

**A MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD MAY 24, 2023 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, May 24, 2023 at 5:30 p.m.** The following individuals were present and absent:

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

ABSENT: None

ALSO PRESENT: William J. Irwin, Associate District Counsel

STAFF MEMBERS: Miguel Barrajas
Ariel Chavez
Chief William Dietrich
Arturo Gomez
Jose Herrera
Jorge Montero
Margie Recio
Memo Rico
Melinda Rodriguez
Janie Velasquez
Tony Rodriguez
Carlos Martinez

OTHERS PRESENT: Rev. Andreas Lewis
Jorge De La Colina
Norma Torres
John Bradley
Susan Golla
Austin Inthavongsa

1. Meeting Called To Order

The Chairman called the meeting to order at 5:35 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.

CONSENT AGENDA

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

- a. Correction to minutes of the April 5, 2023 Regular Board Meeting and approval of the Minutes of the Regular Board Meeting of May 3, 2023.
- b. Approval to authorize payments over \$25,000.00:
 1. Core & Main, the amount of \$192,814.34, for Water Line Replacement project;
 2. HDR Engineering; the amount of \$104,731.80, for Channel Improvement Project – Phase 2 Design Repackaging & Channel Deepening Project;
 3. RLB Contracting, Inc; the amount of \$593,067.60, for 2022 Placement Areas 5B, 7 & 8; and
 4. TD Limestone, LLC, the amount of \$41,418.17, for Crush Limestone – Patio 22 expansion project.

4. Consideration and ACTION to approve Letter of Agreement between Port of Brownsville and BISD Adult Continuing Education for participation as a collaborating partner.

5. Consideration and ACTION on Steamship Agent License Renewal Application for: M&M Mooring Company d/b/a M&M Mooring Co. & Marine Services.

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

6. Presentation of 2023 grant applications.

Melinda Rodriguez made a presentation on grant applications submitted in 2023. Discussion followed.

7. Consideration and ACTION to ratify Port Director & CEO's submission of an application under the Fiscal Year 2023 Port Security Grant Program.

Chief Dietrich addressed the Board requesting ratification on Port Director & CEO's submission of an application under the Fiscal Year 2023 Port Security Grant Program. POB Staff is seeking to ratify authorizing Port Director and CEO to submit an application for the Fiscal Year 2023 Port Security Grant Program PSGP. The grant proposal investment includes the purchase and installation of additional critical components to expand coverage and increase the reliability of the Port's Wide Area Surveillance System (Cameras, UPSs, Network Switches). The investment is necessary to support the safe and secure operations at the Port in accordance with the approved Port Facility Security Plan. The primary security measure enhanced by the proposed investment includes the Port's Wide Area Surveillance and Detection System. The enhancement will include expansion of the system to address current gaps in surveillance and monitoring specific to the nexus between secure and restricted areas, and critical operations and infrastructure associated with the bulk transfer and storage of petroleum products and other cargo. The proposed investment supports COTP priorities by expanding existing capabilities in support of access control, maritime domain awareness, IED & CBRNE detection, and overall emergency response, communications and recovery. Commissioner Reed moved to ratify the authorization to submit a grant application

under the Fiscal Year (FY) 2023 Port Security Grant Program, Commissioner Wood seconded, and the motion passed unanimously.

8. Consideration and ACTION to ratify the declaration and disposal of structure located at 2875 Anglers Place as surplus to the District's needs.

Mrs. Recio addressed the Board requesting ratification on the declaration and disposal of structure located at 2875 Anglers Place as surplus to the District's needs. The structure located at 2875 Anglers Place has been vacant since August 2021. With the recent storms sections of the roof of the structure collapsed. The area contained a liability to the District and the Salvage Auction Team determined to proceed with the demolishing of the structure and removal of the debris from the site. The Maintenance department has completed the cleanup and sold material as scrap to EMR. Discussion followed regarding plans to review and possibly dispose of other structures at the Port. Commissioner Reed moved to ratify the declaration of structure as surplus and its disposal, Commissioner Lopez seconded, and the motion passed unanimously.

9. Consideration and ACTION to declare two 2008 Freightliner dump trucks, Unit #616 and 618, as surplus to the District's needs and to authorize their use as trade-ins against new purchases or for disposition by bid or auction.

