

**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  
JULY 3, 2024 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, July 3, 2024 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  
Ernesto Gutierrez

**ABSENT:** None

**ALSO PRESENT:** William Dietrich, Interim Port Director and CEO  
William Irwin, District Counsel

**STAFF MEMBERS:** Arturo Gomez  
Miguel Barajas  
Michael Davis  
Edgar Garcia  
Jorge Montero  
Margie Recio  
Tony Rodriguez  
Janie Velasquez  
Zeus Yanez

**OTHERS PRESENT:** Rev. Andreas Lewis  
Marisela Cortez  
Shariff Gonnella  
Jorge De La Colina  
Captain Gene Tuttle, Jr. and family  
Captain Jonathan Willett

**PILOT BOARD MEETING**

The Chairman called the Pilot Board Meeting to order at 5:37 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.

**1. Consideration and ACTION on commission Captain Gene R. Tuttle, Jr. as a Branch Pilot.**

Captains Willette and Tuttle addressed the Board. After discussion Commissioner Lopez moved to commission Captain Gene R. Tuttle, Jr. as a Branch Pilot, Commissioner Reed seconded, and the motion passed unanimously. The Board congratulated Captain Tuttle on his commissioning and Captain Tuttle addressed the Board thanking his family for their support and the Board for the opportunity.

There being no further business before the Pilot Board, the Chairman announced that the meeting would be closed at 5:40 p.m.

**REGULAR MEETING**

**1. Meeting Called to Order.**

Chairman Guerra announced that the Board would move to the Regular Meeting agenda at 5:40 p.m.

**2. Public Audience**

No person registered to address the Board.

**3. REPORTS**

- a. The Board received the directors reports.
- b. Mr. Yanez made the Port Monthly Operations Summary Report. Brief discussion followed.

Prior to consideration of the Consent Agenda, Mr. Dietrich asked that Item 5 be tabled. Commissioner Lopez so moved, Commissioner Reed seconded, and the motion passed unanimously.

**CONSENT AGENDA**

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

- a. Approval of the Minutes of the Regular Board Meeting of June 19, 2024.
- b. Approval to authorize payments over \$25,000.00:
  - 1. Chemical Response & Remediation contractors, Inc., the amount of \$113,002.91, for phase 2 of the tanker fire spill and remediation response;
  - 2. Fidis Logistics Solutions, LLC, the amount of \$36,279.45, for removal and replacement of the flooring – BND Police Department Building;
  - 3. HDR Engineering Inc., the amount of \$49,527.43, for PA8 – Study Design Project; Channel Deepening Project – Construction Phase Support;
  - 4. Menard Industries, LLC, the amount of \$164,457.00, for railroad crossing materials – Foust Road, Bill Reed Road and Windhaus Road;

5. RLB Contracting, Inc., the amount of \$191,259.90 for the 2022 Placement Areas 5B, 7 & 8 Improvements.
6. R.M. Walsdorf, Inc., the amount of \$298,838,25, for BND Cargo Docks 15 & 16 Concrete Pavement Project.

Discussion followed regarding status of reimbursement on Item 4b1. Ms. Recio addressed the Board.

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

### **ACTION ITEMS**

- 5. Consideration and ACTION on approval of an amendment to the Project Partnership Agreement for the Brazos Island Harbor (BIH) Channel Improvement Project.**

This item was tabled.

- 6. Consideration and ACTION on Leases, Assignments, Negotiations, Easements, Subleases, and Contracts in general.**

Mr. Dietrich addressed the Board regarding the following Items:

Items 6(1) and 6(2) were considered together.

- 1. Bluewing One, LLC (Amendment to Lease)**

The current lease agreement for the 6.235-acre site located at 10500 Old S.H. 48 with Bluewing One, LLC (Contract #3840) provides for a primary term of five years that commenced on October 24, 2011, with two renewal terms of five years each expiring in October 2026. Bluewing One, LLC is seeking an amendment to its current lease to add three renewal terms of five years each. The purpose is for a tank farm to receive, store and deliver crude oil, condensate, and other petroleum-based and liquid hydrocarbon products.

- 2. Bluewing Royal, LLC (Amendment to Lease)**

The current lease agreement for the 9.62-acre site located at 1005 N. Anchor Road with Bluewing Royal, LLC (Contract #3218) provides for a primary term of ten years that commenced on December 1, 2000, with five renewal terms of five years each, expiring in November 2035. Bluewing Royal, LLC is seeking an amendment to its current lease to add three renewal terms of five years each as they would like to enter into long-term tank agreements with their customers, but they don't feel that the remaining 10+ years in their current lease is sufficient to do so. This amendment would reflect the increase in the number of options to renew from five additional terms of five years each to eight additional terms of five years each. The purpose is for a liquid terminal for petroleum-related products.

Commissioner Lopez moved to approve each amendment to lease, but only to add two additional five year renewal terms to each lease, not the three additional five year renewal terms requested by the Lessees, Commissioner Reed seconded, and the motion passed unanimously.

**3. CSC Sugar LLC (Authority to Negotiate a New Lease)**

CSC Sugar LLC seeks a new lease for 102,000 SF of warehouse space (Shed 15-West) for a one-year term effective October 2023 that will expire on September 30, 2024. The company has been occupying the warehouse under a term sheet that expired in September 2023. The purpose is for storage, staging, preparation, and delivery of sugar. Discussion followed regarding the need for Lessee to make other arrangements for storage of their cargo beginning in September. Commissioner Lopez moved to approve the new lease, Commissioner Reed seconded, and the motion passed unanimously.

