

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD JANUARY 18, 2017 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, January 18, 2017 at 5:30 p.m.** The following individuals were present and absent:

PRESENT: John Wood, Chairman
John Reed
Ralph Cowen

ABSENT: Sergio Tito Lopez
Carlos Masso

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
Steve Fitzgibbons
Jaime Martinez
Chief Carlos Garcia
Lieutenant Mario Esquivel
Oscar Garcia
Michael Davis
Steve Tyndal
Patty Gonzales
Rosie Hinojosa
Margie Recio
Officer Alejandro Saucedo
Officer Jorge Moreno

OTHERS PRESENT: Rev. Andreas Lewis
Family of Officer Alejandro Saucedo
Family of Officer Jorge Moreno
Hunter Stanco
Kevin Garcia
Tony Chavez
George Gavito
Alan Simon
Mary Elizabeth Hollmann
Cecilia Montalbo
Norma Torres

Mike Walsh
KBSD

1. Meeting Called To Order

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

Chief Garcia addressed the Board and administered the oath of office to new police officers Alejandro Saucedo and Jorge Moreno. Officer Saucedo and Officer Moreno addressed the Board and thanked the Port for this opportunity. Chairman Wood addressed the new Officers and welcomed them to the Port.

2. Public Audience

- (1) Mary Elizabeth Hollmann addressed the Board and spoke in opposition to Agenda Item 9.
- (2) Cecilia Montalbo addressed the Board and spoke in opposition to Agenda Item 9.

3. Receive Director's Report

a. Receive Port Monthly Operations Summary Report

Mr. Fitzgibbons made a 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 January 4, 2017.
- b. Approval to authorize payments over \$25,000.00:
 1. Vulcan Materials Company, the amount of \$79,952.17, for crushed limestone for various locations throughout the Port;
 2. Russell Marine, LLC, the amount of \$69,831.00, for BND Liquid Cargo Dock repairs.
- c. Approval of the following leases:
 1. Heavy Duty Equipment, Inc. (New lease)
 2. A.E. Cantu (New lease)
 3. George C. Gavito (New lease)

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

5. Presentation of year-end financial report on BND's Pension Plan by Hunter Stanco, Financial Advisor from Morgan Stanley.

Mr. Campirano introduced Hunter Stanco from Morgan Stanley who spoke about the year-end financial report on BND's Pension Plan.

6. Presentation of the 2016 4th Quarter Investment Report for the period October 1, 2016 through December 31, 2016 and the 2016 Annual Investment Report for the period January 1, 2016 through December 31, 2016.

Mr. Fitzgibbons addressed the Board regarding the 4th Quarter Investment Report for the period October 1, 2016 through December 31, 2016 and the 2016 Annual Investment Report for the period January 1, 2016 through December 31, 2016.

7. Presentation from Omnitrax regarding 2016 year-end review.

Mr. Campirano introduced Alan Simon who addressed the Board regarding Omnitrax's 2016 year-end review. Norma Torres, Tony Chavez, and Mike Walsh also addressed the Board.

8. Presentation on Port of Brownsville Marketing Plan.

Mr. Tyndal made a presentation to the Board regarding the Port of Brownsville's Marketing Plan. Discussion followed regarding the Marketing Plan and the Board requested quarterly reports on implementation of the Plan.

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

Mrs. Rosenbaum addressed the Board regarding the following items:

1. Bluewing One, LLC (Authority to negotiate)

Bluewing One, LLC is requesting to lease approximately 6.78 acres just south of Ballast Pit #1 for the construction and operation of a tank farm to receive, store, and deliver crude oil, condensate, and petroleum-based products. Commissioner Reed moved to authorize the Staff to negotiate a new lease with Bluewing One, LLC, Commissioner Cowen seconded, and the motion passed unanimously.

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

Valley Crossing Pipeline, LLC is requesting an easement for pipeline to connect to a proposed compressor station that will be located in the port and then said easement will cross the Port of Brownsville Ship Channel at a point and said pipeline easement will continue off Port property into the Gulf of Mexico for an offshore project with Mexico. Commissioner Reed moved to authorize the Staff to negotiate an easement with Valley Crossing Pipeline, LLC., Commissioner Cowen seconded, and the motion passed unanimously.

