

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD NOVEMBER 2, 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, November 2, 2016 at 5:30 p.m.** The following individuals were present and absent:

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

ABSENT: John Wood, Chairman
Sergio Tito Lopez

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
Steve Tyndal
Ariel Chavez
Steve Fitzgibbons
Jaime Martinez
Chief Carlos Garcia
Michael Davis
Tony Rodriguez
Rosie Hinojosa
Lt. Mario Esquivel
Oscar Garcia
Margie Recio
Manuel Martinez

OTHERS PRESENT: Rev. Andreas Lewis
Ken Wethe
Joe Linck
Kevin Garcia
Steve Perez
KBSD

1. Meeting Called To Order

The Vice Chairman called the meeting to order at 5:35 p.m. Reverend 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

No person registered to address the Board.

3. Receive Director's Report

a. Receive Port Monthly Operations Summary Report

The Board received the reports and discussion followed.

Commissioner Reed asked Mr. Campirano about West Plains, LLC's progress on renovating and re-opening the Port's grain elevator. Mr. Campirano addressed the Board.

Commissioner Reed asked Mr. Tyndal about his meeting with American Cement Advisors. Mr. Tyndal addressed the Board.

Commissioner Reed asked Ms. Gonzales about the Big Give Initiative. Ms. Gonzales addressed the Board.

Commissioner Reed asked Mr. Rodriguez a question about his report on Ternium. Mr. Rodriguez addressed the Board.

CONSENT AGENDA

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

- a. Approval of the Minutes of the Regular Board Meeting of October 19, 2016.
- b. Approval to authorize payments over \$25,000.00:
 1. Texas Municipal League, the amount of \$97,527.64, for Workers Compensation, auto, and crime insurance renewal.
- c. Approval of the following leases:
 1. Four Leaf Clover, Inc., d/b/a Shenanigans (New lease)

Commissioner Masso moved to approve all consent agenda items, 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. Interlube Corp., Inc. (Authority to negotiate)

Interlube Corp., Inc. has requested a License Agreement to inter-connect their pipeline to Bluewing One, LLC while Liquid Cargo Dock #3 is out of service. Commissioner Masso moved to authorize the Staff to negotiate with Interlube Corp., Inc. for a License Agreement, Commissioner Cowen seconded, and the motion passed unanimously.

2. Heavy Duty Equipment, Inc. (Authority to negotiate)

The lease to Heavy Duty Equipment, Inc. is due to expire on October 31, 2016, and Heavy Duty Equipment is requesting a new lease. The purpose of the lease is for a mechanic shop. Commissioner Cowen moved to authorize the Staff to negotiate with Heavy Duty Equipment for a new lease, Commissioner Masso seconded, and the motion passed unanimously.

3. Martin Product Sales, LLC (**Authority to negotiate**)

Martin Product Sales, LLC is requesting to lease approximately 6.78 acres south of Ballast Pit No. 1, plus part of 66 acres west of Ballast Pit No. 1 for the purposes of constructing and operating an Asphalt Terminal and to tie into the new proposed Liquid Cargo Dock 6 and other liquid docks for vessel and barge traffic. Martin Produce Sales, LLC will also require rail access. Commissioner Masso moved to authorize the Staff to negotiate with Martin Product Sales, LLC for a new lease, Commissioner Cowen seconded, and the motion passed unanimously.

4. Martin Product Sales, LLC (**Authority to negotiate**)

Martin Products Sales, LLC is requesting to lease approximately 8.8 acres off of Patio West for the purposes of construction and operation of an Asphalt Terminal and to connect to Dock 3. They are planning to move approximately 40,000 tons of product per year and are estimating on moving approximately 400 rail cars per year for their operation. Commissioner Cowen moved to authorize the Staff to negotiate with Martin Products Sales, LLC for a new lease, Commissioner Masso seconded, and the motion passed unanimously.

5. Strike, LLC (**Authority to negotiate**)

Strike, LLC is requesting to lease an additional approximately 24-acre tract, just west of the Pull-A-Part site that they will also be leasing. The additional acreage will be used for the storage of pipe, valves, and equipment, as well as for parking. They are estimating they will employ 650 people for this project. This project is in connection with the Mexican offshore pipeline project. Strike, LLC is the contractor for the project. Commissioner Masso moved to authorize the Staff to negotiate with Strike, LLC for a new lease, Commissioner Cowen seconded, and the motion passed unanimously.

6. Bryant Industrial Services, LLC / TransMontaigne Operating Company L.P.
(**Authority to negotiate**)

TransMontaigne Operating Company, L.P. under BND Contract 3307 is planning on building an additional liquid storage tank and have approached Bryant Industrial Services, LLC under BND Contract 3804 regarding a 0.50 acre tract that will be needed for TransMontaigne's expansion and Bryant has agreed. Commissioner Cowen moved to authorize the Staff to negotiate an Amendment to Bryant's lease to remove the 0.50 acre tract and to negotiate an Amendment to TransMontaigne's lease to add the 0.50 acre tract, Commissioner Masso seconded, and the motion passed unanimously.

