

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD DECEMBER 4, 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, December 4, 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: Eduardo A. Campirano, Port Director and CEO
Daniel Rentfro Jr., District Counsel

STAFF MEMBERS: Donna Eymard
Brenda McKendrick
Ariel Chavez
Oscar Garcia
Santos Barbosa
Steve Tyndal
Jose Herrera
Lorena Hernandez
Jaime Martinez
Chief Carlos Garcia
Lieutenant Mario Esquivel
Michael Davis
Tony Rodriguez
Debby Duke
Janie Velasquez
Memo Rico
Jorge Montero

OTHERS PRESENT: Rev. Andreas Lewis
Joseph Linck
Bobby Balli
Nancy Gaytan
Jorge de la Colina

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

The Chairman acknowledged receipt of the reports. A 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 November 20, 2019.
- b. Approval to authorize payments over \$25,000.00:
 1. HDR Engineering, Inc., the amount of \$75,513.66, for BIH Project Task Order #1, 2 #3 and Dike 5B Relocation Project;
 2. Rudd and Wisdom Inc., the amount of \$32,290.50, for Actuarial Services; and
 3. Vulcan Materials Company, the amount of \$117,056.76, for crushed limestone for the Ostos Road Truck Staging Facility.

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

- 5. Consideration of and Action on amending Tariff Number 6, Item 040 – Gulf Seaports Marine Terminal Conference to update the membership list and the address of the Conference Chairman.**
- 6. Consideration of and Action on amending Tariff Number 6, Item 150 - Sale of Materials and Services to insert the phrase “and services”.**
- 7. Consideration of and Action on amending Tariff Number 6, Item 175 – Maintenance of Lease Premises to correct the references to Brownsville and Rio Grande International Railway.**
- 8. Consideration of and Action on amending Tariff Number 6, Item 180 – Abandoned Vessels to update the reference to the Director of Real Estate Services.**
- 9. Consideration of and Action on amending Tariff Number 6, Item 245 – Railcar Spotting Order to correct the references to Brownsville and Rio Grande International Railway.**
- 10. Consideration of and Action on amending Tariff Number 6, Item 280 – Provisions Governing the Use of the Port of Brownsville Mobile Harbor Crane to reflect that there are now multiple mobile harbor cranes, to reference Dock 16 as a location for the cranes, to correct the reference to the Director overseeing the Stevedore and Freight Handlers License and to correct the reference to the Tariff Item for the Stevedore and Freight Handlers License.**

11. **Consideration of and Action on amending Tariff Number 6, Item 285 – Cargo Transfer Charge to remove the word “Charge” from the title.**
12. **Consideration of and Action on amending Tariff Number 6, Item 310 – Priority of Channel Transit to clarify the priority of scrap rigs and scrap barges.**
13. **Consideration of and Action on amending Tariff Number 6, Item 320 – Speed Limit to correct the reference to the applicable CFR section.**
14. **Consideration of and Action on amending Tariff Number 6, Item 326 – Pilot Dispatching Rules to reflect the increase in the number of pilots from 2 to 4.**
15. **Consideration of and Action on amending Tariff Number 6, Item 365 – Bunkering and Ship Stores to correctly refer to ship stores and bunkers in the item.**
16. **Consideration of and Action on amending Tariff Number 6, Item 401 – Harbor Rug Operators License to correctly identify the Director overseeing the license, to correct the link to the on-line application, and to update the reference to the required ISO/ANSI/ASQ certification.**
17. **Consideration of and Action on amending Tariff Number 6, Item 411 – Steamship Agents License to correctly identify the Director overseeing the license and to correct the link to the on-line application.**
18. **Consideration of and Action on amending Tariff Number 6, Item 421 – Stevedore and Freight Handlers License to correctly identify the Director overseeing the license, to correct the link to the on-line application, and to update the reference to the required ISO/ANSI/ASQ certification.**
19. **Consideration of and Action on amending Tariff Number 6, Item 431 – Solid Waste Collection and Disposal License to correctly identify the Director overseeing license.**
20. **Consideration of and Action amending Tariff Number 6, Item 455 – Line Handling Permit to correctly identify the Director overseeing the permit.**
21. **Consideration of and Action on amending Leasing Policy C306 – Lease Guidelines Term of Lease to correctly reflect that the maximum term of a lease that has not been offered for competitive biddings is fifty years.**

The Chairman suggested that items 5-21 inclusive be taken up together, as they all constitute only technical, non-substantive revisions. Commissioner Guerra moved to approve items 5-21 as presented, Commissioner Wood seconded, and the motion carried unanimously.

22. Discussion of proposed Fiscal Year 2020 Operating and Capital Budgets.

Ms. Hernandez made brief comments about the proposed budgets, which had been circulated to the Board. No action was taken.

