

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD MARCH 20, 2024 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 20, 2024 at 5:30 p.m.**

The following individuals were present and absent:

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

ABSENT: Ralph Cowen

ALSO PRESENT: William Dietrich, Interim Port Director and CEO
Daniel Rentfro, Jr. District Counsel
William Irwin, District Counsel

STAFF MEMBERS: Miguel Barajas
Ariel Chavez
Michael Davis
Karina Franco
Arturo Gomez
Jose Herrera
Jorge Montero
Margie Recio
Memo Rico
Tony Rodriguez
Julio Romo
Janie Velasquez
Zeus Yanez

OTHERS PRESENT: Rev. Andreas Lewis
Jorge de la Colina
Mark Hodgson
Norma Valle
Carlos Garcia
Durkin Ledgard
Kris Wood
Shannon Carraway
Beto Torres
Shariff Gonnella
Rick Stephanow
Jorge Sanchez

REGULAR MEETING

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.

3. Receive Director's Report and Monthly Operations Summary Report

The Board received the Directors' reports. Mr. Yanez made the Operations Summary 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 February 21, 2024.
- b. Approval to authorize payments over \$25,000.00:
 1. HDR Engineering Inc., the amount of \$102,517.89, for Channel Deepening Project; Cargo Dock 3 – Phase 1 Project; PA 8 Study Design Project; and,
 2. RLB Contracting, Inc., the amount of \$1,533,016.80, for 2022 Placement Areas 5B, 7 7 8 Improvements Project.

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

5. Consideration and ACTION to approve Employment Agreement for Interim Port Director and CEO.

Mr. Irwin addressed the Board regarding the Employment Agreement for Interim Port Director and CEO. On December 6, 2023, William Dietrich was appointed by the Board of Commissioners as Interim Port Director and CEO, effective January 1, 2024. This Agreement formalizes the duties and obligations of the Interim Port Director and other details relating to Mr. Dietrich's employment as Interim Port Director and CEO. The Agreement further provides for Mr. Dietrich to serve as Interim Port Director and CEO on a month-to-month basis beginning on January 1, 2024 and continuing until the appointment of a permanent Port Director and CEO. Commissioner Lopez moved to approve Employment Agreement for Interim Port Director and CEO, Commissioner Wood seconded, and the motion passed unanimously.

6. Consideration and ACTION on acknowledging receipt of OmniTRAX's (BRG) intent to change (increase) rates on weigh scales.

Commissioner Lopez moved to table item 6, Commissioner Reed seconded, and the motion passed unanimously.

7. Consideration and ACTION on Amended Order and Amended Notice for an election to be held on May 4, 2024 for the purpose of electing three Navigation and Canal Commissioners to add three additional early voting locations.

Consideracion y accion sobre Enmienda de Orden y Enmienda de Aviso de eleccion que de celebrara el 4 de Mayo de 2024 con el proposito de elegir tres Comisionados de Navegacion y Canal para anadir tres ubicaciones de Casillas para votacion previa.

Mrs. Recio addressed the Board on Amended Order and Amended Notice for an election to be held on May 4, 2024 for the purpose of electing three Navigation and Canal Commissioners to add three additional early voting locations. The District's original Order of Election and Notice of Election was presented to the Commission on February 7, 2024. Point Isabel ISD has joined the joint election and made the request to add South Padre Island Community Center. In addition, Santa Maria ISD and City of Palm Valley have opted out to contract with the Cameron County Elections Department, therefore, Santa Maria ISD Administrative Building and City of Palm Valley City Hall have been removed as Early Voting locations. Chairman Guerra asked about the inclusion of a voting site at Cameron Park. Discussion followed. Commissioner Reed moved to adopt the Amended Order and Amended Notice, Commissioner Lopez seconded, and the motion passed unanimously.

8. Consideration and ACTION to declare the 2,400 sq. ft. structure at the former Esco Site located at 500 Yard Road as surplus to the District's needs and to authorize its disposition.

