

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD MAY 15, 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, May 15, 2019 at 5:30 p.m.** The following individuals were present and absent:

PRESENT: John Reed, Chairman
Sergio Tito Lopez
Esteban Guerra

ABSENT: Ralph Cowen
John Wood

ALSO PRESENT: Eduardo A. Campirano, Port Director and CEO
Daniel Rentfro Jr., District Counsel
William J. Irwin, Associate District Counsel

STAFF MEMBERS: Donna Eymard
Steve Tyndal
Bea Rosenbaum
Ariel Chavez
Jose Herrera
Lorena Hernandez
Jaime Martinez
Chief Carlos Garcia
Lieutenant Mario Esquivel
Tony Rodriguez
Debby Duke
Jorge Montero
Santos Barbosa
Margie Recio

OTHERS PRESENT: Rev. Andreas Lewis
Jorge de la Colina
Denise Skinner
John Clint
Scott Donoho
Norma Torres

1. Meeting Called To Order

The Chairman called the meeting to order at 5:40 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.

b. Marketing Quarterly Update

Mr. Tyndal made the report to the Board. Mrs. Rosenbaum also made a report on the activity of the Industrial Development department, Mr. Rodriguez reported on Cargo Services and FTZ activities, and Mr. Montero reported on activities of the Communications Department.

CONSENT AGENDA

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

- a. Approval of the Minutes of the Regular Board Meeting of May 1, 2019.
- b. Approval to authorize payments over \$25,000.00:
 1. EDG, Inc., the amount of \$30,144.50, for Bulk Cargo Dock Improvement Project;
 2. Carr, Riggs, & Ingram, the amount of \$30,000.00, for Professional services;
 3. G&T Paving, the amount of \$195,712.00, for Port Road Improvements Phase II Project;
 4. Raba Kistner, the amount of \$29,500.00, for Public Vessel Assembly and Erection Pad Project;
 5. Triton Marine Construction, the amount of \$788,920.80, for Oil Dock 6 and Maintenance Dredging Project; and
 6. L&G Concrete Construction, the amount of \$1,027,080.00, for Public Vessel Assembly & Erection Pad Project.
- c. Approval of the following leases:
 1. Interlube Corporation, Inc. (New lease)
 2. NuStar Logistics, L.P. (New lease)
 3. Annova LNG Common Infrastructure, LLC. (New lease)

Commissioner Lopez inquired about item 4c1. Mr. Chavez addressed the Board regarding the Port's fencing requirements for Interlube Corporation.

Chairman Reed then asked about item 4c2. Mrs. Rosenbaum addressed the Board and confirmed that NuStar Logistics had met all the applicable requirements.

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

5. Consideration and Action on a Proclamation designating May 15 as Peace Officers' Memorial Day and the week in which the date falls as National Peace Officer's Week in the Port of Brownsville.

Chief Garcia addressed the Board requesting the proclamation to designate May 15 as Peace Officers' Memorial Day and the week in which the date falls as National Peace Officer's Week in the Port of Brownsville. On October 1, 1962 President John F. Kennedy signed a bill into law designating May 15th as Peace Officers' Memorial Day. Each year, the President of the United States proclaims May 15th as Peace Officers Memorial Day and the week in which that date falls as National Police Week. Mr. Campirano read the proclamation aloud. Commissioner Lopez moved to approve the proclamation designating May 15, 2019 as Peace Officers' Memorial Day and May 13-17, 2019 as National Peace Officer's Week in the Port of Brownsville, Texas; Commissioner Guerra seconded, and the motion passed unanimously.

6. Consideration and Action to authorize staff to advertise for proposals for the District's property and liability insurance program.

Mrs. Duke addressed the Board requesting authorization for staff to advertise for proposals for the District's property and liability insurance program. The staff has been working with the District's insurance consultant, Cindi Heffernan of McGriff, Seibels & Williams, Inc., to solicit proposals for the Districts' property and liability insurance program. These proposals are usually solicited by direct contact from the District's consultant to the market, however, the District is required to advertise in the local paper as well. The staff neglected to do this. The advertising has been started, and will run on May 6th and May 13th, with a deadline date of May 21st. This will clear the last hurdle so that the Board can take action to award the insurance program. The District's current coverages expire on May 15th, and Ms. Heffernan has negotiated an extension of the current coverages through May 31st to allow for the required advertising. The staff is recommending that the Board hold a special meeting to consider and take action on the proposals received for the District's property and liability program. Ms. Heffernan is recommending that this be completed before June 1st, the start of hurricane season, as binding the coverage would be more difficult at that time. Commissioner Lopez moved to authorize staff to advertise for proposals for the District's property and liability insurance program, Commissioner Guerra seconded, and the motion passed unanimously.

