

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD MARCH 18, 2020 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, March 18, 2020 at 5:30 p.m.** The following individuals were present and absent:

PRESENT: John Reed, Chairman
Ralph Cowen
John Wood
Esteban Guerra

ABSENT: Sergio Tito Lopez

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
Jaime Martinez
Jorge Montero
Karina Franco
Chief Carlos Garcia

OTHERS PRESENT: Rev. Andreas Lewis
Reagan Petty
Juan Velez
Jorge de la Colina

1. Meeting Called To Order

The Chairman called the meeting to order at 5:30 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 March 4, 2020.
- b. Approval to authorize payments over \$25,000.00:
 1. HDR Engineering, Inc, the amount of \$21,548.57, for BIH Project Task Order #1 & #3 and Dike 5B Relocation Project; and
 2. Vulcan Materials Company, the amount of \$71,617.55, for Crushed Limestone for various locations.

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

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

Mr. Campirano addressed the Board regarding the following items:

1. Purata Trawlers, Inc. (Authority to Negotiate)

Purata Trawlers is a current lessee with the port since 2010. The purpose is for commercial shrimp vessels, unloading and maintenance of ship vessels. The lease is to take effect on March 20, 2020. New Lease will be replacing BND #3757 expiring on March 19, 2020. The staff requests Authority to Negotiate lease with Purata Trawlers, Inc. for the term of 5 years with 1 renewal option of 5 years.

2. Andalusian Energy, LLC (Amendment to Option to Lease)

Andalusian Energy, LLC is currently a lessee with the Port; BND #4382. The Option to Lease will expire on March 19, 2020 with no renewals left to extend. Andalusian Energy, LLC is requesting an extension of an additional 6 month to the Option to Lease. The Amendment to Option Agreement is to take effect on March 20, 2020. The staff recommends that the Board approve the Amendment to Option to Lease for the term of 6 months with no renewal options.

3. Daniel Cruz d/b/a Crutek (Amendment to Lease)

The New Lease for Crutek was executed on March 4, 2020 under BND #4439. However, there was an error in the metes and bounds description for the property. The amendment would revise BND #4439 to correct the acreage. All other lease terms remain the same. The staff recommends that the Board approve the amendment.

4. Guadalupe Ochoa (Bill of Sale)

The lease to Guadalupe Ochoa a/k/a Marcelino Ochoa under BND Contract # 4031 has reached the 5-year commitment under the policy and the building is being conveyed to him. Building is situated at 1795 Bayou Court at the Fishing Harbor. The staff asks for authority to execute a Bill of Sale to the building Commissioner Wood moved to approve items 5 (1-4), Commissioner Cowen seconded, and the motion carried unanimously.

6. Consideration and Action authorizing Chairman to execute a Memorandum of Understanding with US Army Corps of Engineers for the Brazos Island Harbor Channel Improvement Project.

Mr. Campirano addressed the Board requesting authorization for the Chairman to execute a Memorandum of Understanding with US Army Corps of Engineers for the Brazos Island Harbor Channel Improvement Project. The Port of Brownsville has been authorized under WRDA 2016 to deepen the ship channel from 42 feet to 52 feet. The Brazos Island Harbor Channel Improvement project has been permitted for construction. Staff has been working with Rio Grande LNG and Annova LNG to construct the project and the two industry partners have agreed to assume the cost of the project from the offshore entrance channel through the jetties to their western lease boundaries; approximately nine miles. The remainder of the project will be implemented by the Port of Brownsville. The BIH project has been selected by the USACE for the P3 Pilot Program. This program provides opportunity to expedite the construction of the project and the potential for federal funding under Section 221 in-kind contribution program. The Memorandum of Understanding would make the Port of Brownsville as the non-federal sponsor eligible for in-kind contributions for the BIH Project. Commissioner Cowen moved to authorize the Chairman to execute the Memorandum of Understanding between the US Corps of Engineers and the Brownsville Navigation District to make the Port of Brownsville as the non-federal sponsor eligible for in-kind contributions for the Brazos Island Harbor Channel Improvement Project, Commissioner Guerra seconded, and the motion passed unanimously.

7. Consideration and Action to enter into an Interlocal Agreement with Cameron County on the Children's Beach Shoreline Restoration Project located in Isla Blanca Park on South Padre Island.