Mrs. Recio addressed the Board to declare the 2,400 sq. ft. structure at the former Esco Site located at 500 Yard Road as surplus to the District's needs and to authorize its disposition. The lease site is under Authority to Negotiate to United Rentals, who have expressed intent to construct a new structure for their operations rather than renovating the existing structure on the lease site. The Leasing Committee convened to discuss United Rentals' request for the demolition of the building. A site inspection of the structure was conducted and a quotation for the demolition costs were prepared by the Maintenance Department in the amount of \$14,740. Subsequently, BND's negotiating staff members presented the quote to United Rentals, who have agreed to reimburse the District for the demolition expenses. Additionally, the Salvage Auction Team ("SAT") has reviews the site inspection form and is recommending that the structure be declared as surplus to the District's needs. They proposed authorizing its disposal according to the Policy for Disposition of Surplus, Salvage or Unclaimed Property. As per the SAT's standard procedure. all salvageable metal will be sold to local metal recyclers, with the remaining waste being transported to the landfill. Commissioner Lopez moved to declare the 2,400 sq. ft. structure at the former Esco Site located at 500 Yard Road as surplus to the District's needs and to authorize its disposition, Commissioner Reed seconded, and the motion passed unanimously.

9. Consideration and ACTION on Leases, Assignments, Negotiations, Easements, Subleases, and Contracts in general.

Mr. Gomez addressed the Board regarding the following Items:

1. Aguilar Brothers, Inc. (Authority to Negotiate)

The lease with Aguilar Brother's, Inc. under BND Contract #3988 expired on February 19, 2024, with no renewal options. The lessee seeks a New Lease for 0.76 acres located in the Fishing Harbor at 2330 Cajun Court. The recommended term would be for one year with four renewal options of one year each. The purpose of the New Lease is for shrimp operations, specifically unloading and boat tie up of shrimp/seafood vessels; boat repairs and boat maintenance, specifically on personal boats. Commissioner Lopez moved to authorize staff to negotiate a new lease, Commissioner Wood seconded, and the motion passed unanimously.

After discussion, Chairman Guerra noted that items 2 and 3 would be considered together.

2. Guadalupe Ochoa – 3200 Cajun Couty (Authority to Negotiate)

Guadalupe Ochoa, a current lessee, seeks a New Lease for an additional site of 0.277 acres located in the Fishing Harbor at 3200 Cajun Court. Former Port Director and CEO authorized them to remain on a month-to-month tenancy while Policy Committee and Staff conducted the insurance level requirements review. The recommended term is for one year with four renewal options of one year each. The purpose of this New Lease is for shrimp operations, specifically the unloading and boat tie up of shrimp/seafood vessels.

3. Guadalupe Ochoa – 1695 Bayou Court (Authority to Negotiate)

The lease with Guadalupe Ochoa under BND Contract #3886 expired on September 3, 2022, with no renewal options. Former Port Director and CEO authorized that this lease remain on a month-to-month tenancy while Policy Committee and staff conducted the insurance level requirements review. The lessee seeks a New Lease for 0.275 acres located in the Fishing Harbor at 1695 Bayou Court. The recommended term is for one year with four renewal options of one year each. The purpose of the New Lease is for shrimp operations, specifically unloading and boat tie up of shrimp/seafood vessels; boat repairs and maintenance, specifically on personal boats.

Commissioner Lopez moved to authorize staff to negotiate new leases as presented in Items 2 and 3, Commissioner Reed seconded and the motion passed unanimously.

4. Pollos Diesel / Mota's Refrigeration (Authority to Negotiate)

The lease with Pollo's Diesel Service and Mota's Refrigeration under BND Contract #3993 expired on April 30, 2022, with no renewal options. Former Port Director and CEO authorized that this lease remain on a month-to-month tenancy while Policy Committee and staff conducted the insurance level requirements review. The lessee seeks a New Lease for 0.459 acres located in the Fishing Harbor at 3810 Gator Court. The recommended term is for one year with four renewal options of one year each. The purpose of the New Lease is for shrimp operations, specifically the unloading and boar tie up of shrimp/seafood vessels. Commissioner Lopez moved to authorize staff to negotiate a new lease, Commissioner Wood seconded, and the motion passed unanimously.

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

Westa Inc. is interested in leasing approximately 9.30 acres located at POB Business Park. The company seeks Authority to Negotiate a New Lease for a term of thirty years. The purpose of the New Lease is for a flour mill for wheat and grains. Commissioner Wood moved to authorize staff to negotiate a new lease, Commissioner Reed seconded, and the motion passed unanimously.

