

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD DECEMBER 4, 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, December 4, 2024 at 5:30 p.m.**

The following individuals were present and absent:

PRESENT: Esteban Guerra
Sergio Tito Lopez
John Reed
John Wood
Ernesto Gutierrez

ABSENT: None

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

STAFF MEMBERS: Arturo Gomez
Julio Romo
Miguel Barajas
Jose Herrera
Jorge Montero
Margie Recio
Janie Velasquez
Zeus Yanez
Yessenia Gonzalez
Ariel Chavez
Michael Davis

OTHERS PRESENT: Rev. Andreas Lewis
Shariff Gonnella
Judge Laura Betancourt
Al Perez
Linda Perez
Robert Daniels
Ruben Lopez
Rick Stephanow
Mark Hodgson

REGULAR MEETING

1. Meeting Called To Order

The Chairman called the meeting to order at 5:31 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

There was none.

3. Director's Report

Commissioner Reed asked Mr. Romo for a report on R.E.A.L. (Rewarding Education, Attitude, and Leadership) Mission Program event. Mr. Romo addressed 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 November 20, 2024;
- b. Approval to authorize payments over \$25,000.00:
 1. R.M. Walsdorf, the amount of \$198,092.79, for Docks 15 & 16 Concrete Pavement project; and
 2. White Cap, LP, the amount of \$30,710.00, for material (smooth dowels) needed to continue with the Business Hub project.

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

ACTION ITEMS

5. Consideration and ACTION on re-scheduling the Regular Board Meetings of January 1 and January 15, 2025.

Mr. Dietrich addressed the Board and noted that the first regularly scheduled meeting of 2025 falls on January 1st and the second regularly scheduled meeting falls on January 15th. Due to the January 1, 2025 Holiday, staff requested that the BND Commission consider changing the meeting dates to January 8th and January 22nd. Commissioner Reed moved to re-schedule the Regular Board Meetings of January 1st and 15th to January 8th and January 22, 2025, Commissioner Wood seconded, and the motion passed unanimously.

6. Consideration and ACTION on amending Tariff Number 6, by adding new Item 432 – Dredge Material Placement Area Permit.

Mr. Dietrich addressed the Board requesting approval of a new tariff item to formalize the use of Port-owned Dredged Material Placement Areas (DMPAs) by third parties undertaking dredging projects. Parties proposing to use Port-Owned DMPA's must submit a Dredged Material Placement Application to the District's Engineering Department. Applications will be processed concurrently

with the applicant's U.S. Army Corps of Engineers permit application. This item has been reviewed by the Policy Committee and Legal Counsel. Commissioner Reed moved to authorize the amendment of the Port of Brownsville Tariff No. 6 to adopt Tariff Item 432 as proposed and to be effective January 4, 2025, Commissioner Gutierrez seconded, and the motion passed unanimously

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

Mr. Dietrich addressed the Board regarding the following Items:

1. Gonzalez Trawlers, Inc. (Termination/Release of Lease)

Gonzalez Trawlers, Inc. is seeking a Termination of Holdover tenancy and Release agreement of BND contract #3850. The lease agreement had a primary term of 5 years and one renewal option of 5 years that expired by its own terms on September 14, 2021. The lessee continued in possession of the leased premises as a holdover tenant on a month-to-month basis. The lessee wishes to terminate the holdover tenancy as of May 31, 2024. The site to be released is a 12,000 SF tract located at 1700 Bayou Court at the Fishing Harbor. Commissioner Reed moved to approve the Release/Termination of Lease for Gonzalez Trawlers, Inc, Commissioner Gutierrez seconded, and the motion passed unanimously.

2. Oil Patch Fuel & Supply, Inc. (New Lease)

This new lease to Oil Patch Fuel & Supply, Inc., will replace BND Contract #3960 for the 0.854-acre site located in the Fishing Harbor at 2115 Bayou Court. The lease term will be for one year with four one-year renewal options. The purpose is for fuel and oil distribution. Commissioner Reed moved to approve the New Lease for Oil Patch Fuel & Supply, Inc, Commissioner Wood seconded, and the motion passed unanimously.

3. Bluewing Royal LLC/Bluewing One LLC (Subordination Agreements)

Bluewing Royal, LLC / Bluewing One, LLC, a current lessee under BND contracts 3218, 3840, 4140, 4153, 4502, and 4732, is seeking the Board's consent to subordinate in favor of Candace Bank. Lessee is securing financing for its operations at their six leased premises at the Port and the agreements are required so that the lessee may close on the loan and receive the loan proceeds. Legal Counsel has reviewed the agreements and concurs that they are ready for consideration by the BND Commission. Commissioner Lopez asked for clarification on the use of the financing. Mr. Irwin addressed the Board regarding the financing and the terms of the agreements. Commissioner Wood moved to approve the subordination agreements in favor of Candace Bank under BND Contracts 3218, 3840, 4140, 4153, 4502, and 4732 for Bluewing Royal, LLC / Bluewing One, LLC, Commissioner Reed seconded, and the motion passed unanimously.

BIDS/AGREEMENTS/PURCHASES

8. Consideration and ACTION to approve selection and payment for the services provided by recommended medical, dental, vision, short term disability, long term disability, and life insurance for all BND employees.

