

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

The following individuals were present and absent:

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

ABSENT: None

ALSO PRESENT: William Dietrich, Port Director and CEO
Daniel Rentfro, Jr., District Counsel
William Irwin, District Counsel

STAFF MEMBERS: Arturo Gomez
Michael Davis
Julio Romo
Miguel Barajas
Memo Rico
Jose Herrera
Manuel Martinez
Margie Recio
Janie Velasquez
Zeus Yanez
Yessenia Gonzalez
Tony Rodriguez

OTHERS PRESENT: Rev. Andreas Lewis
Bob Berry
Kevin Garcia
Mark Hodgson
Nico Schaefer
Jesus Lopez

REGULAR MEETING

1. Meeting Called To Order

The Chairman called the meeting to order at 5:32 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 person registered to address the Board.

3. Directors Reports

The Board received the reports. Commissioner Lopez asked Mr. Martinez for an update on the road crossings. Mr. Martinez 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 August 21, 2024;
- b. Approval to authorize payments over \$25,000.00:
 1. A & I Custom Manufacturing, LLC, the amount of \$110,341.80, for railroad concrete approaches for Foust, Bill Reed and Windhaus Roads; and
 2. Valley Striping Corp., the amount of \$103,205.60, for 2024 Ostos Road Striping and Signage Project.

Commissioner Gutierrez asked about areas of concern regarding the striping project. Mr. Gomez and Mr. Martinez noted that Foremost Paving had agreed to repair any striping necessary following repairs.

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

PRESENTATION

5. Presentation on Infrastructure cost update for the development of the 118-acre POB Business Park.

On April 19, 2023, the Board approved BND staff to move forward with the development of a 118-acre Business Park. The estimated infrastructure budget that was presented to the Board totaled \$8,092,319 which included a 25% contingency. Mr. Dietrich made a presentation to update the Board on the costs incurred and outstanding items related to the development of the 118-acre business park. Discussion followed regarding the steps taken to ensure procurement processes are followed and regarding disposal of trash encountered during development.

ACTION ITEMS

6. Consideration and ACTION to ratify authorizing Port Director and CEO to sign Subordination Agreement for Bedoli Group, Inc. (Scrap Metal Services, LLC)

Mr. Dietrich addressed the Board that Bedoli Group Inc. (Scrap Metal Services, LLC) is securing a lease of a Manitowoc crane to be used at their leased premises located at 101 Boxcar Road. The Subordination Agreement is needed so that the lessee can execute the lease of the crane. BND Legal Counsel prepared the agreement, and the Port Director and CEO signed the Subordination Agreement on August 23, 2024. Commissioner Reed moved to ratify authorizing the Port Director

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and CEO's signature on the Subordination Agreement., Commissioner Lopez 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. Bay Island Trawlers, Inc. (Authority to Negotiate)

Bay Island Trawlers, Inc. is interested in leasing 0.950 acres located at 1995 Cajun Court. The company seeks a new lease for a term of one year with four renewal options of one year each. The purpose of the new lease is for shrimp operations, specifically the unloading of seafood and boat tie up. Commissioner Lopez moved to approve the Authority to Negotiate a lease with Bay Island Trawlers, Inc., Commissioner Wood seconded, and the motion passed unanimously.

2. Gulf Stream Marine, Inc. (Authority to Negotiate)

Gulf Stream Marine, Inc. seeks a new lease for an additional site located near Dock 15 Road for the storage of their cranes and the use of a portable building currently being used as an office. The recommended term would be for one year effective as of July 30, 2023 plus two renewal options of one year each subject to the availability of the premises and timeline for the permanent staging of Gulf Stream Marine's cranes. Commissioner Reed moved to approve the Authority to Negotiate a new lease with Gulf Stream Marine, Inc., Commissioner Wood seconded, and the motion passed unanimously.

3. Motus Energy LLC (Authority to Negotiate)

Motus Energy LLC, a current lessee, seeks an Option to Lease for an additional site of 10.67 acres located at 9600 Old SH 48. The recommended term would be one year with an option to extend for an additional year contingent upon achieving milestones in an approved timeline. The purpose of the lease is for due diligence, specifically terminal operations of liquid bulk commodities and LPG storage of propane via barge and transloading via truck and railcar. Commissioner Lopez moved to approve the Authority to Negotiate an Option to Lease with Motus Energy LLC. Commissioner Gutierrez seconded, and the motion passed unanimously.

4. Gulf Stream Marine, Inc. (Lease Amendment)

Gulf Stream Marine, Inc., a current lessee under BND Contract #4625, seeks to amend their lease to add 1.06 acres increasing their leased premises to a total of 5.51 acres located at 901 S. Windhaus Road. The annual rent and security deposit required under the lease will be amended to reflect the current lease rental rates. After discussion regarding the use of the premises the Commission expressed desire that the metes and bounds of the premises be revised to include a small parcel that is at the entrance of the pyramid yard. Commissioner Lopez moved to table this Item to revise the lease amendment as discussed Commissioner Gutierrez seconded, and the motion passed unanimously.

BIDS/AGREEMENTS/PURCHASES

Commissioner Gutierrez noted that he would be abstaining from discussion and voting on Items 8 and 9.