6. Snodgrass Inc. **(Authority to Negotiate)**

The lease with Snodgrass Inc. under BND Contract #3916 expired on November 30, 2021, with no renewal options. Former Port Director and CEO authorized that this lease remain on a month-to-month tenancy while Policy Committee and staff conducted the insurance level requirements review. The lessee seeks a New Lease for 2.066 acres located in the Fishng Harbor at 2025 Angler's Place Road. The recommended term is for one year with four renewal options of one year each. The purpose of this New Lease is for sales of fuel and boat supplies; shrimp operations; boat repairs and boat maintenance. Commissioner Reed moved to authorize staff to negotiate a new lease, Commissioner Lopez seconded, and the motion passed unanimously.

Commissioner Wood noted he would be abstaining from Item 7 below.

7. Bay Bridge Texas LLC **(Lease Amendment)**

Bay Bridge Texas LLC, Contract #3754, wishes to expand its operation and seeks to amend the purpose clause of the lease agreement to state "Ship breaking and marine service yard; laydown yard for loading and unloading; storage of construction related equipment, materials, and aggregates (non-hazardous dry bulk products); and the transferring of aggregates from vessels, railcars, and trucks to vessels, railcars, and trucks." For purposes of clarity, the Lessee would not be authorized to transload or transfer any other products, including, but not limited to, flammable materials, lubricants, or petrochemicals on the premises. Commissioner Lopez moved to table this item for discussion in executive session, Commissioner Wood seconded, and the motion passed 3-0 with Commissioner Wood abstaining.

8. Tameme Inc. **(New Lease)**

Tameme Inc. is interested in leasing 8.675 acres located adjacent to 905/BMW off Boxcar Road. The purpose of the lease is for transloading of steel and aggregates, including sand, gravel, and limestone from the railroad to trucks. For purposes of clarity, the Lessee will not be authorized to transload any other products, including, but not limited to, flammable materials, lubricants, or petrochemicals on the premises. The term is for one year with four renewal options of one year each. Commissioner Lopez moved to approve the new lease, Commissioner Wood seconded, and the motion passed unanimously.

10. Consideration and ACTION to authorize Staff to advertise and solicit for proposals for the District's property and liability insurance program.

Mrs. Recio addressed the Board on BND Staff working with District's insurance consultant, Susan Gola of McGriff, in putting together the specifications for the District's property and liability insurance program. These proposals are usually solicited by direct contact from the District's consultant to the market, however, the District is required to advertise in the local newspaper as well. The District's current coverages are due to expire on June 1, 2024. Commissioner Lopez moved to authorize Staff to advertise and solicit for proposals for the District's property and liability insurance program, Commissioner Reed seconded, and the motion passed unanimously. Commissioner Reed asked staff to make sure the opportunity to submit a proposal is shared broadly.

11. Consideration and ACTION on proposals received for Janitorial Services for Port of Brownsville buildings.

Mrs. Recio addressed the Board on the District's current contracted cleaning services for the harbormaster's office, command center, and overweight permit office three days out of the week. Recognizing the need for service expansion, a request for proposals was issued to extend cleaning services to additional facilities, including the wastewater treatment office, crane office, guard houses, and restrooms located at the docks and sheds. This request was made for a weekly service for a term of one year, with an option to renew for three one-year terms, subject to increase in price. This request was posted on the District's website and Bidnet. In response to this request, District received five proposals by the submission deadline. Each proposal was evaluated by the evaluation committee, considering factors such as cost, experience, and adherence to specifications outlined in the request for proposals. After careful review, the evaluation committee recommends the contracting of M&R Elite Janitorial to provide cleaning services for the Port of Brownsville Buildings in the yearly amount of \$64,500.00. Commissioner Lopez moved to approve service agreement for janitorial services to M&R Elite Janitorial, Commissioner Reed seconded, and the motion passed unanimously.

12. Consideration and ACTION to ratify extension of excavator rental agreement, pursuant to BuyBoard contract #685-22.

Mr. Herrera addressed the Board on BND Staff requesting Board Ratification for the extension of the excavator rental from Nueces Power Equipment with BuyBoard contract #685-22, for two (2) additional months at a cost of \$4,950.00 per month. The additional 2-month rental increases the total rental cost to \$30,200.00, including the \$500 delivery and pickup charge. Commissioner Lopez moved to ratify authorization for BND Staff to extend the excavator rental for two additional months, Commissioner Reed seconded, and the motion passed unanimously.

