

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD APRIL 05, 2023 AT 5:30 P.M.
AMENDED MINUTES**

The Board of Navigation and Canal Commissioners of the Brownsville Navigation District of Cameron County, Texas, held a regular meeting on **Wednesday, April 05, 2023 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
William J. Irwin, Associate District Counsel

STAFF MEMBERS: Ariel Chavez
Michael Davis
Karina Franco
Chief William Dietrich
Sergeant Edgar Garcia
Arturo Gomez
Jose Herrera
Jorge Montero
Margie Recio
Memo Rico
Melinda Rodriguez
Lieutenant Julio Romo
Janie Velasquez
Zeus Yanez
Miguel Barajas

OTHERS PRESENT: Rev. Andreas Lewis
Jorge de la Colina
Joe Vega
Raul Villanueva
Ernesto Gutierrez
Derek Salazar
Juan Velez
Rusty Brechot

1. Meeting Called To Order

The Chairman called the meeting to order at 5:30 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. Receive Directors Reports

Commissioner Reed asked Mr. Chavez for an update on the water treatment plant project. Mr. Chavez 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 March 15, 2023.
- b. Approval to authorize payments over \$25,000.00:
 1. HDR Engineering Inc., the amount of \$25,864.75, for BND Bulk Cargo Dock Repair;
 2. HDR Engineering Inc., the amount of \$62,598.50, for BND Cargo Dock 3 Phase 1 Design;
 3. Winstead, the amount of \$80,500.00, for issuance of the Texas Senior Lien Variable Rate Revolving Notes, Series 2022; and
 4. Winstead, the amount of \$23,330.00, for IRS Audit and Examination.

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

5. Presentation and possible authorization of the changes to the Texas General Land Office CEPRA Project No. 1684 – Children's Beach Shoreline Restoration project.

Mr. Campirano introduced Derek Salazar and Joe Vega who made a presentation to the Board regarding changes to the Texas General Land Office CEPRA Project No. 1684. On June 26, 2019, the BND Commission approved the Port of Brownsville's participation in a Coastal Erosion Planning and Response Program (CEPRA) Grant for Isla Blanca County Park Children's Beach Shoreline Restoration Project. A section of the Shoreline is owned by Cameron County and the other section is owned by the BND. The Grant Award for \$225,000 was secured by the Texas General Land Office (GLO) with a local funding match of \$90,000. Cameron County and the Port agreed to provide the local match of \$45,000 each for the project. The Engineering firm of MOTT MACDONALD was contracted to undertake the project. The analysis of the project to stabilize and restore the Shoreline was presented to the BND Commission. On December 1, 2021, the BND Commission approved the preferred alternative. Mott McDonald has been working on the project. There have been some adjustments to the preferred alternative for the Shoreline protection at the Children's Beach. The project engineer, Mott McDonald, is seeking approval from the Port of Brownsville to proceed with revised layout of the project. Cameron County Commissioners Court

has approved the changes to the project. Commissioner Reed moved to acknowledge the changes to the Texas General Land Office CEPRAs project No. 1684 – Children’s Beach Shoreline Restoration project and authorized adjustments, Commissioner Lopez seconded, and the motion passed unanimously.

6. Consideration and Action to adopt a Resolution for Schedule A&B and Schedule C granting certain tax exemptions to eligible historic sites listed in the 2023 Historic Preservation Plan.

