

**MINUTES OF PILOT BOARD MEETING AND REGULAR MEETING OF THE
BOARD OF NAVIGATION AND CANAL COMMISSIONERS OF THE
BROWNSVILLE NAVIGATION DISTRICT OF CAMERON COUNTY, TEXAS HELD
FEBRUARY 20, 2019 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 20, 2019 at 5:30 p.m.** The following individuals were present and absent:

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

ABSENT: Ralph Cowen

ALSO PRESENT: Daniel Rentfro Jr., District Counsel
William J. Irwin, Associate District Counsel

STAFF MEMBERS: Donna Eymard
Bea Rosenbaum
Oscar Garcia
Ariel Chavez
Lieutenant Mario Esquivel
Memo Rico
Steve Tyndal
Jaime Martinez
Chief Carlos Garcia
Michael Davis
Tony Rodriguez
Karina Franco
Lorena Hernandez
Debby Duke
Margie Recio
Jose Herrera
Jorge Montero

OTHERS PRESENT: Rev. Andreas Lewis
Kevin Garcia
Gene Tuttle
Scott Donnaho
Jorge de la Colina
Cesar Ramos

PILOT BOARD MEETING

The Pilot Board Meeting was called to order at 5:31 p.m.

1. Consider and recommission Branch Pilot Captain Gene Tuttle.

Captain Tuttle addressed the Board and requested that the Board re-commission him as Branch Pilot. After brief discussion, Commissioner Wood moved to re-commission Gene Tuttle as Branch Pilot, Commissioner Lopez seconded, and the motion passed unanimously. The Pilot Board meeting was then adjourned.

REGULAR MEETING

1. Meeting Called To Order

The Chairman called the regular meeting to order at 5:35 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.

Ms. Hernandez also congratulated the Finance Department for receiving another award for excellence in financial reporting. The Board congratulated the Finance Department on their award and thanked them for their service to the Port.

CONSENT AGENDA

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

- a. Approval of the Minutes of the Regular Board Meeting of February 6, 2019.
- b. Approval to authorize payments over \$25,000.00:
 1. Menard Industries, LLC, the amount of \$27,964.80, for Old HW 48 Railroad Crossing Rail and Appurtenances Materials;
 2. HDR, the amount of \$144,828.41, for BIH Project Task Order #2, BIH Project, and Dike 5B Relocation Project; and
 3. G&T Paving, LLC, the amount of \$199,671.57, for BND Port Road Improvements-Phase II.
- c. Approval of the following leases:
 1. TransMontaigne Operating Company, L.P. (First Amendment to Sublease Agreement)
 2. Sharyland Distribution and Transmission Services, LLC (Amended and Restated Easement and ROW Agreement)
 3. Marine Railway, LLC (New lease)

5. Consideration and Action on Solid Waste Collection and Disposal License Renewal Application for:

1. Brownsville GMS, LTD
2. Republic Services

Mrs. Rosenbaum addressed the Board regarding Item 4c2. Mrs. Rosenbaum noted that the Port had received the signed agreement and all other required materials except for the consideration. Cesar Ramos, a representative of Sharyland, addressed the Board and asked that the Board approve the document subject to receipt of the consideration. Mr. Ramos explained that the amount of the consideration had changed due to a revision prior to the meeting and that he would immediately request that the Port be wired the consideration in full. After discussion, Commissioner Lopez moved to approve Item 4c2 subject to the Port's receipt of the consideration within two days, Commissioner Wood seconded, and the motion passed unanimously.

Commissioner Wood asked Mrs. Eymard to clarify which portions of Item 4b2 are reimbursable to the Port. Mrs. Eymard noted that the amounts attributable to the BIH Project Task Order #2 and the BIH Project are reimbursable.

Commissioner Guerra moved to approve all other consent agenda items, Commissioner Lopez 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. Interlube Corporation, Inc. / Texas KLM, LLC, d/b/a KLM Terminal (**Authority to negotiate**)

Interlube Corporation, Inc., under BND Contract 4154, has negotiated with Texas KLM, LLC, d/b/a KLM Terminal to sell their improvements and have requested a release of lease subject to the Board approving of a new lease to Texas KLM, LLC. Texas KLM, LLC is requesting to lease the site to build a bulk liquid terminal for storage of lube oil, wax solvents and other related products. Commissioner Lopez moved to authorize the Staff to prepare a Release of Lease to Interlube Corporation, Inc. and authority to negotiate a new lease with Texas KLM, LLC d/b/a KLM Terminal, Commissioner Wood seconded, and the motion passed unanimously.

