

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD JUNE 19, 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 on **Wednesday, June 19, 2024 at 5:30 p.m.**

The following individuals were present and absent:

PRESENT: Esteban Guerra, Chairman
John Reed
John Wood

ABSENT: Sergio Tito Lopez
Ernesto Gutierrez

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

STAFF MEMBERS: Arturo Gomez
Miguel Barajas
Santos Barbosa
Ariel Chavez
Michael Davis
Jorge Montero
Margie Recio
Memo Rico
Tony Rodriguez
Julio Romo
Janie Velasquez
Zeus Yanez

OTHERS PRESENT: Rev. Andreas Lewis
Matthew Montemayor
Shariff Gonnella
Jorge de la Colina
Marco Garza

REGULAR MEETING

1. Meeting Called To Order

The Chairman, called the meeting to order at 5.38 p.m. Reverand 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 person registered to address the Board.

CONSENT AGENDA

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

- a. Approval of the Minutes of the Regular Board Meeting of June 5, 2024.
- b. Approval to authorize payments over \$25,000.00:
 1. AAPA, the amount of \$29,495.00, for Port Membership Dues for FY 2025;
 2. Carr Riggs, & Ingram, the amount of \$58,400.00, for 2023 Pension Plan Audit and District's Financial Audit for year ending December 31, 2023;
 3. HiRail Inc., the amount of \$113,426.91, for railroad crossing materials;
 4. Jacob Engineering Group Inc., the amount of \$33,860.00, for POB Berth Deepening Project – Phase 1;
 5. Olmito Sand Pit, the amount of \$86,500.00, for sand for 118-acre Business Hub Project.

Commissioner Reed moved to approve all consent agenda items, Commissioner Wood seconded, and the motion passed unanimously.

APPOINTMENTS

4. Appointment of BND Commission to Board and Committees.

Chairman Guerra addressed the Board and made the following appointments to BND Board of Commissioner led committees:

- a. Audit Committee: Commissioner Reed and Commissioner Wood
- b. Policy Committee: Commissioner Wood and Commissioner Gutierrez
- c. Security Committee: No new appointments until further notice
- d. Economic Development Committee: Chairman Guerra and Commissioner Reed
- e. Short-Term Infrastructure Committee (addressing short term needs such as docks, roads, rail, and laydown yards): Commissioner Lopez and Commissioner Gutierrez
- f. Leasing Committee: Commissioner Lopez with Chairman Guerra as alternate
- g. Southmost Regional Water Authority: Commissioner Lopez
- h. Board Policy Committee: Commissioner Gutierrez and Commissioner Wood
- i. Border Trade Alliance Committee: Chairman Guerra
- j. Long-Term Infrastructure Committee (addressing long term needs such as water and energy): Commissioner Reed and Commissioner Gutierrez

ACTION ITEMS

5. **Consideration and ACTION to acknowledge receipt of the independent audits of the financial statements of the Brownsville Navigation District and the Retirement Plan for Employees of the Brownsville Navigation District for fiscal year ended December 31, 2023.**

Mr. Yanez and Mr. Montemayor, of Carr Riggs and Ingram, addressed the Board to present the

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independent audits and financial statements of the BND. The Texas Water Code, Chapter 60, requires District to have its financial accounts and records audited annually; BND Staff has prepared the Annual Comprehensive Financial Report. Texas Government Code, Chapter 802, requires The Retirement Plan for Employees of the Brownsville Navigation District (the “Plan”) to have its financial accounts and records audited annually. BND Staff have prepared stand-alone financial statements for the Plan. District engaged Carr, Riggs, and Ingram, LLC (“CRI”) to conduct audits of the District’s financial statements and the stand-alone financial statements of the Plan for the fiscal year ended December 31, 2003. CRI has completed the audits and delivered a clean unmodified opinion. Commissioner Reed moved to acknowledge receipt of the independent audits of BND financial statements, Commissioner Wood seconded, and the motion passed unanimously.

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

Mr. Dietrich addressed the Board regarding the following Items:

1. Don Nico Trawlers, Inc. (Authority to Negotiate)

The lease with Don Nico Trawlers, Inc. under BND Contract #3897 expired on January 31, 2022, with no renewal options. Former Port Director and CEO authorized lessee to remain on a month-to-month tenancy while District’s Policy Committee and Staff reviewed the insurance level requirements. Lessee is seeking Authority to Negotiate a New Lease for a 0.58 acre site located in the Fishing Harbor at 1385 Bayou Court. The recommended term is for one year. The purpose of this new lease is for shrimp operations, specifically unloading and boat tie-up of shrimp and seafood vessels. Commissioner Reed moved to approve the authority to negotiate a new lease, Commissioner Wood seconded, and the motion passed unanimously.

2. Oil Patch Fuel & Supply, Inc. (Authority to Negotiate)

The lease with Oil Patch Fuel & Supply, Inc. under BND Contract #3960 expired on March 31, 2022 with no renewal options. Former Port Director and CEO authorized lessee to remain on a month-to-month tenancy while the District Policy Committee and Staff reviewed the insurance level requirements. Lessee seeks Authority to Negotiate a New Lease for a 0.854 acre site located in the Fishing Harbor at 2115 Bayou Court. The recommended term is for one year with four renewal options of one year each. The purpose of this new lease is for a fuel and oil distributor. Commissioner Wood moved to approve the authority to negotiate a new lease, Commissioner Reed seconded, and the motion passed unanimously.

