

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD DECEMBER 6, 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, December 6, 2017 at 5:30 p.m.** The following individuals were present and absent:

PRESENT: John Wood, Chairman
Ralph Cowen
John Reed
Carlos R. Masso (beginning with Item 7)

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
Bea Rosenbaum
Ariel Chavez
Manuel Martinez
Steve Fitzgibbons
Jaime Martinez
Chief Carlos Garcia
Lieutenant Mario Esquivel
Michael Davis
Tony Rodriguez
Cristina Valdez
Lorena Hernandez
Debby Duke
Margie Recio
Memo Rico
Oscar Garcia

OTHERS PRESENT: Rev. Andreas Lewis
Ken Wethe
Capt. Jonathan Willett
Capt. Gene Tuttle
Albert Perez
Mike Kreiber
Joe Linck
Michael Berg
John Young
Mark Davenport
Pete Jaramillo ?
KBSD

1. Meeting Called to Order

The Chairman called the meeting to order at 5:42 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

John Young addressed the Board regarding Next Decade, LLC.

Joe Linck addressed the Board regarding the Mexican economy and LNG at the Port.

3. Receive Director's Report

a. Receive Port Monthly Operations Summary Report

The Chairman acknowledged receipt of the reports.

CONSENT AGENDA

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

- a. Approval of the Minutes of the Regular Board Meeting of November 15, 2017.
- b. Approval to authorize payments over \$25,000.00:
 1. Vulcan Materials Company, in the amount of \$81,748.92, for crushed limestone for Patio 22, Pyramid Yard and repairs to areas in the Port;
 2. Keppel AmFELS, in the amount of \$207,705.25, for facility improvements;
 3. HDR, Inc., in the amount of \$70,021.14, for services performed on the Brazos Island Harbor Deepening Project and the DMPA 5B Dike Relocation Project;
 4. S&B Infrastructure, LTD, in the amount of \$42,013.16, for Foust Road Truck Parking improvements; and
 5. Triton Marine Construction, in the amount of \$356,534.01, for Oil Dock 6 construction, Oil Dock No. 3 Fender System Replacement & Facility Enhancements & Maintenance Dredging.

5. Approval of the following leases:

1. C.E. Parker Cattle Company, LLC (New lease)
2. M & M Mooring (Amendment)

6. Consideration and Action on the Line Handling Permit Application submitted by:

1. Brownsville Mooring
2. M & M Mooring

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

7. Presentation by Mark Davenport from HDR, Inc. on pipeline construction observation for Valley Crossing Pipeline Project.

Mr. Campirano introduced Mark Davenport who made a presentation about the pipeline construction for the Valley Crossing Pipeline Project. HDR, Inc. is observing construction on the Port's behalf. Discussion followed.

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

Mrs. Rosenbaum addressed the Board regarding the following items:

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

The lease to the Friends of the Rio Grande Valley Reef, Inc. under BND Contract 4160 is due to expire on January 19, 2018, and the lessee has requested a new lease for a term of two years. The purpose of the lease is to store/stage concrete materials for deployment for offshore artificial reef. Commissioner Reed moved to authorize the Staff to negotiate a new lease with the Friends of the Rio Grande Valley Reef, Inc., Commissioner Cowen seconded, and the motion passed unanimously.

2. Oil Patch Fuel & Supply, Inc. **(Authority to negotiate)**

The lease to Oil Patch Fuel & Supply, Inc. under BND Contract 3667 is due to expire on February 28, 2018, and the lessee has requested a new lease for the purpose of grazing. Commissioner Reed moved to authorize the Staff to negotiate with Oil Patch Fuel & Supply, Inc. for a new lease, Commissioner Cowen seconded, and the motion passed unanimously.

3. Casa Sumi Petroleum, LLC **(Authority to negotiate)**

Casa Sumi Petroleum, LLC has requested a lease for approximately 4.52 acres for a liquid storage facility. Commissioner Masso moved to authorize the Staff to negotiate a new lease with Casa Sumi Petroleum, LLC, Commissioner Cowen seconded, and the motion passed unanimously.

4. CSC Sugar, LLC **(Authority to negotiate)**

CSC Sugar, LLC has requested a lease for Shed 15 East for the storage of sugar. Commissioner Reed moved to authorize the Staff to negotiate a new lease with CSC Sugar, LLC, Commissioner Masso seconded, and the motion passed unanimously.