Mr. Yanez addressed the Board that the District's insurance benefits for medical, dental, vision, life, short-term, and long-term disability are set to expire December 31, 2024. The Brownsville

Navigation District paid \$878,144 to Blue Cross Blue Shield for medical coverage in 2024, with a proposed 2025 cost of \$977,432 and a total of \$1,079,852 for ancillaries. A bundling package from Blue Cross Blue Shield offered \$38,361 in savings. However, staff recommends adjusting deductibles to \$2,000 for individual and \$6,000 for family and single-member contributions to \$50 per month, opting not to bundle, which would save \$137,649. Staff recommended awarding Blue Cross Blue Shield with the medical insurance with Higginbotham as broker of record. Additionally, staff proposes awarding Valley Risk Consulting for dental, vision, short and long term disability insurances, and GEF Financial Group for basic life, accidental death, and voluntary life insurances. Mr. Perez addressed the Board and discussion followed. Commissioner Reed moved to approve the proposed insurance coverage and associated payments for all BND employees for the 2025 plan year, Commissioner Gutierrez seconded, and the motion passed unanimously.

9. Consideration and ACTION to approve the Design of Industrial Park Entrance Signs and authorize staff to proceed with the procurement of material to construct signs.

Mr. Herrera addressed the Board that on April 19, 2023, the Board of Commissioners authorized the construction of a 118-ac. industrial park. BND Staff is seeking the approval of designs presented and authorization to procure materials to be utilized for the construction of the approved signs. Depending on which design is selected the estimated cost of the material for construction would be between \$55k and \$80k. Commissioner Reed moved to approve option 1 presented to the Board and to authorize staff to proceed with the procurement of material needed to construct signs, Commissioner Gutierrez seconded, and the motion passed unanimously.

As the suggestion of Mr. Dietrich, Chairman Guerra noted that Items 10-13 would be considered together.

10. Consideration and ACTION to approve Extensions of Contracts for the purchase and Delivery of Limestone for BND projects.

Mr. Herrera addressed the Board that on March 1, 2023, the Board of Commissioners authorized purchase agreements for the purchase and delivery of limestone. Purchase Agreements are due to expire December 31, 2024. Three vendors, Calixa Aggregates, LLC, TD America Limestone Products, and Vulcan Materials have supply agreements with the District and each agreement includes an option to renew for an additional year at the same terms and pricing. Staff recommended approval of the extension for each contract.

11. Consideration and ACTION to approve Extensions of Contract for the purchase of Testing & Lab Services for BND Wastewater Treatment Plants.

Mr. Herrera addressed the Board that on April 5, 2023, the Board of Commissioners authorized the purchase agreement for Testing and Lab Services. The agreement is due to expire on December 31, 2024. The vendor, SPL, has an agreement with the District that includes an option to renew for an additional year at the same terms and pricing.

12. Consideration and ACTION to approve Extensions of Contracts for the Hauling Services as needed.

Mr. Herrera addressed the Board that on March 1, 2023, the Board of Commissioners authorized purchase agreements for the purchase of Hauling Services. Purchasing Agreements are due to expire on December 31, 2024. Two vendors, J Molina Trucking, LLC and Rio Grande Hauling, have agreements with District that include an option to renew for an additional year at the same terms and pricing.

13. Consideration and ACTION to approve Extensions of Contract for the Purchase and Delivery of less than 12% Clay Sand.

Mr. Herrera addressed the Board that on March 1, 2023, the Board of Commissioners authorized a purchase agreement for the purchase and delivery of less than 12% clay sand. Purchase Agreement is due to expire December 31, 2024. The vendor, Olmito Sand Pit, has an agreement with the District that includes an option to renew for an additional year at the same terms and pricing.

Commissioner Wood asked about the procedures for testing the sand. Mr. Herrera addressed the Board and discussion followed. Commissioner Reed then moved to approve the one-year contract extensions as presented in Items 10-13, Commissioner Wood seconded, and the motion passed unanimously.

14. Consideration and ACTION on request to authorize Staff to purchase one set of maintenance parts package for Zollern multi-disk hoist brake & installation for GHMK 6507 Model 6 Crane from Kone Crane.

Mr. Davis addressed the Board that BND Staff is seeking authorization for purchasing and payment of one (1) set of maintenance parts package for the Zollern multi-disk hoist brake & installation from Kone Crane. These parts are needed to replace/repair the brake system on the Mobile Harbor Crane. This item qualifies as a Sole Source under section 60.412: it is for captive replacement parts or components for equipment. Commissioner Reed moved to authorize BND Staff to purchase (1) set of maintenance parts package for the Zollern multi-disk hoist brake from Kone Crane for GHMK 6507 Mobile Harbor Crane in total amount of \$38,371.00, plus freight and shipping charges which are determined at the time of shipping and authorize payment once the invoice is received, Commissioner Wood seconded, and the motion passed unanimously.

15. 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.

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

There was none.

17. Adjournment.

Commissioner Gutierrez moved to adjourn the meeting, Commissioner Reed seconded, and the meeting was adjourned by unanimous consent at 6:00 p.m.



Esteban Guerra
Chairman of the Board

ATTEST



John Reed, Secretary