13. Consideration and ACTION to authorize BND Staff to proceed with the rental of a Bulldozer for the continued development of the 118-acre Industrial Park, pursuant to BuyBoard contract #685-22.

Mr. Herrera addressed the Board on BND Staff requesting Board of Commission to authorize Staff the rental of a D-8 or equivalent Bulldozer for the continued development of the 118-acre Industrial Park. Staff requested and received a quote from Nueces Power Equipment ("NPE") with BuyBoard contract #685-22 for a total monthly rate of \$10,800.00, with a one time \$300 drop off and \$300 pickup charge. The rental of this equipment would be for a period of three to six months, for a

maximum cost of \$65,400.00. Commissioner Reed moved to approve the rental of a D-8 or equivalent Bulldozer as presented, Commissioner Lopez seconded, and the motion passed unanimously.

14. Consideration and ACTION to authorize BND Staff to Purchase TX5 Tensar Geo Grid (Sole Source Item) from Vendor Geo Solutions Inc.

Mr. Herrera addressed the Board on BND Staff seeking authorization to purchase Tensar TX5 Geo Grid (sole source item) from Geo Solutions Inc. The purchase will be made for 145 rolls at a cost of \$1,568.57 per roll. The total cost for this purchase would be \$227,442.65. This material will be used on several projects throughout the Port, which includes continued expansion of patio, maintenance of patios, and replenishment of stock. Commissioner Wood moved to authorize BND Staff to Purchase TX5 Tensar Geo Grid (Sole Source Item) from Vendor Geo Solutions Inc. as presented, Commissioner Reed seconded, and the motion passed unanimously.

15. Consideration and ACTION to award annual contract for the Disposal of oily water from the Fishing Harbor Sewer Treatment Plant.

Mr. Herrera addressed the Board that on February 21, 2024, BND Commission authorized BND Staff to advertise for bids for the disposal of oily water from the Fishing Harbor Sewer Treatment Plant. BND Staff sought services for disposal of oily water for a term of one year with three renewal options, upon the same terms and conditions, and no increase in unit price. BND Staff received and opened one bid on March 6, 2024 from JE Rentals d/b/a Environmental Solutions for a yearly contract price of \$0.39 per gallon, with a minimum of 4,500 gal/trip. Commissioner Lopez moved to award the annual contract to JR Rentals d/b/a Environmental Evolutions as presented, Commissioner Reed seconded, and the motion passed unanimously.

16. Consideration and ACTION to authorize BND Staff to award Bid for the purchase of Drainage Material for the 118-acre Industrial Park project.

Mr. Herrera addressed the Board that on April 19, 2023, BND Commissioners authorized BND Staff to proceed with the development of the 118 acre Industrial Park and to Solicit bid for the purchase of material required for construction. BND Staff advertised on the BND's website, Bidnet, and the local newspaper for drainage materials required. On March 5, 2024, BND Staff received and opened three bids with CAPA who had the lowest bid of \$340,105.00. Commissioner Lopez moved to authorize BND Staff to award the Bid to CAPA as presented, Commissioner Reed seconded, and the motion passed unanimously.

17. Consideration and ACTION on Resolution authorizing the Interim Port Director and CEO and the Deputy Port Director to submit applications for rezoning to the City of Brownsville and designing both as signatories for any documents thereby required.

Mr. Chavez addressed the Board that BND has acquired fee simple ownership on tracts of land in the areas in and around the proximity of the Brownsville Ship Channel. One of those properties is a tract or parcel of land located at the Southwest corner of the intersection of Texas State Highway No. 511 and the Westerly extension of Capt. Donald Foust Road, which is leased to CHCL Enterprises ("CHCL"). The CHCL land lies within the corporate limits of the City of Brownsville and is subject to City rules and regulations. The land was apparently annexed into the City of Brownsville prior to acquisition by the BND on April 29, 2003. The BND leases properties to tenants for industrial type land use; however, properties are classified for dwelling use upon annexation, therefore, the CHCL leased parcel must be rezoned from its current dwelling

classification to an industrial classification. Commissioner Wood moved to authorize Mr. William Dietrich, Interim Port Director and CEO, and Mr. Arturo Gomez, Deputy Port Director, to submit application for rezoning to the City of Brownsville, and designate both as signatories for any documents thereby requested, Commissioner Lopez seconded, and the motion passed unanimously.

