

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD FEBRUARY 15, 2023 AT 4:00 P.M.**

The Board of Navigation and Canal Commissioners of the Brownsville Navigation District of Cameron County, Texas, held a regular meeting on **Wednesday, February 15, 2023 at 4:00 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
Michael Davis
Chief William Dietrich
Arturo Gomez
Jose Herrera
Jaime Martinez
Jorge Montero
Margie Recio
Memo Rico
Tony Rodriguez
Melinda Rodriguez
Janie Velasquez
Zeus Yanez

OTHERS PRESENT: Rev. Andreas Lewis
Jorge de la Colina
Mark Hodgson
Hunter Stanco
Captain Rey Martinez
Ida Trevino
Jaime Escobedo

1. Meeting Called To Order

The Chairman called the meeting to order at 4:10 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. 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 Board adjourned into executive session at 4:12 p.m.

The Chairman then announced that the time was 6:26 p.m. Commissioner Wood moved to reconvene in open session, Commissioner Lopez seconded, and the motion passed unanimously.

- 4. Possible action on matters or items discussed in Executive Session.**
- 5. Receive Director's Report**
 - a. Receive Port Monthly Operations Summary Report**

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

CONSENT AGENDA

- 6. Consideration and Action on the Following Consent Agenda Items:**
 - a. Approval of the Minutes of the Regular Board Meeting of February 1, 2023.
- 7. Consideration and Action on Solid Waster Collection and Disposal License Renewal Application for :**
 - Republic Services
 - Brownsville GMS, LTD.

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

- 8. Presentation on the Performance of District's Pension Plan and 457 Voluntary Deferred Compensation Program.**

Hunter Stanco, financial advisor with Morgan Stanley, made a presentation to the Board regarding the performance of District's Pension Plan and 457 Voluntary Deferred Compensation Program. Discussion followed. Commissioner Reed moved to acknowledge receipt of the proposal, Commissioner Lopez seconded, and the motion passed unanimously.

- 9. Consideration and Action on acknowledging receipt of the revised Tariff for Signet Maritime Corporation for the Ports of Brownsville and Port Isabel.**

Mrs. Recio addressed the Board requesting acknowledgement of receipt of the revised Tariff for Signet Maritime Corporation for the Ports of Brownsville and Port Isabel. Signet Maritime Corporation has submitted a revised Tariff for their services in the Ports of Brownsville and Port Isabel. The last revision for their Rate Tables was in August of 2019. The revisions presented are

an 18% increase on the hourly rates published in the Port Specific Rate Tables. In addition to the hourly rates, the Gross Registered Tonnage Fee was modified to reflect a new surcharge fee for Vessels with a 0 to 30,000 GRT., a fee of \$18.00 per thousand tons will be assessed. An increase in Vessels over 30,000 GRT will be assessed a fee of \$28.00 per thousand tons. The revised Tariff has been distributed to the Port of Brownsville stakeholders. Under the terms of the Port of Brownsville Tariff, revisions to a Harbor Tug Licensee's Tariff it must be filed with the Board of Commissioners 30 days prior to its effective date. The revised Tariff has an effective date of March 15, 2023. Representatives of Signet Maritime addressed the Board. Discussion followed regarding comparison of rates along the Gulf Coast. Commissioner Reed moved to acknowledge receipt of the revised Tariff for Signet Maritime Corporation for the Port of Brownsville and Port Isabel with an effective date of March 15, 2023, Commissioner Wood seconded, and the motion passed unanimously.

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

Mrs. Rodriguez addressed the Board regarding the following items:

1. Gulf Stream Marine, Inc. (Authority to Negotiate)

Gulf Stream Marine, Inc. a current lessee is seeking Authority to Negotiate for additional acreage located at Patio 20 for a desired term of ten years with two renewal options of five-years each. The purpose of the lease is for Storage of Steel Slabs. Commissioner Reed moved to authorize staff to negotiate a new lease with Gulf Stream Marine, Inc., Commissioner Wood seconded, and the motion passed unanimously.

2. Gulf Stream Marine, Inc. (Authority to Negotiate)

Gulf Stream Marine, Inc. a current lessee is seeking Authority to Negotiate for additional acreage located at Patio 22 for a desired term of ten years with two renewal options of five-years each. The purpose of the lease is for Storage of Steel Slabs. Commissioner Lopez moved to authorize staff to negotiate a new lease with Gulf Stream Marine, Inc., Commissioner Reed seconded, and the motion passed unanimously.

