

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD DECEMBER 18, 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 18, 2019 at 5:30 p.m.** The following individuals were present and absent:

PRESENT: John Reed, Chairman
Ralph Cowen
John Wood
Sergio Tito Lopez
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
Brenda Mckendrick
Ariel Chavez
Steve Tyndal
Lorena Hernandez
Karina Franco
Rosie Hinojosa
Jaime Martinez
Chief Carlos Garcia
Michael Davis
Tony Rodriguez
Debby Duke
Margie Recio
Janie Velasquez
Memo Rico
Oscar Garcia
Jorge Montero

OTHERS PRESENT: Rev. Andreas Lewis
Jorge de la Colina
Michael Kreiber
Nancy Gaytan
Norma Torres
Hunter Stanco
Michael Hutshneker

1. Meeting Called to Order

The Chairman called the meeting to order at 5:33 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.

CONSENT AGENDA

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

- a. Approval of the Minutes of the Regular Board Meeting of December 4, 2019.
- b. Approval to authorize payments over \$25,000.00:
 1. HDR Engineering Inc., the amount of \$45,964.91, for BIH Project Task Order #1 & #3 and Dike 5B Relocation Project;
 2. SAAB Technologies Ltd, the amount of \$96,870.02, for Klein System Annual Software Support/Maintenance; and
 3. Vulcan Materials Company, the amount of \$34,020.86, for crushed limestone for the Ostos Road Truck Staging Facility.

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

5. Consideration of and Action on an application for a renewal of the Line Handling Permit to:

- Brownsville Mooring, LLC,
- M&M Mooring Company d/b/a M&M Mooring & Marine Services

Commissioner Lopez moved to approve the two permits, Commissioner Cowen seconded, and the motion passed unanimously.

6. Discussion and possible Action on combining existing 457(b) plans and adding BND match.

Mrs. Eymard introduced Hunter Stanco, who spoke about combining the two existing voluntary 457(b) plans that the Port currently has and establishing a new one and adding a BND match. After a lengthy discussion, Commissioner Wood moved to authorize the creation of a new 457 (b) plan for District employees who would like to participate and adding a 3% BND match , Commissioner Cowen seconded, and the motion carried unanimously.

7. Public Opinion Survey Phase Two by Burson Cohn & Wolfe and Affiliate PSB Corp.

Mr. Tyndal introduced Michael Hutshneker who spoke about the public opinion survey phase two by Burson Cohn & Wolfe and Affiliate PSB Corp.

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

Ms. McKendrick addressed the Board regarding the following items:

1. Whelan Industries (Authority to negotiate)

Whelan Industries was established in 2001. They are interested in leasing the ex lease site, Gabriela Cantu/GC Trawlers BND #4174 in the Fishing Harbor. The purpose of the lease is for a dock unloading facility for shrimp boats. Commissioner Lopez moved to approve the Authority to Negotiate lease for the term of 1 year with 4 renewal options of 1 year, Commissioner Cowen seconded, and the motion passed unanimously.

2. Lone Star National Bancshares Texas, Inc. (Authority to negotiate)

Lone Star Bank has been in business since 1983. The bank is located throughout the Rio Grande Valley with bank locations and ATM sites. The ATM sites are stand-alone buildings with a standard layout that is constructed with the same concept within the Rio Grande Valley. The bank is requesting to lease 2.3 acres off FM 511 by the Avant Water Mill at the Turning Basin. The purpose is for a drive thru ATM. Commissioner Lopez moved to approve the Authority to Negotiate lease for the term of 2 years with 1 renewal option of 2 years, Commissioner Guerra seconded, and the motion passed unanimously.

3. Gulf Facilities, Inc. (Authority to negotiate)

Gulf Facilities, Inc. has been a lessee since 2010 at the Turning Basin. The purpose of the lease is for warehousing and storage. They are approaching the end of their term and would like to get a new lease. Commissioner Guerra moved to approve the Authority to Negotiate a new lease for the term of 10 years with 3 renewal options of 5 years, Commissioner Wood seconded, and the motion passed unanimously.

4. Texas LNG (Extend Option Agreement)

This fourth amendment to Option to Texas LNG Brownsville, LLC under BND Contract 3983 is for the purpose of adding an additional one-year renewal term to Section 3 of the Agreement, Effective as of December 20, 2019 thru December 31, 2020. It also will amend the annual Option Fee to be paid for this extension. Commissioner Lopez moved to approve and sign the fourth amendment to Option to Lease to Texas LNG Brownsville LLC., Commissioner Guerra seconded, and the motion passed unanimously.

9. Consideration of and possible Action to Authorize the Chairman to Execute a Depository Services Contract and Pledge Agreement.

