

**MINUTES OF A PUBLIC HEARING AND REGULAR MEETING OF THE BOARD OF
NAVIGATION AND CANAL COMMISSIONERS OF THE BROWNSVILLE
NAVIGATION DISTRICT OF CAMERON COUNTY, TEXAS
HELD AUGUST 22, 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 22, 2018 at 5:30 p.m.** The following individuals were present and absent:

PRESENT: John Reed, Chairman
Ralph Cowen
John Wood
Sergio Tito Lopez (except for the Public Hearing)
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
Ariel Chavez
Jaime Martinez
Chief Carlos Garcia
Michael Davis
Jaime Martinez
Manuel Martinez
Lieutenant Mario Esquivel
Lorena Hernandez
Patty Gonzales
Oscar Garcia
Debby Duke
Jose Herrera
Margie Recio
Maggie Doxsee

OTHERS PRESENT: Rev. Andreas Lewis
Jorge de la Colina
Joe Linck
Scott Donaho
Kevin Garcia
Hector Lopez
Alan Simon
Andrew Matusak

PUBLIC HEARING

Chairman Reed called the public hearing to order at 5:32 p.m. The Chairman asked for comments from the audience on a proposal to increase total revenue on the tax roll in 2018 by 36.39 percent. No person wished to comment. The Chairman noted that the tax rates themselves would not be increasing. Commissioner Wood moved to close the public hearing, Commissioner Cowen seconded, and the motion passed unanimously.

The Chairman announced that the vote on the tax rate would be held on September 5, 2018 at 5:30 p.m.

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.

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. Discussion followed.

Mr. Tyndal and Ms. Gonzales addressed the Board regarding the annual communications and videography awards received by the Port from the AAPA. The Board congratulated staff on their achievements.

CONSENT AGENDA

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

- a. Approval of the Minutes of the Regular Board Meeting of August 08, 2018.
- b. Approval to authorize payments over \$25,000.00:
 1. Vulcan Materials Company, the amount of \$135,950.19, for crushed limestone; and
 2. HDR, Inc., the amount of \$68,678.23, for Dredged Material Placement Area 5B Dike Relocation project and the BIH Project.
- c. Approval of the following leases:
 1. M&M Mooring Company (Amendment)

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

5. **Consideration and Action to enter into a lease agreement with Port of Brownsville Recycling, Inc.**
6. **Consideration and Action to enter into a lease agreement with Intercoastal Terminals, Inc.**

Mr. Campirano addressed the Board and asked that Item 5 and Item 6 be tabled. Mr. Campirano noted that the Port had not received a signed lease or any other requested documents from Port of Brownsville Recycling, Inc. or Intercoastal Terminals, Inc. Commissioner Lopez moved to table Items 5 and 6, Commissioner Wood seconded, and the motion passed unanimously.

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

Mrs. Rosenbaum addressed the Board regarding the following items:

1. **George C. Gavito (Authority to negotiate)**

The lease to George C. Gavito under BND Contract 3625 expired on July 31, 2018, and he has requested a new lease. The purpose of the lease is to grow palm trees and other plants. Commissioner Lopez moved to authorize the Staff to negotiate with George C. Gavito for a new lease, Commissioner Cowen seconded, and the motion passed unanimously.

2. **Ocelot Energy Management, LLC (Authority to negotiate)**

Ocelot Energy Management, LLC has requested a lease on an approximately 0.50-acre tract for purposes of a field office and storage. Ocelot Energy Management has an operating agreement with P.M.I. Services North America, Inc. to operate and maintain their pipeline. Commissioner Guerra moved to authorize Staff to negotiate a new lease with Ocelot Energy Management, LLC, Commissioner Cowen seconded, and the motion passed unanimously.

8. **Consideration and Action to amend and adopt a new Resolution of the Board setting the procedures for the signing of checks and the authorization of electronic transfer of funds.**

Ms. Hernandez addressed the Board requesting the amendment and adoption of a new Resolution of the Board setting the procedures for the signing of checks and the authorization of electronic transfer of funds. On March 22, 2017, the Board approved a Resolution to authorize two District Directors and Supervisors of the Finance Department to sign District checks, and to set procedures for the authorization of ACH transactions, EFT transactions, and wire transfers. District staff is recommending amendments to the Resolution, which will include removing Supervisors of the Finance Department, removing the procedures for Electronic Funds Transfers since no separate category aside from ACH and Wire Transfers is needed, and changing the authorization of ACH Transactions to remove the voided check with two signatures requirement. The District's new Financial Software, Incode, can maintain a record of ACH transactions by assigning each a unique sequential number and it also creates a formatted file which eliminates the manual ACH entries that are currently being setup in the District's online banking. The ACH file will be authorized by two of the District Directors, and process online through the dual authorization control. The recommended change in procedure for authorization of ACH transactions will improve the District's internal controls, as well as increased the efficiency of processing accounts payable payments. After discussion, Commissioner Lopez moved to

approve amendment of the Resolution as presented by the Staff, Commissioner Cowen seconded, and the motion passed unanimously.