9. Consideration and Action on the adoption of “Order and Appointment of Agenda for Election Duties for the Secretary of the Board of Commissioners’ duties related to the May 5, 2018 General Election”.

Mrs. Duke addressed the Board requesting the adoption of “Order and Appointment of Agenda for Election Duties for the Secretary of the Board of Commissioners’ Duties Related to the May 5, 2018 General Election.” Under the State’s election laws, the Secretary of the Board has the duty to hold regular, daily office hours during the times that candidates may need to file election documents, specifically 50 days prior and 40 days following the election date. To administer this responsibility, as well as additional administrative duties that are assigned to the Secretary, the Election Code (31.123) permits the Board to appoint someone to act as an agent for the Secretary in the performance of these election duties. This resolution appoints Deborah Duke as the agent for the Secretary of the Board for election-related duties. Commissioner Reed moved to authorize the adoption of the “Order and Appointment of Agenda for Election Duties for the Secretary of the Board of Commissioners’ Duties Related to the May 5, 2018 Election”, as presented, Commissioner Cowen seconded, and the motion passed unanimously.

10. Consideration and Action on approval of Supplement to Yard Relocation Agreement with regard to the Brownsville Matamoros Railroad Relocation demonstration

project, and authorization of the Chairman of the Board to sign all documents necessary to complete the exchange of properties and associated facilities in fulfillment of the project.

Mr. Campirano addressed the Board requesting approval of Supplement to Yard Relocation Agreement with regard to the Brownsville Matamoros Railroad Relocation demonstration project, and authorization of the Chairman of the Board to sign all documents necessary to complete the exchange of properties and associated facilities in fulfillment of the project. The District acted as the project sponsor for the Brownsville / Matamoros Railroad Relocation Demonstration Project, which relocated the Union Pacific and Southern Pacific switching yards from downtown Brownsville. The project is now ready to be completed. Under the agreement, the District was to receive the Amigoland switching yard in exchange for Union Pacific's Olmito Yard. The Supplement to the Agreement would amend the exchange provision to convey the Palo Alto Yard to the District. The Supplement also expresses the District's consent that Union Pacific convey the Amigoland Yard to the City of Brownsville, under separate agreement to be worked out between those parties. The proposed action would also authorize the Chairman to execute the necessary documents to finalize the transaction, which would formally close out the project. Commissioner Cowen moved to authorize the Chairman to execute all documents necessary to complete the exchange of properties and associated facilities in fulfillment of the project, Commissioner Masso seconded, and the motion passed unanimously.

11. Consideration and Action on the adoption of the District's Operating and Capital Budget for Fiscal Year 2018.

Mr. Fitzgibbons addressed the Board requesting the adoption of the District's Operating and Capital Budget for Fiscal Year 2018. The staff has completed work on the District's Operating and Capital Budget for Fiscal Year 2018. Discussion followed. The Board requested that the staff prepare a power point presentation for the Board at the next meeting. Commissioner Reed moved to table this Item, Commissioner Cowen seconded, and the motion passed unanimously.

12. Consideration and Action to approve payment of the District's pro-rata portion of the Cameron Appraisal District (CAD) budget for the fiscal 2018, the District's pro-rata portion is \$35,112.

Mr. Fitzgibbons addressed the Board requesting the approval of payment of the District's pro-rata portion of the Cameron Appraisal District (CAD) budget for the fiscal 2018; the District's pro-rata portion is \$35,112. By Texas law, the taxing entities in the county must pay a pro-rata portion of the CAD budget based on the relationship of their tax levy to the tax levies by other taxing entities in the county. Commissioner Reed moved to authorize the payment of the District's assessed pro-rata portion of the CAD budget for fiscal year 2018 in four quarterly payments of \$8,778, Commissioner Masso seconded, and the motion passed unanimously.

13. Consideration and Action to approve selection and payment for the services provided by recommended medical, dental, short-term and life insurance providers for all BND employees.

