

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD OCTOBER 19, 2016 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, October 19, 2016 at 5:30 p.m.** The following individuals were present and absent:

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

ABSENT: John Wood, Chairman

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
Oscar Garcia
Patty Gonzales
Lt. Mario Esquivel
Ariel Chavez
Steve Fitzgibbons
Jaime Martinez
Chief Carlos Garcia
Michael Davis
Tony Rodriguez
Cristina Valdez
Debby Duke
Margie Recio

OTHERS PRESENT: Rev. Andreas Lewis
William Berg
Maria Galasso
William Kenon
Kevin Garcia
Amanda Luckey
Claiborne Gregory
Todd Reid
Scott Phelps
Joe Linck
Jim Chapman
Esteban Delgadillo

Cecilia Montalvo
Laurel Steinberg
KBSD

1. Meeting Called To Order

The Vice-Chairman called the meeting to order at 5:36 p.m. Rev. Lewis offered a prayer. The Vice-Chairman then led those present in the Pledge of Allegiance to the United States and Texas flags.

2. Public Audience

Cecilia Montalvo addressed the Board and commented on Agenda Item 5(4).

Jim Chapman addressed the Board and commented on Agenda Item 5(4).

Esteban Delgadillo addressed the Board and commented on Agenda Item 5(5).

Maria Galasso addressed the Board and commented on Agenda Items 5(4) and 5(5).

William Berg addressed the Board and commented on Agenda Items 5(4) and 5(5).

Joe Linck addressed the Board and commented on Agenda Items 5(4) and 5(5).

3. Receive Director's Report

a. Receive Port Monthly Operations Summary Report

Mr. Fitzgibbons made a report to the Board. Discussion followed.

Mr. Campirano addressed the Board and recognized Port Staff for receiving the Excellence in Financial Reporting award from the Government Finance Officers Association for the fifth year in a row.

CONSENT AGENDA

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

- a. Approval of the Minutes of the Regular Board Meeting of October 5, 2016.
- b. Approval to authorize payments over \$25,000.00:
 1. Vulcan Construction Materials, the amount of \$61,477.04, for crushed limestone for Patio 22;
 2. McGriff, Seibels, & Williams of Oregon, Inc., the amount of \$40,000.00, for 2016-2017 Consulting Annual Service fee.
- c. Approval of the following leases:
 1. National Seafood's, Inc. (Subordination)
 2. Castellanos Corp. (New lease)
 3. T.D. American Limestone Products, LLC (New lease)
 4. One Cypress Terminals, LLC / Bluewing One, LLC (Lease Amendment & Consent to Assignment)

Mrs. Rosenbaum briefly addressed the Board and noted that Consent Agenda Item 4c4 should be approved subject to the closing of the sale between One Cypress Terminals, LLC and Bluewing One, LLC and the consummation of the assignment of the lease within 30 days.

Commissioner Masso moved to approve all consent agenda items, including Consent Agenda Item 4c4, subject to closing of the sale between One Cypress Terminals, LLC and Bluewing One, LLC and the consummation of the assignment of the lease within 30 days, Commissioner Cowen seconded, and the motion passed unanimously.

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

Mrs. Rosenbaum addressed the Board regarding the following items:

1. National Seafoods, Inc. (Sublease)

National Seafoods, Inc. under BND Contract 4108 requested the Board's consent to sublease to Marine Salvage & Services, Inc. for the purposes of shrimp boat operations, boat building and construction work. Commissioner Lopez moved to consent to the sublease from National Seafoods, Inc. to Marine Salvage Services, Inc., Commissioner Masso seconded, and the motion passed unanimously.

2. Interlube Corporation, Inc. (Authority to negotiate)

Interlube Corporation, Inc. is requesting to lease five acres for the purposes of trans-loading of railcars with base oil and truck parking. Commissioner Masso moved to authorize the Staff to negotiate a new lease with Interlube Corporation, Inc., Commissioner Cowen seconded, and the motion passed unanimously.

3. Pull-A-Part of Brownsville, LLC / Strike, LLC (Authority to negotiate)

Pull-A-Part of Brownsville, LLC under BND Contract 3653 is negotiating the sale of their improvements to Strike, LLC. Strike, LLC provides pipeline and facilities construction and maintenance and testing services to its customers. Strike, LLC is a contractor for the Valley Crossing Pipeline project. Commissioner Lopez moved to authorize the Staff to negotiate a new lease with Strike, LLC and to negotiate a Release of Lease for Pull-A-Part of Brownsville, LLC, Commissioner Cowen seconded, and the motion passed unanimously.