18. Consideration and ACTION on award to bids received for the Port Business Park Concrete Pavement project, and to authorize staff to issue the Notice of Award to the successful bidder.

Mr. Chavez addressed the Board that on February 7, 2024, BND Commissioners authorized BND Staff to advertise to solicit bids on the Port Business Park Concrete Pavement project, for the purpose of furnishing and installing 12 inches of concrete pavement with curb and gutter for the 118-Acre Port Business Park Roads, as per plan developed by BND engineering staff. On March 5, 2024, BND staff received and opened four bids. IOC Company, LLC was the lowest, responsive, and responsible bidder with a base bid of \$4,800,342.40 to furnish and install 12 inches of concrete pavement with curb and gutter for the 118-acre Industrial Park Road. The bid includes provision for possible concrete volume over-runs. Commissioner Lopez moved to the bid for the Port Business Park Concrete Pavement project to IOC Company, LLC and for BND Staff to issue the Notice of Award, Commissioner Reed seconded, and the motion passed unanimously.

19. Consideration and ACTION on Amendment to original proposal from EarthCo, L.L.C. for construction materials engineering testing services for the 2023 Ostos Road Pavement Rehabilitation project.

Mr. Chavez addressed the Board that on February 1, 2023, BND Commissioners approved the proposal from EarthCo LLC, (“EarthCo”) to perform construction materials engineering testing for the 2023 Ostos Road Pavement Rehabilitation, and BND Staff issued purchased order number 80853 for that work in the amount of \$37,353.00. The project required additional testing which was performed by EarthCo as they were called EarthCo, therefore, has requested an amendment to their proposal for material testing services on the amount of \$20,291.00 due to additional of work required for this project, for a new total amount of \$57,644.00. Commissioner Lopez moved to approve amendment to the Purchase Order, Commissioner Reed seconded, and the motion passed unanimously.

20. Consideration and ACTION on Change Order No. 2 to contract with RLB Contracting, Inc. on the 2022 Placement Areas 5B, 7 & 8 Improvements project, providing for additional truck transportation of material from Placement Area 7 to Placement Area 5B.

Mr. Chavez addressed the Board that on February 1, 2023, BND Commissioners awarded RLB Contracting, Inc. (“RLB”) contract #4635 for the 2022-Placement Areas 5B, 7 & 8 Improvements project in the amount of \$13,613,000.00, as needed for the BIH Channel Deepening project. On February 7, 2024, BND Commissioners approved Change Order No. 1 in the amount of \$800,000.00 for truck transportation of dry levee raising material from DMPA 7 to 5B to accelerate the time of completion of said DMPA 5B. This allows the U.S. Army Corps of Engineers (USACE) to advertise for bids on Segment “B” of the BIH Deepening project, however, USACE also has an active maintenance dredging contract that will begin placing material in DMPA 5B on March 22, 2024, which will require additional truck trips from DMPA 7. RLB is asking for Change Order No. 2 to increase the number of truck trips by 4,500 for an amount of \$360,000.00, which would

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bring the total contract amount to \$14,773,000.00. As with the previous Change Order, USACE has indicated that these additional expenses will be considered Work-in-Kind and will be credited to BND as part of BND's Work-in-Kind participation in the project. Commissioner Reed moved to approve Change Order No. 2, Commissioner Wood seconded, and the motion passed unanimously.

21. 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 deliberate the purchase, exchange, lease, or value of real property; 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).

At 6:35 p.m. the Chairman announced the Board would adjourn into executive session. Commissioner Lopez moved to adjourn into executive session, Commissioner Reed seconded, and the motion passed unanimously.

Commissioner Wood left the meeting during executive session and did not return.

The Chairman then announced that the time was 7:31 p.m. and that the Board had reconvened in open session.

22. Possible ACTION on matters or items discussed in Executive Session.

There was none.


23. Adjournment.

Commissioner Reed moved to adjourn the meeting, Commissioner Lopez seconded, and the meeting was adjourned by unanimous consent at 7:30 p.m.

ATTEST



John Wood, Secretary



Esteban Guerra
Chairman of the Board