

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD DECEMBER 18, 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 18, 2024 at 5:30 p.m.**

The following individuals were present and absent:

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

ABSENT: Esteban Guerra
Ernesto Gutierrez

ALSO PRESENT: William Dietrich, Port Director and CEO
Daniel Rentfro, Jr., District Counsel
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
Memo Rico
Karina Franco

OTHERS PRESENT: Rev. Andreas Lewis
Shariff Gonnella
Family of William Dietrich
Steve Perez
Blaz Cruz
Andrea Meneses

REGULAR MEETING

1. Meeting Called To Order

The Vice Chairman called the meeting to order at 5:30 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

There was none.

3. Port Monthly Operations Summary Report

Mr. Yanez presented the report 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 December 4, 2024;
- b. Approval to authorize payments over \$25,000.00:
 1. DebtBook, the amount of \$28,500.00, for annual subscription for lease accounting and reporting software; and
 2. HDR Engineering Inc., the amount of \$28,010.48, for Cargo Dock 3 – Phase 1 project, Channel Deepening project, and construction phase support; and
 3. R.R.P. Consulting Engineers, LLC, the amount of \$32,592.00, for fishing harbor wastewater treatment plant; and
 4. Tyler Technologies, the amount of \$47,089.72, for 2025 annual user and subscription fees; and
 5. Tidalis America's Ltd., the amount of \$114,511.34, for annual Klein Software Support and Maintenance license.

Commissioner Reed asked Mr. Yanez to review contract terms for the Klein Software support and maintenance license.

Commissioner Wood asked for an update on the wastewater treatment plant. Mr. Dietrich noted that the project was nearly ready to let for bids or proposals.

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

5. Consideration and ACTION on applications received for renewal of Line Handling Permits to:

- a. **Brownsville Mooring**
- b. **M&M Mooring & Marine Services, Inc.**

Commissioner Wood moved to approve the line handling permits as presented, Commissioner Reed seconded, and the motion passed unanimously.

ACTION ITEMS

6. Consideration and ACTION on Leases, Assignments, Negotiations, Easements,

Subleases, and Contracts in general.

Mr. Dietrich addressed the Board regarding the following Items:

1. U.S. Forwarding & Logistics Agency LLC (Authority to Negotiate)

U.S. Forwarding & Logistics Agency LLC is interested in leasing approximately 4.64 acres located at 2655 N. Indiana. Staff sought Authority to Negotiate a New Lease for a term of five years with one renewal option of five years. The Purpose clause will be for a Dispatch Yard. Commissioner Lopez noted that the map needed to be examined to ensure that unused land is not landlocked. Commissioner Reed moved to approve the Authority to Negotiate a lease for U.S. Forwarding & Logistics Agency LLC, Commissioner Wood seconded, and the motion passed unanimously.

2. Arnulfo Rodriguez III (Consent to Assignment)

Arnulfo Rodriguez III, a current lessee under BND contract #4052, entered into a contract for sale and purchase of leasehold improvements with Severo Perez. The leased premises consist of 540 acres located north of HWY 48 for the purpose of grazing. The lessee seeks the Board's consent to assign the lease to Severo Perez. BND Legal Counsel has reviewed the agreement and concurs that it is ready for consideration by the BND Commission. Commissioner Wood moved to approve the Consent to Assignment of Lease for Arnulfo Rodriguez III, Commissioner Reed seconded, and the motion passed unanimously.

3. Bay Island Trawlers, Inc. (New Lease)

Bay Island Trawlers, Inc. seeks a new lease for 0.950 acres located at 1995 Cajun Court for a term of one year with four renewal options of one year each. The purpose of the lease is for Shrimp Operations (seafood unloading & boat tie-up of seafood vessels). Commissioner Reed moved to approve the new lease for Bay Island Trawlers, Inc, Commissioner Wood seconded, and the motion passed unanimously.

4. Snodgrass Inc. (New Lease)

This new lease to Snodgrass Inc. will replace contract #3916 for 2.066 acres located in the Fishing Harbor at 2025 Angler's Place Road. The term would be for one year with four renewal options of one year each. The purpose of the lease is for sale of fuel and boat supplies; shrimp operations; boat repairs/boat maintenance. Commissioner Reed moved to approve the New Lease for Snodgrass Inc, Commissioner Wood seconded, and the motion passed unanimously.

BIDS/AGREEMENTS/PURCHASES

7. Consideration and ACTION to authorize the reclassification of three current staff positions Sales Manager, Manager of Engineering Services, and Administration Manager.

Mr. Dietrich addressed the Board that Staff is seeking the Board's authorization to reclassify three positions within the organization. The proposed changes are designed to enhance operational efficiency, streamline leadership, and strengthen core service areas in alignment with current operational needs. The proposed changes are as follows:

1. Business Development & Marketing
 - o Current Position: Sales Manager
 - o Reclassified Position: Director of Business Development & Marketing

2. Engineering Services

- o Current Position: Manager of Engineering Services
- o Reclassified Position: Assistant Director of Engineering Services

3. Real Estate Services

- o Current Position: Administration Manager
- o Reclassified Position: Director of Real Estate Services

Commissioner Reed moved to approve the reclassification of positions as presented, Commissioner Wood seconded, and the motion passed unanimously.