Mrs. Recio addressed the Board requesting authorization to declare two 2008 Freightliner dump trucks, Unit #616 and 618, as surplus to the District's needs and to authorize their use as trade-ins against new purchases or for disposition by bid or auction. The District's Units 616 & 618 have been in service for the last 15 years. The units have been inspected by the Maintenance department and it has been determined for them to be retired from service due to various mechanical issues. Port staff are in the process of purchasing new dump trucks that will replace them. Commissioner Reed moved to declare Units 616 & 618 as surplus to the District's needs and to authorize the disposal by first offering it as a trade-in against the purchase of new equipment and by offering it for sale by bid for scrap or auction if no trade-in offers are received, Commissioner Wood seconded, and the motion passed unanimously.

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

Mrs. Rodriguez addressed the Board regarding the following items:

1. Bluewing One, LLC (Authority to Negotiate)

Bluewing One, LLC, a current lessee has requested an option to lease for a term of six months on neighboring land of 30 acres. This 30-acre tract is north of Highway 48 adjacent to VKM Equipment Series. Commissioner Reed moved to approve an Authority to Negotiate an option to lease with Bluewing One, LLC, Commissioner Wood seconded, and the motion passed unanimously.

2. CHCL Enterprises, LLC (Authority to Negotiate)

CHCL Enterprises, LLC has requested a new lease for approximately 28.75 acres located adjacent to the POB Administration Building. The purpose of the lease would be for warehousing. Commissioner Reed moved to approve the Authority to Negotiate a lease with CHCL Enterprises, LLC, Commissioner Wood seconded, and the motion passed unanimously.

3. Element Fuels Holdings, LLC (**Authority to Negotiate**)

Element Fuels Holdings, LLC has requested an option to lease for approximately 51.14 acres from June 1, 2023 through November 1, 2023. Discussion followed regarding the status of ARX Energy, LLC's project. Commissioner Lopez moved to approve the Authority to Negotiate for Element Fuels Holdings, LLC, Commissioner Wood seconded, and the motion passed unanimously.

4. Port Isabel San Benito Navigation District (**Authority to Negotiate - Easement**)

The Port Isabel San Benito Navigation District Easement Agreement consisting of 77.77 acres under BND Contract #4010 expired on April 30, 2023, and they have requested a new Easement Agreement for a term of five years with one additional term of five years. The purpose of the easement would be for depositing dredge material on property – Placement Area No. 3. Discussion followed regarding the terms of the easement. Commissioner Cowen moved to approve the Authority to Negotiate for Port Isabel San Benito Navigation District., Commissioner Reed seconded, and the motion passed unanimously.

5. Rodicel Inc. (**Authority to Negotiate**)

The lease with Rodicel Inc. located at 2685 N. Indiana Avenue under BND Contract #3602 expired on March 7, 2022, with no renewal options. The lessee was placed on a month-to-month status and now has requested a new lease. The lessee is requesting a term of five years with three renewal options of five years each. The purpose of the lease would be for plastic and injection molding. Commissioner Cowen moved to approve the Authority to Negotiate a new lease with Rodicel Inc., Commissioner Lopez seconded, and the motion passed unanimously.

6. P.M.I. Services North America Inc. (**First Amendment to Easement Agreement**)

P.M.I. Services North America Inc. is seeking an amendment to their current Easement Agreement (Contract # 4040) effective as of November 27, 2012 to modify the original term from five years with one renewal option of five years to twelve years plus one additional term of three years with an expiration date of November 26, 2027. Commissioner Lopez moved to approve the amendment to the easement agreement as presented, Commissioner Cowen seconded, and the motion passed unanimously.

Chairman noted that Items 10(7) and (8) would be considered together.

