

**MINUTES OF A PUBLIC HEARING AND REGULAR MEETING OF THE BOARD OF  
NAVIGATION AND CANAL COMMISSIONERS OF THE BROWNSVILLE  
NAVIGATION DISTRICT OF CAMERON COUNTY, TEXAS HELD AUGUST 17, 2022  
AT 5:30 P.M.**

The Board of Navigation and Canal Commissioners of the Brownsville Navigation District of Cameron County, Texas, held a public hearing and regular meeting on **Wednesday, August 17, 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  
Karina Franco  
Chief William Dietrich  
Arturo Gomez  
Jose Herrera  
Jaime Martinez  
Margie Recio  
Melinda Rodriguez  
Lieutenant Julio Romo  
Sergeant Edgar Garcia  
Janie Velasquez  
Zeus Yanez

**OTHERS PRESENT:** Rev. Andreas Lewis  
Family of Sergeant Edgar Garcia  
Carlos Garcia  
Chris Green  
Jorge de la Colina  
Roberto (Bobby) Villarreal, Estrada Hinojosa & Co.  
Angel Magallanes, Estrada Hinojosa & Co.

**PUBLIC HEARING**

**1. Public Hearing on Proposed 2022 Ad Valoren Tax Rate**

The Chairman called the public hearing to order at 5:35 p.m. No person addressed the Board. Commissioner Cowen then moved to close the public hearing, Commissioner Wood seconded, and the motion passed unanimously at 5:37 p.m.

## REGULAR MEETING

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

The Chairman called the regular meeting to order at 5:38 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. Promotion of Police Officer Edgar I. Garcia to the rank of Police Sergeant.**

Chief Dietrich addressed the Board regarding the promotion of Officer Edgar Garcia to Police Sergeant. He then administered the oath of office as sergeant to Officer Garcia. Sergeant Garcia briefly addressed the Board.

#### **b. Port Monthly Operations Summary Report**

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 August 03, 2022.
- b. Approval to authorize payments over \$25,000.00:
  1. G & T Paving, LLC, the amount of \$383,146.29, for South Yard Track Expansion; and
  2. Juniper Global Technologies, the amount of \$265,267.44, for South Tower Fiber Line Replacement Project.

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

### **5. Discussion of proposed Fiscal Year 2022 Operation and Capital Budget Amendments.**

Mr. Yanez presented the Board with preliminary draft of proposed budget amendments to the FY 2022 Operation and Capital Budget. Discussion followed.

### **6. Consideration and Action to vote on Resolution to adopt a 2022 property tax rate for the Brownsville Navigation District at a rate not to exceed \$0.029658 per \$100 valuation. This rate is comprised of a debt rate of \$0.003591 per \$100 valuation and a maintenance and operations rate of \$0.026067 per \$100 valuation.**

Mr. Yanez addressed the Board requesting the vote on Resolution adopt a 2022 property tax rate for the Brownsville Navigation District at a rate not to exceed \$0.029658 per \$100 valuation. This

rate is comprised of a debt rate of \$0.003591 per \$100 valuation and a maintenance and operations rate of \$0.026067 per \$100 valuation. Texas Tax Code Chapter 26 requires taxing units to adopt a tax rate by recorded vote and Resolution no later than September 30<sup>th</sup> or 60 days after the Certified Appraisal Roll is received (7/20/2022). The Cameron County Assessor & Collector assigns its own deadline of September 16<sup>th</sup> to include the District's adopted tax rate in the October 2022 property tax bills. On August 3, 2022, the Board voted to publish a Proposed Tax Rate of \$0.029658. The Proposed Tax Rate equals the \$0.029658 voter-approval rate which is the highest tax rate the District may adopt without holding a mandatory election to seek voter approval of the rate. The Proposed tax rate exceeds the no-new-revenue rate of \$0.028604. This means the proposed tax rate will increase property taxes for the 2022 Tax Year. Since the proposed tax rate exceeds the no-new-revenue rate a public hearing is required prior to adopting the tax rate. This required notice was published in the Brownsville Herald on August 10, 2022, and on the District's website. The 2022 Proposed Tax Rate, if applied to the total taxable value, will impose an amount of taxes to fund M&O expenditures for the District that would exceed the amount of taxes imposed for M&O purposes in the preceding year due to the higher 2022 proposed M&O rate of \$0.026067 compared to the 2022 no-new-revenue M&O rate of \$0.025186. Commissioner Wood moved to vote on the Resolution to adopt a 2022 Property Tax Rate of \$0.029658 per \$100 of valuation, which is comprised of a debt rate of \$0.003591 per \$100 valuation and a maintenance and operations rate of \$0.026067 per \$100 valuation, Commissioner Cowen seconded, and by roll call vote all commissioners present voted in favor of the motion.

