

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD AUGUST 8, 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, August 8, 2018 at 5:30 p.m.** The following individuals were present and absent:

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

ABSENT: None

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
Manuel Martinez
Jose Herrera, Jr.
Maggie Doxsee
Oscar Garcia
Lorena Hernandez
Memo Rico
Patty Gonzales
Ariel Chavez
Jaime Martinez
Chief Carlos Garcia
Lt. Mario Esquivel
Michael Davis
Tony Rodriguez
Debby Duke
Margie Recio

OTHERS PRESENT: Rev. Andreas Lewis
Jorge De La Colina
Amit Bandari
Kevin Garcia
Roberto Ruiz
Scott Donnaho
Joseph Linck
Virginia Wood

1. Meeting Called To Order

The Chairman called the meeting to order at 5:36 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

No person registered to address the Board.

3. Receive Director's Report

a. Receive Port Monthly Operations Summary Report

The Board received the reports.

Commissioner Lopez, Mr. Campirano, Mr. Tyndal, and Mr. Rodriguez provided a report on their recent marketing trip to Mexico City.

Mr. Campirano introduced Lorena Hernandez, the new Director of Finance. Ms. Hernandez addressed the Board and thanked the Port for the opportunity.

Mr. Campirano then introduced Jose Herrera, Jr., the new Director of Special Projects. Mr. Herrera addressed the Board and also thanked the Port for the opportunity.

CONSENT AGENDA

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

- a. Approval of the Minutes of the Regular Board Meeting of July 25, 2018.
- b. Approval to authorize payments over \$25,000.00:
 1. HDR, the amount of \$30,469.91, for Brazos Island Harbor Deepening Project;
 2. Vulcan Materials Company, the amount of \$151,658.70, for crushed limestone;
 3. Triton Marine Construction, the amount of \$959,783.90, for Oil Dock 6 Construction, Oil Dock 3 Fender System Replacement & Facility Enhancements & Maintenance Dredging;
 4. G&T Paving, the amount of \$155,306.93, for Foust Road Truck Parking Facility; and
 5. Environmental Solutions, the amount of \$301,438.80, for disposal of oily water and sludge.

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

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

Mrs. Rosenbaum addressed the Board regarding the following items:

1. Sugaright, LLC (Landlord's Agreement)

Sugaright, LLC requested the Board's consent to Landlord's Agreement in favor of Macquarie Commodities (USA), Inc. relating to the purchase, sale, and storage of sugar from Sugaright, LLC at the premises known as Shed 15-East located at 12655 R. L. Ostos Road, Brownsville, TX 78521.

Brief discussion followed regarding the terms of the agreement. Commissioner Cowen moved to consent to the Landlord's Agreement in favor of Macquarie Commodities (USA), Inc., LLC, Commissioner Wood seconded, and the motion passed unanimously.

6. Consideration and Action to approve Secretary's Certificate and Signature Cards for the District's Bank Accounts.

Mrs. Duke addressed the Board requesting approval on Secretary's Certificate and Signature Cards for the District's Bank Accounts. With Steve Fitzgibbons' resignation, the Signature Cards for the Bank Accounts need to be revised. The Board was asked to consider adding Lorena Hernandez as a signor to the District's accounts. If the Board approved adding Ms. Hernandez to the Signature Cards, new Secretary's Certificates and Signature Cards would be prepared by the Bank. The documents would cover all of the District's accounts including BND30-Pension Funds. Commissioner Lopez moved to approve the addition of Lorena Hernandez to the Signature Cards for the District's bank accounts, Commissioner Guerra seconded, and the motion passed unanimously.

7. Consideration and Action to extend contract for insurance consultant services with McGriff, Seibels, & Williams for a term of three years.

Mrs. Duke addressed the Board requesting the extension of a contract for insurance consultant services with McGriff, Seibels, & Williams for a term of three years. The District has had a contract for insurance consultant services with McGriff, Seibels & Williams, Inc. for the past three years. The first three-year term ends on August 31, 2018. The contract contains a provision that it can be extended for one additional three-year term. Cindi Heffernan of McGriff, Seibels & Williams, Inc. has indicated that they would like to extend this agreement if the District is willing to do so. The staff recommended that the Board accept this offer to extend the agreement for a three-year term, through August 31, 2021. Commissioner Guerra moved to extend the contract for insurance consultant services with McGriff, Seibels & Williams, Inc. for a three-year term, Commissioner Cowen seconded, and the motion passed unanimously.

8. Consideration and Action to acknowledge receipt of submission of Ad Valorem Property Tax calculations for the 2018 levy.

Mrs. Duke addressed the Board requesting acknowledgement of receipt of submission of Ad Valorem Property Tax calculations for the 2018 levy. The presentation of the calculations to the Board of Commissioners is a required step in the tax assessment process. The calculations of the Effective and Rollback Tax Rates were published on August 7th and have been posted on the District's web site. Commissioner Guerra moved to acknowledge the receipt of the Ad Valorem Tax calculations for the 2018 Ad-Valorem Property Tax Levy, Commissioner Cowen seconded, and the motion passed unanimously.

