

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD MAY 3, 2023 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, May 3, 2023**. 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

STAFF MEMBERS: Ariel Chavez
Michael Davis

Chief William Dietrich
Arturo Gomez
Jose Herrera
Jorge Montero

Tony Rodriguez
Melinda Rodriguez
Janie Velasquez
Zeus Yanez
Miguel Barrajas
Maria Rentrop

OTHERS PRESENT: Rev. Andreas Lewis
Roy de los Santos Jr.
Leadership Brownsville
Rebecca Hinojosa
Glenn LeMunyon

1. Meeting Called To Order

The Chairman called the meeting to order at 5:40 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

Rebecca Hinojosa addressed the Board regarding Item 6.4.

4. Proclamation of the Board of Navigation and Canal Commissioners of the Brownsville Navigation District honoring the life and legacy of Commissioner Lee Roy De Los Santos.

Mr. Campirano then requested that Item 4 be taken out of order. He then read the resolution into the record. Commissioner Lopez moved to approve the resolution, Commissioner Cowen seconded, and the motion passed unanimously.

3. Receive Director's Report

The reports were in the agenda book Discussion followed.

CONSENT AGENDA

5. Consideration and Action on the Following Consent Agenda Items:

- a. Approval of the Minutes of the Regular Board Meeting of April 19, 2023.

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

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

Ms. Rodriguez addressed the Board regarding the following items:

1. Espinoza Manufacturing Solutions LLC (**Authority to Negotiate**)

Espinoza Manufacturing LLC is interested in leasing approximately 2.135 acres located at 2975 Dry Dock Court. The company seeks Authority to Negotiate a New Lease for a term of one year with nine renewal options of one year each. Purpose clause: Machine Shop & Welding Fabrication. Commissioner Lopez moved to approve the Authority to Negotiate for Espinoza Manufacturing LLC, Commissioner Wood seconded, and the motion passed unanimously.

2. Jole Enterprise LLC (**Authority to Negotiate**)

Jole Enterprise LLC is interested in leasing approximately 3.488 acres located at 1780 Everglades Road. The company seeks Authority to Negotiate a New Lease for a term of one year with four renewal options of one year each. Purpose clause: machine shop and welding fabrication. Commissioner Reed moved to approve the Authority to Negotiate for Jole Enterprise LLC, Commissioner Lopez seconded, and the motion passed unanimously.

3. Ternium USA Inc. (**Authority to Negotiate**)

Ternium USA Inc. is seeking Authority to Negotiate an Option for approximately 155 acres for a term of one year with one renewal option of one year. Commissioner Reed moved to approve the Authority to Negotiate for Ternium USA Inc, Commissioner Lopez seconded, and the motion passed unanimously.

4. Rio Grande, LLC [Third Amendment to Lease Agreement and First Amendment to Memorandum of Lease Agreement, Consent and Estoppel Certificate and Agreement, Non-Disturbance and Attornment Agreements (TF Sublease, CF Sublease)]

At the March 1, 2023 board meeting, the BND Commission approved the Third Amendment to Lease Agreement and First Amendment to Memorandum of Lease Agreement, Consent and Estoppel Certificate and Agreement, Lease Assignment, Facility Easement Agreement, TF Sublease and CF Sublease. After that approval the engineers identified slight revisions needed to the metes and bounds description of the property. NextDecade's lender and title company request that the Consent and Estoppel agreement, which has not changed except for the metes and bounds, be reapproved reflecting a May date. This agenda item is to reaffirm and authorize re-execution of the Consent and Estoppel with the revised legal description. Further, staff requests that the Board authorize BND Chairman to execute the Third Amendment to Lease Agreement and First Amendment to Memorandum of Lease Agreement, Non-Disturbance and Attorney Agreements (CF Sublease), Non-Disturbance and Attorney Agreements (TF Sublease). NextDecade is asking that the documents be held in escrow for up to 60 days after approval. Commissioner Wood moved to approve the re-execution of the Consent and Estoppel, Third Amendment to Lease Agreement and First Amendment to Memorandum of Lease Agreement, Non-Disturbance and Attorney Agreements (TF Sublease and CF Sublease), and to authorize the delivery of documents in escrow, pending closing of the NextDecade financial transaction and approval to remain in effect for sixty days from May 3, 2023. Commissioner Reed seconded, and the motion passed unanimously.

7. Consideration and Action to authorize for bid for Purchase of Three New 2024 Dump Trucks and to negotiate a possible trade in value for the existing two 2028 Dump Trucks.