7. PMI Services North America, Inc. (**Authority to negotiate**)

PMI Services North America, Inc. is requesting to lease approximately 0.50 acre for a new pump installation that will increase their capacity. The new pump will allow PMI to keep a backup for the pump in the event of an emergency. PMI's service into Mexico is critical and they want to have some insurance against unplanned downtime. Commissioner Masso moved to authorize the Staff to negotiate with PMI for a new lease, Commissioner Cowen seconded, and the motion passed unanimously.

6. Consideration and Action to approve payment for the continued services for dental insurance provided by Ameritas, life, short-term disability insurance provided by Dearborn, and vision insurance provided by Superior Vision for all BND employees.

Mr. Martinez addressed the Board requesting approval of payment for the continued services for

dental insurance provided by Ameritas; life and short-term and long-term disability insurance provided by Dearborn; and vision insurance provided by Superior Vision for all BND employees. The District currently has a three-year lock on rates for dental insurance (Ameritas), life, short-term, and long-term disability insurance (Dearborn), and a four-year lock on rates for vision insurance (Superior Vision). The Port's Consultant, Mr. Wethe, has reviewed the current experience with all insurances and is recommending that the District continue services with Ameritas, Dearborn, and Superior Vision. Commissioner Masso moved to accept the recommendation of Mr. Wethe to continue services with Ameritas, Dearborn, and Superior Vision insurance along with approving payment for those services for 2017, Commissioner Cowen seconded, and the motion passed unanimously.

7. Consideration and Action to approve selection and payment for the services provided by recommended medical insurance provider for 2017 for all BND employees.

Mr. Martinez addressed the Board requesting approval on the selection and payment for the services provided by recommended medical insurance provider for 2017 for all BND employees. The RFP that was issued last year for medical insurance for BND employees, allowed for a three-year option to be able to negotiate a price with the current medical insurance carrier (Blue Cross Blue Shield) without issuing an RFP every year during that three-year period. Mr. Ken Wethe, insurance consultant, from Wethe and Associates has completed negotiations on a proposed cost for the insurance by Blue Cross Blue Shield for year 2017. Mr. Wethe negotiated a 2.5% price increase (\$18,876/yr.) from an initial proposal of a 10% increase. All benefits will remain the same. Mr. Wethe recommended that the District accept the proposal by Blue Cross Blue Shield instead of submitting an RFP because of the volatile insurance market. Mr. Wethe is doubtful that the District will be able to obtain proposals with compatible benefits for a lower cost than is being offered by Blue Cross Blue Shield. Mr. Wethe addressed the Board. Discussion followed. Commissioner Cowen moved to accept the proposal from Blue Cross Blue Shield, Commissioner Masso seconded, and the motion passed unanimously.

8. Consideration and Action on request proposals for insurance benefits for all BND employees for year 2017.

Mr. Campirano asked that this Item be tabled. Commissioner Masso moved to table this Item, Commissioner Cowen seconded, and the motion passed unanimously.

9. Consideration and Action to amend proposal from Lanier & Associates Consulting Engineers, Inc. for construction phase engineering services on the BND liquid cargo dock repairs project, providing for additional inspection services.

Mr. Chavez addressed the Board requesting an amendment to the proposal from Lanier & Associates Consulting Engineers, Inc. for construction phase engineering services on the BND liquid cargo dock repairs project, providing for additional inspection services. After award of the construction contract to Russell Marine, LLC, staff was notified that fabrication of some of the components to be replaced at the Dock would take place in Houston. BND staff requested a proposal to amend the scope and include visits to the Houston facility by Lanier to inspect welds, coating and other features of the fabricated components of the Dock. Lanier has submitted an amended proposal, adding \$6,000.00 to the original not-to-exceed fee, for a total proposed not-to-exceed fee of \$43,500.00. This additional fee would cover at least six (6) inspection visits by

Lanier personnel to the fabrication facility in Houston. Commissioner Cowen moved to approve the amendment to the proposal from Lanier & Associates Consulting Engineers, Inc. for engineering services through construction phase services on the Liquid Cargo Dock Repairs project, adding the amount of \$6,000.00 for additional inspection services to the not-to-exceed fee, for a total not-to-exceed fee amount of \$43,500.00, 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).

Commissioner Masso moved to adjourn into executive session, Commissioner Cowen seconded, and the motion passed unanimously. The Vice Chairman then announced that the time was 6:07 p.m. and that the Board would adjourn into executive session.

The Vice Chairman then announced that the time was 6:41 p.m. and that the Board had reconvened in open session.

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

There was none.

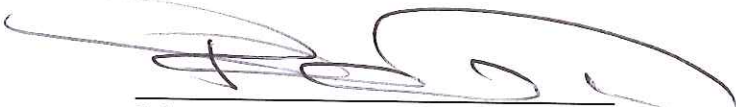
12. Adjournment.

Commissioner Masso moved to adjourn the meeting, Commissioner Cowen seconded and the meeting was adjourned by unanimous consent at 6:42 p.m.

ATTEST



Secretary



John Reed
Vice Chairman of the Board