Mrs. Recio addressed the Board requesting the adoption of the Resolution for Schedule A&B and Schedule C granting certain tax exemptions to eligible historic sites listed in the 2023 Historic Preservation Plan. Annually, the City of Brownsville prepares the Historic Preservation Plan (Plan). This Plan identifies historically significant buildings in the Brownsville area, which are included in the Plan for the year. This Plan is then submitted to the local taxing entities for their consideration in granting the properties listed in the Plan a tax exemption. Some properties are proposed for full exemptions, some for 50% exemptions. The owners of the properties must submit an annual application for inclusion in the Plan for the year. The valuation of the properties included in the Plan is reduced from the appraised valuation for the entities who grant the tax relief. The tax rate calculations are performed after the properties values are reduced from the total valuation, so the District does not give up tax dollars in granting these tax exemptions. The total revenues that the District intends to collect through property taxes are spread over the remaining, non-exempt properties. The 2023 Historic Preservation Plan Schedules A & B, and C were provided at the time of the meeting as well as a copy of the requested Resolutions for Ordinance Number 2023-1652-C-1 and Ordinance Number 2023-1652-C-2. The total tax that is shifted for Schedule A & B, Ordinance Number 2023-16-C-1 is \$5,016. The tax that is shifted for Schedule C, Ordinance Number 2023-16-C-2 is \$217. Mr. Juan Velez, the Historic Preservation Manager was present at the meeting to address any questions. Commissioner Lopez moved to adopt the Resolutions granting the ad valorem property tax relief to those certain properties as listed in the 2023 Historic Preservation Plan Schedules A&B, and C of the City of Brownsville, Commissioner Wood seconded, and the motion passed unanimously.

7. Consideration and Action on selection of a District Depository and Authorization for the Port Director and CEO to Execute a Depository Agreement.

Mr. Yanez addressed the Board requesting the selection of a District Depository and Authorization for Port Director and CEO to execute a Depository Agreement. The Request for Applications was posted on the District's website and local newspaper on January, 11th, 18th and 25th. In addition, the Request for Applications was also directly distributed to eleven banks that maintain a branch in Brownsville, Texas. The deadline for potential offerors to submit their proposal was Friday, February 10, 2023, at 3:00 pm. The District received seven sealed proposals. Staff reviewed the seven proposals for conformance with the specifications outlined in the solicitation document. Finance staff prepared an analysis to assist in the comparison of the banks that submitted proposals. All banks that submitted a proposal are able to provide the required services outlined in the solicitation document specifications. The banks were evaluated and ranked based on the following criteria: safety and creditworthiness, experience and service availability, cost of services, and interest rates. After discussion, Commissioner Reed moved to select Lone Star Bank as the

District's depository on the terms presented, Commissioner Wood seconded, and the motion passed unanimously.

Mr. Yanez addressed the Board regarding items 8-11. Chairman asked that said items be considered together.

8. Consideration and Action to approve an application for participation in the TexPool local government investment pool.

The Public Funds Investment Act and the District's investment policy allows for the investment of District funds in local government investment pools. Finance staff completed an analysis of cash flows and developed a plan to invest funds in local government investment pools to maximize the potential interest earnings. TexPool is the largest and oldest local government investment pool in the State of Texas. The State Comptroller of Public Accounts oversees TexPool with Federated Hermes serving as the full-service provider to pools managing the assets, providing Participant Services, and arranging for all custody and other functions in support of the pools under a contract with the Comptroller. TexPool and TexPool Prime are managed conservatively to provide a safe, efficient, and liquid investment alternative to Texas governments. The pools are each rated AAAM by Standard & Poor's. The pools seek to maintain a \$1.00 value per share. TexPool investments consist exclusively of U.S. Government securities, repurchase agreements collateralized by U.S. Government securities, and AAA-rated no load money market mutual funds. TexPool Prime invests in the same investments as TexPool plus commercial paper and certificates of deposits. The weighted average maturities of the pools cannot exceed 60 days.

9. Consideration and Action to approve an application for participation in the Texas Cooperative Liquid Assets Securities System (Texas CLASS) local government investment pool.

