

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD FEBRUARY 21, 2018 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, February 21, 2018 at 5:30 p.m.** The following individuals were present and absent:

PRESENT: John Wood, Chairman
John Reed
Sergio Tito Lopez

ABSENT: Ralph Cowen
Carlos R. 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
Steve Tyndal
Ariel Chavez
Steve Fitzgibbons
Jaime Martinez
Chief Carlos Garcia
Michael Davis
Tony Rodriguez
Lorena Hernandez
Debby Duke
Margie Recio
Memo Rico
Officer Ivan Botello
Lieutenant Mario Esquivel
Oscar Garcia

OTHERS PRESENT: KBSD
Leonel Alejandro
Family of Officer Ivan Botello
Chris Green
Bob Berry
Peter Schmar
Joe Linck
Representatives of the US Army Corps of Engineers
Scott Donnaho

1. Meeting Called To Order

The Chairman called the meeting to order at 5:35 p.m. Mr. Chavez 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 swore in new police officer, Ivan Botello. Officer Botello addressed the Board and thanked the Port for the opportunity.

2. Public Audience

Joe Linck addressed the Board regarding the potential opening of on-shore drilling in Northern Mexico and the opportunities that would create for the Port.

3. Receive Director's Report

a. Receive Port Monthly Operations Summary Report

Ms. Hernandez made the 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 February 7, 2018.
- b. Approval to authorize payments over \$25,000.00:
 1. Vulcan Construction Materials, the amount of \$98,294.51, for crushed limestone for patios;
 2. Texas Department of Transportation, the amount of \$100,000.00, for Texas Department of Transportation; and
 3. ZIWA Corporation, the amount of \$478,767.77, for BND Admin Complex Rehab & Building Addition.
- c. Approval of the following leases:
 1. Landro, Inc. (New lease)

5. Consideration and Action on Steamship Agent License Renewal Application for Moran Shipping Agency of Texas, Inc. d/b/a Moran Gulf Shipping Agencies.

Chairman Wood asked Mr. Campirano to expand on Consent Agenda Item 4b2. Mr. Campirano addressed the Board regarding the Port's role in the project to repair and resurface roads in and around the Port. Brief discussion followed.

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

6. Presentation by the United States Army Corps of Engineers on the STURGIS Decommissioning Project.

Mr. Campirano introduced Hans Honerlah who spoke about the STURGIS Decommissioning Project. Discussion followed. Commissioner Reed asked Mr. Tyndal to relay this information to Ms. Gonzales.

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

Mrs. Rosenbaum addressed the Board regarding the following items:

1. Texas KLM, LLC / Royal Blue, LLC (**Authority to negotiate**)

Texas KLM, LLC plans to sell its improvements to Royal Blue, LLC and has requested that it be released of its lease subject to the Board approving of a new lease to Royal Blue, LLC. The purpose of the lease is for a terminal for refined products. Commissioner Lopez moved to authorize the Staff to negotiate a new lease with Royal Blue, LLC and a release of lease with Texas KLM, LLC, Commissioner Reed seconded, and the motion passed unanimously.

2. Castelo Logistics, LLC (**Authority to negotiate**)

Castelo Logistics, LLC has requested a lease for approximately one acre for truck parking. Commissioner Lopez moved to authorize the Staff to negotiate a new lease with Castelo Logistics, LLC, Commissioner Reed seconded, and the motion passed unanimously.

3. Sylvia Martinez, d/b/a Taqueria Sylos (**Authority to negotiate**)

The lease with Sylvia Martinez, d/b/a Taqueria Sylos is due to expire on April 30, 2018 and she has requested a new lease. The purpose of the lease is for food services. Commissioner Lopez moved to authorize the Staff to negotiate a new lease with Sylvia Martinez, d/b/a Taqueria Sylos, Commissioner Reed seconded, and the motion passed unanimously.

8. Consideration and Action to approve a Memorandum of Understanding with the City of South Padre Island Police Department for the use of the Port of Brownsville LRAD.

Chief Garcia addressed the Board requesting approval of a Memorandum of Understanding with the City of South Padre Island Police Department for the use of the Port of Brownsville LRAD. The City of South Padre Island Police Department has requested to borrow and use the Port of Brownsville Long Range Acoustic Device (LRAD) during the upcoming period of Spring Break. The South Padre Island Police Department use of the LRAD will allow them to effectively communicate and disperse information to a large gathering of persons congregating in a single site. Commissioner Reed moved to approve the MOU with the City of South Padre Island, Commissioner Lopez seconded, and the motion passed unanimously.