Mr. Martinez addressed the Board requesting approval on the selection and payment for the services provided by recommended medical, dental, short-term and life insurance providers for all BND employees. The District's insurance benefits renewal date for medical, dental, short-term, long-term, and life insurances is January 1, 2018. Mr. Ken Wethe has reviewed the proposals and the best proposal was recommended to the Board to begin coverage for the insurances mentioned for the years 2018 with the option in 2019 and 2020 to renew if rates are feasible and recommended by the insurance consultant. Discussion followed regarding the increase in rates and the timing of the request for proposals as well as receipt of the proposals. Commissioner Reed moved to table this Item, Commissioner Masso seconded, and the motion passed unanimously.

14. Consideration and Action to authorize Staff to purchase treated lumber.

Mr. Garcia addressed the Board requesting authorization for Staff to purchase treated lumber. The District requested quotes for various sizes of treated lumber for repairs on docks at the Fishing Harbor and Turning Basin. Only one quote was submitted, that being by Conroe Wood Products. Commissioner Masso moved to authorize Staff to purchase treated lumber from Conroe Wood Products Inc., as recommended to the Board, Commissioner Cowen seconded, and the motion passed unanimously.

15. Consideration and Action to authorize Chairman John Wood to execute the U.S. Army Corps of Engineers' Deed Without Warranty and Release of Easement for a portion of Easement Tract No. 2 on the Brazos Island Harbor Channel.

Mr. Chavez addressed the Board requesting the authorization for Chairman John Wood to execute the U.S. Army Corps of Engineers' Deed Without Warranty and Release of Easement for a portion of Easement Tract No. 2 on the Brazos Island Harbor Channel. The document has been finalized. Commissioner Cowen moved to authorize the Chairman John Wood to sign the said U.S. Army Corps of Engineers' Deed Without Warranty and Release of Easement for partial release of the Brazos Island Harbor Ship Channel Easement Tract No. 2, Commissioner Reed seconded, and the motion passed unanimously.

16. Consideration and Action to amend the proposal from SAM Engineering and Surveying on Land Surveying for the S.H. 48 Utility Corridor created by the Brownsville Navigation District on May 5, 2017.

Mr. Chavez addressed the Board requesting the amendment to the proposal from SAM Engineering and Surveying on Land Surveying for the S.H. 48 Utility Corridor created by the Brownsville Navigation District on May 5, 2017. BND commissioners approved the proposal from SAM Engineering and Surveying (SAMES), to perform the boundary surveys on the S.H. 48 Utility Corridor for a lump sum fee of \$27,700.00. BND Staff is recommending extending the survey boundary to the Eastern terminus of BND property along SH 48. Additionally, some of the users requested modifications to the geometry due to field conditions they encountered. This increased the scope of work to complete the work, and SAMES has requested that the Port amend the Professional Services Agreement to increase the scope as described above, and to increase the lump sum fee amount by \$6,500.00, for a new total lump sum fee of \$34,200.00. Commissioner Masso moved to approve the amendment to the proposal from SAM Engineering and Surveying

to extend the scope of the boundary survey of the S.H. 48 Utility Corridor to the end of BND property, and to adjust the lump sum fee from \$27,700.00 to \$34,200.00, Commissioner Cowen seconded, and the motion passed unanimously.

17. 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 Chairman then announced that the time was 6:55 p.m., and that the Board would adjourn into executive session.

The Chairman then announced that the time was 8:02 p.m. and that the Board had reconvened in open session.

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

The Chairman recalled Agenda Item 13.

Consideration and Action to approve selection and payment for the services provided by recommended medical, dental, short-term and life insurance providers for all BND employees.

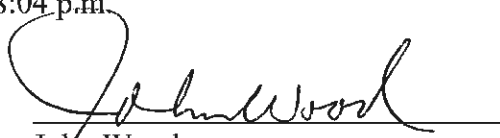
The Chairman recommended that the Board approve the selection and payment for the services provided by the medical, dental, short-term and life insurance providers for all BND employees, as recommended by Staff, with the exception that the agent of record for BND health and dental insurance would be Brisky & Perez Insurance Agency. Commissioner Reed moved to approve the selection and payment for the services provided by the medical, dental, short-term and life insurance providers for all BND employees, as recommended by Staff, with the exception that the agent of record for BND health insurance and dental insurance would be Brisky & Perez Insurance Agency, Commissioner Masso seconded, and the motion passed unanimously.

19. Adjournment.

Commissioner Masso moved to adjourn the meeting, Commissioner Reed seconded, and the meeting was adjourned by unanimous consent at 8:04 p.m.

ATTEST

Secretary


John Wood
Chairman of the Board