Ms. Hernandez addressed the Board requesting authorization for the Chairman to execute a Depository Services Contract and Pledge Agreement. The Board awarded the four-year Depository Application to Lone Star National Bank (LSNB) for the period March 6, 2019 through March 05, 2023. Staff and the District's external counsel have finalized work on the terms and conditions of the Depository Services Contract and Pledge Agreement. The District's Request for Bank Applications and LSNB's Response were made part of the Depository Services Contract. LSNB's

Application included a provision for LSNB to decline District deposits that may exceed forty million dollars. The final Depository Services Contract, agreed to by LSNB, contains LSNB's forty-million-dollar provision with the condition that no restrictions will be placed on the District's right to engage other depositories at any time in the future. Retaining the right to engage other depositories for its operating funds allows the District to consider other options to properly secure its funds, apart from investments that would place liquidity constraints. Staff has submitted for the Board's review and approval the Depository Services Contract and Pledge Agreement. The Board as per Section 105.017 of the Local Government Code is required to approve the terms and conditions of the Depository Services Contract. The agreements are ready to be executed between the District, LSNB, and Frost, the custodian bank selected by LSNB for its pledged collateral for District's deposits. Commissioner Lopez moved to approve the District's Depository Services Contract and Pledge Agreement and to authorize the Chairman to execute these agreements, Commissioner Wood seconded, and the motion passed unanimously.

10. Consideration and possible Action on re-scheduling the Regular Board Meeting of January 1, 2020 and January 15, 2020.

Mr. Campirano addressed the Board requesting the re-scheduling of the Regular Board Meeting of January 1, 2020 and January 15, 2020. The first regularly scheduled meeting of 2020 falls on January 1st and the second regularly scheduled meeting falls on January 15th. Due to the January 1, 2020 holiday, staff is requesting the BND Commission consider changing the dates to January 8th and January 22nd, 2020. Commissioner Wood moved to re-schedule the Regular Board Meeting of January 1 & 15, 2020 to January 8th and January 22nd, 2020, Commissioner Cowen seconded, and the motion passed unanimously.

11. Consideration of and Action to approve the adoption of the "Resolution to Authorize a Joint and Contracted Election" in regard to the May 2, 2020 General Election.

Ms. Recio addressed the Board requesting approval on the adoption of the "Resolution to Authorize a Joint and Contracted Election" in regard to the May 2, 2020 General Election. This Resolution accomplishes an important purpose for the election. It states the Board's intention to participate jointly in the election with other entities also having a May 2nd election, thereby giving the District's Election Administrator the authority to negotiate the election parameters with them. This Resolution also gives the District's Election Administrator the authority to negotiate a contract for the election with Cameron County Election Office. Ms. Duke and Ms. Recio have already met with Remi Garza, the Cameron County Elections Administrator and he is planning to hold the District's election and will put together an election contract. Once the contract is received, it will be submitted to the Port Director and the District's legal counsel for review and then to the Board for consideration of approval at a future meeting. The District has three seats that are up for election at the May 2, 2020 General Election. Commissioner Lopez moved to approve the Resolution to Authorize a Joint and Contracted Election in regard to the May 2, 2020 General Election, Commissioner Wood seconded, and the motion passed unanimously.

12. Consideration of and Action on the adoption of "Order and Appointment of Agent for Election Duties for the Secretary of the Board of Commissioners' duties related to the May 2, 2020 General Election.

Ms. Recio addressed the Board requesting the adoption of "Order and Appointment of Agent for Election Duties for the Secretary of the Board of Commissioners' duties related to the May 2, 2020 General Election. Under the State's election laws, the Secretary of the Board has the duty to hold

regular, daily office hours during the times that candidates may need to file election documents, specifically 50 days prior and 40 days following the election date. To administer this responsibility, as well as additional administrative duties that are assigned to the Secretary, the Election Code Section 31.123 permits the Board to appoint someone to act as an agent for the Secretary in the performance of these election duties. The Director of Administrative Services has normally been appointed the agent. Commissioner Wood moved to adopt the Order and Appointment of Agent for Election Duties to the Director of Administrative Services, Margie Recio, Commissioner Cowen seconded, and the motion passed unanimously.

13. Consideration and Action on amending Procurement Policy C204 – Application of Law and Procurement Procedures – Policy C206 – Appendix A to incorporate the Texas Department of Information Resources as an authorized procurement option.