9. Consideration and Action to waive the provisions of Policy C250 Policy for the Disposition of Surplus, Salvage, or Unclaimed Property that precludes employees from bidding on sales of surplus, salvage or unclaimed property in regard to the salvage sale(s) to be held in September and October 2018.

Mrs. Duke addressed the Board requesting authorization to waive the provision of Policy C250 Policy for the Disposition of Surplus, Salvage or unclaimed Property that precludes employees from bidding on sales of surplus, salvage or unclaimed property in regard to the salvage sale to be held in September and October 2018. The District has accumulated a large inventory of surplus office equipment. The Salvage Auction Team is preparing for a Surplus and Salvage Sale, anticipated for some time in September 2018. A number of employees have inquired as to the possibility of bidding in the sale. That would require the Board to waive the policy provision that prohibits employees from bidding on surplus and salvage sold by the District. The request is not intended to affect a policy change, and the waiver would only be in effect for any salvage sale held in September or October 2018. Commissioner Guerra moved to waive the provision of Policy C250 Policy for the Disposition of Surplus, Salvage or Unclaimed Property that precludes employees from bidding on sales of surplus, salvage or unclaimed property in regard to any salvage sale(s) to be held in September of October 2018, Commissioner Lopez seconded, and the motion passed unanimously.

10. Consideration and Action on the Grantee/Operators agreement between the Brownsville Navigation District-Foreign Trade Zone No. 62 and Parker & Company, Inc.

Mrs. Rosenbaum addressed the Board requesting approval on the Grantee/Operators agreement between the Brownsville Navigation District-Foreign Trade Zone No. 62 and Parker & Company, Inc. Parker and Company Inc. has requested an additional 15,000 square feet of warehouse space to be activated in the FTZ. The new site will be at the NAFTA Commercial Industrial park. The new site would give Parker & Co. an additional space for a new customer. The purpose of the foreign trade zone status will be for the purposes of storage and general-purpose warehousing. The agreement is ready for Board consideration. Commissioner Lopez moved to authorize Parker & Company Inc. to be an Operator of FTZ No. 62, Commissioner Wood seconded, and the motion passed unanimously.

11. Consideration and Action to accept revised scope of work for communication services with Burson-Marsteller and execute a letter of engagement.

Mr. Tyndal addressed the Board requesting the acceptance of the revised scope of work for communication services with Burson-Marsteller and to execute a letter of engagement. On August 8, 2018, the BND Commission authorized staff to renegotiate the scope of work for communications services provided by Burson-Marsteller. The recommended revised scope of work included a key modification featuring a research component. Staff recommended acceptance of the change, which will provide imperative baseline research data to be used to refine key messaging statements intended to better use available resources to attract new business and retain existing port customers. The proposed research will be performed in a manner to accumulate and analyze data in two steps for measuring how effective attitudes and impressions of the port change, resulting from messaging statement fine-tuning directed by

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quantifiable research. The goal is to do a better job of communicating with key audiences to influence business growth and retention of existing customers; and supporting our customer base with more precise knowledge of their actual needs. Commissioner Lopez moved to accept the revised scope of work and extend the Engagement Letter between the Brownsville Navigation District and Burson-Marsteller for communications services with an effective date commencing retroactively to August 1, 2018 and terminating July 31, 2019, Commissioner Cowen seconded, and the motion passed unanimously.

12. Consideration and Action to extend Master Agreement for Professional Services with consultant HDR Engineering, Inc. for two years to May 9, 2020, for engineering services on current projects, and other related services.