7. Consideration and Action on authorizing the staff to enter into an Engagement Letter for property valuation services for insurance purposes.

Mrs. Duke addressed the Board requesting authorization for staff to enter into an Engagement Letter for property valuation services for insurance purposes. The District purchases property insurance based on replacement values. In the past, Texas Municipal League has given the District some assistance in valuing the assets on the property insurance schedule, but the staff feels that it would be advisable to have the values reviewed in the light of the costs experienced in recent construction projects. The staff consulted with Cindi Heffernan, and she contacted a number of firms with experience in doing insurance value appraisals for municipalities and for a number of ports in the McGriff port program. Four proposals were received. Duff & Phelps has provided a proposal to do Property Insurance Appraisal Services for the District's schedule of insured property for a fee of \$33,000.00. This is the lowest proposed price and includes travel and expenses as well as a valuation of the personal property in the buildings. One of the distinguishing features of this proposal was the deliverable of a hard-copy report and a Web-

based reporting system as an on-going service at no additional charge. The second-lowest proposal, from CBIZ Valuation Group, had a base fee of \$33,000.00 as well, but added a fee of \$20,000.00 to value the contents of the buildings. EVC Valuation proposed a fee of \$40,000.00, which did not include travel or expenses and StempleCrites proposed a fee of \$49,520.00, which did include travel and expenses. Ms. Heffernan was able to get proposals for this service from four of the leading companies in the industry, and all of the proposers were more than qualified to serve the District in this capacity. Commissioner Lopez moved to authorize the staff to enter into an Engagement Letter with Duff & Phelps in the amount of \$33,000.00 for Property Insurance Appraisal Services subject to the approval of the Engagement Letter by legal counsel, Commissioner Guerra seconded, and the motion passed unanimously.

8. Consideration and Action to ratify the purchase of concrete that was used in Shed 12 and to authorize payment of the invoice when received and invoices for the additional repair work.

Santos Barbosa addressed the Board requesting the ratification of the purchase of concrete that was used in Shed 12 and to authorize payment of the invoice when received and invoices for the additional repair work. The District requested sealed quotes for the purchase of concrete for Shed 12 on March 29, 2019 with a bid opening date of April 4, 2019. Sealed quotes were received from 2 companies, J-III Concrete and Cemex. Capa was contacted but did not submit a quote. The low bidder was J-III Concrete at \$114 per cubic yard. Cemex's quote was \$118 per cubic yard. An additional request for concrete was requested on April 16, 2019 for the Command Center and the entrance to Dix Shipping's properties. That request was done by verbal quotes because of the amount being ordered, 17 cubic yards. On both requests the lowest responsible bidder was J-III Concrete at a rate of \$114.00 per cubic yard. Commissioner Lopez moved to award the purchase of concrete to J-III Concrete for the Shed 12 repairs, in the amount of \$25,080 and payment of all invoices in the amount of \$27,018 which includes the other 2 repairs, Commissioner Guerra seconded, and the motion passed unanimously.

9. Consideration and Action on selection of Professional Engineering Design Services consultant for the new Fishing Harbor Wastewater Treatment Plant, Water Distribution System projects, and related work.

Mr. Chavez addressed the Board regarding the selection of a Professional Engineering Design Services consultant for the new Fishing Harbor Wastewater Treatment Plant, Water Distribution System projects, and related work. Chairman Reed stated that he would abstain from discussion of or action on the item. On January 16, 2019 BND Commissioners authorized BND Staff to solicit Statements of Qualifications (SOQs) from consultants to provide professional engineering design services to replace the Fishing Harbor Wastewater Treatment Plant, as well as Water Line Replacement projects if required. BND Engineering Staff developed the Scope of Work and the Request for Qualifications (RFQ) was published in the local newspaper on March 18 and March 25, 2019. Staff also sent emails to firms in their list of consultants. On April 8, 2019 five (5) SOQs were received. An Evaluation Committee was formed, comprised of Certified Water and Sewer Systems Operator Rolando Rodriguez, Director of Special Projects Jose Herrera, Director of Maintenance Oscar Garcia, Engineering Services Manager Manuel Martinez and Director of Engineering Services Ariel Chavez II, PE/RPLS. The RFQ defined the criteria for evaluations, and each committee member assigned points to each consultant on each criteria category. Mr. Chavez proposed two options: either hold interviews with the top two or three ranked firms and select one firm for the proposed services or authorize the Port Director and C.E.O. to begin