3. Pedro Casares (Authority to negotiate)

The lease to Pedro Casares under BND Contract 3605 for the purpose of grazing is due to expire on February 28, 2017, and he is requesting a new lease. The location of the Compressor Station that Staff is negotiating with Valley Crossing Pipeline, LLC will be placed on land that is covered by the lease to Mr. Casares. Mr. Casares has been notified that as soon as Staff gets the survey for that proposed lease to Valley Crossing Pipeline, LLC, Staff will amend his lease to reduce the acreage by that amount. Commissioner Cowen moved to authorize the Staff to negotiate a new lease with Pedro Casares minus the acreage to be leased to Valley Crossing Pipeline, LLC., Commissioner Reed seconded, and the motion passed unanimously.

4. Linda Labin, Inc. / Paul Piazza & Son, Inc. (**Authority to negotiate**)

Linda Labin, Inc. a lessee under BND Contract 4056 is negotiating with Paul Piazza & Son, Inc. to sell their improvements subject to the Board approving of a new lease with Paul Piazza & Son, Inc. The purpose of the new lease would be for shrimp unloading, shrimp storage, and a fuel dock. Commissioner Reed moved to authorize Staff to prepare a Release of Lease to Linda Labin, Inc. and to prepare a new lease to Paul Piazza & Son, Inc., Commissioner Cowen seconded, and the motion passed unanimously.

10. Consideration and Action to declare fixtures and furniture located in the Administration Building as surplus to the District's needs and to authorize the Salvage Auction Team to dispose of them, to include offering them for sale by auction or making donations to charitable organizations.

Mr. Campirano addressed the Board requesting authorization to declare fixtures and furniture located in the Administration Building as surplus to the District's needs and authorization for the Salvage Auction Team to dispose of them by offering them for sale by auction or by making donations to charitable organizations. The staff is in the process of vacating the Administration Building in preparation for the contractor starting the renovation work. Mr. Roberto Ruiz has suggested that there are a number of fixtures in the Administration Building that would be of interest to buyers. These fixtures include doors, plumbing, cabinetry, vents and blinds. As the staff moves out of the office, there will be a few pieces of furniture, as well as the safe, that will be left behind. In addition, there are some items left from the previous salvage sale, in particular, the copiers and coke machines, that are in good condition and the furniture from the Shop Office. The Salvage Auction Team has met with Commissioner Cowen and the staff to discuss plans for disposing of these items. The recommendation is that the District hire a professional auctioneer to assist in this disposition. The anticipated timeline for holding the proposed auction would be during the week of February 6th through 10th. This would give the staff the opportunity to review the fixtures and furniture left in the building to see if there is any use for it elsewhere in the District. In addition to offering the items at auction, the Salvage Auction Team is requesting that the Board authorize it to donate some of the items to charitable organizations. Some of the possible recipients that have been mentioned are the Seafarers' Center, Habitat for Humanity and the United Way. Any donated items would be reported to the Board. Commissioner Cowen reported to the Board on his meeting with staff and his review of the items under consideration. Commissioner Cowen moved to declare the fixtures and furniture remaining in the Administration Building as surplus to the needs of the District and to authorize the Salvage Auction Team to dispose of them by offering them for sale by auction or offering them as a donation to a charitable organization, Commissioner Reed seconded, and the motion passed unanimously.

11. Consideration and Action to amend District Contract 3045 A with Ford Ferraro Attorneys at Law to the Firm's new name of Fritz, Byrne, Head & Gilstrap, PLLC and to approve the Firm's 2016 standard hourly rate sheets.

Mr. Fitzgibbons addressed the Board requesting authorization to amend District Contract 3045 A with Fort Ferraro Attorneys at Law to reflect the firm's new name of Fritz, Byrne, Head & Gilstrap, PLLC, and to approve the Firm's 2016 standard hourly rate sheets. Commissioner Reed moved to approve the contract amendment, Commissioner Cowen seconded, and the motion passed unanimously.