8. Consideration and Possible ACTION regarding proposed Fiscal Year 2025 Operating Budget.

Mr. Yanez addressed the Board regarding the District's proposed Fiscal Year 2025 Operating Budget to Commissioners for discussion and consideration as part of the budget adoption process. The FY 2025 budget includes funding allocations for 12-month personnel and fringe benefit costs for all employees (including vacant positions and requested positions) and the continuation of the additional \$50,000/month DB pension employer contributions and merit program. The FY 2025 budget reflects decreases in storage agreement revenues and conservative projections of railroad track lease rentals & franchise revenue share as well as increases in lease revenues due to the annual CPI adjustment. Additionally, the budget incorporates increases in potable water purchased, and decreases in election expenses, fuel and oil, materials - repair, advertising, and software/support agreements. Staff is requesting allocation of funds for six additional positions, two Dispatchers, one Skilled Craftsmen, one Equipment Operator, and two Business Development Associates (if approved, position will be added to the Wage & Salary Chart PE120). This proposed budget reflects the inclusion of these six positions. Commissioner Wood moved to approve the budget as presented, Commissioner Reed seconded, and the motion passed unanimously.

9. Consideration and ACTION on Service Agreement with Cornerstone Governmental Affairs, Inc. for governmental affairs services in the State of Texas.

Mr. Dietrich addressed the Board that The District has solicited proposals for providing governmental affairs services at the State level. One of the proposers, Cornerstone Government Affairs, Inc. has submitted a proposal to provide these services to District, which includes developing a strategic plan to achieve the District's legislative goals, tracking and reporting legislation, and providing government relations and advocacy services in Austin, Texas. The term of this agreement shall be for one year, commencing December 18, 2024. The District shall have the option to renew the term of the agreement for two additional terms of one year each on the same terms and conditions, including pricing. The agreement may be terminated by either Party with or without cause at any time during the term after thirty (30) days written notice to the other Party. The monthly fee for services under the agreement shall be \$6,000. Cornerstone Government Affairs, Inc. will be entitled to reimbursement of reasonable and customary out-of-pocket expenses. Commissioner Wood noted he would be abstaining and asked if the remaining commissioners would be able to take action on the item. Mr. Irwin noted that the remaining commissioners would be able to take action, but it would need to be unanimous since only two commissioners would be voting. After discussion, Commissioner Reed moved to approve the Service Agreement with Cornerstone Governmental Affairs, Inc. for governmental affairs services

in the State of Texas, Commissioner Lopez seconded, and the motion passed by a vote of 2-0 with Commissioner Wood abstaining.

10. Consideration and ACTION on Amendment to EarthCo. L.L.C.'s Purchase Order for construction materials engineering testing for the Docks 15 & 16 Concrete Pavement project, adding testing for the Foust Road and Bill Reed Road intersection.

Mr. Chavez addressed the Board that on April 17, 2024, BND Commissioners accepted a proposal from EarthCo., L.L.C. (EarthCo) for Construction Materials Engineering Testing Services for the Cargo Docks 15 & 16 Concrete Pavement project in the amount of \$28,677.00. On October 2, 2024, BND Commissioners approved Change Order #1 to the Cargo Docks 15 & 16 Concrete Pavement contract adding concrete pavement at the Foust Road and Bill Reed Road intersection, EarthCo has submitted a proposal for \$24,981.00 to perform the material testing for the additional concrete pavement at that intersection, which will increase the Purchase Order amount to \$53,608.00. Commissioner Reed asked Mr. Chavez to clarify if staff would be monitoring the work and Mr. Chavez confirmed that staff would be monitoring progress and would report back to the commission on the outcome of the work. Commissioner Reed moved to approve the amendment to this Purchase Order in the amount of \$24,981.00, for a new total Purchase Order amount of \$53,608.00, Commissioner Wood seconded, and the motion passed unanimously.

11. Consideration and ACTION on Change Order No. 4 to the 2022 DMPAs 5B, 7, and 8 Improvements project adjusting contract quantities to actual and to accept work performed by RLB Contracting, L.L.C. and to authorize Final Payment of \$1,278,384.80, including all completed work and the retained amount. 73

Mr. Chavez addressed the Board that on December 1, 2024, RLB Contracting, L.L.C., working under BND contract 4635, achieved completion of the 2022 DMPAs 5B, 7 & 8 Improvements project as part of the BIH Channel Improvement Project. Change Order No. 4 to this contract adjusts the quantities of several bid items that were unused, resulting in a decrease of \$465,910.00 to the previous contract amount of \$14,368,000.00 for a final contract amount of \$13,902,090.00, just 2.12% above the original contract price. Commissioner Reed moved to approve Change Order No. 4 to the 2022 DMPAs 5B, 7 & 8 Improvements contract with RLB Contracting, L.L.C. decreasing the current \$14,368,000.00 contract amount by \$465,910.00, for a new contract amount of \$13,902,090.00 and accept the project as complete, authorizing release of final payment of \$1,278,384.80, which includes all completed work and retain age, Commissioner Wood seconded, and the motion passed unanimously.

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 Reed moved to adjourn the meeting, Commissioner Wood seconded, and the meeting was adjourned by unanimous consent at 6:28 p.m.



Esteban Guerra
Chairman of the Board

ATTEST



John Reed, Secretary