The Public Funds Investment Act ("PFIA") and the District's investment policy allows for the investment of District funds in local government investment pools. Finance staff completed an analysis of cash flows and developed a plan to invest funds in local government investment pools to maximize the potential interest earnings. Texas CLASS was created as a local government investment pool pursuant to the Public Funds Investment Act. Texas CLASS offers two distinct investment options. Participants can invest in one or both funds. Texas CLASS and Texas CLASS Government are managed conservatively to provide a safe, efficient, and liquid investment alternative to Texas governments. The pools are overseen by the Texas CLASS Board of Trustees, comprised of active members of the pools and elected by the Participants. The Board retains the services of Public Trust Advisors, LLC to manage the pools' portfolio. The pools are each rated AAAM by Standard & Poor's. The pools seek to maintain a \$1.00 value per share. Texas Class Government investments consist exclusively of U.S. Government securities, repurchase agreements that comply with PFIA, certificates of deposit that comply with the PFIA, and no load money market mutual funds that comply with the PFIA but that do not include commercial paper. Texas CLASS invests in the same investments as Texas CLASS Government plus commercial

paper that comply with the PFIA. The weighted average maturities of the pools cannot exceed 60 days.

10. Consideration and Action to approve an application for participation in the Local Government Investment Cooperative.

The Public Funds Investment Act ("PFIA") and the District's investment policy allows for the investment of District funds in local government investment pools. Finance staff completed an analysis of cash flows and developed a plan to invest funds in local government investment pools to maximize the potential interest earnings. LOGIC is a local government investment pool created under the Interlocal Cooperation Act specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily liquidity, and competitive yield. LOGIC is administered by Hilltop Securities and J.P. Investment Management Inc. The fund is rated AAAM by Standard and Poor's and maintains a weighted average maturity of 60 days or less. The fund investments in government and agency securities, repurchase agreements that are collateralized using government securities, SEC registered money market funds authorized by the PFIA, and commercial paper that complies with the PFIA. The fund seeks to maintain a net asset value of \$1.00 and fulfills all requirements of the Texas PFIA for local government investment pools.

11. Consideration and Action to approve an application for participation in the Texas Short Term Asset Reserve Program.

The Public Funds Investment Act ("PFIA") and the District's Investment Policy allows for the investment of District funds in local government investment pools. Finance staff completed an analysis of cash flows and developed a plan to invest funds in local government investment pools to maximize the potential interest earnings. TexStar is a local government investment pool created under the Interlocal Cooperation Act specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily liquidity, and competitive yield. TexStar is administered by Hilltop Securities and J.P. Investment Management Inc. The fund is rated AAAM by Standard and Poor's and maintains a weighted average maturity of 60 days or less. The fund limits its investments to government and agency securities and repurchase agreements that are collateralized using government securities. The fund seeks to maintain a net asset value of \$1.00 and fulfills all requirements of the Texas PFIA for local government investment pools.

Commissioner Lopez moved to approve Items 8-11 as presented, Commissioner Reed seconded, and the motion passed unanimously.

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

Mr. Campirano addressed the Board regarding the following items:

Chairman Guerra left the Board room and Vice Chairman Cowen assumed the Chair.

1. Robco Transport LLC. (New Lease)

Robco Transport, LLC seeks a new lease for 1.966 acres located at 9000 Old S.H. 48 for a term of one year with three renewal options of one year each. The purpose of the lease is for office space/truck staging. Commissioner Reed moved to approve a new lease for Robco Transport LLC, Commissioner Lopez seconded, and the motion passed by a vote of 4-0, with Chairman Guerra abstaining.

Chairman Guerra returned to the Board room and assumed the Chair.

2. Marine Railways, L.L.C. (New Lease)

This new lease to Marine Railways, L.L.C. will replace BND contract #2490 under Marine Railways, Inc., which expired on December 28, 2022. This new lease for Marine Railways, L.L.C. is for a term of three years with one additional renewal option of three years. The site of 4.022 acres is located at 3455 Gator Court and the purpose is for service and dry dock facility for shrimp trawler fleet. Commissioner Wood moved to approve a new lease for Marine Railways, Inc., Commissioner Lopez seconded, and the motion passed unanimously.

3. Brownsville Gulfside Warehouse, Inc. (New Lease)

Brownsville Gulfside Warehouse Inc. a current lessee seeks a new lease for a 7.429-acre tract of land. The proposed site is located adjacent to the South Port Connector Road. The lessee requests a term of five (5) renewal options of five years each. The purpose of the lease is for a Bulk Handling Warehouse. Commissioner Reed thanked the tenant for its investment in the Port. Commissioner Lopez moved to approve a new lease for Brownsville Gulfside Warehouse Inc., Commissioner Reed seconded, and the motion passed unanimously.