4. Valley Crossing Pipeline, LLC (Authority to negotiate)

Valley Crossing Pipeline, LLC, a member of the Spectra Energy group of companies, is proposing to construct and operate the Valley Crossing Pipeline Project which consists of approximately 168 miles of intrastate natural gas pipeline beginning near Nueces County, Texas and extending south toward the Brownsville, Texas/Mexico border where it will travel offshore and interconnect in Texas State waters at the Mexico/United States border. Valley Crossing Pipeline project will transport up to 2.6Bcf/d of natural gas to the Comision Federal de Electricidad (CFE) – Mexico's state owned utility. As part of the Valley Crossing Pipeline facilities, Valley Crossing seeks to construct the Brownsville Compressor Station on a 40 acre tract of land. This compressor station will consist of four (4) solar-Mars 250 Natural Gas Turbine Compression Units. Commissioner Cowen moved to authorize the Staff to negotiate a new lease with Valley Crossing Pipeline, LLC, Commissioner Lopez seconded, and the motion passed unanimously.

5. Texas LNG Brownsville, LLC (Authority to Negotiate)

Texas LNG Brownsville, LLC under BND Contract 3983 – Option to Lease is requesting to add three additional one-year renewal options to their agreement, effective December 19, 2017. Commissioner Cowen moved to authorize the Staff to negotiate an amendment to BND Contract 3983 to Texas LNG Brownsville, LLC, Commissioner Masso seconded, and the motion passed unanimously.

6. Consideration and Action to approve a payment to JBS Water, Inc. for water meter installation inspection services in the amount of \$13,355.

Mr. Fitzgibbons addressed the Board requesting the approval of payment to JBS Water, Inc. for water meter installation inspection services in the amount of \$13,355.00. The proposal that was approved for JBS was an estimate based on a set amount per day for on-site inspections and report writing, a daily amount for travel and a per diem. The estimate was for 12 days of on-site inspections at \$950 per day, four days of travel time at \$650 per day and three days of report writing at \$950 per day and a \$120 per diem for estimated total cost of \$18,530.00. The amount of the invoice submitted by JBS is for \$13,355.00 which is \$5,175.00 under the estimate that was submitted. Commissioner Lopez moved to authorize the payment in the amount of \$13,355.00 to JBS Water, Inc. for meter replacement inspection for the Badger Beacon AMI water meter installation, Commissioner Cowen seconded, and the motion passed unanimously.

7. Consideration and Action to authorize staff to advertise for bid proposals for unarmed security services at the Fishing Harbor.

Mrs. Duke addressed the Board requesting authorization for Staff to advertise for bid proposals for unarmed security services at the Fishing Harbor. The District's contract for Fishing Harbor Security Services with American Surveillance Company, Inc. will end on March 1, 2017 with no further extensions under the contract. Commissioner Cowen moved to authorize Staff to advertise for bid proposals for unarmed security services at the Fishing Harbor, Commissioner Masso seconded, and the motion passed unanimously.

8. Consideration and Action to accept proposal from 360factors to execute the Sediment Sampling & Analysis Plan for the docks maintenance dredging project upon SAP approval by the U.S. Army Corps of Engineers.

Mr. Chavez addressed the Board requesting authorization to accept proposal from 360factors to execute the Sediment Sampling & Analysis Plan for the docks maintenance dredging project upon SAP approval by the U.S. Army Corps of Engineers. 360 has submitted a proposal to the BND to execute the Docks Maintenance Sediment Sampling & Analysis Plan once approved by USACE SWG for a lump sum fee of \$111,866.00. The proposed lump sum fee is subject to approval of the SAP by USACE SWG. If a fee adjustment becomes necessary, this issue will be brought back to BND Commissioners. Commissioner Lopez moved to accept the proposal from 360factors to execute the Sediment Sampling & Analysis Plan for the Docks Maintenance Dredging project for a Lump Sum fee of \$111,866.00, Commissioner Masso seconded, and the motion passed unanimously.

9. Consideration and Action to accept work performed by contractor Hurricane Fence Company on the 2016 BND Security Camera Towers Fencing project, and authorize release of the \$19,452.39 retainage on that project.

Mr. Chavez addressed the Board requesting the acceptance of work performed by contractor Hurricane Fence Company on the 2016 BND Security Camera Towers Fencing project, and

authorization to release the \$19,452.39 retainage on the project. On October 11, 2016, BND staff performed a Final Inspection of the entire scope of work and defined a punch list comprised of mostly minor adjustments and items, and determined that the project was complete, including the rolling fencing at Dock 15 Road where the windmill components usually exit that dock. BND staff recommended acceptance by BND Commissioners of the work performed by HFC in this contract. Commissioner Cowen moved to accept the work performed by Hurricane Fence Company on the 2016 BND Security Camera Towers Fencing contract, and authorize issuance of final payment of \$19,452.39, which includes the retained amount in full, Commissioner Masso 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).**

There was none.

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

There was none.

- 12. Public Comment Period.**

No person wished to address the Board.

- 13. Adjournment.**

Commissioner Masso moved to adjourn the meeting, Commissioner Lopez seconded, and the meeting was adjourned by unanimous consent at 6:20 p.m.

ATTEST



Secretary



John Reed
Vice Chairman of the Board