

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD OCTOBER 23, 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 of the board on **Wednesday, October 23, 2024 at 5:30 p.m.**

The following individuals were present and absent:

PRESENT: Sergio Tito Lopez, Vice Chairman
John Reed
John Wood
Ernesto Gutierrez

ABSENT: Esteban Guerra

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

STAFF MEMBERS: Arturo Gomez
Carlos Martinez
Julio Romo
Miguel Barajas
Jose Herrera
Ariel Chavez
Margie Recio
Janie Velasquez
Zeus Yanez
Jorge Montero
Yessenia Gonzalez
Tony Rodriguez

OTHERS PRESENT: Rev. Andreas Lewis
Sean Strawbridge
Carlos Rubinstein
Eric Powell
Steve Perez
Teresa Saldivar
Nico Schaefer
Rick Stephanow

REGULAR MEETING

1. Meeting Called To Order

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The Vice Chairman called the meeting to order at 5:31 p.m. Reverend Lewis offered a prayer. The Vice 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.

Mr. Dietrich asked that Items 6(3) and 7 be tabled. Commissioner Reed moved to table Items 6(3) and 7, Commissioner Gutierrez seconded, and the motion passed unanimously.

3. Port Monthly Operations Summary

Mr. Yanez addressed the monthly operations summary to the Board.

CONSENT AGENDA

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

- a. Approval of the Minutes of the Regular Board Meeting of October 2, 2024;
- b. Approval to authorize payments over \$25,000.00:
 1. A&I Custom Manufacturing, LLC, the amount of \$99,741.60, for railroad concrete approaches for Foust, Bill Reed, and Windhaus Roads;
 2. IOC Company LLC, the amount of \$101,250.00, for business park concrete pavement project;
 3. RLB Contracting, Inc., the amount of \$189,531.00, for 2022 Placement Areas 5B, 7, & 8 improvements project;
 4. R.M. Walsdorf, Inc., the amount of \$389,427.21, for docks 15 and 16 concrete pavement project.

Commissioner Reed moved to approve all Consent Agenda Items, Commissioner Wood seconded, and the motion passed unanimously.

INFORMATION

5. Presentation of District's Investment Report for the quarter ended September 30, 2024.

Mr. Yanez made the presentation to the Board. Brief discussion followed.

ACTION ITEMS

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

Mrs. Velazquez addressed the Board regarding the following Items:

1. Ternium USA, Inc. (**First Amendment – Option to Lease**)

On July 5, 2023, Ternium USA, Inc. entered into an Option to Lease agreement for approximately 166.63 acres, with an initial term of one year set to expire on July 4, 2024. On July 2, 2024,

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Ternium USA, Inc. notified the district of its intent to exercise its option to lease and commence a 100-day negotiation period. In response, the District provided a proposed lease agreement, but Ternium USA, Inc. indicated that it would not be ready to finalize the lease before the end of the negotiation period on October 10, 2024. Ternium USA, Inc. subsequently requested to withdraw its notice of exercising the option and sought an extension of the Option Agreement for an additional six months, beginning July 5, 2024, and ending on January 4, 2025. This extension would allow Ternium USA, Inc. additional time to make the necessary preparations to enter into the lease agreement. The First Amendment to the Option to Lease now extends the initial term to one year and six months, beginning July 5, 2023, and expiring on January 4, 2025. Ternium USA, Inc. also has the option to further extend the term for an additional six months, from January 5, 2025, to July 4, 2025, by providing notice and paying a second option fee of \$58,570.45.

Commissioner Reed moved to approve the First Amendment to Option to Lease for Ternium USA, Inc., but with a revision to provide that there will be no option to extend the term of the option lease for an additional six months beginning January 5, 2025, Commissioner Gutierrez seconded, and the motion passed unanimously.

2. Gulf Stream Marine, Inc. (Lease Amendment)

Gulf Stream Marine, Inc., a current lessee, under BND Contract #4625, seeks to amend their lease to add 1.26 acres increasing their leased premises to a total of 5.71 acres located at 901 S. Windhaus Road. The annual rent and security deposit required under the lease will be amended to reflect the current lease rental rates.

Commissioner Reed moved to approve the Lease Amendment for Gulf Stream Marine, Inc., Commissioner Wood seconded, and the motion passed unanimously.

3. Espinoza Manufacturing Solutions, LLC (Lease Amendment)

This item was tabled.

4. IOC Company, LLC (Release/Termination of Lease)

IOC Company, L.L.C. is seeking a Release/Termination of Lease of BND contract #4672, effective as of September 30, 2024. The site to be released is for 3.907 acres located at 3060 Fisherman's Place Road at the Fishing Harbor.

