

**MINUTES OF A WORKSHOP AND REGULAR MEETING OF THE BOARD OF
NAVIGATION AND CANAL COMMISSIONERS OF THE BROWNSVILLE
NAVIGATION DISTRICT OF CAMERON COUNTY, TEXAS HELD DECEMBER 21,
2016 AT 5:30 P.M.**

The Board of Navigation and Canal Commissioners of the Brownsville Navigation District of Cameron County, Texas, held a workshop and regular meeting on **Wednesday, December 21, 2016 at 5:30 p.m.** The following individuals were present and absent:

PRESENT: John Wood, Chairman
Ralph Cowen
John Reed
Sergio Tito Lopez
Carlos R. Masso

ABSENT: None

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

STAFF MEMBERS: Donna Eymard
Bea Rosenbaum
Ariel Chavez
Manuel Martinez
Steve Fitzgibbons
Rosie Hinojosa
Steve Tyndal
Chief Carlos Garcia
Lieutenant Mario Esquivel
Michael Davis
Patricia Gonzales
Debby Duke
Margie Recio

OTHERS PRESENT: Rev. Andreas Lewis
Alan Simon
Roberto Ruiz
Peter Goodman
Alan Simon
Don de Leon
Mike Krieber
Joe Linck
Jorge de la Garza
Eddie de la Garza
KBSD

1. Meeting Called to Order

The Chairman called the meeting to order at 5:35 p.m. The Board first conducted the workshop portion of the meeting. The Board first received a report on budget from Mr. Fitzgibbons. Discussion followed. Mr. Tyndal and Ms. Gonzales then reported on marketing efforts at the Port. Discussion followed.

The Chairman then called the regular meeting to order at 6:08 pm. Reverend Lewis offered a prayer. The Chairman led the meeting in the pledges to the American and Texas flags.

2. Public Audience

Edward de la Garza of Gonzalez de la Garza informed the Board that he was present to answer any questions regarding item 11. The Chairman stated that he would be allowed to speak when that item was called.

3. Receive Director's Report

a. Receive Port Monthly Operations Summary Report

Mr. Fitzgibbons 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 December 7, 2016.
- b. Approval to authorize payments over \$25,000.00:
 1. 360factors, the amount of \$31,151.93, to collect and analyze sediment samples for dock maintenance dredging;
 2. Kirti International Inc., the amount of \$89,570.00, for purchase of fender and bollard system for the BND Liquid Cargo Dock.
- c. Approval of the following leases:
 1. Bryant Industrial Services, LLC (Amendment)
 2. TransMontaigne Operating Company., L.P. (Amendment)

Mrs. Rosenbaum asked that items 4(c)(1) and 4(c)(2) be tabled. Commissioner Lopez so moved, Commissioner Cowen seconded, and the motion carried unanimously. Commissioner Lopez then moved to approve all other consent agenda items, Commissioner Cowen seconded, and the motion passed unanimously.

5. Consideration and Action on Resolution naming the SH 550 extension "Bill Reed Road".

Mr. Campirano then addressed the Board about a proposal to name the SH 550 extension "Bill Reed Road". William "Bill" Wesley Reed, Jr. served as a Port Commissioner from 1978 to 1996 and was Chairman from 1986 to 1990. Mr. Reed passed away in July 2016 and the Port would like to name the SH 550 extension Bill Reed Road in honor of the many contributions he made to the Port of Brownsville during his years of service. Commissioners Wood and Cowen also spoke to the item. Commissioner Cowen then moved to adopt a resolution naming the SH550 extension "Bill Reed Road", Commissioner Lopez seconded, and the motion passed unanimously. The Chairman then read the resolution into the record.

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

Mrs. Rosenbaum addressed the Board regarding the following items:

1. TransMontaigne Operating Company., L.P. (Authority to negotiate)

The Staff has been negotiating with TransMontaigne Operating Co., L.P. under BND Contract 3307 to delete from the lease premises Tract XI, consisting of approximately 5.425 acres for use as staging by the District's Contractor in connection with the District's Oil Dock project; in the future, a parcel of this land will be used for utilities, pipeline easements and a possible road to OD #6. Commissioner Reed moved to authorize the Staff to negotiate with TransMontaigne to amend BND Contract 3307 to delete approximately 5.425 acres from the lease premises, Commissioner Masso seconded, and the motion passed unanimously.