**7. Consideration and Action to accept proposal for Revolving Note Purchase Program and to authorize Staff to proceed with the Closing process.**

Mr. Yanez addressed the Board requesting the acceptance of proposal for Revolving Note Purchase Program and to authorize Staff to proceed with the Closing process. 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. Commissioner Reed asked if the program would allow for conversion into permanent financing. Discussion followed. Commissioner Wood moved to accept PNC Bank's proposal for the Revolving Note Purchase Program and authorize Staff to proceed with the Closing process, subject to confirmation that the terms of the program would allow for conversion into permanent financing, Commissioner Cowen seconded, and the motion passed unanimously.

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

Mrs. Rodriguez addressed the Board regarding the following items:

**1. 905/BMW, Inc. (Authority to Negotiate)**

The lease with 905/BMW Inc under BND contract #3902 will expire on August 18, 2022, with no renewal options. Staff requested Authority to Negotiate a new lease for a term of five years. The

site is located at 8900 Old S.H. 48. The purpose of the new lease would be for warehouse/storage - minerals. Commissioner Reed moved to approve the Authority to Negotiate for 905/BMW Inc., Commissioner Wood seconded, and the motion passed unanimously.

**2. International Shipbreaking Limited, LLC (Lease Amendment)**

International Shipbreaking Limited, LLC, a current lessee located at 18501 R.L. Ostos under BND #3969 is requesting an amendment to increase the size of lease premises by adding 19.06 acres, formerly leased by Marine Metal, Inc., adjacent to their current site. The total acreage of the leased premises, increased hereunder, shall be 79.47 acres. The site formerly leased by Marine Metal, Inc. contains certain scrap and refuse in need of removal or disposal, as well as hazardous materials that need to be remediated or removed from the premises. Information on the items has been provided to ISL and ISL agreed to accept the premises as is, in its current condition. As a condition of the lease amendment, ISL is required to address these matters, including demolition of a building on the premises that is not salvageable and remediation of the hazardous materials in compliance with applicable law. The lease amendment provides that once Lessee has addressed these matters at Lessee's sole cost and expense and demonstrated that they have been completed to the BND, ISL's account with the District shall receive a one-time credit in the amount of \$22,335.14 (19.06 x \$7,031 = \$134,010.86 annually/12 = \$11,167.57 x 2 months = \$22,335.14). ISL and Port staff have consulted regarding the estimated costs to complete the above activities. A breakdown of the estimated costs is as follows: Total \$77,520 (Equipment Required & cost: \$45,000; Labor Hours & Cost: \$6,720 and Waste transport/Disposal Cost: \$25,800) It is estimated that the value of the scrap metal on the site is worth \$39,200. ISL would be responsible for removing the scrap and would be entitled to retain any sales proceeds of the scrap on the site. Commissioner Reed moved to approve the lease amendment for International Shipbreaking Limited, LLC, Commissioner Cowen seconded, and the motion passed unanimously.

**9. Consideration and Action to authorize Port Staff to award the bid for the removal of sludge from oil separator located at the Fishing Harbor Wastewater Treatment Plant.**

Mr. Herrera addressed the Board requesting authorization for Port Staff to award the bid for the removal of sludge from oil separator located at the Fishing Harbor Wastewater Treatment Plant. On July 6, 2022, Facilities Maintenance Staff received approval by the BND Commission to request bids to remove sludge from oil separator located at the Fishing Harbor Wastewater Treatment Plant, with a bid opening date of August 3, 2022. Staff received only one bid from Environmental Evolutions dba J.W. Rentals in the amount of \$52,778.67 for the services of removing oily sludge. Commissioner Cowen moved to award the bid to Environmental Evolutions dba J.W. Rentals for the services of removing oily sludge for the oil separator located at the Fishing Harbor Wastewater Treatment Plant, and to authorize payment of the invoice when received, Commissioner Reed 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).**

The Chairman then announced that the time was 6:35. p.m. Commissioner Cowen moved to adjourn into executive session, Commissioner Wood seconded and the motion passed unanimously.

The Chairman then announced that the time was 7:36 p.m. Commissioner Reed moved to reconvene in open session, Commissioner Cowen seconded, and the motion passed unanimously.

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

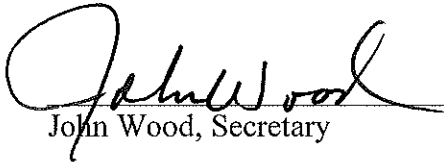
1. Possible action on extension of Jupiter Brownsville, LLC lease agreement.

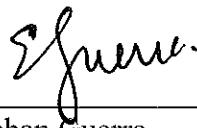
Commissioner Reed moved to extend the lease with Jupiter Brownsville, LLC for an additional sixty days and to authorize the Port Director to execute the lease amendment, Commissioner Cowen seconded, and the motion passed by a vote of 3-1. Chairman Guerra voted Nay.

**12. Adjournment.**

Commissioner Reed moved to adjourn the meeting, Commissioner Cowen seconded, and the meeting was adjourned by unanimous consent at 7:38 p.m.

ATTEST

  
John Wood, Secretary

  
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Esteban Guerra  
Chairman of the Board