Commissioner Reed moved to approve the Release/Termination of Lease for IOC Company, L.L.C, Commissioner Wood seconded, and the motion passed unanimously.

5. Gulf Stream Marine, Inc. (New Lease -- Patio 20)

Gulf Stream Marine, Inc., a current lessee, is seeking a new lease for 15.56 acres located at Patio 20. The proposed lease would be for an initial term of ten years with two renewal options of five years each. The purpose of the lease is for the storage and loading of bulk cargo.

Commissioner Wood moved to approve the New Lease for Gulf Stream Marine, Inc., Commissioner Reed seconded, and the motion passed unanimously.

6. Gulf Stream Marine, Inc. **(New Lease & Guaranty of Development Fees – Patio 22)**

Gulf Stream Marine, Inc., a current lessee, is seeking a new lease for 19.95 acres located on Patio 22. The proposed lease would be for an initial term of ten years with two renewal options of five years each. The purpose of this lease is to use the space for the storage of cargo belonging to Ternium (or Ternium's affiliates, clients, and/or suppliers). As part of the lease agreement, Gulf Stream Marine, Inc. and the District will also enter into a "Guaranty of Development Fee Agreement." This agreement stipulates that the District will be responsible for developing the leased premises for the lessee's intended use (i.e., storage of cargo). In exchange, Gulf Stream Marine, Inc. will pay the District \$6,000,000 as a development fee.

Commissioner Reed moved to approve the New Lease and Guaranty of Development Fee Agreement for Gulf Stream Marine, Inc, Commissioner Wood seconded, and the motion passed unanimously.

7. Motor Vessel Challenge 42 Inc. **(New Lease)**

This new lease to Motor Vessel Challenge 42 Inc. will replace BND Contract #4008 for the 0.689-acre site located at 1675 Angler's Place Rd. The term would be for 1 year with 4 renewal options of 1 year each. Purpose clause: Shrimp Operations (unloading & boat tie-up of shrimp/seafood vessels); Boat Repairs/Boat Maintenance (Personal Boats).

Commissioner Gutierrez moved to approve the New Lease for Motor Vessel Challenge 42 Inc, Commissioner Wood seconded, and the motion passed unanimously.

BIDS/AGREEMENTS/PURCHASES

7. **Consideration and ACTION approving a Letter of Intent between the Brownsville Navigation District and South Texas Infrastructure & Development Group, LP (STIDG) for the preparation of an Infrastructure Planning, Development, Financing and Economic Development Plan.**

Mr. Dietrich addressed the Board that South Texas Infrastructure & Development Group, LP ("STIDG") approached the Port with interest in preparing an Infrastructure Planning, Development, Financing and Economic Development Plan (the "Program"). The Letter of Intent ("LOI") shall be effective for a term of 18 months from the date of final execution of the LOI, subject to earlier termination at any time by mutual agreement of the parties. Furthermore, after sixty days have elapsed following the Effective Date, BND or STIDG may terminate the LOI in either party's sole discretion upon thirty days written notice to the other party.

Item 7 was tabled for discussion in executive session.

8. **Consideration and ACTION to authorize Port Staff to proceed with the purchase of a bulldozer for continued work required for Port of Brownsville, pursuant to Sourcewell Coop contract #011723-JDC.**

Mr. Herrera addressed the Board that the Port of Brownsville Staff requested and received quotes

from multiple vendors which were reviewed and compared by Staff. Vendor Doggett Sourcewell Coop, Contract #011723-JDC, submitted a quote for a total price of \$531,851.68 with a time of delivery of 120 days; and Vendor Holt CAT with Buyboard 685-22 submitted a quote for a total price of \$555,291.00 with 10 days' time of delivery. Discussion followed regarding the terms of the lease for the bulldozer currently used and terms of the quotes received for the John Deere and CAT equipment. Given the shorter lead time for the CAT equipment and in consideration of the cost to continue renting a bulldozer, Commissioner Gutierrez expressed a desire to purchase the CAT Equipment subject to confirmation that the 10-day delivery date.

Commissioner Gutierrez moved to authorize the purchase of the CAT bulldozer for the price of \$555,291.00, subject to confirmation of the 10-day deliver date, Commissioner Reed seconded, and the motion passed unanimously.

9. Consideration and ACTION to Authorize Port Staff to proceed with the purchase of an Excavator for continued work required for Port of Brownsville, pursuant to Sourcewell Coop contract #011723-JDC.

Mr. Herrera addressed the Board that the Port of Brownsville Staff requested and received quotes from multiple vendors which were reviewed and compared by Staff. Vendor Doggett Sourcewell Coop, contract #011723-JDC, submitted a quote for a total price of \$467,896.53 with a time of delivery of 90 days; and Vendor Holt CAT with Buyboard 685-22 submitted a quote for a total price of \$507,846.59 with 10 days' time of delivery.