9. Consideration and Action to purchase office furnishings for the new Administration Building and Permit Office from Texas Department of Criminal Justice Texas Correctional Industries.

Mrs. Eymard addressed the Board requesting authorization to purchase office furnishings for the new Administration Building and Permit Office from Texas Department of Criminal Justice Texas Correctional Industries. Staff has contacted and consulted with several State vendors to outfit the new Administration Building and Permit office with office furnishings. Texas Correctional Industries offered BND the best quality and price, and therefore, staff requested authority to purchase the office furnishings from them. The furniture will be made in their prison factories once the order is placed and delivery time is approximately 90 days. The contractor indicated the Administration Building project should be substantially complete by May 15th with a projected move in date of June 15th. Once approved, the order will be placed immediately to ensure delivery by target move in date. Discussion followed. Commissioner Lopez moved to authorize Staff to purchase office furnishings from Texas Correctional Industries under their State contract,

BROWNSVILLE NAVIGATION DISTRICT MINUTES

February 21, 2018

Page 3 of 6

Commissioner Reed seconded, and the motion passed unanimously.

10. Consideration and Action on Memorandum of Agreement between U.S. Army Corps of Engineers, Galveston District and Brownsville Navigation District of Cameron County, Texas in relation to a Disposal Report and related matters concerning the release of Tracts 1, 4, 5 and 11 as provided in Section 1318 of the Water Resources Development Act of 2016.

Mr. Campirano addressed the Board requesting approval of a Memorandum of Agreement between U.S. Army Corps of Engineers, Galveston District and Brownsville Navigation District of Cameron County, Texas in relation to a Disposal Report and related matters concerning the release of Tracts 1, 4, 5 and 11 as provided in Section 1318 of the Water Resources Development Act of 2016. The Brownsville Navigation District has been working with the U.S. Army Corps of Engineers Galveston District to implement Section 1318 of the Water Resources Development Act of 2016 which authorizes and directs the Secretary of the Army to effectuate the release of interests of the United States in certain tracts of land located in the Port of Brownsville. This Memorandum of Agreement is specific to Tracts 1,4, 5 and 11 and sets forth the responsibilities of USACE and the Port in completing the Tasks associated with the requirement of the disposal report. Chairman Wood also addressed the Board regarding the planned releases under the Water Resources Development Act of 2016 and the benefits the releases will allow for the Port and its tenants. Commissioner Reed moved to approve the Memorandum of Agreement between the U.S. Army Corps of Engineers and the Brownsville Navigation District, Commissioner Lopez seconded, and the motion passed unanimously.

11. Consideration and Action to authorize Staff to advertise for bids for a motor grader and a boom mower, and to open bids thereof.

Mr. Garcia addressed the Board requesting authorization for Staff to advertise for bids for a motor grader and a boom mower and to open bids thereof. The motor grader will be used to facilitate patio maintenance and expansions. The boom will be used to keep all drain ditches mowed. Chairman Wood asked Mr. Garcia about the Port's current motor grader's trade-in value. Commissioner Reed moved to authorize Staff to advertise for the purchase of a motor grader and a boom mower, Commissioner Lopez seconded, and the motion passed unanimously.

12. Consideration and Action to authorize the Staff to advertise for bids on Phase I of the Foust Road Truck Parking Facility project, and to open bids thereof.

Mr. Chavez addressed the Board requesting authorization for the Staff to advertise for bids on Phase I of the Foust Road Truck Parking Facility project, and to open bids thereof. BND Staff has been working with SB&I on construction drawings, specifications and bidding documents for this project. During the process, SB&I was directed to prepare a design for Phase I of this project within a specified funding limit for BND FY 2018. SB&I has completed the Phase I design and is now ready to engage a contractor to perform the work. To that end, Staff will need to publish an Invitation to Bid in the local newspaper. The target advertisement dates are February 26 and March 5, 2018, with a target bid opening date of March 15, 2018 and a tentative project award date of March 21, 2018. Commissioner Reed moved to authorize the Port Director to direct BND Staff to prepare an Invitation to Bid on the Foust Road Truck Parking Improvements, as per drawings and specifications prepared by BND consultant S & B Infrastructure, Ltd., to publish same in the pertinent local newspaper as required by standard BND Purchasing procedure, and to open bids once they are received, Commissioner Lopez seconded, and the motion passed unanimously.