3. Motor Vessel Challenge 42 Inc. (Authority to Negotiate)

The lease with Motor Vessel Challenge 42 Inc. under BND Contract #4008 will expire on June 30, 2024 and has no renewal options. Lessee is seeking Authority to Negotiate a New Lease for a 0.689 acre site located in the Fishing Harbor at 1675 Angler’s Place Road. The recommended term is one year with four renewal options of one year each. The purpose of this new lease is for shrimp operations (specifically the unloading and boat tie-up of shrimp and seafood vessels), boat repairs, and boat maintenance (personal boats). Commissioner Reed moved to approve the authority to negotiate a new lease, Commissioner Wood seconded, and the motion passed unanimously.

7. Consideration and ACTION to declare Fish Camp No. 9 as surplus to the District’s needs and to authorize its disposition.

Mrs. Recio addressed the Board that the District gained ownership of Fish Camp No. 9 in November 2021 following the termination of BND Contract No. 3226 with Claudia Rodriguez and James Key. A site inspection revealed that the structure is significantly deteriorated, which increases liability risks. The Salvage Team determined Fish Camp No. 9 is unfit for use and recommends the District declare Fish Camp No. 9 as surplus to the District's needs and to demolish the structure. Commissioner Reed noted that demolishing the camp should wait until October following hurricane season. Commissioner Wood moved to declare Fish Camp No. 9 as salvage and authorize its demolition beginning in October 2024, Commissioner Reed seconded, and the motion passed unanimously.

8. Consideration and ACTION to authorize BND Staff to enter into an agreement with Customer Experience Solutions LLC for HR Training, Staff Development, and Organizational Development Support.

Mr. Garza addressed the Board that on March 31, 2024, BND Staff received a proposal for HR training and development. Customer Experience Solutions LLC will perform a needs assessment, provide leadership training, and develop a curriculum to help guide employees at all levels of the organization toward a shared vision and culture. Customer Experience Solutions LLC will provide one-on-one coaching with leadership, while online learning and instructor-led training will be utilized to help develop District staff's understanding of internal processes. Marco Garza of Customer Experience Solutions LLC also addressed the Board. Discussion followed regarding the program and the BND's Director of Human Resources position. Commissioner Reed moved to approve the agreement with Customer Experience Solutions LLC as presented, Commissioner Wood seconded, and the motion passed unanimously.

9. Consideration and ACTION to authorize BND Staff to purchase treated lumber pursuant to GSA Federal Purchasing Cooperative Contract #47QTCA20D002A.

Mr. Dietrich addressed the Board that BND Staff is seeking authorization to purchase treated lumber via GSA Federal Purchasing Cooperative. District uses treated lumber for all needed dock repairs. The treated lumber will be purchased from Mensch Mill & Lumber Corp. under GSA Contract #47QTCA20D002A. Commissioner Reed moved to authorize BND Staff to issue a purchase order to Mensch Mill & Lumber Corp for treated lumber in the amount of \$25,704.25 through the GSA Federal Purchasing Cooperative, Commissioner Wood seconded, and the motion passed unanimously.

10. Consideration and ACTION on acceptance of the Substantial Completion Certificate for the installation of the off-site water line extension to the Rio Grande LNG site, and on approval of the Assignment and Bill of Sale conveying the water lines to District.

Mr. Chavez addressed the Board that BND Engineering Staff have been working with NextDecade's contractor, Garney Construction, and their subcontractor, R.M. Walsdorf, Inc., on water distribution and wastewater collection of off-site extensions. The water distribution extension facilities are substantially complete and are ready to furnish potable water to the Rio Grande LNG site at the NextDecade lease site. NextDecade is requesting that District accept the water lines as substantially complete. There are pending punch list issues that will not impede District's ability to furnish potable water to the site. Off-site wastewater collection improvements are being installed and will be brought to BND Commissioners for substantial completion concurrence at a later date. Discussion followed regarding the punch list items which include

chlorine boosters recommended by BND staff and the terms of the assignment and bill of sale which include an assignment of the contractor's warranty. Commissioner Wood moved to accept the Substantial Completion Certificate and direct BND Staff to incorporate the new water line into District's water system improvements, Commissioner Reed seconded, and the motion passed unanimously.

11. Consideration and ACTION on award of bids received for the railroad concrete approaches for Foust, Bill Reed, and Windhausa Roads project, and to authorize BND Staff to issue the Notice of Award to the successful bidder.

Mr. Chavez addressed the Board. On May 1, 2024, BND Commissioners authorized BND Staff to advertise to solicit bids on the railroad concrete approaches for Foust, Bill Reed, and Windhaus Roads project. This project consists of concrete pavement approaches on five railroad crossings, including (1) Foust Road, (2) Windhaus Road, and (2) Bill Reed Road. On June 6, 2024, BND Staff received and opened five bids. A&I Custom Manufacturing, LLC was the lowest responsive and responsible bidder with a base bid of \$668,872.00. Commissioner Wood moved to award the contract to A&I Custom Manufacturing, LLC, Commissioner Reed 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 6:23 p.m.

ATTEST



John Reed, Secretary



Esteban Guerra
Chairman of the Board