Commissioner Gutierrez moved to authorize Staff to proceed with the purchase of the John Deere Excavator from Vendor Doggett Sourcewell Coop contract #011723-JDC for the quoted price of \$467,896.53, Commissioner Reed seconded, and the motion passed unanimously.

10. Consideration and ACTION to authorize Port Staff to advertise for Bids for Boring Services and material necessary to complete the Loma Alta waterline repairs project.

Mr. Herrera addressed the Board that Staff is requesting authorization to advertise to solicit Bids for Boring Services and materials necessary to complete the Loma Alta waterline repairs project.

Commissioner Reed moved to authorize staff to solicit Bids for Boring Services and any material necessary to complete the project at the Loma Alta site and allocate funds for this project., Commissioner Wood seconded, and the motion passed unanimously.

11. Consideration and ACTION on Change Order No. 1 to the Ostos Road Striping and Signage project adding end treatments and deleting guard rails and posts, to Accept Work performed by Valley Striping Corp. and to authorize final payment of \$21,121.98, including all completed work.

Mr. Chavez addressed the Board that on September 30, 2024, Valley Striping Corp., working under contract 4726, achieved completion of the Ostos Road Striping and Signage project on Ostos Road and Docks 10, 11, and 13 entrances. Change Order No. 1 to this contract accounts for the addition of some end treatments and the deletion of some guard rails and posts. Contractor is requesting an adjustment to the contract time due to weather conditions as well as unanticipated delays on delivery of guardrails and proper appurtenances for installation. Valley Striping Corp. is requesting

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the acceptance of the work completed, release of final payment and close-out of the contract. Mr. Chavez noted that Foremost Paving has agreed to address striping that may need to be corrected following correction of issues on Ostos Road.

Commissioner Gutierrez moved to approve Change Order No. 1 to the Ostos Road Striping and Signage contract with Valley Striping Corp. decreasing the current \$126,529.84 contract amount by \$2,202.26, for a new contract amount of \$124,327.58 and increasing the contract time to 140 calendar days, and accept the project as complete, authorizing release of final payment of \$21,121.98, which includes all completed work, Commissioner Wood seconded, and the motion passed unanimously.

12. Consideration and ACTION an Amendment to EarthCo. LLC's purchase order for construction materials engineering testing for Docks 15 & 16 and Fousr and Bill Reed road intersection concrete pavement.

Mr. Chavez addressed the Board that on April 17, 2024, BND Commissioners accepted a proposal from EarthCo., L.L.C. for Construction Material Engineering Testing Services for the Cargo Docks 15 & 16 Concrete Pavement project in the amount of \$28,627.00. On September 18, 2024, staff received a memo from Earth Co. stating a miscalculation on the fee amount in their proposal, requesting an increase on the purchase order in the amount of \$41,321.00. Also, due to Change Order #1 to the Cargo Docks 15 & 16 Concrete Pavement contract recently approved by BND Commissioners, EarthCo. is requesting an additional \$24,981.00 to perform the material testing for the new concrete pavement at the intersection of Foust Road and Bill Reed Road. The total amendment to the Purchase Order will be in the amount of \$66,302.00, bringing the final Purchase Order amount to \$94,929.00. Discussion followed regarding the miscalculation of the fee in the original proposal. Commissioner Reed asked staff to visit with EarthCo. about the requested amendment to the purchase order to ensure that the new calculations are correct and that the additional fee requested is reasonable considering EarthCo.'s mistake.

Commissioner Reed moved to table this Item, Commissioner Gutierrez seconded, and the motion passed unanimously.

13. 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).

The Vice Chairman then announced that the time was 6:21 p.m., and that the Board would adjourn into executive session. Commissioner Reed moved to adjourn into executive session, Commissioner Gutierrez seconded, and the motion passed unanimously.

At 6:56 p.m. the Vice Chairman announced that the Board had reconvened in open session.

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

The Vice Chairman then recalled Item 7.

Commissioner Reed moved to approve the Letter of Intent between the Brownsville Navigation District and South Texas Infrastructure & Development Group, LP (STIDG) for the preparation of an Infrastructure Planning, Development, Financing and Economic Development Plan as presented, Commissioner Wood seconded, and the motion passed unanimously.

15. Adjournment.

Commissioner Reed moved to adjourn the meeting, Commissioner Wood seconded, and the meeting was adjourned by unanimous consent at 6:57 p.m.



Esteban Guerra
Chairman of the Board

ATTEST



John Reed, Secretary