

**MINUTES OF A WORKSHOP AND A REGULAR MEETING OF THE BOARD OF
NAVIGATION AND CANAL COMMISSIONERS OF THE BROWNSVILLE
NAVIGATION DISTRICT OF CAMERON COUNTY, TEXAS HELD
JANUARY 22, 2020 AT 3:00 P.M.**

The Board of Navigation and Canal Commissioners of the Brownsville Navigation District of Cameron County, Texas, held a Workshop on **Wednesday, January 22, 2020 at 3:00 p.m.** and a regular meeting immediately after. The following individuals were present and absent:

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

ABSENT: None

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

STAFF MEMBERS: Donna Eymard
Brenda Mckendrick
Ariel Chavez
Steve Tyndal
Jose Herrera
Lorena Hernandez
Jaime Martinez
Chief Carlos Garcia
Lieutenant Mario Esquivel
Michael Davis
Tony Rodriguez
Margie Recio
Janie Velasquez
Memo Rico
Jorge Montero
Karina Franco
Blanca Melguizo
Officer Juan Luis Hernandez Ramirez

OTHERS PRESENT: Rev. Andreas Lewis
Jorge de la Colina
Dan Garza
Hunter Stanco
Family of Officer Juan Luis Hernandez Ramirez
Norma Torres
Nancy Gaytan

WORKSHOP MEETING

Chairman Reed called workshop to order at 3:16 p.m.

1. Presentation in response to the Port of Brownsville's Request for Qualifications for Land Appraisal Services:
 - A. Valbridge Property Advisors. Clint Bendele and Paul Grafe addressed the Board regarding their qualifications to provide land appraisal services to the BND. Discussion followed regarding Valbridge Property Advisors' experience appraising real property at ports, appraising real property for purposes of mitigation, and their experience in the region.
 - B. AEGIR Port Property Advisors. Frank Pino addressed the Board on behalf of AEGIR Port Property Advisors. Mr. Pino discussed AEGIR's strategies in appraising real property at various ports around the world. Discussion followed regarding Mr. Pino's presentation.
 - C. JLL Valuation and Advisory Services, LLC. David Dominy addressed the Board regarding JLL Valuation and Advisory Services, LLC's qualifications. Discussion followed regarding Mr. Dominy's experience in the region and in appraising real property at ports.

Following the presentations, the Board adjourned the Workshop meeting by unanimous consent at 5:08 p.m.

REGULAR MEETING

1. Meeting Called To Order

The Chairman called the regular meeting to order at 5:09 p.m. Mr. Chavez 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**
- b. **Administer Oath of Office to Officer to Officer Juan Luis Hernandez Ramirez**

Ms. Hernandez made the report to the Board. Discussion followed.

Chief Garcia addressed the Board and administered the oath of office to Officer Juan Luis Hernandez Ramirez.

Officer Ramirez addressed the Board and thanked the Port for this opportunity. Officer Ramirez also thanked his family for their support.

CONSENT AGENDA

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

- a. Approval of the Minutes of the Regular Board Meeting of January 8, 2020.

b. Approval to authorize payments over \$25,000.00:

1. HDR Engineering Inc., the amount of \$38,295.87 for BIH Project Task Order #1 & #3 and Dike 5B Relocation Project.

Mr. Campirano noted that a portion of the funds under item 4b1 are reimbursable to the Port.

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

5. Presentation of District Funds Investment Report for the Period October 1, 2019 through December 31, 2019.

Ms. Hernandez made the District Funds Report for the Period October 1, 2019 through December 31, 2019. Discussion followed.

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

Ms. McKendrick addressed the Board regarding the following items:

1. The Port Occupational & Medical Clinic, LLC (**Authority to negotiate**)

The Port of Occupational & Medical Clinic, LLC is a current lessee with the Port. They are interested in leasing an additional tract East of their lease site that consists of 2.65 acres. The purpose would be for future construction of medical plaza that will consist of a pharmacy, a medical clinic, and a parking area. Their current lease was executed on September 19, 2019 and expires September 18, 2024 for a term of 5 years. Commissioner Lopez moved to authorize staff to negotiate an amendment to the lease, Commissioner Wood seconded, and the motion passed unanimously.

