

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF CAMERON COUNTY, TEXAS HELD APRIL 18, 2018 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, April 18, 2018 at 5:30 p.m.** The following individuals were present and absent:

**PRESENT:** John Wood, Chairman  
John Reed  
Sergio Tito Lopez

**ABSENT:** Ralph Cowen  
Carlos R. Masso

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

**STAFF MEMBERS:** Donna Eymard  
Bea Rosenbaum  
Ariel Chavez  
Steve Fitzgibbons  
Lorena Hernandez  
Jaime Martinez  
Chief Carlos Garcia  
Michael Davis  
Tony Rodriguez  
Lieutenant Mario Esquivel  
Patty Gonzales  
Manuel Martinez  
Oscar Garcia  
Debby Duke  
Margie Recio

**OTHERS PRESENT:** Rev. Andreas Lewis  
Nancy Gaytan  
Scott Donnaho  
Hector Lopez  
Robert Schulte  
KBSD

**1. Meeting Called To Order**

The Chairman called the meeting to order at 5:42 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. Commissioner Reed asked that future reports include year-to-date measurements and comparisons between the current year and previous years.

## **CONSENT AGENDA**

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

- a. Approval of the Minutes of the Regular Board Meeting of April 4, 2017.
- b. Approval to authorize payments over \$25,000.00:
  1. Vulcan Materials Company, the amount of \$65,093.68, for crushed limestone;
  2. HDR, the amount of \$28,414.20, for Brazos Island Harbor Deepening Project and DMPA 5B Dike Relocation Project; and
  3. ZIWA Corporation, the amount of \$398,226.05, for BND Administration Complex Rehab & Bldg.

### **5. Consideration and Action on Steamship Agents License Renewal Application for:**

1. Admiral Steamship Agency / Biehl & company
2. Christian Bay Shipping, Co. d/b/a Fillette Green Shipping Services (USA) Corp.
3. General Steamship Agencies d/b/a General Steamship Corporation, LTD.
4. Host Agency, LLC.

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

### **6. Presentation of District Funds Investment Report for the Period January 1, 2018 through March 31, 2018.**

Mr. Fitzgibbons addressed the Board about the District Funds Investment Report for the Period of January 1, 2018 through March 31, 2018.

### **7. Consideration and Action on Assignments, Negotiations, Easements, Subleases, and Contracts in General.**

Mrs. Rosenbaum addressed the Board regarding the following items:

1. Texas KLM, LLC/Bluewing Royal, LLC (**Consent to Assignment and Lease Amendment**)

This consent to assignment of the Texas KLM, LLC. contract # 3218 to Bluewing Royal, LLC. is to be effective as of April 18, 2018. This lease was originally with RTW Terminal Properties, LP. effective December 1, 2000 for a term of 10 years with 4 renewal options of 5 years. On July 5, 2017, the Board approved an Assignment and Assumption agreement to Texas KLM, LLC effective June 6, 2017 and subsequently added two additional 5-year options. This lease is in the second of its 5-year

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options with four additional 5-year options remaining. At the meeting of February 21, 2018, the Board granted authority to the staff to negotiate a release of lease to Texas KLM, LLC and a new lease to Royal Blue, LLC. Thereafter, when the principals tried to form Royal Blue, LLC, they discovered that the name was already taken, so the principles instead formed the company under the name Bluewing Royal, LLC. Bluewing Royal, LLC. is owned by the same parent companies as Bluewing One, LLC, (One Cypress Energy, LLC and Bluewing Midstream, LLC), another liquid terminal operator at the BND. This transaction was originally presented as a sale of assets and a release of Texas KLM, LLC from the lease with the preparation of a new lease for Royal Blue, LLC (now Bluewing Royal, LLC). During negotiations, the parties have now decided that they would prefer to handle this transaction as an assignment of the Texas KLM, LLC lease to Bluewing Royal, LLC. A condition of the assignment is that Bluewing Royal, LLC'S parent companies, One Cypress Energy, LLC and Bluewing Midstream, LLC, guarantee the lease. Bluewing Royal, LLC will also take the site on an "as is, where is" basis and will assume liabilities and duties under RTW Terminal Properties, LP lease as assigned to Texas KLM, LLC. As an additional condition to the assignment, Bluewing Royal, LLC will be required to meet cargo projections and comply with a timeline for renovations and improvements to the lease site. The lease will be amended to clarify that the purpose of the lease is for liquid terminal for petroleum related products. Mrs. Eymard and Mr. Irwin addressed the Board. Commissioner Lopez moved to approve and sign the consent to assignment of Texas KLM, LLC's lease to Bluewing Royal, LLC and to the lease amendment as presented, subject to approval of Bluewing Royal, LLC's insurance by staff, Commissioner Reed seconded, and the motion passed unanimously.

