

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND  
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF  
CAMERON COUNTY, TEXAS HELD FEBRUARY 05, 2025 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, February 05, 2025 at 5:30 p.m.**

The following individuals were present and absent:

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

**ABSENT:** None

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

**STAFF MEMBERS:** Arturo Gomez  
Julio Romo  
Jose Herrera  
Jorge Montero  
Margie Recio  
Janie Velasquez  
Zeus Yanez  
Yessenia Gonzalez  
Ariel Chavez  
Michael Davis  
Tony Rodriguez  
Estela Rangel  
Memo Rico

**OTHERS PRESENT:** Rev. Andreas Lewis  
Shariff Gonnella  
Michael Hart  
Rick Stephano  
Chris Urbanovsky

**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**

Michael Hart, of Duro Hilex, addressed the Board regarding Item 6(4).

## **3. Directors' Report**

Mr. Yanez presented the financial report to the Board. Commissioner Lopez asked for an update on the status of the audit of the crane operations. Mr. Yanez provided an update.

## **CONSENT AGENDA**

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

- a. Approval of the Minutes of the Regular Board Meeting of January 22, 2025;
- b. Approval to authorize payments over \$25,000.00:
  1. EarthCo, LLC, the amount of \$28,627.00, for construction material testing for Dock 15 and Dock 16.

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

## **ACTION ITEMS**

### **5. Consideration and ACTION to ratify Port Director and CEO's execution of Estoppel Certificates to Cadence Bank regarding leases for Motus T1 LLC and Motus T2 LLC.**

Mr. Dietrich addressed the board that on October 2021, the board approved lessor agreements with Cadence Bank and Victory Hill Midstream, LLC (owners of Motus T1 & T2) to provide financing for their operations. Motus T1 and Matus T2 propose to enter into an amended and restated credit agreement with Cadence Bank to refinance its credit facility relating to operations for their lease agreements (Contract #3964 and #4026). The lessor agreements remain unchanged. In connection with the closing on the refinancing, Cadence Bank requested that the BND execute Estoppel Certificates confirming that the leases are in full force and effect, that the lessees are current on rent payments, and are not otherwise in default under the leases. BND staff has confirmed that lessees are in compliance with their leases, including a review of the insurances provided by lessees. BND Legal Counsel reviewed and approved the Estoppel Certificates, and the Port Director and CEO signed the Estoppel Certificates on January 27, 2025 for purposes of avoiding a delay in lessees' closing. Commissioner Wood moved to ratify the Port Director and CEO's signature on the Estoppel Certificates for Motus T1 LLC and Motus T2 LLC, Commissioner Gutierrez seconded, and the motion passed unanimously.

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

Mrs. Velasquez addressed the Board regarding the following Items:

1. Guadalupe Ochoa (**Authority to Negotiate**)

The lease with Guadalupe Ochoa, under BND contract #4031, will expire on March 2, 2025, with

no renewal options. The lessee seeks a New Lease for approximately 0.30 acres located in the Fishing Harbor at 1795 Bayou Court. The recommended term would be for one year with four renewal options of one year each. The purpose clause will be for shrimp operations, specifically, the unloading and boat tie-up of shrimp and seafood vessels; and boat repairs and boat maintenance on personal boats only. Commissioner Lopez moved to authorize staff to negotiate a new lease for Guadalupe Ochoa, Commissioner Reed seconded, and the motion passed unanimously.

**2. CHCL Enterprise, LLC (Consent to Sublease)**

CHCL Enterprise, LLC, a current lessee, is requesting the Board's consent to Sublease approximately six (6) acres to EquipmentShare.com Inc. for the purpose of storage (including outdoor storage), retail sales, commercial rental, and repair and maintenance of construction equipment, and a general office. The term of the sublease is for ten years with an option to renew for two consecutive terms of five years each. Commissioner Reed moved to Consent to the Sublease for CHCL Enterprise, LLC as presented, Commissioner Wood seconded, and the motion passed unanimously.

**3. Brownsville & Rio Grande International Railway, LLC (Consent to Sublease)**

In November 2023, the board approved a Consent to Sublease, allowing Brownsville & Rio Grande International Railway, LLC (“BRG”) to sublease approximately 5.00 acres to Dirt Rocks, LLC. BRG is now requesting the board's approval to consent to an additional sublease of 2.5 acres at 1401 Yard Road to Dirt Rocks, LLC. With this expansion, Dirt Rocks, LLC will have a total of 7.5 acres for the purpose of transloading aggregates from railcars to trucks and stockpiling aggregates. Discussion followed regarding the status of activities at the incubator site. The Commission asked the Port Director to address the Board’s disappointment with the status of development at the site. Commissioner Reed moved to approve the Consent to Sublease for Brownsville & Rio Grande International Railway, LLC, Commissioner Wood seconded, and the motion passed by a vote of 4-1, with Chairman Guerra voting “nay”.

**4. Duro Hilex Poly, LLC (Lease Amendment)**

The current lease agreement, Contract #2216, for the 13.84-acre site located at 3401 David Shor Road with Duro Hilex Poly, LLC (formerly known as Dura Bag Manufacturing Company) is set to expire on February 28, 2025, with no renewal options. The district has expressed its desire for the lessee to relocate its operations to another location at the Port of Brownsville. This amendment proposes to extend the lease term for one additional year ("transition year"), from March 1, 2025, to February 28, 2026 to allow for further discussions and planning for relocation. Furthermore, during the transition year, both parties agree to work in good faith to enter into a further amendment ("transition amendment") to the lease which would provide for a further extension of the lease for up to four years to permit the tenant to exit and vacate the premises in an orderly fashion, with such terms to be further agreed upon by both parties. The tenant acknowledges that any further amendment to the lease shall be in the sole discretion of the district and shall be subject to the tenant's compliance with leasing policies and the lease as amended, and the tenant's good faith efforts to negotiate either a lease at a new location at the Port of Brownsville or to exit and vacate the premises in an orderly fashion. Commissioner Lopez moved to table this item for discussion in executive session, Commissioner Reed seconded, and the motion passed unanimously.

