

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

The following individuals were present and absent:

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

ABSENT: John Reed

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

STAFF MEMBERS: Arturo Gomez
Miguel Barajas
Jose Herrera
Jorge Montero
Margie Recio
Janie Velasquez
Zeus Yanez
Julio Romo
Ariel Chavez
Michael Davis
Tony Rodriguez
Estela Rangel
Justin Torres

OTHERS PRESENT: Rev. Andreas Lewis
Dan Martinez
Hunter Stanco
Shariff Gonnella
Noe Hinojosa
Chris Urbanovsky
Jorge de la Colina
Rick Stephano
Ruben Lopez
Andrea Meneses

REGULAR MEETING

1. Meeting Called To Order

The Chairman called the 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.

2. Public Audience

No public audience addressed the Board.

3. Directors' Report

The Board received the reports.

INFORMATION

4. Presentation on the performance of District's Pension Plan and 457 Voluntary Deferred Compensation Plan.

Hunter Stanco, financial advisor from Morgan Stanley, presented to the Commission a summary of the performance of the Pension Plan and 457 Voluntary Deferred Compensation Plan. Discussion followed.

CONSENT AGENDA

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

- a. Approval of the Minutes of the Regular Board Meeting of February 19, 2025.
- b. Approval to authorize Payments over \$25,000.00.
 1. Doggett Heavy Machinery Services, the amount of \$467,896.53, for the purchase of a new 350P-Tier Excavator.

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

ACTION ITEMS

6. Consideration and ACTION on Fourth Supplemental Resolution authorizing the Brownsville Navigation District of Cameron County, Texas to enter into a Ship Channel Improvement Revolving Fund Loan Agreement, approving the execution of the Loan Agreement, and resolving other matters related thereto.

Mr. Yanez addressed the Board that on June 30, 2022, the Board of Commissioners approved the Project Partnership Agreement (PPA) between the Department of the Army and the Brownsville Navigation District for the Brazos Island Harbor Project. The District (Nonfederal sponsor) has contributed \$44,419,200.00 towards its share of project costs as outlined in the PPA. The Ship Channel Improvement Revolving Fund (SCIRF), administered by TxDOT, was established by the

Legislature during the 85th Legislative Session to enhance the funding capabilities of entities responsible for the local share of qualified project costs. The 88th Legislative Session appropriated \$400 million in general revenue to fund the (SCIRF). The District will use the SCIRF program as a source of funding the District's cost share requirements under the Project Partnership Agreement between the Department of the Army and the Brownsville Navigation District for the Brazos Island Harbor ("BIH") Channel Deepening Project. Commissioner Wood moved to approve the Fourth Supplemental Resolution authorizing the District to enter into a Ship Channel Revolving Loan Fund Agreement and approve the execution of the Loan Agreement, 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. Marine Railway, Inc. (Authority to Negotiate – Sign)

The lease with Marine Railway, Inc. (Zimco Marine Inc.) under BND Contract #3756 will expire on March 14, 2025, with no renewal options. The lessee seeks a new lease for a sign to advertise their business contact information. The sign is approximately 18' x 10' and is located on the north of Everglades Road at the Fishing Harbor. The proposed term would be for one year with four renewal options of one year each. Commissioner Lopez moved to approve the Authority to Negotiate a new lease for Marine Railway, Inc., Commissioner Wood seconded, and the motion passed unanimously.

2. Whelan Industries, Inc. (New Lease)

This lease with Whelan Industries, Inc. will replace BND Contract #4431 for the 0.344-acre site located at 3060 Cajun Court at the Fishing Harbor. The lease term will be for one year with three renewal options of one year each. The purpose of this lease is for shrimp operations, specifically bait and gulf shrimping. Commissioner Lopez moved to approve the New Lease for Whelan Industries, Inc., Commissioner Gutierrez seconded, and the motion passed unanimously.

