

**MINUTES OF A PILOT BOARD MEETING AND A REGULAR MEETING OF THE  
BOARD OF NAVIGATION AND CANAL COMMISSIONERS OF THE  
BROWNSVILLE NAVIGATION DISTRICT OF CAMERON COUNTY, TEXAS HELD  
NOVEMBER 6, 2019 AT 5:30 P.M.**

The Board of Navigation and Canal Commissioners of the Brownsville Navigation District of Cameron County, Texas, held a Pilot Board meeting and a regular meeting on **Wednesday, November 6, 2019 at 5:30 p.m.** 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  
Daniel Rentfro Jr., District Counsel  
William J. Irwin, Associate District Counsel

**STAFF MEMBERS:** Brenda McKendrick  
Ariel Chavez  
Steve Tyndal  
Lorena Hernandez  
Jaime Martinez  
Chief Carlos Garcia  
Lieutenant Mario Esquivel  
Michael Davis  
Tony Rodriguez  
Debby Duke  
Margie Recio  
Jorge Montero  
Karina Franco  
Jose Herrera  
Carlos Martinez

**OTHERS PRESENT:** Rev. Andreas Lewis  
Jorge de la Colina  
Albert Perez  
Robbie and Kimberly Walsdorf  
Captain Jonathan Willett  
Captain Chris Urbanosky  
Norma Torres  
Stephanie Engwald  
Maribel Guerrero  
Hector Lopez  
Joseph Linck

Nancy Gaytan  
Landon Overby

### **PILOT BOARD MEETING:**

The Chairman called the Pilot Board Meeting to order at 5:30 p.m.

#### **1. Acknowledge receipt of proposed FY 2020-2024 Pilot Tariff.**

Captain Jonathan Willett reported to the Board regarding pilot activity and the proposed tariff. After discussion, Commissioner Cowen then moved to acknowledge receipt of the proposed tariff, Commissioner Lopez seconded, and the motion carried unanimously.

### **REGULAR MEETING**

#### **1. Meeting Called to Order**

The Chairman called the regular meeting to order at 5:40 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 Board received the reports.

### **CONSENT AGENDA**

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

- a. Approval of the Minutes of the Regular Board Meeting of October 23, 2019.
- b. Approval to authorize payments over \$25,000.00:
  1. GeoSolutions, the amount of \$97,575.00, for Geogrid for the Ostos Road Truck Staging Facility;
  2. Triton Marine Construction, the amount of \$368,777.01, for Oil Dock 6 Construction and Maintenance Dredging; and
  3. Vulcan Materials Company, the amount of \$42,629.43, for crushed limestone for the Ostos Road Truck Staging Facility.

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

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

Ms. McKendrick addressed the Board regarding the following items:

##### **1. Hiper Gas International, LLC (Authority to negotiate)**

Hiper Gas International, LLC has requested a lease on the old South-Tex Concrete site off of FM 511, with a physical address of 2655 N. Indiana Avenue. The lease would be for the purpose of a

transportation yard. After discussion regarding insurance coverage for operations involving jet fuel, Commissioner Lopez moved to authorize the Staff to negotiate with Hiper Gas International, LLC for a new lease, Commissioner Wood seconded, and the motion passed unanimously.

2. Electro-Hi. **(Authority to negotiate)**

The lease to Electro-Hi, LLC under BND Contract 4018 is due to expire on November 30, 2019, and the Lessee has requested a new lease. The purpose of the lease is for storage yard / maintenance shop for their equipment and contractor facility. Electro-Hi, LLC assists other contractors, cities, municipalities, school districts, private individuals, and the Port of Brownsville to bore for utilities, cable, water, sewer, and anything that is installed underground. Commissioner Lopez moved to authorize the Staff to negotiate with Electro-Hi, LLC for a new lease, Commissioner Guerra seconded, and the motion passed unanimously.

3. Texas KLM, LLC d/b/a KLM Terminal **(Authority to negotiate)**

Texas KLM, LLC, d/b/a KLM Terminal under BND Contract 4386 has requested an amendment to their lease to change the primary term of the lease from 2 years to 15 years. Since the lease commenced, Lessee has invested over \$3 million on the site to build a bulk liquid terminal for storage of lube oil, wax and solvents, but will need additional funding to complete their project and their bank is requesting a 15-year primary term. Commissioner Lopez moved to authorize the Staff to negotiate an amendment to the lease to change the primary term from 2 years to 15 years, Commissioner Wood seconded, and the motion passed unanimously.