7. Consideration and Action on the adoption of the District's Operating and Capital Budget for Fiscal Year 2017.

Mr. Fitzgibbons addressed the Board regarding the adoption of the District's Operating and Capital Budget for Fiscal Year 2017. The staff has completed its work on the District's Operating and Capital Budget for Fiscal Year 2017. Preliminary budget numbers were presented to the Board. Discussion followed about several specific items, including possible salary increases. After discussion Commissioner Masso moved to adopt the District's Operating and Capital Budget for Fiscal Year 2017 as presented, with the intention of revisiting the salary section of the budget, Commissioner Lopez seconded, and the motion passed unanimously.

8. Consideration and Action to approve list of proposed write-offs of uncollectible accounts.

Mr. Fitzgibbons addressed the Board requesting approval of list of proposed write-offs of uncollectible accounts. Staff has identified accounts that are uncollectible. The listing totals \$83,801.39 of which unpaid rentals and service charges total \$4,809.56 with \$78,991.83 resulting from site clean-up after eviction. The \$83,801.39 will be applied against the Reserve for Doubtful Accounts. The reserve currently has an accumulated balance of \$65,000 with \$18,801.39 available from other accounts. The \$83,801.39 total is comprised of two accounts both of which have been sent to Legal for possible collection efforts. Commissioner Reed moved to approve the recommended list of write-offs of uncollectible accounts, Commissioner Masso seconded, and the motion passed unanimously.

9. Consideration and Action to adopt a Resolution granting certain tax exemptions to certain historic sites under the 2017 Historic Preservation Plan.

Mrs. Duke addressed the Board requesting the adoption of a Resolution granting certain tax exemptions to historic sites under the 2017 Historic Preservation Plan. Annually, the City of Brownsville prepares the Historic Preservation 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 are 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 tax that is shifted is \$3,796. 14, which compares to the 2016 number of \$3,717.67, the 2015 number of \$3,484.91 and the 2014 number of \$2,833.17. This shift requires an additional tax burden to the average home owner of less than 1¢ for the Brownsville Navigation District taxes. Commissioner Masso moved to adopt the Resolution granting the ad valorem property tax relief to those certain properties as listed in the 2017 Historic Preservation Plan of the City of Brownsville, Commissioner Lopez seconded, and the motion passed unanimously.

10. Consideration and Action on Memorandum of Understanding between the Brownsville & Rio Grande International Railway, LLC and The Brownsville Navigation District.

Mr. Campirano addressed the Board requesting approval on a Memorandum of Understanding between the Brownsville & Rio Grande International Railway, LLC and The Brownsville Navigation District. The Port of Brownsville and BRG have been working together and collaborating on various projects. This memorandum of understanding seeks to identify items of mutual interest and benefit for further discussion and collaboration. Commissioner Masso moved to approve the memorandum of understanding between the Brownsville & Rio Grande International Railway, LLC and the Brownsville Navigation District, Commissioner Lopez seconded, and the motion passed unanimously.

11. Consideration and possible Action on bids received for the Administration Complex Rehabilitation and Building additions construction project.

Mr. Chavez addressed the Board requesting action on bids received for the Administration Complex Rehabilitation and Building additions construction project. On October 5, 2016 BND Commissioners authorized BND Staff to advertise for bids on the Administration Complex Rehabilitation and Building Additions project. After publishing the advertisement in the local newspaper on November 17 and 24, 2016, a Mandatory Pre-Bid Meeting was held on November 3, 2016, with six potential prime contractor bidders in attendance. On Thursday, November 10, 2016, four (4) bids were received and opened, with Gonzalez-De La Garza & Associates (GDA) being the apparent low bidder with a Base Bid of \$6,600,000.00 and a total bid of \$6,830,500.00 inclusive of all alternates. GDA, however, failed to submit the Unit Cost - Section 012200 form, which was a stated requirement for a complete bid package. The next lowest bid was received from Ziwa Corporation, with a Base Bid of \$6,775,000.00 and a total bid of \$7,106,000.00 inclusive of all alternates. The two lowest bidders, GDA and Ziwa Corporation, were interviewed by BND Consultant and project architect Roberto Ruiz, AIA and BND Staff, and after the interviews, Mr. Ruiz submitted a recommendation to reject the bid from Gonzales-De La Garza & Associates as incomplete, and to award the contract to Ziwa Corporation. Mr. Ruiz also addressed the Board regarding the matter, as did Edward de la Garza of GDA. After discussion, Commissioner Masso moved that the item be tabled until after executive session, Commissioner Lopez seconded, and the motion carried unanimously.

12. Consideration and possible Action on bids received for the Oil Dock No. 6 Construction, Oil Dock No. 3 Fender System Replacement & Facility Enhancements, and Maintenance Dredging construction project.