BIDS/AGREEMENTS/PURCHASES

8. Consideration and ACTION to award contract(s) for the purchase and delivery of bulk fuels.

Mr. Yanez addressed the Board that on February 1, 2025, the District issued a Request for Proposals (RFP) for the purchase and delivery of bulk fuels. The solicitation documents were uploaded to the District's website, Bidnet, and posted in the local newspaper. A total of three (3) proposals were received. The vendors that submitted proposals were Arguindegui Oil Co. LTD, Oil Patch Fuel and Supply Inc., and Pinnacle Petroleum Inc. The evaluation committee evaluated the proposals based on criteria, including price competitiveness, ability to provide the services and fuel requested, responsiveness to the services and fuel requested, and vendor reputation/references. Additionally, staff requested proforma invoices from each vendor based on identical OPIS reports and quantity of fuel so that a direct pricing comparison could be made including all taxes and fees. Staff also noted that Arguindegui Oil Co, LTD and Pinnacle Petroleum responded that they could provide the requested skid tanks at no monthly charge. Pinnacle Petroleum indicated a \$1,000.00

pickup and \$1,000.00 delivery fee for the skid tanks would apply. It is the intention of this solicitation to contract multiple vendors to ensure availability of fuel for the Port's needs. The solicitation documents explicitly indicate that orders shall be placed at the sole discretion of the Port and no minimum quantities are guaranteed. Mr. Yanez informed the Board that Pinnacle Petroleum subsequently notified the District that Pinnacle would be withdrawing its proposal. Discussion followed regarding the proposals provided by Arguindegui Oil Co. and Oil Patch Fuel and Supply and Mr. Yanez noted that Arguindegui's proposal included provision of tanks at no additional cost, while Oil Patch Fuel and Supply's proposal did not. The Commission expressed concern about whether Arguindegui would allow for fuel purchased from Oil Patch Fuel and Supply to be stored in the tanks provided by Arguindegui. After discussion, Commissioner Wood moved to award a contract for the purchase and delivery of bulk fuels to Arguindegui Oil Co., Ltd. only, reserving the right to make an additional award to Oil Patch Fuel and Supply pending further information, Commissioner Lopez, seconded, and the motion passed unanimously.

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

Mrs. Recio addressed the Board that the District's property and liability insurance program is approaching its renewal date, with current coverage set to expire on June 1st. In preparation for securing coverage for the upcoming term, staff will be working with the District's insurance consultant, Susan Gola, of McGriff, to develop a bid packet for solicitation. While proposals are typically solicited directly by the District's consultant, the District is also required to publicly advertise the request for proposals in the local newspaper to ensure an open and competitive process. Commissioner Lopez moved to authorize Port staff to advertise and solicit for proposals for the District's property and liability insurance program, Commissioner Wood seconded, and the motion passed unanimously.

10. Consideration and ACTION on Change Order No. 1 to the Harbormaster's office building generator installation project, adjusting the contract price by \$6,477.93 to replace existing undersized materials.

Mr. Chavez addressed the Board that on January 24, 2025, JP's ACE Electric LLC., working under BND contract 4736, requested additional materials for the installation of the HMO Building Generator due to encountering undersized cables in the existing system. This request was reviewed by the project engineer, Trinity MEP Engineering, PLLC. The consultant concurs with the need for replacement of the undersized materials and recommends approval of this Change Order No. 1. The original contract amount of \$78,500.00 will be increased by \$6,477.93, for a final contract amount of \$84,977.03, which is 8.25% above the original contract price. Discussion followed regarding the discovery of the undersized cable. Commissioner Wood moved to approve Change Order No. 1 to the Harbormaster's Office Building Generator Installation contract with JP's ACE Electric, LLC, increasing the current \$78,500.00 contract amount by \$6,477.93, for a new contract amount of \$84,977.93, Commissioner Lopez seconded, and the motion passed unanimously.

11. 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).

a. Discussion regarding Master Franchise Agreement with Brownsville & Rio Grande International Railway, LLC.

Commissioner Wood moved to adjourn into executive session, Commissioner Lopez seconded, and the motion passed unanimously. The Board adjourned into executive session at 6:17 p.m.

At 7:26 p.m. the Board reconvened in open session.

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

There was none.

13. Adjournment.

Commissioner Wood moved to adjourn the meeting, Commissioner Lopez seconded, and the meeting was adjourned by unanimous consent at 7:26 p.m.



Esteban Guerra
Chairman of the Board

ATTEST



John Reed, Secretary