Commissioner Cowen arrived at the Board meeting.

2. Marcelino Ochoa (**Authority to negotiate**)

The lease to Marcelino Ochoa expired on December 31, 2019. The purpose of the lease is for shrimp unloading, boat tie up, and boar repairs. The proposed new lease is to take effect January 1, 2020 replacing BND #3755. Commissioner Lopez moved to authorize staff to negotiate a new lease for the term of 5 years, Commissioner Wood seconded, and the motion passed unanimously.

3. Crutek (**Authority to negotiate**)

Crutek has been established since 2016. Crutek purchased Barry Chambers shop on 1430 Anglers Rd (current lessee ARGO ES&H Services, LLC #4015) and have a Bill of Sale for the property on the site. The purpose of the proposed new lease is to provide tech services to maritime businesses. Crutek is currently repairing radios and other electronics for maritime businesses. Commissioner Lopez moved to authorize staff to negotiate a new lease to Crutek and a release of lease to ARGO ES&H Services, LLC, Commissioner Wood seconded, and the motion passed unanimously.

4. Gulf Facilities, Inc. (**New Lease**)

Gulf Facilities, Inc has been a lessee since 2010 at the Turning Basin. The purpose of the proposed new lease is for warehousing and storage. Commissioner Lopez moved to approve the new lease to Gulf Facilities, Inc., Commissioner Cowen seconded, and the motion passed unanimously.

5. **Electro-Hi, LLC (New Lease)**

The lease to Electro-Hi, LLC expired on November 30, 2019. The purpose of the proposed new lease is for storage yard / maintenance shop for their equipment and for a contractor facility. The lease is to take effect December 1, 2019 replacing BND #4018. Commissioner Lopez moved to approve the new lease to Electro-Hi, LLC, Commissioner Cowen seconded, and the motion passed unanimously.

7. Consideration of and possible Action to approve the District's Fiscal 2020 Operating and Capital Budgets.

Ms. Hernandez addressed the Board requesting approval of the District's Fiscal 2020 Operating and Capital Budgets. District staff recommended approval of the proposed Fiscal Year 2020 Operating & Capital Budgets. A draft was submitted for the Board's initial review on the December 4, 2019 meeting. The Operating budget was revised to include the following: addition of 3% BND match for new 457 (b) retirement plan, proposed addition of a scholarship fund, addition of Broadband Strategic Infrastructure Plan, and funds for the Deputy Port Director of Operations vacancy. Budgeted amounts are projected based on FY 2018 historical and FY 2019 year to date revenues and expenditures, as well as expected operational needs, provisions for the increases in option fees for liquefied natural gas rentals, costs for the 2020 elections, and the expected increase in HMO operations that will require additional personnel of 3 crane operators and 1 cargo facilities inspector. The FY 2020 Capital Budget was revised to a total \$23,033,828 to include funds for the replacement of a total of six vehicles, anchor monument, Oil Dock 6 pipe bridges project and the payment due for the two mobile harbor cranes which are expected for delivery by early 2020. Discussion followed. Commissioner Wood moved authorize the proposed FY 2020 Operating and Capital Budgets, Commissioner Guerra seconded, and the motion passed unanimously.

8. Consideration and Action on amending the Funding Policy for the BND Pension Plan to comply with the Texas Government Code 802.2011. Permission to submit revised Funding Plan to the Texas Pension Review Board (PRB) as required by statute.

