

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

**PRESENT:** John Wood, Chairman  
John Reed  
Sergio Tito Lopez  
Ralph Cowen

**ABSENT:** 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  
Lorena Hernandez  
Memo Rico  
Oscar Garcia  
Patty Gonzales  
Ariel Chavez  
Steve Fitzgibbons  
Jaime Martinez  
Chief Carlos Garcia  
Michael Davis  
Tony Rodriguez  
Debby Duke  
Steve Tyndal  
Margie Recio

**OTHERS PRESENT:** Rev. Andreas Lewis  
Leonel Alejandro  
Representatives of Postlethwaite and Netterville  
Scott Donnaho  
KBSD

**1. Meeting Called To Order**

The Chairman called the meeting to order at 5:34 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.

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## **2. Public Audience**

No person registered to address the Board.

## **3. Receive Director's Report**

### **a. Receive Port Monthly Operations Summary Report**

Ms. Hernandez made the report to the Board. Brief 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 March 7, 2017.
- b. Approval to authorize payments over \$25,000.00:
  1. ZIWA Corporation, the amount of \$219,074.53, for BND Administration Complex Rehab & Building Addition;
  2. Vulcan Materials Company, the amount of \$36,226.32, for crushed limestone; and
  3. HDR, Inc. the amount of \$110,804.23, for Construction Administration and Observation Services for Oil Docks 3 & 6 maintenance dredging, Brazos Island Harbor Deepening project, DMPA 5B Dike Relocation project.
- c. Approval of the following leases:
  1. Oil Patch Fuel & Supply, Inc. (New lease)
  2. Sylvia Martinez, dba Taqueria Sylos (New lease)
  3. Castelo Logistics, LLC (New lease)
  4. Marine Railway, LLC (Amendment)
  5. Dix Industries, Inc. (Subordination)

### **5. Consideration and Action on Steamship Agent License Renewal Application for Dix Agency Brownsville, LP.**

Mrs. Eymard noted that the correct amount under Consent Agenda Item 4b2 is \$36,226.32.

Mrs. Rosenbaum asked that Consent Agenda Items 4c3 and 4c5 be tabled.

Commissioner Reed moved to table Consent Agenda Items 4c3 and 4c5, Commissioner Cowen seconded, and the motion passed unanimously.

Commissioner Reed moved to approve all other Consent Agenda items, Commissioner Cowen seconded, and the motion passed unanimously.

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

Mrs. Rosenbaum addressed the Board regarding the following items:

1. Landro, Inc. (**Sublease**)

Landro, Inc., under BND Contract 4209, requested the Board's consent to sublease the lease site to Yak Mat LLC, the owner of the timber mats that are to be stored on site. Commissioner Lopez

moved to consent to the requested sublease between Landro, Inc. to Yak Mat LLC, Commissioner Cowen seconded, and the motion passed unanimously.

**7. Consideration and Action to accept proposal from consultant Witt O'Brien's, LLC for Task #3 under the Professional Services Agreement, BND Contract #4196, to perform additional work necessary to complete the Phase II Environmental Site Assessment on Marine Metal and Bay Bridge lease sites.**

Mrs. Eymard addressed the Board requesting acceptance to proposal from consultant Witt O'Brien's LLC for Task #3 under the Professional Services Agreement, BND Contract #4196, to perform additional work necessary to complete the Phase II Environmental Site Assessment on Marine Metal and Bay Bridge lease sites. Additional work consists of developing a grid on both sites and taking an additional 57 soil samples on the Marine Metal site and 104 on the Bay Bridge site. Chairman Wood asked staff if the Bay Bridge invoices would be reimbursed by the lessee. Mrs. Eymard confirmed that if Bay Bridge does not reimburse the BND, their lease will be in default and subject to termination. Commissioner Lopez asked if staff had a tenant in place to take over the Marine Metal site. Mr. Campirano noted that there is no tenant in place, but there has been interest in the site. Commissioner Lopez moved to accept the proposal from Witt O'Brien's, LLC for Task #3, Commissioner Cowen seconded, and the motion passed unanimously.