13. Consideration and Action to authorize Port Staff to Advertise for Bids on the Bulk Cargo Dock Improvements project, and to open bids thereof.

Mr. Chavez addressed the Board requesting the authorization for Port Staff to advertise for Bids on the Bulk Cargo Dock Improvements project, and to open bids thereof. The Port Director and BND Staff have been working with BND lessee West Plains, LLC (West Plains) on a plan to effectuate needed improvements to BND's Bulk Cargo Dock. West Plains engaged the services of consulting engineers EDG, Inc., Consulting Engineers (EDG) who performed an evaluation of the condition of the dock and proposed repairs and improvements. EDG was also tasked with designing improvements needed by West Plains to the dock structure itself for their operation. The proposal has been for the repairs to the dock face and the improvements to the dock itself to be let by BND to simplify the process. Working closely with BND Staff, EDG has completed plans specifications and bidding documents for the proposed improvements. In order to engage a contractor to perform this work, the BND will need to publish an Invitation to Bid in the local newspaper. Commissioner Reed asked if there will be BND oversight of the project. Mr. Chavez and Mr. Campirano assured the Board that there would be consultant and staff oversight of the project. Commissioner Lopez moved to authorize the Port Director to direct BND Staff to prepare an Invitation to Bid on the Bulk Cargo Dock Improvements, as per drawings and specifications prepared by West Plains, LLC consultant EDG, Inc., Consulting Engineers, to publish same in the pertinent local newspaper as required by standard BND Purchasing procedures, and to open bids once they are received, Commissioner Reed seconded, and the motion passed unanimously.

14. Consideration and Action on Change Order No. 1 to the Keppel AmFELS Water Line Relocation project, for the purpose of extending 20" steel casing length, adding a 10" valve, adding a PVC casing under culverts, excavating and removing unsuitable backfill, realigning installed 12" pipe, and adjusting the contract time for this work.

Mr. Chavez addressed the Board requesting the acceptance or rejection of Change Order No. 1 to the Keppel AmFELS Water Line Relocation project, for the purposes of extending 20" steel casing length, adding a 10" valve, adding a PVC casing under culverts, excavating and removing unsuitable backfill, realigning installed 12" pipe, and adjusting the contract time for the work.. Due to field conditions encountered, it was determined to extend the West 20" steel casing by five (5) feet; to add a 10" valve next to the AmFELS meter; to install a 24" PVC casing at the crossing of the 16" line with the SH 48 storm drains; to regrade 950 feet to drain standing water and remove unsuitable backfill; and to remove and relocate 80 feet of pipe. Mor-Wil proposes to perform this work for \$28,754.83. The project contract time will be extended 21 days to allow for the extra work in this Change Order. The new contract amount would become \$453,168.73, and the contract completion date would be March 26, 2018. Commissioner Lopez moved to approve Change Order No. 1 to the contract with Mor-Wil, LLC on the Keppel AmFELS Water Line Relocation project, increasing the current contract price by \$28,754.83, for a new contract price of \$453,168.73, and to approve a 21-day increase in contract time, for a new contract completion date of March 26, 2018, Commissioner Reed seconded, and the motion passed unanimously.

15. 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).

The Chairman then announced that the time was 6:43 p.m., and that the Board would adjourn into executive session.

Commissioner Reed moved to reconvene in open session, Commissioner Lopez seconded, and the motion passed unanimously. The Chairman then announced that the time was 7:31 p.m. and that the Board had reconvened in open session.

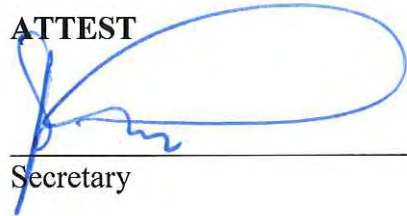
16. Possible action on matters or items discussed in Executive Session.

There was none.

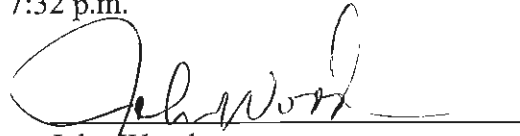
17. Adjournment.

Commissioner Reed moved to adjourn the meeting, Commissioner Lopez seconded, and the meeting was adjourned by unanimous consent at 7:32 p.m.

ATTEST



Secretary



John Wood
Chairman of the Board