

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND  
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF  
CAMERON COUNTY, TEXAS HELD OCTOBER 25, 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 **Tuesday, October 25, 2022 at 5:30 p.m.** The following individuals were present and absent:

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

**ABSENT:** Sergio Tito Lopez

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

**STAFF MEMBERS:** Ariel Chavez  
Michael Davis  
Chief William Dietrich  
Arturo Gomez  
Jose Herrera  
Jaime Martinez  
Jorge Montero  
Margie Recio  
Tony Rodriguez  
Melinda Rodriguez  
Janie Velasquez  
Zeus Yanez

**OTHERS PRESENT:** Rev. Andreas Lewis  
David Wedgeworth  
John Calce  
Tom Ramsey  
Bobby Villarreal  
Dan Martinez

**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. Port Monthly Operations Summary Report**

- a.
- b.

Mr. Yanez 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 October 5, 2022.
- b. Approval to authorize payments over \$25,000.00:
  - 1. HDR Engineering Inc., the amount of \$179,233.25, for Cargo Dock 3 Phase 1 Design;
  - 2. HDR Engineering Inc, the amount of \$150,515.96, for Engineering Services (West Plains – PIDP Grant);
  - 3. Vulcan Materials Company, the amount of \$28,701.46, for Crushed Limestone for Pesqueria project.

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

#### **5. Presentation of District's Investment Report for the quarter ended September 30, 2022.**

Mr. Yanez presented the report to the Board.

#### **6. Consideration and possible Action to authorize the purchase via BuyBoard and deployment of Body Worn Cameras (BWC) and Conducted Electrical Devices "Taser" provided by Axon Enterprises Inc.**

Chief Dietrich addressed the Board requesting authorization for a purchase via BuyBoard and deployment of Body Worn Cameras (BWC) and Conducted Electrical Devices "Taser" provided by Axon Enterprises Inc. The Port of Brownsville Police Department is requesting the purchase and deployment of Body Worn Cameras (BWC) and Conducted Electrical Devices "Tasers". The purchase and implementation of the law enforcement tools such as BWC and "Tasers" are necessary to increase officer safety, increase public confidence and training. They are also known to enhance positive interactions and encounters with the public, incident and crime scene documentation, administrative processes and procedures, and grievances. A BuyBoard quote was obtained from Axon Enterprises Inc. located in Scottsdale, Arizona for the following amounts: Body Worn Camera Systems: \$5,529.82 (Annually)/ Total for five years: \$27,649.10; Conducted Electrical Devices "Taser": \$2,795.02 (First Year) / \$2,795.00 Subsequent 4 years = Total: \$13,975.05. Commissioner Reed moved to authorize the purchase of the Body Worn Cameras (BWC) and Conducted Electrical Devices "Taser" to Axon Enterprises Inc. and issue payment, Commissioner Wood seconded, and the motion passed unanimously.

**7. Consideration and Action on Third Supplemental Resolution establishing the Brownsville Navigation District of Cameron County, Texas Senior Lien Variable Rate Revolving Note Program; the Execution and Delivery of one or more Note Purchase Agreements and Issuance of Notes Pursuant Thereto; and Resolving Other Matters Related thereto.**