Mrs. Eymard addressed the Board requesting approval to enter into an Interlocal Agreement with Cameron County on the Children's Beach Shoreline Restoration Project located in Isla Blanca Park on South Padre Island. On June 26, 2019 the Board approved the participation in a CEPRA grant application with the County. The purpose of the grant is to pay the cost of engineering, planning, design and permitting for the Children's Beach Shoreline Restoration Project in the amount of \$225,000.00. The CEPRA grant was awarded and will cover 60% of the cost and the County is requesting the Port share in the matching 40% cost share. Based on the estimated cost, the Ports portion of match would be approximately \$45,000.00. The County is now requesting that the Port enter into the Interlocal Agreement covering the terms of the participation. Commissioner Cowen moved to approve the Interlocal Agreement with the County, Commissioner Wood seconded, and the motion passed unanimously.

8. Consideration and Action to adopt a Resolution granting certain tax exemptions to eligible historic sites listed in the 2020 Historic Preservation Plan.

Mr. Campirano addressed the Board requesting the adoption of a Resolution granting certain tax exemptions to eligible historic sites listed in the 2020 Historic Preservation Plan. Annually, the City of Brownsville prepares the Historic Preservation Plan (Plan). This Plan identifies historically significant buildings in the Brownsville area, which are included in the Plan for the year. This 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. The owners of the properties must submit an annual application for inclusion in the Plan for the year. The valuation of the properties included in the Plan is reduced from the appraised

valuation for the entities who grant the tax relief. The tax rate calculations are performed after the properties values are reduced from the total valuation, so the District does not give up tax dollars in granting these tax exemptions. The total revenues that the District intends to collect through property taxes are spread over the remaining, non-exempt properties. As you can see in the report, the tax that is shifted is \$4,848.24 which compares to the 2019 number of \$4,128.15. This shift requires an additional tax burden to the average homeowner of less than 1¢ for the Brownsville Navigation District taxes. Mr. Velez from the City addressed the Board also. Commissioner Wood moved to adopt the Resolution granting the ad valorem property tax relief to those certain properties as listed in the 2020 Historic Preservation Plan of the City of Brownsville, Commissioner Guerra seconded, and the motion passed unanimously.

9. Consideration and Action on an Amended Order and Amended Notice for an election to be held on May 2, 2020 for the purpose of electing three Navigation and Canal Commissioners to add three Early Voting Locations.

Mr. Campirano addressed the Board requesting the adoption of an Amended Order and Amended Notice for an election to be held on May 2, 2020 for the purpose of electing three Navigation and Canal Commissioners to add three Early Voting Locations. The District's original Order of Election and Notice of Election was presented to the Commission on February 5, 2020 and the Commission approved the Order and Notice subject to adding Rancho Viejo and Cameron Park as additional Early Voting locations. Los Fresnos ISD has joined the joint election and made the request to add the following three schools as additional Early Voting locations: Olmito Elementary School, Rancho Verde Elementary School and Resaca Middle School. Remi Garza held a meeting with the participating entities and advised both TSC and BND if only one entity decides to add these three additional early voting sites that the other entity should also add them. TSC has confirmed to amend their order and notice to include the three additional early voting locations. Commissioner Cowen moved to adopt the Amended Order of Election and the Amended Notice of General Election for an election to be held on May 2, 2020 for the purpose of electing three Navigation and Canal Commissioners to add Olmito Elementary School, Rancho Verde Elementary School and Resaca Middle School as additional Early Voting locations, Commissioner Guerra seconded, and the motion passed unanimously.

10. Consideration and Action to enter into an Administrative Service Agreement with Alliance Benefit Group (ABG) to provide administrative and record keeping services for the new 457(b) Plan for the Employees of Brownsville Navigation District.

Mrs. Eymard addressed the Board requesting authorization to enter into an Administrative Service Agreement with Alliance Benefit Group (ABG) to provide administrative and record keeping services for the new 457(b) Plan for the Employees of Brownsville Navigation District. At the December 18, 2019 Board Meeting the Board approved staff to go forward with combining the two existing 457(b) plans, Valic and Nationwide, and setting up a new one. ABG provided an Administrative Service Agreement defining the services to be rendered for the Board's consideration. . Commissioner Guerra moved to approve the Administrative Service Agreement with Alliance Benefit Group, Commissioner Wood seconded, and the motion passed unanimously.

11. Consideration and Action to enter into an Administrative Service Agreement with Alliance Benefit Group (ABG) to provide administrative and record keeping services for the Retirement Plan for the Employees of Brownsville Navigation District.