Mr. Campirano asked that that the item be tabled. The Board indicated that it wished to discuss the item before voting on the request to table. As stated in the agenda memo, staff requests requesting authorization for bid for Purchase of Three New 2024 Dump Trucks and to negotiate a possible trade in value for the existing two 2028 Dump Trucks. In January 2022, the Board authorized Staff to advertise for Bids for the purchase of Two New Dump Trucks. The Bids were received and tabled. At this time, staff is requesting authorization to purchase Three New Dump Trucks. The price for each 2024 Model Truck is \$142,258.85. Delivery time of the vehicles will be determined by the vendor's allocation availability. These new dump trucks will replace two 2008 Dump Trucks (Units 616 & 618) which will possibly be used as trade-ins, subject to the BND disposition of property process. Trade in value for the two 2008 Dump Trucks will be determined after vendor evaluation. The new dump trucks will be acquired from Doggett Freightliner under Buy Board Contract #601-19. Commissioner Reed asked Mr. Rentfro for his opinion on the matter. Mr. Rentfro stated that there were several concerns with the contract form, but that the most worrying were (1) the contract did not state under what conditions the BND could cancel the contract, and (2) there was no copy of the warranty provided. There was further discussion regarding the urgency of purchasing the trucks and the legal concerns about the contract. Commissioner Lopez moved to table the item until the next meeting, Commissioner Cowen seconded, and the motion passed unanimously.

8. Consideration and Action to authorize Staff to submit a Real Estate Application on relocating the levees and modifications to the boundary of Dredged Material Placement Area No. 8 to the U.S. Army Corps of Engineers on behalf of the Port

Mr. Campirano addressed the Board requesting authorization for Staff to submit a Real Estate Application to the U.S. Army Corps of Engineers on behalf of the Port, asking for relocation of the levees and modifications to the boundary of Dredged Material Placement Area No. 8. BND Staff has been working with the Real Estate (RE) department of the Galveston Division (SWG) of the United States Army Corps of Engineers (USAGE) on adjusting the boundaries and relocating some levees of the Dredged Material Placement Area No. 8 (DMPA 8) to increase patio space on the North side of said DMPA 8. USAGE SWG RE has provided us with the Application form and BND Staff has completed said form and it is ready to submit to USAGE SWG RE. The relocation of the North levee and the modification of the boundary will allow BND to significantly expand open area storage space at the stated location. The Application requires a signature by a BND Staff member, which has typically been the Director of the Department of Engineering Services. Commissioner Wood moved to authorize Mr. Chavez to sign the said Real Estate Application form and submit to the U.S. Army Corps of Engineers Real Estate office to modify Dredged Material Placement Area No. 8, Commissioner Cowen seconded, and the motion passed unanimously.

9. Consideration and Action to authorize Chairman of the Board Esteban Guerra and Secretary of the Board John Wood to execute the U. S. Army Corps of Engineers' Consent to Easement Structures for the Brazos Island Harbor Easement Tract No. 9 on behalf of the Port.

Mr. Chavez addressed the Board requesting authorization for Chairman of the Board Esteban Guerra and Secretary of the Board John Wood to execute the U.S. Army Corps of Engineers' Consent to Easement Structures for the Brazos Island Harbor Easement Tract No. 9 on behalf of the Port. BND Staff has been working with the Real Estate (RE) department of the Galveston Division (SWG) of the United States Army Corps of Engineers (USACE) on the Consent to Easement Structures within the USACE Brazos Island Harbor Easement Tract No. 9 (Tract 9) that was thought to possibly impact the Water Line Extension to the Rio Grande LNG project. After satisfying all USACE SWG requirements including surveys and utility line drawings, USACE issued the Consent to Easement Structures document which states their concurrence with the existence of multiple lessees within the said Tract 9. The document also mentions that the water and sewer utilities to the Rio Grande LNG terminal do not cross Tract 9; therefore, the work will not impact real estate interests associated with the Federal project. The document requires signatures by the Chairman and the Secretary of the Board. Commissioner Lopez moved to authorize Chairman Guerra and Secretary Wood to execute the Consent to Easement Structures document from the U.S. Army Corps of Engineers concurring its existing structures and leases and

clarifying that the Rio Grande LNG utility extensions do not impact Tract #9, 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, including the annual evaluation of the Port Director / Chief Executive Officer (§551.074); and to conduct deliberations regarding economic development negotiations (§551.087).**

Mr. Campirano stated that there were no items needing attention in executive session.

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

There was none.


- 12. Adjournment.**

Commissioner Lopez moved to adjourn the meeting, Commissioner Wood seconded, and the meeting was adjourned by unanimous consent at 6:25 p.m.

ATTEST



John Wood, Secretary



Esteban Guerra
Chairman of the Board