

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD MARCH 8, 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, March 8, 2017 at 5:30 p.m.** The following individuals were present and absent:

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

ABSENT: 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
Steve Tyndal
Bea Rosenbaum
Ariel Chavez
Steve Fitzgibbons
Jaime Martinez
Chief Carlos Garcia
Michael Davis
Tony Rodriguez
Lt. Mario Esquivel
Debby Duke
Margie Recio
Oscar Garcia

OTHERS PRESENT: Rev. Andreas Lewis
Joe Linck
Amanda Saldana
Ben Atkins
Kevin Garcia
Mike Donald
Mary Elizabeth Hollmann
Cecilia Montalvo
Josette Cruz
Mary Helen Flores
John Young
KBSD

1. Meeting Called To Order

The Chairman called the meeting to order at 5:32 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

The following persons addressed the Board.

1. Mary Elizabeth Hollmann addressed the Board regarding the NextDecade and Valley Crossing Pipeline items.
2. Cecilia Montalvo addressed the Board regarding the NextDecade and Valley Crossing Pipeline items.
3. Josette Cruz addressed the Board regarding the NextDecade and Valley Crossing Pipeline items.
4. John Young addressed the Board regarding the NextDecade and Valley Crossing Pipeline items.
5. Mary Helen Flores addressed the Board regarding the NextDecade and Valley Crossing Pipeline items.
6. Joe Linck addressed the Board regarding the Valley Crossing Pipeline and NextDecade items.

3. Receive Director's Report

a. Receive Port Monthly Operations Summary Report

The Board received the monthly reports.

CONSENT AGENDA

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

- a. Approval of the Minutes of the Regular Board Meeting of February 15, 2017.
- b. Approval to authorize payments over \$25,000.00:
 1. Vulcan Materials Company, the amount of \$90,510.05, for crushed limestone for Patio 22 and other areas in the Port;
 2. Russell Marine, LLC, the amount of \$491,175.00, for BND Liquid Cargo Dock Repairs.
- c. Approval of the following leases:
 1. Valley Crossing Pipeline. LLC (New lease)
 2. NextDecade, LLC (New lease)
 3. NextDecade, LLC (Amendment)
 4. Interlube Corp., Inc. (New Lease)
 5. Cumberworth Investments, Inc. (New lease)
 6. Paul Piazza & Son, Inc. (New lease)
 7. Linda Labin, Inc (Release of Lease)
 8. Pedro Casares (New Lease)
 9. TransMontaigne Operating Company, L.P. (Amendment)

10. Mesquite Farm, LLC (Amendment)
11. Border Financial Services, Inc., d/b/a A-Mex (Amendment)
12. Brownsville Acquisition, Inc. (Lease Amendment)

5. Consideration and Action on an application for a renewal of the Stevedore and Freight Handler's License submitted by Dix Shipping Company, Inc.

Mrs. Rosenbaum asked that the Consent Agenda Items 4(c)(1)-4(c)(3) and 4(c)(12) be considered separately.

Chairman Wood noted he would abstain from consideration of Consent Agenda Item 4(c)(12).

Commissioner Cowen moved to table Consent Agenda Items 4(c)(1)-4(c)(3) and 4(12) until after Executive Session, Commissioner Masso seconded, and the motion passed 3-0. Chairman Wood abstained.

Commissioner Reed noted that he would abstain from consideration of Consent Agenda Item 4(c)(10).

Commissioner Cowen moved to approve all remaining Consent Agenda Items, except for Consent Agenda Item 4(c)(10), Commissioner Reed seconded, and the motion passed unanimously.

Commissioner Masso moved to approve Consent Agenda Item 4(c)(10), Commissioner Cowen seconded, and the motion passed 3-0. Commissioner Reed abstained.

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

Mrs. Rosenbaum addressed the Board regarding the following items:

1. Brownsville International Seafarer Center (Authority to negotiate)

The lease with Brownsville International Seafarer Center under BND Contract 3880 expired on February 28, 2017, and they are requesting a new lease. The purpose of the lease is for the operating and maintaining of a center to provide recreation & rehabilitation services for the benefit of seamen serving on vessels touching and calling upon the Port of Brownsville. Commissioner Reed moved to authorize the Staff to negotiate a new lease with the Brownsville International Seafarer Center, Commissioner Cowen seconded, and the motion passed unanimously.

2. TransMontaigne Operating Co., L.P. (Authority to negotiate)

TransMontaigne's lease under BND Contract 2752 is due to expire on June 11, 2017, and they are requesting a new lease. The purpose of the lease is for a bulk liquid storage and distribution terminal. Commissioner Reed moved to authorize the Staff to negotiate a new lease with TransMontaigne Operating Co., L.P., Commissioner Cowen seconded, and the motion passed unanimously.