**5. AEP Texas, Inc. Easement of Right of Way Agreement)**

AEP Texas, Inc., a current lessee, is seeking an Easement and Right of Way (“ROW”) Agreement for the purpose of constructing, operating and maintaining electrical transmission lines, consisting of poles made of wood, metal, or other materials, cross arms, static wires, guys, wire circuits, underground cables and conduits, communication circuits, metering equipment and all necessary appurtenances (including, but not limited to transformers, meters, vaults, and service pedestals). The term of this agreement is for thirty (30) years. This Easement and ROW agreement includes a temporary workspace for one year, with an option to renew for an additional year. For the avoidance of doubt, Company shall provide plans for construction of the Facilities to Grantor's Engineering Department for Grantor's Engineering Department's review and approval, in its reasonable discretion, prior to the commencement of construction of the facilities. Commissioner Lopez moved to approve the Easement and Right of Way Agreement with AEP Texas, Inc., Commissioner Reed seconded, and the motion passed unanimously.

**7. Consideration and ACTION to ratify authorization for Port Staff to solicit requests for proposals for the purchase and delivery of bulk fuels.**

Mr. Yanez addressed the Board that the Port currently does not have a contract for the purchase and delivery of bulk fuels. Staff are required to solicit quotes each time fuel needs to be purchased with vendors providing spot pricing for that day. Staff have prepared solicitation documents for the purchase and delivery of bulk fuels. The proposal specifications include a request for vendors to provide fuel skid tanks at no charge while the District procures new permanent tanks at the facilities and maintenance yard. The request for proposals will be advertised in the local newspaper, Bidnet, and the Port's website on February 1, 2025 and February 8, 2025. The solicitation is scheduled to close on February 18, 2025. Commissioner Lopez moved to ratify authorization to solicit requests for proposals for the Purchase and Delivery of Bulk Fuels, Commissioner Gutierrez seconded, and the motion passed unanimously.

**8. Consideration and ACTION to authorize Port Director and CEO, Mr. William Dietrich, and Port Legal Counsel, Mr. William Irwin, to execute the U.S. Army Corps of Engineers' License extension for the construction of the Brazos Island Harbor (“BIH”) Channel Deepening project on behalf of the BND.**

Mr. Chavez addressed the Board that the U.S. Army Corps of Engineers (“USACE”) issued License No. DACW64-3-20-0036, dated March 4, 2020, for the Brazos Island Harbor Channel Deepening project. The license will expire on May 2, 2025. Pursuant to BND Staffs request for an extension of the license to continue working on the project, USACE has issued License No. DACW64-3-25-0031 to replace the previous license. The new license term begins on May 2, 2025, and will expire on December 31, 2027. BND Staff is requesting that BND Commissioners authorize Port Director and CEO, Mr. William Dietrich, and Port Legal Counsel, Mr. William Irwin, to execute the new USACE License No. DACW64-3-25-0031 on behalf of the BND, extending the permit for the construction of the Brazos Island Harbor Channel Deepening project to December 31, 2027. Commissioner Wood moved to authorize Port Director and CEO Mr.

William Dietrich and Port Legal Counsel. Mr. William Irwin to execute the U.S. Army Corps of Engineers' License No. DACW64-3-25-0031 to continue construction of the Brazos Island Harbor (BIH) Channel Deepening project, as previously permitted, Commissioner Reed seconded, and the motion passed unanimously.

**9. Consideration and ACTION to accept work performed by A&I Custom Manufacturing, LLC on the railroad concrete approaches for Foust, Bill Reed, and Windhaus Roads project, and to authorize final payment of \$186,941.40, including all completed work and retainage.**

Mr. Chavez addressed the Board that on June 19, 2024, BND Commissioners awarded the railroad concrete approaches for Foust, Bill Reed, and Windhaus Roads project to A&I Custom Manufacturing, LLC (“A&I”) in the amount of \$668,872.00 to install concrete approaches on five railroad crossings. On October 23, 2024, BND Commissioners approved Change Order #1 in the amount of \$45,660.00 for extra work required at the Northern Windhaus Road crossing, for a final contract price of \$714,532.00. A&I has successfully completed the project and BND Staff is recommending that BND Commissioners accept the project. Commissioner Reed moved to accept the work performed by A&I Custom Manufacturing, LLC on the railroad concrete approaches for Foust, Bill Reed, and Windhaus Roads project and authorize final payment in the amount of \$186,941.40, which includes all completed work and retained amounts, Commissioner Lopez seconded, and the motion passed by a vote of 4-1, with Chairman Guerra voting “nay”.

**10. 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).**

Commissioner Lopez moved to adjourn into executive session, Commissioner Reed seconded, and the motion passed unanimously. The Board adjourned into executive session at 5:58 p.m.

At 6:54 p.m. the Board reconvened in open session.

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

The Board then recalled Item 6(4).

Commissioner Reed moved to direct the Port Director to negotiate an amendment to the lease to provide for a 3-year extension of the term on the terms discussed in executive session to be brought back to the Board for consideration and action, Commissioner Lopez seconded, and the motion passed unanimously.

**12. Adjournment.**

Commissioner Reed moved to adjourn the meeting, Commissioner Lopez seconded, and the meeting was adjourned by unanimous consent at 6:56 p.m.



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Esteban Guerra  
Chairman of the Board

**ATTEST**



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John Reed, Secretary