Mr. Chavez addressed the Board requesting authorization to extend the Master Agreement for Professional Services with consultant HDR Engineering, Inc. for two years to May 9, 2020, for engineering services on current projects, and other related services. On May 6, 2009, BND Commissioners authorized staff to enter into a Master Agreement for Professional Services, or Master Service Agreement (MSA), with consultant HDR Engineering, Inc. (HDR). The MSA covered several task orders, including design of Cargo Dock No. 16 (CD16) and has been extended on a few occasions to cover various assignments and projects. Staff requested authorization from BND commissioners to extend the MSA for two years beyond its current ending date of May 6, 2018. If approved, this will cover the extended construction phase engineering services work for Docks 3 and 6, the environmental services for the USACE Easement Releases, engineering and other services for the Ship Channel Deepening project, and any other projects for which BND may need their services. Commissioner Cowen moved to authorize the Port Director and BND Staff to extend the Master Agreement for Professional Services with consultant HDR Engineering, Inc. for two years, to May 9, 2020, subject to approval of the extension by BND staff and legal counsel, Commissioner Wood seconded, and the motion passed unanimously.

13. Consideration and Action to accept proposal from consultant HDR, Inc. for Task Order #2 on the Brazos Island Harbor Deepening project, consisting of Geotechnical and Topographical Data Collection for final design, and Review and Oversight with the USACE of the Economic Justification Update for the project.

Mr. Campirano addressed the Board requesting the acceptance of the proposal from consultant HDR, Inc. for Task Order #2 on the Brazos Island Harbor Deepening project, consisting of Geotechnical and Topographical Data Collection for final design, and Review and Oversight with the USACE of the Economic Justification Update for the project. For several years, BND Staff has been working with various levels of the U.S. Army Corps of Engineers (USACE) on the execution of the Brazos Island Harbor (BIH) Deepening project approved by the U.S. Congress in the Water Resources and Development Act of 2016 (WRDA 16). After several meetings and coordination with BND consultant HDR, Inc. (HDR), Port Staff has received approval from USACE Galveston District (SWG) of the plan for Geotechnical and Topographical Data Collection and have concurrence to upgrade the economic analysis that provides justification for the deepening project. HDR has submitted a proposal to perform these three actions for a fee of \$1,936,916.00. It was noted that these costs would be reimbursed to the BND pursuant to the BND's written agreement with the Port's LNG prospects. Commissioner Cowen moved to authorize the Port Director & C.E.O to accept the proposal for Task Order #2, on the Brazos Island Harbor Deepening project, consisting of Geotechnical and Topographical

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Data Collection services, and Review and Oversight with the USACE of the Economic Justification Update for the project, for a not-to-exceed fee of \$1,936,916.00, and execute the Task Order Agreement with HDR for those services, subject to concurrence from all participating entities, Commissioner Wood seconded, and the motion passed unanimously.

14. Consideration and Action on Change Order No. 2 to Phase I of the Foust Road Truck Parking Facility project for the purpose of adjusting contract quantities to as-built quantities, on acceptance of the work by G&T Paving Co., LLC, and on release of the retainage.

Mr. Chavez addressed the Board requesting approval on Change Order No. 2 to Phase I of the Foust Road Truck Parking Facility project for the purpose of adjusting contract quantities to as-built quantities, on acceptance of the work by G&T Paving, LLC, and on release of the retainage. On April 18, 2018, BND Commissioners awarded the contract on Phase I of the Foust Road Truck Parking Improvements project to G&T Paving, LLC (G&T) for the low Base Bid amount of \$662,959.95. On June 20, 2018, BND Commissioners approved Change Order No. 1 in the amount of \$7,777.71 to upgrade an existing sanitary sewer manhole adjacent to the proposed entrance to the Truck Parking and to replace three (3) feet of asphaltic pavement around three storm sewer inlets with concrete pavement and adjust asphalt and concrete pavement quantities at the entrance. If approved, this Change Order No.2 adjusts the contract price by deleting some unused bid items and adjusting others to conform to as-built quantities. The net effect is a reduction of \$361.74 in the contract price. Commissioner Cowen moved to approve Change Order No. 2 to the contract with G&T on Phase I of the Foust Road Truck Parking Improvements project, decreasing the contract price by \$361.74, for a new contract price of \$670,375.92., to accept the work performed by the contractor, and to authorize final payment of the retained amount of \$66,712.03, subject to G&T's execution of an affidavit of bills paid, Commissioner Guerra 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, including consultation with attorneys regarding settlement agreement with Trinity Scrap Processors d/b/a Port of Brownsville Recycling and Intercoastal Salvage, Inc.; 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 Lopez moved to adjourn into executive session, Commissioner Cowen seconded, and the motion passed unanimously. The Chairman then announced that the time was 6:16 p.m., and that the Board would adjourn into executive session.

The Chairman then announced that the time was 7:53 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 Wood moved to adjourn the meeting, Commissioner Cowen seconded, and the meeting was adjourned by unanimous consent at 7:54 p.m.

ATTEST

Secretary



John Reed
Chairman of the Board