7. Arguindegui Oil Co. II, LTD (**Consent to Sublease**)

Arguindegui Oil Co. II, LTD. is a current lessee under BND Contract #4348 located at 17555 S.H. 48. Lessee is requesting the Board's Consent to Sublease to Global Maritek Systems, Inc. for the purpose of offices, warehousing, storage, vehicle and truck parking and maintenance, and logistics contract with the Department of Homeland Security, Customs and Border Protection. As per our leasing policy, the sublease rentals specify the rental for the land and improvements that are owned by District and the rental for improvements that are owned by the lessee (rent for District land/improvements must not exceed rates charged under the primary lease). Arguindegui Oil Co. II LTD. is charging Global Maritek Systems, Inc. a monthly amount of \$661.57 base rent for the leased premises and the difference of sublessee fee is for the building(s)/improvements to be occupied by sublessee. The lessee has made significant improvements to the leased site to accommodate the requirements of Global Maritek Systems, Inc.

8. Arguindegui Oil Co. II, LTD (**Lease Amendment**)

Arguindegui Oil Co. II, LTD. is a current lessee under BND Contract #4348 located at 17555 S.H. 48. Lessee is requesting the Board's approval to amend the purpose of the lease to reflect the change in operations from storage and transportation of fuel, lubricants, and other chemical products to purpose of offices, warehousing, storage, vehicle and truck parking and maintenance, and logistics.

Commissioner Wood moved to approve the Consent to Sublease for Arguindegui Oil. II, LTD and the Lease Amendment for Arguindegui Oil Co. II, LTD., Commissioner Cowen seconded, and the motion passed unanimously.

9. Frajara Express, LLC (**New Lease**)

This new lease to Frajara Express, LLC will replace BND contract #4472, which expired on May 21, 2023. This new lease is for a term of three years with two additional renewal options of one year each. The one-acre site is located at 9235 Old S.H. 48 and the purpose is for transporting products such as lumber and iron pipes. Commissioner Lopez moved to approve the new lease for Frajara Express, LLC, Commissioner Wood seconded, and the motion passed unanimously.

11. Discussion and possible Action on the District's Insurance Policies for Port Property and Excess Port Property, Liability and Excess Liability, Crime Liability, Fiduciary Liability, Cyber Liability, Automobile Liability and Workers Compensation including authority to bind coverages and to authorize the payment of the invoices once received.

Mrs. Recio addressed the Board requesting approval on the District's Insurance Policies for Port Property and Excess Port Property, Liability and Excess Liability, Crime Liability, Fiduciary Liability, Cyber Liability, Automobile Liability and Workers Compensation including authority to bind coverages and to authorize the payment of the invoices once received. Staff was granted authority to advertise for bids on the District's Insurance program at the March 15 Board meeting. Susan Golla of McGriff, Insurance Services the District's insurance consultant, contacted insurance companies in the market directly for the best possible pricing and coverage for the District. The submittals were opened on May 9 and have been reviewed and a recommendation by the District's insurance consultant was ready to be presented to the Board for their consideration of approval. A detailed comparison of coverages along with the letter of recommendation from McGriff, Insurance Services was provided. Susan Golla also addressed the Board. Commissioner Reed moved to authorize the binding of coverages proposed by McGriff Insurance Services for the total premium of \$1,478,676 plus the required taxes and stamping fees and to authorize the payment of the invoices once received, Commissioner Cowen seconded, and the motion passed unanimously.

12. Consideration and ACTION to authorize Port Staff to Purchase Three New 2024 Model Dump Trucks and to negotiate a possible trade in value for the existing two 2008 Dump Trucks.

Mr. Herrera addressed the Board requesting authorization for Port Staff to Purchase Three New 2024 Model Dump Trucks and to negotiate a possible trade in value for the existing two 2008 Dump Trucks. On January 2022, BND Board of Commissioners authorized Staff to advertise for Bids for the purchase of Two New Dump Trucks. The Bids were received and tabled. Staff is requesting authorization to purchase Three New Dump Trucks. The price for each 2024 Model

Truck is \$142,298.86 each with delivery time, pending date of order. The two 2008 Dump Trucks (Units 616 & 618) would be replaced and possibly used as trade ins, subject to the disposition of BND property process. Trade in value for two 2008 Dump Trucks would be determined after vendor evaluation. The vendor is Buy Board with Contract #601-19. Mr. Irwin noted that language had been added to the contract allowing the District to cancel the order if the trucks are not delivered in the timeframe promised. Discussion followed. Commissioner Lopez moved to authorize Staff to purchase Three New Dump Trucks, at a value of \$142,298.86 each, pay invoice once received and negotiate a trade in value for the two 2008 Dump Trucks, Commissioner Reed seconded, and the motion passed unanimously.