Mrs. Eymard addressed the Board requesting approval on amending the Funding Policy for the BND Pension Plan to comply with the Texas Government Code 802.2011 and for permission to submit the revised Funding Plan to the Texas Pension Review Board. In the 86th Legislative session, Senate Bill 2224 was passed. The Bill required all Texas public retirement systems to adopt a written funding policy by January 1, 2020 and to submit that policy to the Texas Pension Review Board by January 31, 2020. Mitchell Bilbe with Rudd and Wisdom has written the District's policy in accordance with the guidance of the PRB and the Government Finance Officers Association (GFOA). Unrelated to Senate Bill 2224, the funding policy also required restatement because of the changes made to the interest credits calculation, vesting requirements, and seasoning period under plan amendments effective January of 2020 and adopted August 7, 2019. Hunter Stanco also addressed the Board. Discussion followed. Commissioner Guerra moved to approve the policy and authorize submittal to PRB, Commissioner Cowen seconded, and the motion passed unanimously.

9. Consideration of and Action to authorize Port Staff to advertise for bids on the 2020 Southside UPS System Replacements for Security Cameras Project.

Mr. Martinez addressed the Board requesting authorization for Port Staff to advertise for bids on the 2020 Southside UPS System Replacements for Security Cameras Project. The Industrial Smart

UPS Systems that are currently in place are in need of replacement for all camera towers within the Port. Discussion followed. Commissioner Lopez moved to authorize staff to prepare an invitation to Bid on the 2020 UPS System Replacements for Security Cameras Project as per specifications to be published in the local newspaper as required by BND Purchasing Procedures and to open bids once they are received, Commissioner Guerra seconded, and the motion passed unanimously.

10. Consideration of and Action on sealed quotes and to authorize payment on invoice when received for two replacement milestone servers for security camera system.

Mr. Martinez addressed the Board requesting action on the sealed quotes and authorization of payment on invoice when received for two replacement milestone servers for security camera system. Port Staff contacted three vendors (Extreme Security, Prometheus, and Visceral Illumination) and asked for sealed quotes to be delivered by November 8, 2019 for two replacement milestone servers for the security camera system. Commissioner Wood moved to approve the purchase and authorize payment of invoice when received of the two Milestone servers from Extreme Security for the total price of \$39,400.00, Commissioner Guerra seconded, and the motion passed unanimously.

11. Consideration and Action to authorize Staff to purchase Global Positioning System (GPS) land surveying equipment through the Texas Department of Information Resources (DIR) program, issue a Purchase Order to G4 Spatial Technologies, and pay the invoice when received.

Mr. Chavez addressed the Board requesting authorization for the Staff to purchase Global Positioning System (GPS) land surveying equipment through the Texas Department of Information Resources (DIR) program, issue a Purchase Order to G4 Spatial Technologies, and pay the invoice when received. BND Engineering Staff has been researching State-of-the-Art Global Positioning System (GPS) land surveying equipment which will help expedite new boundary and topographic surveys, review and verification of existing surveys, patio storage area determinations, site elevations and other related tasks with highly dependable, precise and accurate measurements in a much shorter time frame. The estimated cost of \$70,000.00 for said GPS equipment was included in the mid-year BND FY 2019 Budget and carried over to the FY 2020 Budget. Staff requested a quote through the Department of Information Resources (DIR) program of the State of Texas, of which the District is a statutory eligible customer. The quoted price by G4 Spatial Technologies is \$67,022.66. The Texas Government Code defines the eligible customers who can make purchases through DIR Contracts & Services. Special Purpose Districts such as the BND are eligible customers. Purchasing through DIR gives us the bulk buying power of the State of Texas, which allows eligible customers to buy IT products and services at aggressive discounts without the need for a lengthy procurement process. All DIR contracts comply with state purchasing requirements. In addition, equipment purchased through DIR gives the eligible customers not only better pricing, but better quality on state-of-the-art equipment. In addition, BND Purchasing Policy was recently revised to include DIR purchases in the procurement procedures. Mr. Chavez confirmed that, with this equipment, staff would be able to do all boundary surveys and most topography surveys in-house. Commissioner Lopez moved to authorize the Staff to purchase Global Positioning System land surveying equipment through the Department of Information Resources program of the State of Texas, to generate a Purchase Order to G4 Spatial Technologies, and to issue payment for the equipment once it is delivered and invoiced, Commissioner Wood seconded, and the motion passed unanimously.