Mr. Yanez addressed the Board requesting approval on the Third Supplemental Resolution establishing the Brownsville Navigation District of Cameron County, Texas Senior Lien Variable Rate Revolving Note Program; the Execution and Delivery of one or more Note Purchase Agreements and Issuance of Notes Pursuant Thereto; and Resolving Other Matters Related thereto. On June 30, 2022, the Board of Commissioners approved the Project Partnership Agreement (PPA) and Respective Certificates between the Department of the Army and the Brownsville Navigation District for the Brazos Island Harbor Project. The District's (Non-federal sponsor) current projected share of project costs as outlined in the PPA is \$43,360,000. On July 6, 2022, the Board of Commissioners approved a Reimbursement Resolution for the issuance of bonds, notes or other obligations for the financing of the Brazos Island Harbor project costs. On July 19, 2022, staff distributed proposal solicitation documents to 24 financial institutions. Six proposals were received by the proposal deadline of August 4, 2022. With the assistance of the District's financial advisors, Estrada Hinojosa and Co., the proposals received were evaluated and ranked based on the Commitment Fee and Bank Interest Rate. On August 17, 2022, staff presented to the Board of Commissioners the results of the proposal evaluations and the Board accepted PNC Bank's proposal. Staff continued working with Estrada Hinojosa and Co. and the District's bond counsel, Winstead P.C., to close on the Revolving Note Program transaction. Estrada Hinojosa and Co. have identified a revolving note purchase program (the "Program") as a means to finance the District's share of project costs. This Program will function similar to a line of credit. The revolving note purchase program will be issued pursuant to a supplemental resolution adopted under the Port of Brownsville's Master Resolution dated January 20, 2016. The goal is to have a short-term financing Program that provides both a cost-efficient means for short-term borrowing and minimizes the cost associated with maintaining the short-term financing Program, especially during times when no debt is outstanding. The Port of Brownsville is also looking to incorporate into the Program the ability to accommodate Taxable debt, Tax-Exempt debt, and AMT debt. The Port of Brownsville is looking for a Program with a revolving financing capacity of \$40 million for a minimum of three years. The estimated costs associated with issuing the revolving note purchase program are \$145,000 and will be paid from current District resources.. Commissioner Reed moved to approve the Third Supplemental Resolution establishing the Brownsville Navigation District of Cameron County, Texas Senior Lien Variable Rate Revolving Note Program and Approve the execution and delivery of one or more Note Purchase Agreements and the Issuance of Notes pursuant thereto, Commissioner Wood seconded, and 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. Ramon Mendez (Authority to Negotiate)**

The lease with Ramon Mendez under BND contract #3905 will expire on October 31, 2022, with no renewal options. The lessee seeks Authority to Negotiate a New Lease for a 1-year term with nine renewal options of 1 year each. Lessee land site is 455.45 acres located in the Espiritu Santo Grant Share 31-32 and the San Martin Grant 7: Tract A: 168 acres; Tract B: 103.45 acres; Tract C: 184 acres. Purpose clause: Grazing. Commissioner Reed moved to approve the Authority to Negotiate for Ramon Mendez, Commissioner Wood seconded, and the motion passed unanimously.

### **2. Brownsville Mooring LLC (Authority to Negotiate)**

Brownsville Mooring LLC seeks Authority to Negotiate a new lease for 0.5-acre tract of land for a term of one year with four renewal options of one year each. The property is located at 7950 Foust Road. The purpose clause for this site: parking for vehicles and other mooring equipment/supplies. Commissioner Wood moved to approve the Authority to Negotiate for Brownsville Mooring LLC, Commissioner Cowen seconded, and the motion passed unanimously.

### **3. Brownsville Gulfside Warehouse, Inc. (Authority to Negotiate)**

Brownsville Gulfside Warehouse Inc. a current lessee seeks Authority to Negotiate a new lease for a 10-acre tract of land. The proposed site is located adjacent to the South Port Connector Road. The proposed 10-acre site has a parcel of 2.08 acres that are currently being lease by Motus Energy LLC with a term to expire on February 1, 2023. The purpose clause for this site: Bulk Handling Warehouse. Commissioner Reed moved to approve the Authority to Negotiate for Brownsville Gulfside Warehouse Inc., Commissioner Cowen seconded, and the motion passed unanimously.

### **4. VMK Equipment Series, a series of VMK Investment Group, LLC (Lease Amendment)**

VMK Equipment Series, a series of VMK Investment Group, LLC a current lessee under BND Contract #4560 located at 3600 North Chemical Road. Lessee seeks an amendment to their lessee agreement that expires on April 18, 2023. The request is to amend the primary term of the lease to 5 years and provide the option of two renewal options of 5 years each. Commissioner Reed moved to approve the Lease Amendment to VMK Equipment Series, a series of VMK Investment Group, LLC, Commissioner Wood seconded, and the motion passed unanimously.