3. Linwood Trawlers, Inc. (Authority to negotiate)

The lease to Linwood, Inc. at the Fishing Harbor is due to expire on April 30, 2017, and they are requesting a new lease. The purpose is for maintenance and operation of fishing vessels. Commissioner Cowen moved to authorize the Staff to negotiate a new lease with Linwood Trawlers, Inc., Commissioner Masso seconded, and the motion passed unanimously.

4. Fel Glo, Inc. (**Authority to negotiate**)

The lease with Fel Glo, Inc. under BND Contract 3614 at the Fishing Harbor is due to expire on March 31, 2017, and they are requesting a new lease. The purpose of the lease is for a machine shop, welding fabrication, and manufacturing. Commissioner Reed moved to authorize the Staff to negotiate a new lease with Fel Glo, Inc., Commissioner Cowen seconded, and the motion passed unanimously.

5. Friends of the Rio Grande Valley Reef, Inc. (**Authority to negotiate**)

The lease to the Friends of the Rio Grande Valley Reef, Inc. expired on January 19, 2017, and they are requesting to extend the lease for two option terms of one year each. The purpose of the lease is to store bricks, concrete block and rip rap for offshore deployment for artificial reef. Discussion followed regarding the consideration for the lease. Due to the public benefits that the reef project creates, the Commissioners suggested that it would be appropriate to allow one additional year at no charge. Commissioner Cowen moved to authorize the Staff to negotiate a new lease with Rio Grande Valley Reef, Inc., Commissioner Masso seconded, and the motion passed unanimously.

6. Wenn Moore, d/b/a Moore's Diesel Service (**Authority to negotiate**)

The lease to Wenn Moore, d/b/a Moore's Diesel Service under BND Contract 3961 expired on January 15, 2017, and he is requesting a new lease. The purpose of the lease at the Fishing Harbor is for diesel sales, services to shrimp boats, and boat repairs. Commissioner Reed moved to authorize the Staff to negotiate a new lease with Wenn Moore, d/b/a Moore's Diesel Service, Commissioner Cowen seconded, and the motion passed unanimously.

7. Elite Packaging Services, LLC (**Sublease & Right of First Refusal**)

Elite Packaging Services, LLC under BND Contract 3599 is requesting the Board's consent to sublease to CSC Sugar, LLC for general warehousing of goods, products and materials. Elite Packaging Services and CSC Sugar have also entered into a Right of First Refusal Agreement to sell to CSC Sugar the buildings, structures, and other improvements located on the subleased premises. Commissioner Masso moved to consent to the sublease to CSC Sugar, LLC. Commissioner Cowen seconded, and the motion passed unanimously.

8. Castro Trawlers, Inc (**Sublease**)

Castro Trawlers, Inc. under BND Contract 4143 is requesting the Board's consent to sublease to Francisco Cortez approximately 100 feet of dock and 20,000 square feet of land for the purpose of shrimp boat repairs. Commissioner Reed moved to consent the sublease to Francisco Cortez, Commissioner Cowen seconded, and the motion passed unanimously.

7. Consideration and Action on extending the Agreement for Professional Services with the LeMunyon Group, LLC.

Mr. Campirano addressed the Board requesting authorization to extend the Agreement for Professional Services with the LeMunyon Group, LLC. The contract with LeMunyon Group, LLC expired on February 28, 2017. The Brownsville Navigation District has engaged the services of the LeMunyon Group, LLC to represent the Port's interests in matters involving both public and private agencies. Commissioner Cowen moved to approve the Extension of the Agreement with the LeMunyon Group, LLC for a period of two (2) years, ending on February 28, 2019, Commissioner Masso seconded, and the motion passed unanimously.

8. Consideration and Action to award the bid for the purchase of two dump trucks and to authorize payment of the invoice when received.

Mr. Garcia addressed the Board requesting authorization to award the bid for the purchase of two dump trucks and to authorize payment of the invoice when received. The District requested bids for the purchase of two dump trucks with a bid opening date of February 15, 2017. There were two bids received, both bids were for 2018 models that meet the District's specifications. Doggett Freightliner's bid was in the amount of \$213,872.00 and Rush Truck Center's bid was in the amount of \$223,010.30 for the two dump trucks. The delivery period will be 120 to 150 days for Doggett Freightliner and 150 days to 180 days for Rush Truck Center. Commissioner Masso moved to award the purchase of the two dump trucks to Doggett Freightliner for a price of \$213,872.00 and to authorize the payment of the invoice when it is received, Commissioner Cowen seconded, and the motion passed unanimously.