**8. Consideration and Action to approve the Maintenance Agreement with American Surveillance for the Port Security Camera Surveillance.**

Chief Garcia addressed the Board requesting approval of the Maintenance Agreement with American Surveillance for the Port Security Camera Surveillance. The Port of Brownsville currently utilizes American Surveillance Company Inc. to perform maintenance, software upgrades, repair or replace equipment currently under warranty on the Port Security Surveillance Camera System. Chairman Wood asked if American Surveillance is the same company that installed the cameras, and Chief Garcia confirmed that it is the same company. Commissioner Reed moved to approve the maintenance agreement for the period of March 14, 2018 to March 13, 2019, Commissioner Lopez seconded, and the motion passed unanimously.

**9. Consideration and Action to award the bid for the purchase of a Boom Mower 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 Boom Mower and to authorize payment of the invoice when received. The District requested bids on February 26, 2018 for the purchase of a Boom Mower with a bid opening date of March 13, 2018. Specifications called for a 2018 John Deere 614M tractor or equivalent and a 30-ft. boom reach. Only one vendor submitted a quote. H & W Equipment submitted a bid on two different units, Option 1 that was submitted was for a John Deere 6145M 4x4 tractor at a price of \$196,604.00 and Option 2 was for a New Holland 4x4 tractor at a price of \$172,683.00. The New Holland tractor bid that was submitted meets the District's specifications. The unit comes with a two-year warranty. The delivery period is from 90 to 120 days. Commissioner Reed asked Mr. Garcia if staff had contacted potential vendors to notify them of the District's request for bids. Mr. Garcia noted that potential vendors had not been called. Commissioner Reed asked Mr. Garcia to contact potential vendors in the future and moved to reject the bid to allow time to rebid the item and to contact potential vendors, however, the motion died for a lack of second. Chairman Wood asked if there was a motion to award the bid, but no Commissioner made a motion. After further discussion, Commissioner Reed moved to reject the bid to allow the staff the opportunity to rebid

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the item and contact potential vendors, Chairman Wood seconded, and the motion passed unanimously.

**10. Consideration and Action to reject bid received for the purchase of a 2018 Motor Grader and to award the purchase of the equipment under a Buy Board quote and to authorize payment of the invoice when received.**

Mr. Garcia addressed the Board requesting the rejection of bid received for the purchase of a 2018 Motor Grader and to award the purchase of the equipment under a Buy Board quote and to authorize payment of the invoice when received. The District requested bids on February 26, 2018 for the purchase of a 2018 motor grader with a bid opening date of March 13, 2018. One bid was submitted by Doggett Heavy Machinery Services at a price of \$414,000.00 minus a trade value for 1999 Champion Motor Grader of \$26,000.00, for a net price of \$388,000.00. This amount exceeded the budget, so staff asked Doggett to drop their price. Doggett responding by dropping the price to \$400,000.00 matching the Buy Board Price at the amount of \$400,000.00 minus a trade value for 1999 Champions Motor Grader of \$26,000.00, for a net price of \$374,000.00. After brief discussion, Commissioner Cowen moved to reject the bid to allow staff the opportunity to rebid the item and contact potential vendors, Commissioner Reed seconded, and the motion passed unanimously.