4. Motus Energy, LLC (Lease Amendment)

Motus Energy, LLC is seeking an amendment to their current lease BND Contract #4569 to extend the term of the lease effective as of February 2, 2023 for one (1) additional year, expiring on February 1, 2024. The 2.08-acre site is located at the corner south of Ostos Road and east of the South Port Connector Road (across from the Motus T2 Terminal). The purpose of the lease is for contractor parking and storage of equipment and staging materials. Commissioner Lopez moved to approve the Amendment to lease for Motus Energy, LLC, Commissioner Wood seconded, and the motion passed unanimously.

13. Consideration and Action to authorize Port Director and CEO to sign Subordination Agreement for Brownsville Gulfside Warehouse, Inc.

Mr. Campirano addressed the Board requesting authorization for Port Director and CEO to sign Subordination Agreement for Brownsville Gulfside Warehouse, Inc. Brownsville Gulfside Warehouse, Inc. is securing a loan for construction of storage facilities at the Port of Brownsville. The Subordination Agreement is needed so that Brownsville Gulfside Warehouse, Inc. can close on the loan with Lone Star Bank and receive the loan proceeds. Legal Counsel reviewed and approved the agreement. Commissioner Lopez moved to authorize the Port Director and CEO signature on the Subordination Agreement, Commissioner Wood seconded, and the motion passed unanimously.

14. Consideration and Action to authorize the extension of the agreement #4506 for Disposal of Oily Water from Fishing Harbor Wastewater Treatment Plant between the District and JW Rentals dba Environmental Evolutions for an additional term.

Mr. Herrera addressed the Board requesting authorization for the extension of the agreement #4506 for Disposal of Oily Water from Fishing Harbor Wastewater Treatment Plant between the District and JW Rentals dba Environmental Evolutions for an additional term. The District's Disposal of Oily Water from BND Sewer Plant Agreement with JW Rentals dba Environmental Evolutions was originally signed for a one-year term with two additional one-year extensions, the first of which expired on December 2, 2022. Staff is requesting that the District exercise the last one-year

extension on the agreement, under the same terms of the agreement #4506. The contract price is \$.39/gallon with services being requested on an as needed basis. Commissioner Reed moved to extend its Disposal of Oily Water from BND sewer Plant agreement with JW Rentals for an additional term beginning December 3, 2022 and ending December 2, 2023, Commissioner Lopez seconded, and the motion passed unanimously.

15. Consideration and Action to award the proposal received for the Purchase of Testing and Lab Services at Fishing Harbor, Turning Basin, and Northside Wastewater Treatment Plants.

Mr. Herrera addressed the Board requesting to award contract on proposal received for the Purchase of Testing and Lab Services at Fishing Harbor, Turning Basin, and Northside Wastewater Treatment Plants. On February 15, 2023, the Board of Commissioners authorized BND Staff to advertise for Proposals for testing and lab services at the Fishing Harbor Wastewater Treatment Plant, Northside Plant and the Turning Basin Wastewater Treatment Plant. Staff opened the only proposal received on March 14, 2023, submitted by Ana-Lab Corp. from Kilgore, Texas. Based on the TCEQ required frequency of testing, the total estimated annual project cost is \$25,148.00. Commissioner Lopez moved to award the contract to Ana-Lab Corp. from Kilgore, Texas, Commissioner Wood seconded, and the motion passed unanimously.

16. Consideration and Action on request to authorize Staff to Advertise for Bids on the Dock 11 Patio Area Concrete Pavement project, and to open bids thereof.