9. Consideration and Action to award the bid for the purchase of a Double Drum Vibratory Roller and to authorize payment of the invoice when received.

Mr. Garcia addressed the Board requesting authorization to award the bid for the purchase of a Double Drum Vibratory Roller and to authorize payment of the invoice when received. The District requested bids for the purchase of a Double Drum Vibratory Roller with a bid opening date of February 15, 2017. There were five bids received from: Holt Cat, Romco Equipment, Anderson Equipment, Briggs Equipment, and Doggett Heavy Machinery. Romco Equipment was the low bidder on a new 2016 Volvo DD140 with a bid price of \$136,306.00. This unit meets the District's specifications. The unit comes with a two-year warranty on the full machine. The bid from Briggs Equipment was a Buy Board quote for a 2017 unit which came in at \$171,021.00. The delivery period for the Romco Equipment unit is 8 business days. Commissioner Masso moved to award the purchase of the Double Drum Vibratory Roller to Romco Equipment in the amount of \$136,306.00 for the 2016 Volvo DD140 and to authorize payment of the invoice when it is received, Commissioner Cowen seconded, and the motion passed unanimously.

10. Consideration and Action to award the bid for the purchase of a Bulldozer and to authorize payment of the invoice when received.

Mr. Garcia addressed the Board requesting authorization to award the bid for the purchase of a Bulldozer and to authorize payment of the invoice when received. The District advertised for bids for the purchase of a Bulldozer with a bid opening date of February 15, 2017. The specifications requested bids for either a 155 horsepower or 190 horsepower unit and specified either a new unit or one that had been used only as a demo. There were two bids received, from Holt Cat and Doggett Heavy Machinery. Doggett Heavy Machinery proposed a 2015 John Deere 850k (a 190 horsepower unit) that has been used as a demo. This unit has 1,614 hours on it, however, the dealer offered extending the warranty to January 31, 2020, or a maximum of 7,000 hours. The price bid for this unit is \$250,000.00, which compares favorably to the other units proposed and results in the District getting a heavier-duty machine with a much better warranty period. The delivery period for this unit is 15 days. Commissioner Cowen moved to award the purchase of the bulldozer to Doggett Heavy Machinery for Option 4, the 190 horsepower demo unit, for a price of \$250,000.00 and to authorize the payment of the invoice when it is received, Commissioner Masso seconded, and the motion passed unanimously.

- 11. 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 Reed seconded, and the motion passed unanimously. The Chairman then announced that the time was 6:13 p.m. and that the Board would adjourn into Executive Session.

The Chairman then announced that the time was 7:19 p.m., and that the Board had reconvened in open session.

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

Chairman Wood recalled Consent Agenda Items 4(c)(1)-4(c)(3).

Valley Crossing Pipeline, LLC (New lease)

Commissioner Masso moved to approve the new lease with Valley Crossing Pipeline, LLC, Commissioner Cowen seconded, and the motion passed unanimously.

NextDecade, LLC (New lease)

Commissioner Reed moved to approve the new lease with NextDecade, LLC, Commissioner Cowen seconded, and the motion passed unanimously.

NextDecade, LLC (Amendment)

Mr. Campirano addressed the Board briefly regarding this Item. Commissioner Reed moved to approve the amendment to the option to lease agreement, Commissioner Masso seconded, and the motion passed unanimously.

Vice Chairman Reed recalled Consent Agenda Item 4(c)(12).

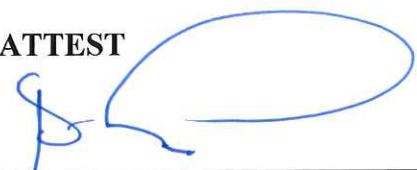
Brownsville Acquisition, Inc. (Amendment)

Commissioner Masso moved to table this item, Commissioner Cowen seconded, and the motion passed 3-0. Chairman Wood abstained.

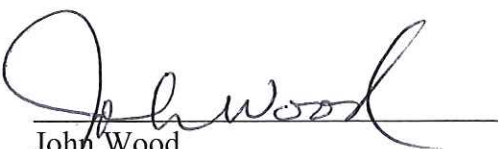
13. Adjournment.

Commissioner Cowen moved to adjourn the meeting, Commissioner Reed seconded, and the meeting was adjourned by unanimous consent 7:22 p.m.

ATTEST



Secretary



John Wood
Chairman of the Board