3. Frajara Express, LLC (Authority to Negotiate)

The lease with Frajara Express, LLC under BND Contract #4472 will expire on May 21, 2023, with no renewal options. The lessee seeks Authority to Negotiate a New Lease for one acre site located at 9235 Old S.H. 48. The purpose of the lease is for storage and transportation of materials (lumber, iron pipes, other). Commissioner Lopez moved to authorize staff to negotiate a new lease with Frajara Express, LLC., Commissioner Wood seconded, and the motion passed unanimously.

4. Brownsville Acquisition, Inc. c/o Callidus Capital Contract #4138 to Steelcoast Company, LLC (Consent to Assignment)

Chairman noted that Items 10(4) and (5) would be considered together.

On October 5, 2022, the Board consented to the change in ownership of Steelcoast Company, LLC which was acquired by SA Recycling, LLC. SA Recycling, LLC operates over 125 recycling centers in 15 states, including Texas. All existing management and personnel were retained following acquisition. The lease is structured with Brownsville Acquisitions, Inc. (previously wholly owned by Callidus Capital Corporation, and now wholly owned by SA Recycling, LLC) as the lessee and with Steelcoast Company, LLC as the Approved Sublessee (now wholly owned

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by SA Recycling, LLC). Brownsville Acquisition, Inc. lessee under BND #4138 now wishes to restructure the lease for Steelcoast Company, LLC to be the lessee, and as such, has presented the District with a proposed assignment of the lease from Brownsville Acquisition, Inc. to Steelcoast Company, LLC. The lessee is requesting the Board's consent to assign their lease to Steelcoast Company, LLC. This property is located at 16200 Joe Garza, Sr. Road and consists of 74.746 acres. Legal Counsel has reviewed the agreement and concurs that it is ready for consideration by the BND Commission. No change in purpose clause: Dismantling and processing of ships, barges, vessels, scrap, metals, plants, railroad stock, railroad track and any other material suitable to dismantlement and/or processing.

5. Brownsville Acquisition, Inc. c/o Callidus Capital Contract #4498 to SA Recycling, LLC (**Consent to Assignment**)

On October 5, 2022, the Board consented to the change in ownership of Steelcoast Company, LLC, which was acquired by SA Recycling, LLC. SA Recycling, LLC operates over 125 recycling centers in 15 states, including Texas. All existing management and personnel were retained following acquisition. The lease is structured with Brownsville Acquisition, Inc. (previously wholly owned by Callidus Capital Corporation, and now wholly owned by SA Recycling, LLC) as the lessee and with Steelcoast Company, LLC as the Approved Sublessee (now wholly owned by SA Recycling, LLC). Brownsville Acquisition, Inc. lessee under BND #4498 now wishes to restructure the lease for SA Recycling, LLC to be the lessee, and as such, has presented the District with a proposed assignment of the lease from Brownsville Acquisition, Inc. to SA Recycling, LLC. The lessee is requesting the Board's consent to assign their lease to SA Recycling, LLC as they have acquired 100% of the ownership of lessee and approved sublessee. This property is located at 6955 N. Indiana Road and consists of 13.743 acres. Legal Counsel has reviewed the agreement and concurs that it is ready for consideration by the BND Commission. No change in purpose clause: Metals & plastic recycling and other material suitable for recycling.

Commissioner Cowen moved to approve the Consent to Assignment of Lease 4498 from Brownsville Acquisition, Inc. to SA Recycling, LLC and to approve the Consent to Assignment of Lease 4138 to Steelcoast Company, LLC, Commissioner Lopez seconded, and the motion passed unanimously.

11. Consideration and Action on Consent to Leasehold Deed of Trust with International Bank of Commerce for Cowen Group, LTD.

Mr. Campirano addressed the Board requesting approval on Consent to Leasehold Deed of Trust with International Bank Commerce for Cowen Group, LTD. Cowen Group, LTD secured a loan from International Bank of Commerce for leasehold interest and improvements to the 7.25-acre tract located at 2380 North Indiana Road. The Consent to Leasehold Deed of Trust agreement is needed for the loan secured through International Bank of Commerce by Cowen Group, LTD. The document gives the bank a security interest in the tenant's leasehold interest, but does not put any type of lien on the BND's ownership interest in the land. We have done similar arrangements with IBC and with other banks several times in the past. Legal Counsel has reviewed the agreement and concurs that it is ready for consideration by the BND Commission. Commissioner Reed moved to approve the Consent to Leasehold Deed of Trust, Commissioner Lopez seconded, and the motion passed by a vote of 4-0. Commissioner Cowen abstained.