Mr. Chavez addressed the Board requesting authorization for Staff to advertise for bids on the Dock 11 Patio Area Concrete Pavement project, and to open bids thereof. BND Staff has been developing an in-house design of the project known as the Dock 11 Patio Area Concrete Pavement, which will consist of approximately 12,250 SY of concrete pavement. BND Staff is asking BND Commissioners for authorization to advertise to solicit bids, and to open bids on this project once received. Upon approval, Staff will publish an Invitation to Bid in the local newspaper, as well as invite known contractors by email and/or by phone. Commissioner Lopez moved to authorize BND Staff to prepare an Invitation to Bid on the Dock 11 Patio Area Concrete Pavement project, to publish same in the local newspaper as required by BND Purchasing procedures, and to open bids once received, Commissioner Cowen seconded, and the motion passed unanimously.

17. Consideration and Action on bids received for the Waterline Replacement Borings project, and to authorize staff to issue the Notice of Award to the lowest successful bidder.

Mr. Chavez addressed the Board requesting review of bids received for the Waterline Replacement Borings project, and to authorize staff to issue the Notice of Award to the lowest successful bidder. On March 1, 2023 BND Commissioners authorized staff to re-advertise for bids on the Waterline Replacement Borings project which includes all the bores for the installation of the new waterline along Ostos Road and new waterline extension from Sunoco to Terminal Rd. BND Engineering and BND Finance Staff received and opened bids on March 28, 2023 from three interested contractors. Staff reviewed and tabulated unit prices. Electro-Hi, L.L.C. submitted the lowest bid in the amount of \$486,480.00. Commissioner Lopez moved to award the contract for the Waterline Replacement Borings project to the lowest bidder Electro-Hi, L.L.C. on the amount of \$486,480.00 and authorize BND Staff to issue the Notice of Award for this contract, Commissioner Cowen

seconded, and the motion passed unanimously.

18. Consideration and Action on bids received for the Rail, Ties and other Railroad Crossing Materials project, and to authorize staff to issue Purchase Order to the lowest successful bidder.

Mr. Chavez addressed the Board requesting review of bids received for the Rail Ties and other Railroad Crossing Materials project, and to authorize staff to issue Purchase Order to the lowest successful bidder. On February 1, 2023 BND Commissioners authorized staff to advertise for bids on the Rails, Ties and other Railroad Crossing Materials project for the railroad crossings impacted by the 2023 Ostos Road Pavement Rehabilitation project. BND Engineering and BND Finance Staff received and opened four bids on March 13, 2023, from materials suppliers. Staff reviewed and tabulated unit prices. Progress Rail Serv. Corp. submitted the lowest bid in the amount of \$168,468.48 for the steel-based materials which include rails, pandrol plates, clips, spikes, spike plates, screws, lag screws and anchors. Koppers, INC. submitted the lowest bid in the amount of \$190,389.30 for the wooden materials, which include all the crossing timbers and ties. The delivery time for all materials varies from 6 to 8 weeks. Commissioner Reed moved to award the contract for the Rail, Ties and other Railroad Crossing Materials project to low bidder Progress Rail Serv. Corp. for the steel-based materials in the amount of \$168,468.48 and to low bidder Koppers, INC for the wooden materials in the amount of \$190,389.30 and authorize BND Staff to issue the Purchase Orders, Commissioner Cowen seconded, and the motion passed unanimously.

19. 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 Lopez moved to adjourn into executive session, Commissioner Cowen seconded, and the motion passed unanimously. At 6:29 p.m., the Board adjourned into executive session. Chairman Guerra left the meeting prior to adjournment into executive session and did not return to the meeting.

The Vice Chairman then announced that the time was 7:26 p.m., and that the Board had reconvened in open session.

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

1. Terracon Proposal for Tier 2 Screening Assessment.

Commissioner Reed moved to approve the Terracon proposal for performance of a Tier 2 Screening Assessment, as presented in executive session, Commissioner Lopez seconded, and the motion passed by a vote of 4-0.

21. Adjournment.


Commissioner Lopez moved to adjourn the meeting, Commissioner Reed seconded, and the

meeting was adjourned by unanimous consent at 7:27 p.m.

ATTEST



John Wood, Secretary



Esteban Guerra
Chairman of the Board