2. Interlube Corporation, Inc. (**Authority to negotiate**)

Interlube Corporation, Inc. is requesting to lease approximately 2.87 acres off of F.M. 511 for truck parking. Commissioner Guerra moved to authorize the Staff to negotiate a new lease with Interlube Corporation, Inc., Commissioner Wood seconded, and the motion passed unanimously.

3. TWC The Valve Company, LLC (**Authority to negotiate**)

TWC The Valve Company, LLC is interested in leasing the site formerly leased by ESCO Marine, Inc. off of Highway 48 for warehousing and distribution of valves and industrial pipe. Commissioner Guerra moved to authorize the Staff to negotiate a with TWC The Valve Company, LLC for a new lease, Commissioner Lopez seconded, and the motion passed unanimously.

4. R.M. Walsdorf, Inc. / Combustibles De Oriente, S.A. De C.V. (**Authority to negotiate**)

Mrs. Rosenbaum requested that this item be tabled. Commissioner Lopez moved to table the item, Commissioner Wood seconded, and the motion passed unanimously.

7. **Consideration and Action to adopt a Resolution granting certain tax exemptions to eligible historic sites listed in the 2019 Historic Preservation Plan.**

Mrs. Eymard introduced Myrna Leal who addressed the Board requesting the adoption of a Resolution granting certain tax exemptions to eligible historic sites listed in the 2019 Historic Preservation Plan. Annually, the City of Brownsville prepares the Historic Preservation Plan (the Plan). The Plan is then submitted to the local taxing entities for their consideration in granting the properties listed in the Plan a tax exemption. Some properties are proposed for full exemptions, some for 50% exemptions. Commissioner Lopez moved to adopt the resolution granting the ad valorem property tax relief to those certain properties as listed in the 2019 Historic Preservation Plan of the City of Brownsville, Commissioner Guerra seconded, and the motion passed unanimously.

8. **Consideration of and Action to review the Investment Policy and Investment Strategy and to adopt a Resolution certifying that Policy C501(Local) Investment Policy and Policy C501(Exhibit A) Investment Strategy have been reviewed and have been adopted by the Board.**

Ms. Hernandez addressed the Board requesting the review of the Investment Policy and Investment Strategy and to adopt a Resolution certifying that Policy C501(Local) Investment Policy and Policy C501(Exhibit A) Investment Strategy have been reviewed and have been adopted by the Board. On January 25, 2019, the Audit Committee met to review the recommended changes to the Investment Policy and Investment Strategy. Recommended changes include adding Chapters 2252 & 2270 of the Texas Government Code regarding prohibited investments and contracts with foreign terrorist organizations, removal of all BND bank accounts listing, exclusion of pension account, adding Assistant Director of Finance as a "Designee" in absence of the Investment Officer and with prior written approval of the Port Director and CEO, adding Section 2256.003(b) in which the District may contract with an investment management firm to provide for the investment and management of its public funds, and removing the 12 pages of glossary terms and 28 pages of the entire Public Funds Investment Act. Commissioner Lopez moved to adopt the resolution certifying that C501(Local) Investment Policy and C501(Exhibit A) Investment Strategy have been reviewed and that the Board adopts them as presented, Commissioner Wood seconded, and the motion passed unanimously.

9. **Consideration and Action on extending the Agreement for Professional Services with the LeMunyon Group, LLC.**

Mrs. Eymard addressed the Board requesting approval of the extension of the Agreement for Professional Services with the LeMunyon Group, LLC. The contract with Washington-based consultant LeMunyon Group, LLC expired on February 28, 2019. The Brownsville Navigation District has engaged the services of the LeMunyon Group, LLC to represent the Port's interests in matters involving both public and private agencies. Glenn B. LeMunyon has been instrumental in securing favorable considerations of the Port's interests in Washington, DC, as well as securing funding for Port related activities. Commissioner Lopez moved to approve the Extension of the

Agreement with the LeMunyon Group, LLC for a period of two (2) years, ending on February 28, 2021, Commissioner Wood seconded, and the motion passed unanimously.

10. Consideration and Action on applications for Depository Services, including selection of a District Depository and authorization of the Chairman and Secretary to execute a Depository Agreement.