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

Ms. McKendrick addressed the Board regarding the following items:

1. **Cumberworth Investments, Inc. / Camin Cargo Control, Inc. (Authority to negotiate)**

At the meeting of November 20, 2019, the Staff requested authority to negotiate a new lease with American Oxygen Company (AOC) and prepare a Release of Lease to Cumberworth Investments, Inc. Staff has now been advised by Mr. John Cumberworth with Cumberworth Investments, Inc. that he is no longer negotiating the sale of his building to AOC and that he is now negotiating the sale of the building with Camin Cargo Control, Inc. and is requesting that the District rescind authority to negotiate with AOC and authorize the Staff authority to negotiate with Camin Cargo Control, Inc. for a new lease and prepare a Release of Lease to Cumberworth Investments, Inc. Commissioner Wood moved to authorize Staff to negotiate a new lease with Camin Cargo Control, Inc. and to prepare a Release of Lease to Cumberworth Investments, Inc., Commissioner Guerra seconded, and the motion passed unanimously.

2. **T W LaQuay Marine, LLC (Temporary Lease)**

This new lease to T W LaQuay Marine, LLC is to be effective as of December 4, 2019, for six months. It is for the purpose of staging area for docking dredge boats, loading supplies, crew parking and shift changes for a maintenance dredging operation in connection with the United States Army Corps of Engineers dredging project for the Brownsville Ship Channel. Commissioner Lopez moved to approve and sign the temporary agreement with T W LaQuay Marine, LLC, Commissioner Wood seconded, and the motion passed unanimously.

3. **Texas KLM, LLC, d/b/a KLM Terminal. (Amendment)**

This Amendment to Texas KLM, LLC d/b/a KLM Terminal under BND Contract 4386 is to change the lease term from a primary term of two years and three renewal options of five years to a primary term of 15 years and one renewal option of two years. Lessee is requesting the change of lease term in order to obtain additional financing for lease improvements. Commissioner Guerra moved to approve the Amendment to Texas KLM, LLC d/b/a KLM Terminal, Commissioner Lopez seconded, and the motion passed unanimously.

4. **TransMontaigne Operating Company L.P. (Amendment)**

This amendment to TransMontaigne Operating Company, L.P. is to remove a parcel of land from Tract V, which takes the tract from 6.68 acres to 6.53 acres. The District is requesting the reduction from the TransMontaigne lease in order to provide a pipeline easement for Texas KLM, LLC, d/b/a KLM Terminal, that will run from their lease terminal to Liquid Cargo Docks #3 & #6. The Board noted that the lease as presented did not reflect a rent reduction, although there was a slight reduction on the acreage. Mr. Campirano suggested an administrative revision to adjust the stated rent. Commissioner Lopez moved to approve this amendment to the lease with TransMontaigne Operating Company, L.P. with the administrative adjustment in the rent, Commissioner Wood seconded, and the motion passed unanimously

5. **Texas KLM, LLC, d/b/a KLM Terminal (License Agreement)**

This License Agreement to Texas KLM, LLC d/b/a KLM Terminal is for a non-exclusive right to locate one pipeline from Licensee lease site to Oil Docks #3 & #6. Commissioner Wood moved to approve the License Agreement to Texas KLM, LLC, d/b/a KLM Terminal, Commissioner Guerra seconded, and the motion passed unanimously.

24. Consideration of and Action on amending Tariff No. 6 – Item 075 – Indemnification Clause to clarify the District’s policy.

Mrs. Duke addressed the Board requesting amendment of Tariff No. 6 – Item 075 – Indemnification Clause to clarify the District’s policy. As a part of the staff’s work on necessary revisions to the Port of Brownsville Tariff No, 6, the staff requested that the District’s legal counsel review this item. The revisions recommended by the District’s legal counsel were presented to the District’s Policy Committee on November 22nd, 2019 and were approved for presentation to the Board for their consideration and action. Commissioner Wood moved to authorize the amendment of Tariff No. 6, Item 075 – Indemnification Clause as proposed, Commissioner Lopez seconded, and the motion passed unanimously.

25. Consideration of and Action on amending Tariff No. 6 – Item 280 – Provisions Governing the Use of the Port of Brownsville Mobile Harbor Crane – Responsibility for Damages to clarify the District’s policy.