4. T.W. LaQuay Marine, LLC. **(Authority to negotiate)**

T.W. LaQuay Marine, LLC has requested a lease on the old R.L.B. Contracting site at the Fishing Harbor for the purpose bringing in supplies for the dredging operation in the Port of Brownsville Ship Channel as per their contract with the U.S. Army Corps of Engineers. Commissioner Guerra moved to authorize the Staff to negotiate a new lease with T.W. LaQuay Marine, LLC, Commissioner Lopez seconded, and the motion passed unanimously.

5. Brownsville & Rio Grande International Railway LLC **(Authority to Negotiate)**

BRGIR is a railroad operator interested in leasing additional land. Their goal is to attract additional customers through rail transloading. Commissioner Wood moved to authorize the Staff to negotiate a new lease with BRGIR, Commissioner Reed seconded, and the motion failed, with Commissioners Guerra, Lopez, and Cowen voting nay.

6. Annova LNG **(New Lease)**

Annova LNG, LLC is proposing to construct an LNG liquefaction and export terminal at the Port of Brownsville. The proposed lease would be for 730.92 acres. The lease is to become effective November 6, 2019. Commissioner Guerra moved to table this item until after executive session, Commissioner Wood seconded, and the motion passed unanimously.

**6. Consideration of and Action to approve amendments to the District's Fiscal 2019 Operating and Capital Budgets by increasing operating revenues by \$1,292,513 to \$23,519,954 and decreasing operating expenditures by \$317,384 to \$14,435,072.**

Ms. Hernandez addressed the Board requesting approval on amendments to the District's Fiscal 2019 Operating and Capital Budgets. District staff recommended the necessary budget amendments to its Fiscal Year 2019 Operating Budget based on actual revenues and expenditures

to date and projected operational needs for the remainder of the Fiscal Year. The proposed amendments increase operating revenues by a net \$1,292,513, with about \$600,006 of this increase resulting from the new 5-year rents charged to Keppel AmFELS for the Public Assembly & Erection Pad and \$225,000 of projected increases in Patio 22 storage fees for windmill components. Proposed expenditures decreased by a net \$317,384 resulting in part from a reduction in oil removal services and reductions in fuel & oil from operating only one mobile crane. The Capital Budget amendments are necessary to allocate funds for new capital projects including the purchase of 2 mobile cranes, Ostos Road Truck Staging Area, and purchase of a total of 5 vehicles. Commissioner Lopez moved to authorize the proposed FY 2019 Operating and Capital Budget Amendments by increasing operating revenues by \$1,292,513, decreasing operating expenditures by \$317,384, and increasing Capital expenditures by \$1,936,375, Commissioner Guerra seconded, and the motion passed unanimously.

**7. Consideration of and Action to approve payment for the continued services for life, short-term and long-term disability insurance provided by Dearborn and vision insurance provided by Superior Vision for 2020 for all BND employees.**

Mr. Martinez addressed the Board requesting approval on payment for the continued services for life short-term and long-term disability insurance provided by Dearborn and vision insurance provided by Superior Vision for 2020 for all BND employees. The District currently has a lock on rates (2020 will be the last year), for the life, short-term, and long-term disability insurance (Dearborn) and a lock on rates (2020 will be the last year), for the vision insurance (Superior Vision). Mr. Landon Overby and Mr. Albert Perez have taken the time to review the current experience with all insurances and they recommend that the District continue services with Dearborn Insurance and Superior Vision. Commissioner Wood moved to accept Mr. Overby's and Mr. Perez's recommendation to continue services with Dearborn Insurance and Superior Vision along with approving payment for those services for 2020, Commissioner Cowen seconded, and the motion passed unanimously.