12. Consideration and Action on extending the Agreement for Professional Services with the LeMunyon Group, LLC.

Mr. Campirano addressed the Board requesting approval on extending the Agreement for Professional Services with the LeMunyon Group, LLC. The contract with Washington-based consultant LeMunyon Group, LLC will expire on February 28, 2023. The Brownsville Navigation District has engaged the services of the LeMunyon Group, LLC to represent the Port's interests in Legislative and Governmental matters involving both public and private agencies. Glenn B. LeMunyon has been instrumental in securing favorable considerations of the Port's interests in Washington, DC, as well as securing funding for Port related activities. Commissioner Reed moved to approve the Extension of the Agreement with the LeMunyon Group, LLC for a period of two years, Commissioner Lopez seconded, and the motion passed unanimously.

13. Consideration and Action to authorize Port staff to Advertise for proposals for Testing and Lab Services at the Fishing Harbor Wastewater Treatment Plant, the Northside Plant, and Turning Basing Wastewater Treatment Plant.

Mr. Herrera addressed the Board requesting authorization for Port staff to advertise for proposals for Testing and Lab Services at the Fishing Harbor Wastewater Treatment Plant, the Northside Plant, and Turning Basing Wastewater Treatment Plant. The services are needed as part of TCEQ requirements. Upon authorization, staff will publish the solicitation for proposals in the local newspaper, as well as contact known providers of these services by email and/or by phone. The Proposal documents will also be uploaded to the Port's website. Commissioner Wood moved to authorize staff to prepare a solicitation for Testing and Lab Services at the Fishing Harbor Wastewater Treatment Plant, Northside Plant, and Turning Basin Wastewater Treatment Plant, to publish it in the local newspaper as required by BND purchasing procedures, and to open proposals thereof, Commissioner Lopez seconded, and the motion passed unanimously.

14. Consideration and Action on proposals received for Fishing Harbor Security Services.

Mrs. Recio addressed the Board requesting the award of contract on proposals received for Fishing Harbor Security Services. On January 5, 2023, an electronic notification was sent to the Fishing Harbor Committee advising them that the current security contract was due to expire at the end of February with no further extensions therefore, the District would need to solicit proposals for this service. In addition, a copy of the Request for Proposal Specifications and RFP timeline was provided to the Committee. On January 11, 2023 Staff requested authorization from the Board of Commissioners to advertise and solicit proposals for this service. As per the District's Procurement Policy two advertisements were published on January 16 and January 23. The RFP was sent out to multiple security services providers with a submission deadline of January 30. Many questions were submitted to Staff regarding the specifications. The District issued an addendum on January 26 to address those questions and extend the submission deadline to February 1. Staff received a total of seven responses and evaluated the proposals based on their understanding of services to be provided, qualifications, experience and proposed cost. A copy of the evaluation scorecard was provided to the board. Based on the evaluation American Surveillance Company, Inc. was the highest ranked proposer who submitted a proposal in the amount of \$104,068.06 annually. This will result in an increase of 45% for the Fishing Harbor tenants. A meeting was scheduled on February 8 to meet with the Fishing Harbor Committee to present the highest ranked proposal. The committee members were also notified via phone call and email. Only one member of the

Fishing Harbor Committee attended the meeting, Mr. Greg Loundrie, Marine Railway. Discussion followed regarding what services the fishing harbor tenants wish to have and wish to exclude. Commissioner Reed moved to award the Fishing Harbor Security Service Contract to American Surveillance Company, Inc., excluding services for a roving patrol in the amount of \$35,010.80, and enter into an agreement for a term of three years with options to extend for three terms of one year each subject to agreement by both parties provided there is no increase in the unit price, Commissioner Lopez seconded, and the motion passed unanimously.


15. Adjournment.

Commissioner Lopez moved to adjourn the meeting, Commissioner Cowen seconded, and the meeting was adjourned by unanimous consent at 7:31 p.m.

ATTEST



John Wood, Secretary



Esteban Guerra
Chairman of the Board