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negotiations with the top ranked firm for professional engineering services to replace the Fishing Harbor Wastewater Treatment Plant, and return to BND Commissioners with a proposal from that firm. Commissioner Guerra moved to authorize the Port Director and C.E.O. to begin negotiations with Hanson Professional Services, Inc., the top ranked firm, Commissioner Guerra seconded, and the motion passed, Chairman Reed abstaining.

10. Consideration and Action on bids received for the BND Port Road Improvements Striping and Signage project, and authorization to issue Notice of Award

Mr. Chavez addressed the Board requesting the acceptance or rejection on bids received for the BND Port Road Improvements Striping and Signage project, and authorization to issue Notice of Award. As directed by BND Commissioners, BND Engineering staff last year completed drawings, specifications and bid documents for Phase II of the BND Port Road Improvements project, which consists of rehabilitation of Old SH 48, Milo Road, Callaway Drive and Foust Road. With the approval of the Port Director, BND Staff published an Invitation to Bid on the BND Port Road Improvements Striping and Signage portion of the project. On May 1st, 2019, BND Commissioners authorized Staff to open bids once received. On May 8, 2019 two (2) bids were submitted and opened: Pavement Markings in the amount of \$47,878.60, and Valley Striping Corp. in the amount of \$45,551.50. A review of the bids showed that all pertinent and required documentations were submitted. Commissioner Lopez moved to award the contract on the BND Port Road Improvements Striping and Signage project to lowest responsive bidder Valley Striping Corp. in the amount of \$45,551.50, and authorize Staff to issue the Notice of Award, Commissioner Guerra seconded, and the motion passed unanimously.

11. Consideration and Action to amend proposal from Millennium Engineers Group, Inc. for Construction Materials Testing Services on the BND Port Road Improvements – Phase II project in the Port of Brownsville.

Mr. Chavez addressed the Board requesting the amendment to proposal from Millennium Engineers Group, Inc. for Construction Materials Testing Services on the BND Port Road Improvements – Phase II project in the Port of Brownsville. On November 17, 2018 BND Commissioners awarded the contract on the BND Port Road Improvements - Phase II project to G&T Paving, LLC (G&T). The awarded contract of \$1,896,154.51 was increased by Change Order #1 to \$2,362,319.72, adding concrete pavement areas and increasing the thickness of the asphalt overlay. BND Staff requested and received a proposal from Millennium Engineers Group, Inc. (MEG) for Construction Materials Testing Services for this project. MEG's original proposal estimated the cost of soil and base density testing, concrete sampling and testing and related services at \$39,443.80. Due primarily to the additions in Change Order #1, MEG estimates the additional work will require an increase in cost of \$18,461.29, for a new total of \$57,905.09, or 2.45% of the current contract amount. Commissioner Guerra moved to amend the proposal from Millennium Engineers Group, Inc. for Construction Materials Testing Services on the BND Port Road Improvements – Phase II project by the amount of \$18,461.29, for a total new estimated fee of \$57,905.09, which will not be exceeded without BND Commissioners' authorization, Commissioner Lopez seconded, and the motion passed unanimously.

12. 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 but not limited to Trinity Scrap Processors, Inc. and Intercoastal Salvage, Inc. v. Brownsville Navigation District of Cameron County, Texas (§551.071); 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).

Mr. Campirano then recognized Mrs. Rosenbaum, who is retiring from the Port after 45 years of service. Mrs. Rosenbaum made brief remarks to the Board.

Mr. Lopez then moved to adjourn into Executive Session, Commissioner Guerra seconded, and the motion carried unanimously. Chairman Reed announced that the Board would adjourn into executive session at 6:37 p.m.

The Chairman then announced that the time was 7:28 p.m. and that the Board had reconvened in open session.

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

There was none.

14. Adjournment.

Commissioner Lopez moved to adjourn the meeting, Commissioner Guerra seconded, and the meeting was adjourned by unanimous consent at 7:29 p.m.

ATTEST

Secretary



John Reed
Chairman of the Board