- 8. Consideration and ACTION on the Grantee/Operators agreement between the Brownsville Navigation District Foreign Trade Zone No. 62 and Brownsville Gulfside Warehouse Inc. (2 acres open storage Ostos Road site) located at 16100 RL Ostos Road, Brownsville, Texas 78521.**

Mr. Rodriguez addressed the Board that Brownsville Gulfside Warehouse Inc. is requesting FTZ activation for their 2-acres open storage site. The purpose of the foreign trade zone status will be for storage of bulk, break-bulk cargo and minerals, and other handling activities. This agreement is ready for Board consideration. Commissioner Lopez moved to approve that Brownsville Gulfside Warehouse Inc. (Port of Brownsville Magnet Site) be an Operator of FTZ No. 62, Commissioner Reed seconded, and the motion passed by a vote of 4-0. Commissioner Gutierrez abstained.

- 9. Consideration and ACTION on the Grantee/Operators agreement between the Brownsville Navigation District Foreign Trade Zone No. 62 and Brownsville Gulfside Warehouse Inc. (formally known as 905/BMW Inc.) located at 8900 Old SH48, Brownsville, Texas 78521.**

Mr. Rodriguez addressed the Board that Brownsville Gulfside Warehouse Inc. (formerly known as 905/BMW Inc.) is requesting FTZ activation for their warehouses. The purpose of the foreign trade zone status will be for storage and trans loading of project cargo, bulk cargo and break-bulk cargo and related warehousing and materials handling activities. This agreement is ready for Board consideration. Commissioner Lopez moved to approve that Brownsville Gulfside Warehouse, Inc. (Port of Brownsville Magnet Site) to be an Operator of FTZ No. 62., Commissioner Reed seconded, and the motion passed by a vote of 4-0. Commissioner Gutierrez abstained.

Legal counsel noted that items 10 and 11 were related items. Chairman Guerra asked that Items 10 and 11 be considered together.

- 10. Consideration and ACTION to authorize the Port Director and CEO to enter into a Memorandum of Understanding (“MOU”) between the Brownsville Navigation District and Ternium USA, Inc. to reimburse the Port of Brownsville all costs related to the permitting process with the United States Army Corps of Engineers for their facility.**

Mr. Dietrich addressed the Board that BND Staff has been working with Ternium USA, Inc. and is requesting authorization from the BND Board of Commissioners to execute a MOU between BND and Ternium USA, Inc. to process a USACE permit, which is required to build a new dock on the BND Ship Channel. This dock will be part of new facilities under development by Ternium USA, Inc.

11. Consideration and ACTION to authorize BND acting director of Engineering Services to execute a Contributed Funding Agreement between the District and USACE for the review and evaluation of plans for Ternium's dock construction.

Mr. Dietrich addressed the Board that BND Staff is requesting authorization from the BND Board of Commissioners to execute a Contributed Funding Agreement between BND and USACE to fund the Government to pay costs associated with evaluation of engineering plans and other information submitted by BND on behalf of Ternium for the construction of a dock at their leased site. The funds expensed will be reimbursed to the BND by Ternium USA, Inc.

Commissioner Reed moved to approve the Memorandum of Understanding presented in Item 10 and to authorize the Acting Director of Engineering Services to execute the Contributed Funding Agreement with USACE to review and process Ternium USA Inc.'s request to construct dock at leased site, Commissioner Wood seconded, and the motion passed unanimously.

12. Consideration and ACTION on award of bids received for the BND Cargo Dock 3 – Phase II: Pile Procurement Project, and to authorize staff to issue the Notice of Award to the successful bidder.

Mr. Martinez addressed the Board that On May 01, 2024, BND Commissioners authorized Staff to advertise to solicit bids on the BND Cargo Dock 3 - Phase II: Pile Procurement project. This project will consist of furnishing a total of 219 - 36" diameter and 276 - 24" diameter steel piles of different lengths with proper coating to improve the life span of steel. Bids were received, opened and read aloud in the presence of TxDOT Staff on August 14, 2024, at 2:00 PM. BND Staff received two bids; Meever USA Inc. submitted a bid in the amount of \$13,974,800.00 and Russell Marine LLC submitted a bid in the amount of \$9,924,387.00. Commissioner Reed moved to award the contract for the BND Cargo Dock 3 - Phase II: Pile Procurement project to lowest responsive and responsible bidder, Russell Marine LLC., in the amount of \$9,924,387.00 and authorize Staff to issue the Notice of Award to the successful contractor, Commissioner Wood seconded, and the motion passed unanimously.

13. Consideration and ACTION to purchase materials (geogrid) for Patio 22T laydown area development.

Mr. Gomez addressed the Board that at the August 21st board meeting, the Commissioners granted staff authority to lease equipment of 1 drum roller and 1 pad roller and purchase materials that consisted of up to 30,000 tons of crushed limestone and 40 rolls of geogrid required to continue to work on the patio laydown area for the use of Ternium and Gulf Stream Marine on Patio 22T. In order to complete the 5-acre area, it requires a total of 80 rolls of geogrid instead of 40 rolls due to the depth. Commissioner Reed moved to grant staff authority to purchase additional materials (40 rolls of geogrid) from Ferguson Waterworks required to continue work on the project and issue payment once all materials are received and subject to receipt of payment from Ternium, Commissioner Lopez seconded, and the motion passed unanimously.

14. 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, specifically the Interim Port Director and CEO (§551.074); and to conduct deliberations regarding economic development negotiations (§551.087).

There was none.

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

There was none.

16. Adjournment.

Commissioner Gutierrez moved to adjourn the meeting, Commissioner Wood seconded, and the meeting was adjourned by unanimous consent at 6:25 p.m.

ATTEST

Esteban Guerra
Chairman of the Board

John Reed, Secretary