**7. Consideration and ACTION to approve First Amendment to Right of Entry Agreement with Space Exploration Technologies (“SpaceX”) to move heavy loads through the South Port Connector Road.**

Mr. Dietrich addressed the Board that on May 7, 2024, BND Commission approved a Right of Entry Agreement (“ROE”) with SpaceX for the purpose of transporting five separate loads of heavy equipment and materials, specifically components of the Starship launch tower transport, using tractor/trailer equipment of at least twenty-four axles. SpaceX has completed the transport of five separate loads of heavy equipment and materials and has completed the post-transport of five required under the ROE. SpaceX has represented to the District that there are only five remaining transports relating to the Starship launch tower that require transportation across the property and that in the future the heavy tower components will be constructed at Starbase and therefore will not cross the Port Connector Road. Discussion followed with legal counsel regarding the terms of the amendment and regarding SpaceX’s disagreement with the Port’s request for a bond or other security given that SpaceX no longer has plans to move additional tower components across the Port Connector Road beyond the five proposed movements under this amendment to the ROE. Ms. Cortez, of SpaceX, also addressed the Board. After discussion, Commissioner Lopez moved to approve the First Amendment of the ROE as presented, Commissioner Wood seconded, and the motion passed by a vote of 4-1, with Commissioner Reed voting Nay.

**8. Consideration and ACTION to authorize BND Staff to purchase one electrical cable and installation parts for GHMK 6507 Model 6 cranes.**

Mr. Dietrich addressed the Board that the harbormaster office requires permission to purchase one electrical cable and installation parts to prevent any crane delays due to damaged electrical cable. This item qualifies as a sole source under section 60.412 as it is for captive replacement parts or components for equipment. Commissioner Lopez moved to authorize BND Staff to purchase one electrical cable and installation parts in the amount of \$32,299.49, Commissioner Wood seconded, and the motion passed unanimously.

Chairman Guerra announced that he would be abstaining from consideration and voting on Item 9.

**9. Consideration and ACTION on proposal by Terracon Consulting Inc. for Construction Material Engineering Testing service for the Railroad Concrete Approaches for Foust, Bill Reed and Windhaus Roads project.**

Mr. Dietrich addressed the Board that on June 19, 2024, BND Commissioners authorized BND staff to issue a Notice to Award to lowest bidder A&I Custom Manufacturing, LLC on the Railroad Concrete Approaches for Foust, Bill Reed, and Windhaus Roads project which consists of 5 railroad concrete crossing approaches. Material testing is required to assure the quality of the concrete being poured on these approaches. The testing includes cylinders to determine resistance to compression strength, slump tests to determine proper water-cement ratio for the concrete, and earthwork densities to verify proper compaction. Terracon Consulting Inc. has submitted a proposal for Construction Materials Engineering Testing in the amount of \$31,964.00. Commissioner Reed moved to accept the proposal, Commissioner Lopez seconded, and the motion passed by a vote of 4-0, with Chairman Guerra abstaining.

**10. Consideration and ACTION on Change Order No. 1 to the Cargo Dock #10 Maintenance Dredging project, deleting unused dredging quantities, accepting work performed by Inland Dredging Company, LLC, and authorize final payment of \$242,251.55, which includes all completed work.**

Mr. Dietrich addressed the Board that on May 15, 2024, BND Commissioners awarded the contract for the Cargo Dock #10 Maintenance Dredging project to Inland Dredging Company LLC (“Inland”), working under contract #4727 on the Cargo Dock #11 Maintenance Dredging project in the amount of \$407,000.00. Inland dredged as deep as they could but ran into hard material, which their equipment was not able to remove. BND Staff has prepared Change Order #1 in the amount of (\$164,748.45) to delete the material not removed from its contract. This change order includes no other bid item adjustment or modification of quantities. The new contract amount will be \$242,251.55, which includes all completed work. Commissioner Lopez moved to approve Change Order No. 1, Commissioner Reed seconded, and the motion passed unanimously.

**11. Consideration and ACTION on award of the Culvert Repairs at Ditch Crossing by Cargo Dock 16 Entrance project to the Southern Trenchless Solutions under the BuyBoard in the amount of \$1,413,275.00 and to authorize staff to issue the Purchase Order and/or any other pertinent documents to the vendor.**

Mr. Dietrich addressed the Board that there have been issues, such as cave-ins and loss of Ballast and Base material under the Rail and Road in the area just East of the Cargo Dock 16 Entrance. This appears to be the result of damages to the culverts that cross under R.L. Ostos Road and the Railroad that parallels it on the North. Southern Trenchless Solutions have submitted a proposal under BuyBoard #730-24 to perform the culvert repairs to the Ditch Crossing Culverts by the Cargo Dock 16 Entrance project in the amount of \$1,413,275.00. BND Staff have met with Southern Trenchless staff and have cleared questions BND had on the matter of execution of the work, including submittals of materials, schedules, and all related and pertinent documents, as well as possible concerns BND had on the project. Discussion followed regarding the cause of these issues. Chairman Guerra noted that he wished to see BRG participate in the costs of these repairs given that the issues are caused in large part by rail traffic. Commissioner Reed moved to accept the proposal, Commissioner Lopez seconded, and the motion passed by a vote of 3-2, with Chairman Guerra and Commissioner Gutierrez each voting Nay.

**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 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).**

There was none.


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

There was none.

**14. Adjournment.**

Commissioner Lopez moved to adjourn the meeting, Commissioner Reed seconded, and the meeting was adjourned by unanimous consent at 6:36 p.m.

**ATTEST**



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John Reed, Secretary



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Esteban Guerra  
Chairman of the Board