9. Consideration and Action on 2018 Proposed Ad Valorem Tax Rate for the Brownsville Navigation District of \$.035920 per \$100 valuation. This rate is comprised of a debt portion of zero per \$100 valuation and maintenance and operations of portion of \$.035920 per \$100 valuation. This rate is equal to the 2017 Adopted Tax Rate.

Mrs. Duke addressed the Board requesting acceptance of the 2018 Proposed Ad Valorem Tax Rate for the Brownsville Navigation District of \$.035920 per \$100 valuation. This is the same rate as

the 2016 and 2017 Adopted Tax Rates. If the Board adopts this rate, which is higher than the Effective Tax Rate and the Rollback Tax Rate, the District will need to hold two Public Hearings before the Tax Rate may be adopted. Commissioner Wood moved that the property tax rate be increased by the adoption of a tax rate of \$.035920 per \$100 valuation, which is effectively a 2% increase in the tax rate, and to schedule to Public Hearings, one on August 22, 2018 at 5:30 PM and one on August 29, 2018 at 5:30 PM, Commissioner Guerra seconded, and the motion passed unanimously.

10. Consideration and Action to enter into negotiations with Burson-Marsteller to refine scope of work and extend contract.

Mr. Tyndal addressed the Board requesting authorization for the Staff to negotiate with Burson-Marsteller to refine scope of work and extend the contract. August 1, 2017 is the effective date of a Master Services Agreement between the Brownsville Navigation District and Burson-Marsteller for communications services. The agreement terminated July 31, 2018. Port staff recommends the Commission consider refining Burson-Marsteller's scope of work to achieve more measurable and meaningful results. Negotiations are ongoing to extend the agreement, subject to the commissions wishes. Commissioner Lopez moved to authorize staff to negotiate refinements to the scope of work in the contract with Burson-Marsteller and to negotiate an extension to the contract, Commissioner Guerra seconded, and the motion passed unanimously.

11. Consideration and possible Action on bids received for the BND Bulk Cargo Dock Improvements project

Mr. Chavez addressed the Board requesting the acceptance or rejection of bids received for the BND Bulk Cargo Dock Improvements project. On June 5, 2018 four (4) bids were received and opened. Triton Marine Construction Corp. (Triton) was the apparent low bidder with a Base Bid of \$4,591,700.00, but their bid excluded tariffs in violation of the bid package which requires bidders to include all taxes and fees. This exclusion gave Triton a competitive advantage over other bidders and prevents the BND from determining the actual contract price offered by Triton. The next higher bidder was Russell Marine, L.L.C. (Russell) with an Option #1 bid of \$5,126,417.00. Due to the exclusion of tariffs in Triton's bid, EDG and BND Staff have deemed their bid unresponsive. Mr. Bandari, a representative of West Plains, also addressed the Board regarding the project. Commissioner Lopez moved to reject the bid from Triton Marine Construction Corp. as unresponsive and to award the contract for the BND Bulk Cargo Dock Improvements project to Russell Marine, L.L.C. for the Option #1 bid in the amount of \$5,126,417.00, Commissioner Cowen seconded, and the motion passed unanimously.

12. Consideration and possible Action on bids received for the Old S.H. 48 Railroad Crossings – Rail and Appurtenances in the BND Port Road Improvements – Phase II project.

Mr. Chavez addressed the Board requesting the acceptance or rejection on bids for the Old S.H. 48 Railroad Crossings – Rail and Appurtenances in the BND Port Road Improvements – Phase II project. On July 31, 2018 two bids were received. Menard's Railroad Materials was the apparent low bidder with a bid of \$22,540.80, with two proposed minor modifications from the specifications in the bid document. Railworks Track Systems bid was for \$26,470.00, with no deviations and no exceptions. BRG staff has indicated to the BND that Menard's bid includes better quality materials that will meet the BND's purposes. Commissioner Lopez moved to award

the bid to Menard's Railroad Materials, Commissioner Guerra seconded, and the motion passed unanimously.

13. Consideration and possible Action on Change Order No. 3 to the Administration Complex Rehabilitation and Building Additions project, making provision for additional landscaping and irrigation improvements, and adjusting the contract time.

Mr. Chavez addressed the Board requesting the acceptance or rejection of Change Order No. 3 to the Administration Complex Rehabilitation and Building Additions project, making provisions for additional landscaping and irrigation improvements, and adjusting the contract time. This Change Order No.3 will provide for the addition of labor and materials to install landscaping and irrigation as requested by the project design team. Ziwa proposed to perform the requested work for \$11,300.32, for a new contract amount of \$7,244,361.61. Ziwa also requested a contract time extension of eight (8) calendar days, for a new contract completion date of August 26, 2018. Commissioner Wood moved to approve Change Order No. 3 to the contract with Ziwa Corporation on the Administration Complex Rehabilitation and Building Additions project, increasing the current contract price of \$7,233,061.29 by \$11,300.32 for a new contract price of \$7,244,361.61, and an extension to the contract time of eight (8) calendar days, for a new contract completion date of August 26, 2018, Commissioner Cowen seconded, and the motion passed unanimously.

14. 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.

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

There was none.

16. Adjournment.

Commissioner Lopez moved to adjourn the meeting, Commissioner Cowen seconded, and the meeting was adjourned by unanimous consent at 6:26 p.m.

ATTEST

Secretary



John Reed
Chairman of the Board