### **5. Keppel AmFELS, L.L.C. (New Lease)**

Keppel AmFELS, L.L.C. a current lessee (BND Contract #3668) is requesting a new lease for two additional sites with a total of 6.850 acres located at the corner of Angler's Place Rd. and Dry Dock Court at the Fishing Harbor. Keppel AmFELS, L.L.C. needs additional space to complete its ongoing contract obligations and the additional sites will be used for fabrication, laydown and/or storage of equipment and materials. Commissioner Reed moved to table this item, Commissioner Wood seconded, and the motion passed unanimously.

**6. ARX Energy, LLC (New Lease Amendment to Indemnification Agreement)**

Commissioner Reed moved to table the item until after Executive Session, Commissioner Cowen seconded, and the motion to table passed unanimously.

**9. Consideration and Action to authorize Port staff to advertise for bids on the Replacement of 60 Harsh Environmental Protected Stainless Steel Enclosures for Fiber & Data Switches, and to open bids thereof.**

Mr. Martinez addressed the Board requesting authorization for Port staff to advertise for bids on the Replacement of 60 Harsh Environmental Protected Stainless Steel Enclosures for Fiber & Data Switched, and to open bids thereof. The stainless-steel enclosures that house fiber splice boxes and data switched are in need of replacement for all camera towers and other designated IT areas around the Port. Commissioner Reed moved to authorize Port staff to prepare an invitation to Bid on the Replacement of 60 Harsh Environmental Protected Stainless Steel Enclosures for Fiber & Data Switches Project as per specifications to be published in the local newspaper and our website as required by BND Purchasing Procedures, as well as to extend invitations to known providers of this equipment, and to open bids once they are received, Commissioner Cowen 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, including the annual evaluation of the Port Director / Chief Executive Officer (§551.074); and to conduct deliberations regarding economic development negotiations (§551.087).**

Commissioner Cowen moved that the Board adjourn into executive session, Commissioner Wood seconded, and the motion carried unanimously. The Chairman announced that the time was 6:08 p.m., and that the Board was adjourned into executive session.

The Chairman then announced that the time was 6:38 p.m., and that the Board had reconvened in open session.

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

The Chairman recalled item 8(6).

**ARX Energy, LLC (New Lease Amendment to Indemnification Agreement)**


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 October 29, 2022. ARX Energy, 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 makes a positive Final Investment Decision ("FID") for the Project. Lessee will have up to one (1) year to make positive FID for the Project and therefore, the Effective Date shall be no later than November 1, 2023. The Lease includes timelines for making positive FID and for construction and development of the Project. 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. On March 30, 2022 the BND entered into an indemnification agreement with ARX Energy, LLC and Jupiter Brownsville, LLC relating to pending bankruptcy litigation involving Jupiter MLP and Jupiter Brownsville. The indemnification agreement provides for ARX Energy, LLC to indemnify and defend the BND for claims arising out of that litigation and to post an irrevocable letter of credit to secure the obligations under the agreement. In connection with the new lease to ARX Energy, the parties have negotiated a first amendment to the indemnification agreement that addresses security for the indemnification agreement and other terms related to deadlines in the ARX Energy, LLC lease. Commissioner Reed moved to approve a new lease for ARX Energy, LLC and the proposed first amendment to the indemnification agreement., Commissioner Wood seconded, and the motion passed unanimously.

## **12. Adjournment.**

Commissioner Reed moved to adjourn the meeting, Commissioner Cowen seconded, and the meeting was adjourned by unanimous consent at 6:40 p.m.

**ATTEST**

  
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John Wood, Secretary

  
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Esteban Guerra  
Chairman of the Board