12. Consideration and Action to award a purchase agreement with Vulcan Materials for the purchase of crushed limestone.

Mr. Garcia addressed the Board requesting authorization to award a purchase agreement with Vulcan Materials for the purchase of crushed limestone. The District requested bids for crushed limestone with a bid opening date of January 10, 2017. There was one bid received from Vulcan Materials. Their bid was for \$17.00 per short ton at their stockpile. Commissioner Reed moved to award the Purchase Agreement to Vulcan Materials for the purchase of crushed limestone at a rate of \$17.00 per short ton for the contract period of January 18, 2017 through December 31, 2017, Commissioner Cowen seconded, and the motion passed unanimously.

13. Consideration and Action to award a purchase agreement with Contech Engineered Solutions, LLC for the purchase of geogrid reinforcement.

Mr. Garcia addressed the Board requesting the authorization to award a purchase agreement with Contech Engineered Solutions, LLC for the purchase of geogrid reinforcement. The District requested bids for geogrid reinforcement for the period of January 18th through December 31st. There were two options for the bid, triaxial and biaxial grids. Bids were opened January 10th and only one bid was received. Contech Engineered Solutions, LLC submitted a bid for the price of \$0.78 square yard for biaxial grid. Commissioner Reed moved to award the Purchase Agreement to Contech Engineered Solutions, LLC for the purchase of geogrid reinforcement at a rate of \$0.78 per square yard for the contract period of January 18, 2017 through December 31, 2017, Commissioner Cowen seconded, and the motion passed unanimously.

14. Consideration and Action to authorize the Staff to advertise for bids for two dump trucks, dozer and double drum vibratory roller.

Mr. Garcia addressed the Board requesting authorization for the Staff to advertise for bids for two dump trucks, one dozer, and one double drum vibratory roller. The Capital Budget for 2017 included finding for the purchase of this heavy equipment. Commissioner Cowen moved to authorize the Staff to advertise for bids for two dump trucks, one dozer, and one double drum vibratory roller, Commissioner Reed seconded, and the motion passed unanimously.

15. Consideration and Action to authorize the Port Director and CEO and Port Legal Counsel, Mr. Daniel Rentfro to execute the U.S. Army Corps of Engineers' Consent to Easement for the Oil Dock #6 construction project on behalf of the Port.

Mr. Chavez addressed the Board requesting authorization for the Port Director and CEO and Port Legal Counsel, Mr. Daniel Rentfro to execute the U.S. Army Corps of Engineers' Consent to Easement for the Oil Dock #6 construction project on behalf of the Port. After working with the Real Estate (RE) department of the Galveston Division (SWG) of the United States Army Corps of Engineers (USACE) on the Real Estate Outgrant permit for the Dredging required by the Oil Dock #6 Construction (0D6) project, and after satisfying all USACE SWG requirements including Sediment Sampling Analysis, USACE SWG RE issued the Consent to Easement document which states their concurrence to authorize placement by the BND of the dredged material from 0D6 construction into our Dredged Material Placement Area #8 (DMPA-8). The document requires signatures by the Port Director and C.E.O. and by Port Legal Counsel. Mr. Daniel Rentfro has reviewed the document and indicated no objections. Commissioner Cowen moved to authorize the Port Director and CEO and Port Legal Counsel, Mr. Daniel Rentfro, to sign the said Consent to Easement document on the U.S. Army Corps of Engineers Outgrant Permit to place dredged

material from the Oil Dock #6 construction project into the Port's Dredged Material Placement Area #8, Commissioner Reed seconded, and the motion passed unanimously.

- 16. 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.

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

There was none.

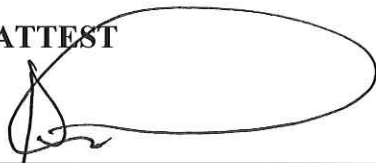
- 18. Public Comment Period.**

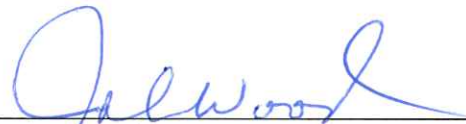
No person wished to address the Board.

- 19. Adjournment.**

Commissioner Cowen moved to adjourn the meeting, Commissioner Reed seconded, and the meeting was adjourned by unanimous consent at 7:15 p.m.

ATTEST



Secretary

John Wood
Chairman of the Board