Mrs. Duke addressed the Board requesting an amendment to Tariff No. 6 – Item 280 – Provisions Governing the Use of the Port of Brownsville Mobile Harbor Crane – Responsibility for Damages to clarify the District’s policy. As part of the staff’s work on necessary revisions to the Port of Brownsville Tariff No. 6, the staff requested that the District’s legal counsel review this item. The revisions recommended by the District’s legal counsel were presented to the District’s Policy Committee on November 22nd, 2019 and were approve for presentation to the Board for their consideration and action. Commissioner Lopez moved to authorize the amendment of Tariff No. 6, Item 280 – Provisions Governing the Use of the Port of Brownsville Mobile Harbor Crane – Responsibility for Damages as proposed, Commissioner Wood seconded, and the motion passed unanimously.

26. Consideration of and Action on amending Tariff No. 6 – by adopting a new Item 284 – Non-Waterborne Cargo and amending Item 050 – Definitions by adding a new definition “Non-Waterborne Cargo” and amending the definition “Wharfage” to clarify the District’s policy on non-waterborne cargo.

Mrs. Duke addressed the Board requesting authorization to amend Tariff No. 6 – by adopting a new Item 284 – Non-Waterborne Cargo and amending Item 050 – Definitions by adding a new definition “Non-Waterborne Cargo” and amending the definition “Wharfage” to clarify the District’s policy on non-waterborne cargo. The staff recommended that the District adopt a new item addressing Non-Waterborne Cargo in the Tariff. Non-Waterborne Cargo is referenced in a number of places in the Tariff, but the Tariff did not have one specific item that covered all aspects of Non-Waterborne Cargo. This proposed item, along with a new definition of Non-Waterborne Cargo and an amendment of the definition of Wharfage addresses this very important topic. The proposed amendments do not propose a new policy of the District but are intended to clarify the current policy. The new item has been presented to the Policy Committee and has been approved for presentation to the Board for consideration and action. Commissioner Guerra moved to authorize the amendment of Tariff No. 6, by the adoption of a new Item 284 – Non-Waterborne Cargo and the amendment of Item 050 – Definitions by adopting a new definition “Non-Waterborne Cargo” and amending the definition “Wharfage” as proposed, Commissioner Wood seconded, and the motion passed unanimously.

27. Consideration of and Action on request to authorize staff to advertise and solicit for bids on the purchase of a new fifty-five-ton double drop deck trailer, and to open bids thereof.

Mr. Garcia addressed the Board requesting authorization for Staff to advertise and solicit for bids on the purchase of a new fifty-five-ton, double drop deck trailer, and to open bids thereof. Bids will then be tabulated and presented to BND Commissioners for possible award of the purchase agreement at a Board Meeting in the near future. Commissioner Lopez requested that he be included in the preparation of the specifications for the equipment. Commissioner Wood moved to authorize BND Staff to advertise, solicit, and open bids received for the purchase of a new fifty-five-ton, double drop deck trailer. Commissioner Guerra seconded, and the motion passed unanimously.

28. Consideration of and Action on request to authorize Staff to advertise and solicit for bids on the purchase of a used truck to haul heavy equipment.

Mr. Garcia addressed the Board requesting authorization for the Staff to advertise and solicit for bids on the purchase of a used truck to haul heavy equipment. Staff is requesting to advertise and solicit for the purchase of a used truck for the use of hauling equipment throughout the Port area. Commissioner Guerra moved to authorize the Staff to advertise and solicit and open bids received for the purchase of a used truck for the use of hauling heavy equipment throughout the Port area, Commissioner Wood seconded, and the motion passed unanimously.

29. Consideration of and Action on modification and extension of Employment Agreement with Port Director / Chief Executive Officer Eduardo A. Campirano.

Mr. Rentfro presented the Board with a proposed modification and extension agreement for Mr. Campirano's employment agreement. The modification would extend Mr. Campirano's employment agreement through December 31, 2022, provides for annual pay raises, and adjusts other dates in the agreement in light of the extension. Each commissioner then made comments in turn expressing their support for Mr. Campirano. Commissioner Lopez then moved to approve the modification and extension of Employment Agreement with Port Director / Chief Executive Officer Eduardo Campirano as presented to the Board and described by Mr. Rentfro, Commissioner Wood seconded, and the motion passed unanimously.

30. 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 6:20. On motion by Commissioner Lopez, seconded by Commissioner Guerra, and unanimously carried, the Board adjourned into executive session.

The Chairman then announced that the time was 7:06 p.m., and that the Board had reconvened in open session.

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

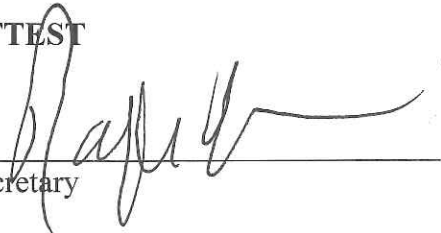
There was none.

32. Adjournment.

The meeting was adjourned by unanimous consent at 7:06 p.m.

ATTEST

Secretary



John Reed
Chairman of the Board