Mrs. Eymard addressed the Board requesting the approval to enter into an Administrative Service Agreement with Alliance Benefit Group (ABG) to provide administrative and record keeping services for the Retirement Plan for the Employees of Brownsville Navigation District. In 2019, Staff made several changes to the Retirement Plan for the Employees of Brownsville Navigation District. At that time, Staff requested a quote from the current provider, Rudd & Wisdom for the 2020-year fees reflecting the changes. When the quote came back it did not reflect reductions in their fees, as Staff thought it should. Port Staff then asked Hunter Stanco to see if he could solicit additional quotes for Staff from service providers that he had worked with in the past. He got two quotes from Alliance Benefit Group and RHI. ABG was the lowest of the bids and are providing more services. Commissioner Cowen moved to approve the Administrative Service Agreement with Alliance Benefit Group, Commissioner Wood seconded, and the motion passed unanimously.

12. Consideration and Action to amend BND Contract #4343 with Wilkins, Finston, Friedman Law Group LLP to reflect new hourly rates.

Mrs. Eymard addressed the Board requesting the amendment of BND Contract #4343 with Wilkins, Finston, Friedman Law Group LLP to reflect new hourly rates. In August of 2018, Staff engaged Mr. William (Bill) Fisher to assist with revising the Pension Plan. He is now assisting Staff on the new 457(b) plan and merging the two existing plans together. They have provided Staff with new hourly rates. Staff asked the Board to approve this amendment to reflect the new rates. Commissioner Guerra moved to approve the amendment, Commissioner Wood seconded, and the motion passed unanimously.

13. Consideration and Action to approve payment of the audit adjustments for the Worker's Compensation premium for the 2018/2019 policy year to the Texas Municipal League Intergovernmental Risk Pool in the additional amount of \$8,236.

Mr. Campirano addressed the Board requesting the approval of payment of the audit adjustments for the Worker's Compensation premium for the 2018/2019 policy year to the Texas Municipal League Intergovernmental Risk Pool (TML) in the additional amount of \$8,236. TML performs an annual audit of the Worker's Compensation payrolls at the end of each policy year. This generally occurs in November or December. This year, the audit was performed in November 2019, for the policy year October 2018 through September 2019. The audit showed that the actual payroll was higher than the estimated payroll amount. This has generated an additional Worker's Compensation premium of \$8,236. The original premium for 2018/2019 was \$148,336. The adjusted premium is \$156,572. Commissioner Wood moved to approve payment to Texas Municipal League in the amount of \$8,236.00 for the audit adjustment for the Worker's Compensation Insurance premium for the 2018/2019 policy year, Commissioner Cowen seconded, and the motion passed unanimously.

14. Consideration and Action to authorize staff to advertise for bids on the Oil Dock #3 Crane Support project, and to open bids thereof.

Mr. Chavez addressed the Board authorizing staff to advertise for bids on the Oil Dock #3 Crane Support project, and to open bids thereof. BND Staff and BND lessees have been experiencing problems with the crane at Oil Dock #3 and the determination was made to replace the old crane.

On October 2, 2019 BND Commissioners authorized the purchase of a new Pedestal-Mounted Electro-Hydraulic Fixed Boom Crane from Action Supply, Inc. for \$274,134.00. The purchase price included installation, delivery and interface. After award, on February 3, 2020 BND Maintenance and Engineering Staff teleconferenced with the supplier and were informed that BND was responsible to prepare the Oil Dock and provide engineering certification that the supports were adequate for the proposed crane. BND Staff then proceeded to request proposals and engage the services of structural engineering consultant Casa Engineering to design the supports. Casa is currently finalizing drawings and specifications for the crane supports. BND Staff is requesting authorization to advertise for bids on the Oil Dock #3 Crane Supports, and to open bids once received. Once approved, staff will publish an Invitation to Bid in the local newspaper, place the project's Bid Document in the Port website, and invite known marine and structural contractors by email and/or by phone. Commissioner Guerra moved to authorize BND Staff to prepare the required Invitations to Bid on the Oil Dock #3 Crane Supports project, to publish it in the local newspaper as required by BND Purchasing procedures, and to open bids once they are received. After discussion, Commissioner Cowen seconded, and the motion passed unanimously.

- 15. 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 6:00 p.m. Commissioner Guerra moved that the Board adjourn into executive session, Commissioner Wood seconded, and the motion carried unanimously.

The Chairman then announced that the time was 7:18 p.m., and that the Board had reconvened in open session.

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


There was none.

17. Adjournment.

The meeting was adjourned by unanimous consent at 7:19 p.m.

ATTEST

Secretary


John Reed
Chairman of the Board