**8. Consideration of and Action to approve selection and payment for the services provided by recommended medical and dental insurance provided for 2020 for all BND employees.**

Mr. Martinez addressed the Board requesting approval on the selection and payment for the services provided by recommended medical and dental insurance provided for 2020 for all BND employees. The RFP that was issued in 2017 for medical insurance for BND employees, allowed for a three-year option for Staff to be able to negotiate a price with the current medical insurance carrier (Blue Cross Blue Shield) without issuing an RFP every year during that three-year period. Mr. Landon Overby, the insurance consultant from Bowen, Miclette & Britt Insurance Agency, and Mr. Albert Perez, the insurance agent, have completed negotiations on a proposed cost for the insurance by Blue Cross Blue Shield for year 2020. They negotiated a 0% price increase from an initial proposal of a 9.5% increase. Both Mr. Overby and Mr. Perez have recommended that the District accept the 0% proposal by Blue Cross Blue Shield. The Dental Insurance is also provided by BCBS and this insurance will increase by 5% (\$0.82) per employee. Commissioner Lopez moved to accept the proposal from Blue Cross Blue Shield as recommended by Mr. Overby and Mr. Perez, Commissioner Cowen seconded, and the motion passed unanimously.

**9. Consideration of and Action on bids received for BND Ostos Road Truck Staging Culvert Pipe materials.**

Mr. Chavez addressed the Board requesting authorization to award contract to lowest bidder on bids received for BND Ostos Road Truck Staging Culvert Pipe materials. BND Maintenance staff requested sealed quotes from several suppliers and scheduled the Sealed Bid Opening date to Friday, October 25, 2019. Two bids were received for the needed pipe, the lowest bidder being Rio Valley Pipe, LLC dba CAPA in the amount of \$31,680.00. Commissioner Lopez moved to award the purchase for the BND Ostos Road Truck Staging Culvert Pipe materials to lowest bidder Rio Valley Pipe, LLC dba CAPA in the amount of \$31,680.00 and authorized BND Staff to order the pipe, Commissioner Wood seconded, and the motion passed unanimously.

**10. Consideration of and Action on bids received for the BND Ostos Road Truck Staging Entrance Driveway Project.**

Mr. Chavez addressed the Board requesting authorization to award contract to lowest bidder on bids received for the BND Ostos Road Truck Staging Entrance Driveway Project. BND Engineering Staff worked on construction drawings for the concrete driveway and coordinated with the Brownsville Postmaster's office on the relocation of the existing mailboxes at the Ostos Road and Windhaus Road intersection. The Invitation to Bid was published on the Brownsville Herald on October 7, 2019 and October 14, 2019, and a Mandatory Pre-Bid Meeting was held on October 15, 2019. The Bid Opening date was Friday, October 25, 2019. Three bids were received, the lowest bidder being G&T Paving, LLC in the amount of \$285,125.00. Commissioner Lopez moved to award the contract for the BND Ostos Road Truck Staging Entrance Driveway project to lowest responsive bidder G&T Paving, LLC in the amount of \$285,125.00 and authorize BND Staff to issue the Notice of Award, Commissioner Guerra seconded, and the motion passed unanimously.

**11. Consideration of and Action to authorize the Port Director to approve Work Authorization # 3 with consultant S&B Infrastructure, Ltd. for engineering plans and specifications for the South Yard Improvements Project.**

Mr. Chavez addressed the Board requesting the authorization for the Port Director to approve Work Authorization #3 with consultant S&B Infrastructure, Ltd. for engineering plans and specifications for the South Yard Improvements Project. BND Staff requested and received a fee proposal and Work Authorization from S&BI for the preparation of engineering drawings and specifications for construction of the Patio area. The Scope of Work includes pre-design topography and other data collection, with particular emphasis on a detailed drainage analysis of the area in order to provide for adequate stormwater run-off of the entire Patio 22 extents. S&BI proposes to perform this work for a not-to-exceed fixed price amount of \$56,965.85. Discussion followed. The Chairman then expressed his opinion that the project should be done in house. Commissioner Guerra moved to deny the fee proposal submitted by S&B Infrastructure, Ltd. and for the plans and specifications to be prepared by the BND engineering department, Commissioner Lopez seconded, and the motion passed unanimously.

**12. 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).**

Commissioner Guerra moved to adjourn into executive session, Commissioner Lopez seconded, and the motion passed unanimously. The Chairman then announced that the time was 6:20 p.m. and that the Board would adjourn into executive session.

The Chairman then announced that the time was 7:28 p.m., and that the Board had reconvened in open session.

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

The Chairman recalled Item 5(6). Commissioner Wood moved to approve the new lease to Annova LNG, LLC, Commissioner Lopez seconded, and the motion passed unanimously.

**14. Adjournment.**

The meeting was adjourned by unanimous consent at 7:30 p.m.

**ATTEST**

Secretary



John Reed  
Chairman of the Board