**8. Consideration and Action to approve payment of the audit adjustment for the Worker's Compensation premium for the 2016/2017 policy year to the Texas Municipal League Intergovernmental Risk Pool in the additional amount of \$6,892.00.**

Mrs. Duke addressed the Board requesting approval on payment of the audit adjustment for the Worker's Compensation premium for the 2016/2017 policy year to the Texas Municipal League Intergovernmental Risk Pool in the additional amount of \$6,892.00. The annual audit of the Worker's Compensation premium showed that the actual payroll was higher than the estimated payroll by \$726,000.00, or 17.13%. This generated an additional Worker's Compensation premium of \$6,892.00. The original premium for 2016/2017 was \$85,321.00. The adjusted premium is \$92,213.00. Commissioner Reed moved to approve payment to Texas Municipal League in the amount of \$6,892.00 for the audit adjustment for the Worker's Compensation Insurance premium for the 2016/2017 policy year, Commissioner Lopez seconded, and the motion passed unanimously.

**9. Consideration and Action to award the purchase of a 2018 Motor Grader and to authorize payment of the invoice when received.**

Mr. Garcia addressed the Board requesting authorization to award the purchase of a 2018 Motor Grader and to authorize payment of the invoice when received. The District requested bids for the purchase of a 2018 Motor Grader with a bid opening date of April 10, 2018. Two bids were received. Doggett Heavy Machinery Services submitted a bid price of \$400,000.00 minus a trade-in value for a 1999 Champion Motor Grader of \$26,000.00 for a net price of \$374,000.00. Holt Cat submitted a bid price of \$472,274.95 with no trade in offer. The Doggett unit comes with a three-year warranty and the delivery period is 60 to 90 days. Commissioner Lopez moved to award the bid received from Doggett Heavy Machinery Services in the amount of \$374,000.00, authorize the trade-in of the Champion Motor Grader, and to authorize payment of the invoice when received, Commissioner Reed

seconded, and the motion passed unanimously.

**10. Consideration and Action to award the bid for the purchase of a Boom Mower and to authorize payment of the invoice when received.**

Mr. Garcia addressed the Board requesting authorization to award the bid for the purchase of a Boom Mower and to authorize payment of the invoice when received. The District requested bids for the purchase of a Boom Mower with a bid opening date of April 10, 2018. Specifications called for a 2018 John Deere 6145M tractor or equivalent with a 30-ft. boom reach. Ag-Pro Weslaco was the lowest bidder but did not submit a bid bond; all other bidders did submit bid bonds. Second lowest bid is from H & V equipment for a New Holland 4x4 Tractor with a 30-ft. Maverick Mower at a price of \$172,683.00. The New Holland Tractor bid meets the District's specifications. The unit comes with a two-year warranty and the delivery period is 90 to 120 days. Commissioner Lopez moved to reject Ag-Pro Weslaco's bid due to not submitting bid bond and award the purchase of the Boom Mower to the lowest responsible bidder, H & V Equipment, in the amount of \$172,683.00 and to authorize payment of the invoice when it is received, Commissioner Wood seconded, and the motion passed unanimously.

**11. Consideration and Action on bids received for Phase I of the Foust Road Truck Parking Facility project and authorize staff to issue the Notice of Award.**

Mr. Chavez addressed the Board requesting the award for the Phase I of the Foust Road Truck Parking Facility project to the lowest bidder. On April 11, 2018 four (4) bids were received and opened, with G&T Paving, L.L.C. being the apparent low bidder with a Base Bid of \$662,959.95 and an Alternate Bid of \$678,209.95, which includes hauling of the BND-furnished limestone base. Commissioner Reed moved to award the contract for Phase I of the Foust Road Truck Parking Improvements project to low bidder G&T Paving Co., in the amount of \$662,995.95, excluding the Alternate Bid item to haul Limestone Base material, Commissioner Lopez seconded, and the motion passed unanimously.