Mr. Chavez addressed the Board requesting the acceptance or rejection on bids received for the Oil Dock No. 6 Construction, Oil Dock No. 3 Fender System Replacement & Facility Enhancements, and Maintenance Dredging construction project. On February 17, 2016, BND Commissioners authorized Staff to advertise for bids on the Oil Dock No. 6 Construction, Oil Dock No. 3 Fender System Replacement & Facility Enhancements, and Maintenance Dredging project. New U.S. Army Corps of Engineers (USACE) permitting requirements delayed publishing of the advertisement, and BND staff worked with consultant HDR Engineering, Inc. (HDR) and USACE Galveston District to address those requirements. The advertisement was published on August 1 and August 8, 2016 in the local newspaper, and a Mandatory Pre-Bid Conference was held on August 17, 2016, attended by over 30 people. Eight (8) bids were received and opened on November 10, 2016, with Cayo, LLC (Cayo) being the apparent low bidder at \$19,870,623.80. However, after their review of the itemized bid tabulation, Cayo submitted a written request to withdraw their bid due to a "material and substantial mistake" in their pricing. HDR reviewed the request with BND Staff, and HDR presented a recommendation to accept the bid withdrawal request and return the Bid security, and interview the next lowest bidder. On December 5, 2016, HDR staff and BND Staff interviewed Triton Marine Construction Corp. (Triton), the next lowest bidder at \$23,649,529.40, and after the interview and due diligence, HDR prepared a recommendation that the contract be awarded to Triton. BND Staff also recommends that the Board award the contract for the Oil Dock No. 6 Construction, Oil Dock No. 3 Fender System Replacement & Facility Enhancements, and Maintenance Dredging project to Triton Marine Construction Corp. in the amount of \$23,649,529.40, and authorize Staff to issue the Notice of Award. After discussion, Commissioner Reed moved to accept the bid withdrawal request from Cayo, Inc. and return their Bid security, and to award the contract for the Oil Dock No. 6 Construction, Oil Dock No. 3 Fender System Replacement & Facility Enhancements, and Maintenance Dredging project to Triton Marine Construction Corp. in the amount of \$23,649,529.40, and authorize Staff to issue the Notice of Award. Commissioner Cowen seconded, and the motion passed unanimously.

13. Consideration and possible Action on bids received for the Asphalt at Harbor Crane Pad and Aluminum Sliding Gate Entrance in Dock 15 area construction project.

Mr. Chavez addressed the Board requesting the acceptance or rejection on bids received for the Asphalt at Harbor Crane Pad and Aluminum Sliding Gate Entrance in Dock 15 area construction project. On December 12, 2016 BND Staff requested Sealed Quotes from paving contractors for placement of Asphalt at Harbor Crane Pad and Aluminum Sliding Gate Entrance in Dock 15 area. The purpose of this project is to place 3 inches of hot mixed asphaltic concrete on the pad for the Harbor Cranes in the Area East of Shed 15-E, as well as on the front of the recently installed extra-wide aluminum sliding gate at Dock 15 Road. Sealed quotes were received and opened on Wednesday, December 14, 2016, with G&T Paving, LLC being the low bidder at \$49,846.50. Commissioner Lopez moved to award the contract for the Asphalt at Harbor Crane Pad and Aluminum Sliding Gate Entrance in Dock 15 area project to low bidder G&T Paving, LLC, in the amount of \$49,846.50, and to issue the Notice of Award to said bidder, Commissioner Masso seconded, and the motion passed unanimously.

- 14. 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 6:53 p.m. Commissioner Masso moved to adjourn into executive session, Commissioner Lopez seconded, and the motion carried unanimously. The Chairman announced that the Board would adjourn into executive session.

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

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

The Chairman recalled Item 11. Commissioner Reed moved to reject the bid from Gonzales-De La Garza & Associates as incomplete, and award the contract for the Administration Complex Rehabilitation and Building Additions project to the lowest responsible bidder Ziwa Corporation, in the amount of \$7,106,000.00, inclusive of all Additive Alternates, and authorize Staff to issue the Notice of Award, Commissioner Cowen seconded, and the motion passed, Chairman Wood and Commissioners Reed and Cowen voting yes, and Commissioners Masso and Lopez voting no.

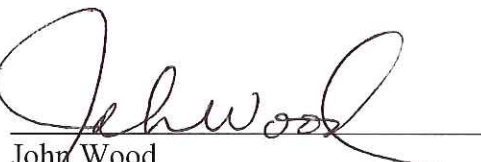
16. Adjournment.

On the motion of Commissioner Reed, seconded by Commissioner Masso, and unanimously carried, the meeting was adjourned at 7:28 p.m.

ATTEST



Secretary



John Wood
Chairman of the Board