**11. Consideration and Action to authorize the Staff to contract with Postlethwaite and Netterville to evaluate IT General Controls Environment and address IT risk and controls at an estimated fee of \$13,500 for an IT Risk Assessment Facilitation.**

Mr. Fitzgibbons addressed the Board requesting authorization for the Staff to contract with Postlethwaite and Netterville to evaluate IT General Controls Environment and address IT risk and controls at an estimated fee of \$13,500 for an IT Risk Assessment Facilitation. The Carr, Riggs and Ingram LLC Independent Audit Proposal for the District's 2017 Audit placed increased emphasis on IT risk based on recent changes in AICPA requirements. IT risk assessment includes assessing management fraud and IT risks, assessing general computer controls such as IT environment, developing and delivering IT, and operating IT and monitoring IT. In addition to Independent Audit requirement evaluation, the threat of cyber security breaches has increased significantly over the last few years. In February, a Cyber Security Advisor with the Department of Homeland Security met with Port staff and strongly recommended an independent review of the District's IT general controls and environment. The firm of Postlethwaite and Netterville is a professional accounting corporation with staff including certified public accountants, certified information system auditors, certified information systems security professionals and certified in risk and information systems control. The firm of Postlethwaite and Netterville is well qualified to assist the District in assessing IT risks and developing and implementing plans and procedures to address risks. Commissioner Reed asked Mr. Fitzgibbons if staff had performed their due diligence regarding Postlethwaite and Netterville. Mr. Fitzgibbons noted that the firm appeared qualified given their experience working with private and public entities. Commissioner Reed asked Mr. Fitzgibbons to check references for potential service providers in the future. Commissioner Lopez moved to authorize the Staff to enter a contract with Postlethwaite and Netterville for an IT Risk Assessment Facilitation at an estimated fee of \$13,500, Commissioner Cowen seconded, and the motion passed unanimously.

**12. Consideration and Action to authorize Staff to solicit and open bids on the annual contract for Disposal of Oily Water from the Fishing Harbor Sewer Treatment Plant and from Ballast Pit No. 2.**

Mr. Chavez addressed the Board requesting the authorization for Staff to solicit and open bids on the annual contract for Disposal of Oily Water from the Fishing Harbor Sewer Treatment Plant and from Ballast Pit No. 2. On May 17, 2017 BND Commissioners awarded the Yearly Contract to Dispose of Oil from the Fishing Harbor Sewer Treatment Plant to JW Rentals, Inc., d/b/a Environmental Evolutions National. The allocation for that contract is nearing its limit, and BND Finance and Engineering staffs proceeded to update the Bid Document for a new Annual Contract to dispose of oily water, this time from both the Fishing Harbor Sewer Treatment Plant and from our Ballast Pit No. 2. BND Staff proceeded to publish an Invitation to Bid in the local newspaper on March 12 and March 19, 2018 with a target Bid Opening date of March 27, 2018. Staff also sent the Advertisement by email to known providers of the required service. BND Staff is seeking authorization to solicit bids for this service, and to open those bids once received. Bids will then be tabulated and presented to BND Commissioners for possible award of the contract at a Board Meeting in the near future. Commissioner Reed moved to authorize Port Staff to solicit and open bids on the annual contract for Disposal of Oily Water from the Fishing Harbor Sewer Treatment Plant and from Ballast Pit No. 2, Commissioner Cowen seconded, and the motion passed unanimously.

**13. 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 Reed moved to adjourn into executive session, Commissioner Lopez seconded, and the motion passed unanimously. The Chairman then announced that the time was 6:04 p.m., and that the Board would adjourn into executive session.

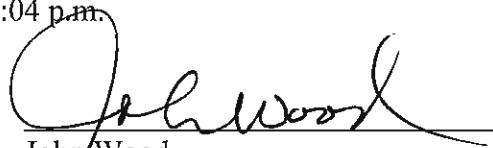
Commissioner Cowen moved to reconvene into open session, Commissioner Reed seconded, and the motion passed unanimously. The Chairman then announced that the time was 7:03 p.m. and that the Board had reconvened in open session.

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

**15. There was none. Adjournment.**

Commissioner Cowen moved to adjourn the meeting, Commissioner Lopez seconded, and the meeting was adjourned by unanimous consent at 7:04 p.m.

ATTEST  
  
Secretary

  
John Wood  
Chairman of the Board