**12. Consideration and Action to authorize the Port Staff to advertise for bids on Phase II of the BND Port Road Improvements project, and to open bids thereof.**

Mr. Chavez addressed the Board requesting authorization for the Port Staff to advertise for bids on Phase II of the BND Port Road Improvements project, and to open bids thereof. Phase II of the BND Port Road Improvements project consists of rehabilitation of Old SH 48, Milo Road, Callaway Drive and Foust Road. The staff is working with TxDOT and with the Brownsville Metropolitan Planning Organization to re-secure the funding and is currently waiting for the Federal Project Authorization and Agreement (FPAA) letter which TxDOT has informed the staff is expected soon. In preparation, BND staff is asking for authorization to advertise to solicit bids, and to open bids on this project once received, however, this invitation will not be advertised until the FPAA letter is received. Commissioner Reed moved to authorize BND Staff to prepare an Invitation to Bid on Phase II of the BND Port Road Improvements project, to publish same in the local newspaper as required by BND Purchasing Procedures, and to open bids once they are received, Commissioner Lopez seconded, and the motion passed unanimously.

**13. Consideration and Action to authorize Port staff to advertise for bids for Railroad Crossings on Old State Highway 48 project, and to open bids thereof.**

Mr. Chavez addressed the Board requesting authorization for Port staff to advertise for bids for Railroad Crossings on Old Highway 48, and to open bids thereof. The District is currently preparing to request bids for Phase II of the BND Port Road Improvements project, which consists of

rehabilitation of several roads inside the Port secure area. The scope includes concrete approaches to three Railroad Crossings on Old State Highway 48. The replacement of rail and planks on these crossings is not part of the scope of the BND Port Road Improvements project, and BND Staff has been working with BRG staff to coordinate the installation of the crossings. BND Staff is requesting authorization to advertise to solicit bids for the material for the railroad crossings, as well as on the railroad crossings installation work, and to open bids once received. Commissioner Lopez moved to authorize BND Staff to prepare an Invitation to Bid on materials for and installation of the Railroad Crossings on Old State Highway 48, to publish same in the local newspaper as required by BND Purchasing Procedures, and to open bids once they are received, Commissioner Reed 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).**

The Chairman then announced that the time was 6:13 p.m., Commissioner Reed moved to adjourn into executive session, Commissioner Lopez seconded, and the motion passed unanimously.

The Chairman then announced that the time was 7:26 p.m. and that the Board had reconvened in open session.

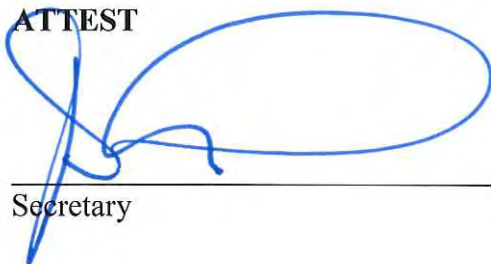
**15. Possible action on matters or items discussed in Executive Session.**

The Chairman asked if there was a motion concerning Cause No. 2017-DCL-5135, *Trinity Scrap Processors d/b/a Port of Brownsville Recycling and Intercoastal Salvage, Inc. v. Brownsville Navigation District of Cameron County, Texas*. Commissioner Lopez moved to approve the settlement agreement as presented in executive session. Commissioner Reed seconded, and the motion passed unanimously.

**16. Adjournment.**

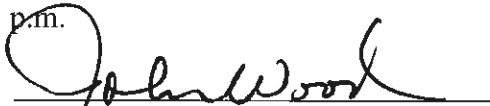
On motion made by Commissioner Reed, seconded by Commissioner Lopez, and passed by a unanimous vote, the meeting was adjourned at 7:28 p.m.

ATTEST



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Secretary



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John Wood  
Chairman of the Board