BROWNSVILLE NAVIGATION DISTRICT MINUTES

January 22, 2020

Page 5 of 7

12. Consideration and Action on Change Order No.1 to the BND Ostos Road Truck Staging Entrance Driveway project, for the purpose of increasing concrete paving area and related items, adding sand material for backfill, and extending the contract time.

Mr. Chavez addressed the Board requesting action on Change Order No.1 to the BND Ostos Road Truck Staging Entrance Driveway project, for the purpose of increasing concrete paving area and relate items, adding sand material for backfill, and extending the contract time. On June 26, 2019 BND Commissioners authorized BND Staff to begin the design process towards construction of the BND Ostos Road Truck Parking Facility. After geotechnical and topographic field data collection survey, the project was designed by Engineering staff and the Maintenance crews began work on the staging area. BND Engineering Staff prepared construction drawings for the concrete driveway and the removal and relocation of existing mailboxes in conflict. Bids were opened on Friday, October 25, 2019, and on November 6, 2019 BND Commissioners awarded the contract to lowest bidder G&T Paving, LLC in the amount of \$285,125.00. Upon construction, it was discovered that there was existing concrete under the asphalt on Ostos Road, and Staff recommends adding 52 square yards of concrete pavement to fill that gap. Also, sand bedding material was added at the culvert crossing to better stabilize the three 36" pipes. If approved, this Change Order #1 would add these items and remove unused items for a net increase of \$8,211.20 yielding a new contract price of \$293,336.20. The contractor also requested to extend the contract time by ten (10) calendar days to cover this work. Following discussion, Commissioner Guerra moved to approve Change Order No. 1 to the contract with G&T Paving, LLC for the BND Ostos Road Truck Staging Entrance Driveway, increasing the contract price of \$285,125.00 by \$8,211.20 to \$293,336.20, and to extend the contract time by ten (10) calendar days to February 9, 2020, Commissioner Cowen seconded, and the motion passed unanimously

13. Consideration and Action to accept proposal from consultant HDR Engineers, Inc. for Task Order #28, consisting of Professional Engineering Services to design additional Pipe Bridges for Oil Dock No. 6 and prepare construction documents for bidding.

Mr. Chavez addressed the Board requesting the acceptance of a proposal from consultant HDR Engineers, Inc. for Task Order #28, consisting of Professional Engineering Services to design additional Pipe Bridges for Oil Dock No. 6 and prepare construction documents for bidding. On December 21, 2016, BND Commissioners awarded the Oil Dock No.6 Construction, Oil Dock No.3 Fender System Replacement & Facility Enhancements, and Maintenance Dredging contract to Triton Marine Construction Corp. Subsequent to the original design at the beginning of the decade and to the final design as bid back in 2015 and 2016, additional current and future users have come forth, making it necessary to add capacity to connect product pipeline to the new Dock. This requires additional product pipeline bridges to go over the railroad and the Oil Dock #6 Road. BND Staff requested a proposal from Oil Dock #6 engineering consultant HDR Engineers, Inc. (HDR) for the additional pipe bridges, and HDR submitted a proposal identified as Task Order #28 to design and prepare bid documents for the pipe bridges for a fee of \$79,900.00, with a contract document completion of 60 days after the notice to proceed. Mr. Garza addressed the Board. Discussion followed regarding the proposal and whether the proposed fee is reasonable. Chairman Reed stated he wanted to get additional proposals to design the project. Commissioner Wood moved to table the item, Commissioner Lopez seconded, and the motion passed unanimously.

14. 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).

There was none.


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


There was none.

16. Adjournment.

Commissioner Lopez moved to adjourn the meeting, Commissioner Guerra seconded, and the meeting was adjourned by unanimous consent at 6:21 p.m.

ATTEST


Secretary


John Reed
Chairman of the Board