Ms. Hernandez requested that this item be tabled. Commissioner Wood moved to table the item, Commissioner Lopez seconded, and the motion passed unanimously.

11. Consideration and Action on Resolution adopting Advance Funding Agreements with the Texas Department of Transportation on the South Port Connector Road project, designating a Project Manager, and authorizing the initial \$77,055.00 payment to the State.

Mr. Chavez addressed the Board requesting approval of a Resolution adopting Advance Funding Agreements with Texas Department of Transportation on the South Port Connector Road project, designating a Project Manager, and authorizing the initial \$77,055.00 payment to the State. The Texas Department of Transportation (TxDOT) has notified the Port Director that the District has been granted a total of \$18,032,868 with \$16,500,000 in Category 7 (Surface Transportation Block Grant), Category 10 (Coordinated Border Infrastructure) and Local funding and \$1,532,868 from the Rider 45 Texas Mobility Fund (TMF) Grant for the South Port Connector Road project in the District. To make use of the funds, an Advance Funding Agreement (AFA) must be executed between the District and the State for the Category 7 and Category 10 funds, and another AFA must be executed for the Rider 45 funds. The District must adopt a Resolution or Ordinance approving each of the AFAs, which resolution will become part of the AFAs. In order to initiate the construction phase of the project, the State requires an initial payment in the amount of \$77,055.00 to cover direct State costs to review Environmental, Right-of-Way, Engineering and Utility reviews. Commissioner Wood moved to adopt the resolution approving the Advance Funding Agreements with the State of Texas for the South Port Connector Road project, designate the District's Director of Engineering, Mr. Ariel Chavez II, P.E./R.P.L.S. as the Local Government (LG) Responsible Person in Charge (RPIC) and Project Manager (PM) and authorize payment of \$77,055.00 to the State for the Environmental, Right-of-Way, Engineering and Utility reviews, Commissioner Lopez seconded, and the motion passed unanimously.

12. Consideration and Action on Amendment to BND Bulk Cargo Dock Improvements Project Change Order No. 1, for the purpose adding 5 calendar days to the contract time.

Mr. Chavez addressed the Board requesting the acceptance or rejection of an amendment to BND Bulk Cargo Dock improvements Project Change Order No. 1 for the purpose adding 5 calendar days to the contract time. On February 6, 2019, the District's Commissioners approved Change Order No. 1 to the contract with Russell Marine, L.L.C. (Russell) for the BND Bulk Cargo Dock Improvements project in the amount of \$28,895.73, for the purpose of performing a dive inspection of the underside columns to determine if additional repairs were needed and increasing the pile jacket length on six (6) of the thirty-seven (37) piles as determined by the dive inspection. Upon receipt of the approved Change Order, Russell indicated that the additional work should allow for an additional five (5) calendar days of contract time. This amendment to the Change Order will add the requested time. Commissioner Wood moved to approve the Amendment to Change Order No. 1 to the contract with Russell Marine LLC for the BND Bulk Cargo Dock Improvements

project, maintaining the increase to the contract price of \$5,126,417.00 by \$28,895.73 to \$5,155,312.73, and adding five (5) calendar days to the contract time, for a new completion date of May 28, 2019, Commissioner Lopez seconded, and the motion passed unanimously.

Commissioner Lopez thanked Mr. Rico, Mr. Tyndal, and Mr. Rodriguez for their work in organizing the Port's recent event in Monterrey. Mr. Rodriguez addressed the Board.

Commissioner Lopez also asked Mr. Chavez to look into the amount of space provided by liquid cargo operators for truck parking. Mr. Chavez agreed to address the issue.

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).

The Chairman then announced that the time was 6:28 p.m., and that the Board would adjourn into executive session.

The Chairman then announced that the time was 7:00 p.m. and that the Board had reconvened in open session.

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

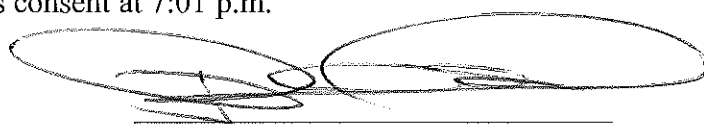
There was none.

15. Adjournment.

The meeting was adjourned by unanimous consent at 7:01 p.m.

ATTEST

Secretary



John Reed
Chairman of the Board