissioners may vote to adopt the \$0.029658 tax rate. The District will need to submit its 2022 adopted rate by September 16th to the County Assessor & Collector for the District's 2022 tax rate to be included in the combined October tax statements. Commissioner Reed moved to accept and to take a roll call vote to publish the 2022 Proposed Property Tax Rate of \$.029658 per \$100 of valuation, which consists of a Debt Rate of \$.003591 per \$100 valuation and a Maintenance and Operations rate of \$0.026067 per \$100 of valuation, Commissioner Cowen seconded, and upon a roll call vote, the motion passed unanimously.

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

Mr. Campirano addressed the Board regarding the following items:

1. Bluewing One, LLC and Bluewing Royal, LLC. (Termination of Lessor Agreements)

In 2019, Bluewing One, LLC and Bluewing Royal, LLC secured a credit agreement with Cadence Bank in support of their operations at the BND. The credit agreement was secured with Leasehold Deeds of Trust and other security agreements. In connection with the credit agreement, the BND, Bluewing, and Cadence Bank entered into four lessor agreements relating to BND Lease Nos. 3218, 3840, 4140, and 4153. The loans extended by Cadence Bank have been repaid and the leasehold deeds of trust have been released. Bluewing has requested that the lessor agreements be terminated by agreement of the parties. Commissioner Lopez moved to approve the Termination of Lessor Agreements with Cadence Bank, Bluewing One, LLC, and Bluewing Royal, LLC., Commissioner Cowen seconded, and the motion passed unanimously.

9. Consideration and Action to authorize BND Staff to Advertise for Bids for reinforced concrete pipe for the Patio #22 West Loading Pad project, to open bids thereof, and to issue the purchase order.

Mr. Chavez addressed the Board requesting authorization for BND Staff to advertise for bids for reinforced concrete pipe for the Patio #22 West Loading Pad project, to open bids thereof, and to issue the purchase order. BND Staff has been working on the South Yard Track Expansion-Ostos

Road Pavement project, which BND Commissioners awarded on March 2, 2022 to G&T Paving, LLC (G&T). At that time, as recommended by BND Staff, BND Commissioners chose to exclude the Additive Alternate of the West Loading Pad, directing BND Staff to perform that work in-house. As G&T continues to progress, it is now time for BND Staff to procure the concrete pipe required for this Loading Pad, which will facilitate the loading of materials, particularly windmill components, onto the rail at the extension between Patios 20 and 22. BND Staff is, therefore, requesting authorization to Advertise for Bids on the required materials. The Sand, Limestone and GeoGrid materials that will be used for the Loading Pad will come from the annual contracts the District already has in place with those suppliers. Commissioner Wood asked that the last portion of the item authorizing the issuance of a purchase order not be included in the Board's action. Commissioner Cowen moved to authorize BND Staff to publish an Invitation to Bid on the Patio #22 West Loading Pad Concrete Pipe, as per the Bid Proposal document prepared by BND staff, to publish same in the local newspaper as required by BND Purchasing procedures, and to open bids thereof, Commissioner Wood 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; 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).**

There was none.

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

There was none.


- 12. Adjournment.**

Commissioner Cowen moved to adjourn the meeting, Commissioner Reed seconded, and the meeting was adjourned by unanimous consent at 6:15 p.m.

ATTEST



John Wood, Secretary



Esteban Guerra
Chairman of the Board