Mrs. Duke addressed the Board requesting authorization to amend Procurement Policy C204 – Application of Law and Procurement Procedures – Policy C206 – Appendix A to incorporate the Texas Department of Information Resources as an authorized procurement option. The State of Texas has established the Department of Information Resources (DIR) to develop information technologies and to go out into the market to competitively bid this technology. They then enter into contracts for the technology. Under the Texas Government Code, the DIR is mandated to share the technology and the cost savings with other governmental entities in Texas (and outside of Texas). The DIR makes their contracts available to those entities who are specified in the Government Code as eligible to participate. The District is one of those entities who is specified under the Government Code as eligible to take advantage of the DIR contracts. The staff is recommending that the Procurement Policy and the Procurement Procedures be amended to incorporate the DIR as an authorized procurement option. This will be accomplished by including the Government Code Chapters 2157 and 2054 as Applicable Laws and to specify the use of the DIR under the section of the Procurement Procedures that covers Purchasing Associations and Cooperatives. This amendment to the Procurement Policy will have been presented to the Policy Committee at the meeting of December 16, 2019 for their consideration. Commissioner Cowen moved to authorize the amendment of Procurement Policy C204 – Application of Law and Procurement Procedures – C206 – Appendix A to recognize the DIR as an authorized procurement option as proposed by staff, Commissioner Guerra seconded, and the motion passed unanimously.

14. Consideration of and Action to modify and extend consulting agreement services with Mario Martinez.

Mr. Campirano addressed the Board requesting the modification and extension of consulting agreement services with Mario Martinez. The Port of Brownsville engaged the services of Mario Martinez as a Legislature Consultant in Austin, TX. Mr. Martinez's contract expires on December 31, 2019, and the Port wishes to extend his contract for an additional two (2) years effective January 1, 2020. The proposed contract modifications affect the term of the agreement. The agreement has a thirty (30) day cancellation agreement. Commissioner Lopez moved to approve the modification and extension of consulting services agreement with Mario Martinez, Commissioner Wood seconded, and the motion passed unanimously.

15. Consideration of and Action to extend contract #4365 with Conroe Wood Products Inc. for the purchase of treated lumber for a period of one year.

Mr. Garcia addressed the Board requesting the extension of contract #4365 with Conroe Wood Products Inc. for the purchase of treated lumber for a period of one year. The District awarded a

contract to Conroe Wood Products Inc. for treated lumber for the period 01/17/2019 -12/31/2019. That contract is expiring at the end of this year, however the agreement contains a provision for year-to-year extensions with the consent of both parties, if there is no increase in the unit price. Conroe Wood Products Inc. has submitted an offer to extend this agreement for 2020 with no increase in the unit price. Commissioner Lopez moved to approve the extension of Contract #4365 with Conroe Wood Products Inc. for the purchase of treated lumber for one year, January 1, 2020 through December 31, 2020, Commissioner Wood seconded, and the motion passed unanimously.

16. Consideration of and Action to extend contract #4366 with Southwest Geo-Solutions Inc. for the purchase of geogrid for a period of one year.

Mr. Garcia addressed the Board requesting the extension of contract #4366 with Southwest Geo-Solutions Inc. for the purchase of geogrid for a period of one year. The District awarded a contract to Geo-Solutions Inc. for geogrid for the period 01/17/2019 -12/31/2019. That contract is expiring at the end of this year, however the agreement contains a provision for year-to-year extensions with the consent of both parties, if there is no increase in the unit price. Geo-Solutions Inc. has submitted an offer to extend this agreement for 2020 with no increase in the unit price. Commissioner Guerra moved to approve the extension of Contract #4366 with Southwest Geo-Solutions Inc. for the purchase of geogrid for one year, January 1, 2020 through December 31, 2020, Commissioner Wood seconded, and the motion passed unanimously.

17. Consideration of an Action to authorize staff to advertise for bids for crushed limestone.

Mr. Garcia addressed the Board requesting authorization for the Staff to advertise for bids for crushed limestone. The District purchases crushed limestone for construction of patio storage areas and the maintenance of existing facilities. The purchase of this material is expected to exceed \$100,000 in 2020, requiring staff to bid out this purchase. This material is purchased as needed, and the District does not guarantee any level of purchasing. Commissioner Guerra moved to authorize the Staff to advertise for bids for crushed limestone, Commissioner Lopez seconded, and the motion passed unanimously.

18. Consideration and possible Action on bids received for the South Port Connector Road project, subject to Texas Department of Transportation concurrence.

Mr. Campirano asked that the item be tabled. Commissioner Lopez moved to table the item, Commissioner Guerra seconded, and the motion passed unanimously.

19. 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).

Mr. Campirano stated that there was no need for any Executive Session discussion.

The Chairman then recognized Mrs. Duke for her 39 years of service to the District. Mr. Campirano also congratulated Mrs. Duke on her retirement and expressed his appreciation for her

services to the Port.

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

There was none.

21. Adjournment.

The meeting was adjourned by unanimous consent at 6:35 p.m.

ATTEST



Secretary



John Reed
Chairman of the Board