13. Consideration and ACTION to enter into agreement with Jet Web Communications dba Barcom Technology Solutions as a Managed Service Provider (MSP) and on-site POB IT helpdesk for the Port of Brownsville.

Mrs. Rodriguez addressed the Board requesting authorization to enter into agreement with Jet Web Communications dba Barcom Technology Solutions as a Managed Service Provider (MSP) and on-site POB IT helpdesk for the Port of Brownsville. In late 2022, the Port of Brownsville engaged SCAN13 to provide virtual remediation activities for the port's information technology (IT) department. Phase I entailed activities such as ensuring server, network, and security protocols and access, data backup and recovery, user support, and remediation of network conflicts and configuration. Phase II, from April through May, entails providing virtual and on-site day-to-day IT support services and ground-up reconfiguration of hardware, virtual environments, data retention, and networking. Additionally, SCAN 13 provided technical expertise on the development and evaluation of Request for Proposals (RFPs) for the implementation of an outsourced IT model consisting of a Managed Service Provider (MSP) and on-site POB IT helpdesk personnel. This hybrid IT model will facilitate a seamless transition, where SCAN13 exists and ceases engagement in June, and the awarded MSP assumes oversight of day-to-day IT operations and activities. Discussion followed regarding the procurement and the qualifications of Barcom Technology Solutions. Commissioner Reed moved to authorize the Port CEO/Director to enter into an agreement with Jet Web Communications dba Barcom Technology Solutions as Managed Service Provider (MSP) for a term of one year with the option of three, one-year renewals, subject to legal review, Commissioner Wood seconded, and the motion passed unanimously.

14. Consideration and ACTION on request to authorize Staff to purchase a clamshell grab Type MZGL 20000-3-L.

Mr. Martinez addressed the Board requesting authorization for Staff to purchase a clamshell grab from Type MZGL 20000-3-L. BND Staff is seeking authorization for purchasing a clamshell grab Type MZGL 20000-3-L. This will allow the BND to work two mobile harbor cranes with bucket attachments. This is a sole source item. Commissioner Lopez moved to authorize BND Staff to purchase the clamshell grab from Konecranes, Inc for \$278,090 plus freight charges determined at the time of shipping, and issue payments once received, Commissioner Cowen seconded, and the motion passed unanimously.

15. Consideration and ACTION on bids received for the BND Dock 11 Concrete Pad project, and to authorize staff to issue the Notice of Award to the successful bidder.

Mr. Chavez addressed the Board requesting the award on bids received for the BND Dock 11 Concrete Pad project, and to authorize staff to issue the Notice of Award to the successful bidder.

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On April 5, 2023 BND Commissioners authorized staff to advertise for bids on the BND Dock 11 Concrete Pad project which is comprised of a new concrete slab in the area Southeast of Cargo Dock #10 and South of Cargo Dock #11. The in-house design also provides for replacement of the existing Dock 11 Road concrete pavement from its terminus in the Ostos Road Pavement Rehabilitation project. Staff from BND Finance and Engineering Services received bids on May 8, 2022 from eight interested contractors. Staff reviewed unit prices and tabulated the bids. R. M. Walsdorf, Inc. was the lowest responsive and responsible bidder, with a Base Bid of \$2,154,800.64 and an Additive Alternate Bid of \$194,671.45, for a Total Bid of \$2,349,472.09. Commissioner Lopez moved to award the contract for the BND Dock 11 Concrete Pad project to lowest bidder R.M. Walsdorf, Inc. in the amount of \$2,349,472.09 and authorize BND Staff to issue the Notice of Award to the successful contractor, Commissioner Cowen seconded, and the motion passed unanimously.

- 16. 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.

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

There was none.

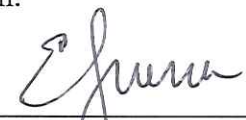
- 18. Adjournment.**

Commissioner Cowen moved to adjourn the meeting, Commissioner Lopez seconded, and the meeting was adjourned by unanimous consent at 6:47 p.m.

ATTEST



John Wood, Secretary



Esteban Guerra
Chairman of the Board