

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD JANUARY 8, 2025 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, January 8, 2025 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
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

OTHERS PRESENT: Rev. Andreas Lewis
Jorge de la Colina
Indira Soto
Andrea Meneses
Erik Casares
Steve Cruz

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

There was none.

Mr. Dietrich then asked that Item 6(6) be tabled for discussion in Executive Session. Commissioner Lopez so moved, Commissioner Gutierrez seconded, and the motion passed unanimously.

3. Directors Report

The board received the reports.

CONSENT AGENDA

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

- a. Approval of the Minutes of the Regular Board Meeting of December 18, 2024;
- b. Approval to authorize payments over \$25,000.00:
 1. A & I Custom Manufacturing, LLC, the amount of \$98,891.10, for railroad concrete approaches for Foust, Bill Reed, and Windhaus Roads; and
 2. Global Equipment Company, Inc., the amount of \$45,630.00, for three new LED light towers; and
 3. Holtcat, the amount of \$555,291.00, for a new 2024 Caterpillar dozer; and
 4. R.R.P Consulting Engineers, LLC, the amount of \$28,984.50, for design phase services for the Fishing Harbor Wastewater Treatment Plant.

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

5. Consideration and ACTION on application for a renewal of the Stevedore and Freight Handler's License submitted by Gulf Stream Marine, Inc.

Mrs. Recio addressed the Board that Gulf Stream Marine, Inc. currently holds a Stevedore and Freight Handler's License to operate in the Port of Brownsville, which is set to expire January 19, 2024. Gulf Stream has submitted their renewal application, including all required attachments. Commissioner Lopez moved to authorize the renewal of the Stevedore and Freight Handler's License for Gulf Stream Marine, Inc., for a new three-year term commencing on January 20, 2024, Commissioner Wood 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. Gulf Facilities Inc./Schaefer Stevedoring Inc. (**Lease Amendment – 4701 Foust Rd**)

The current lease agreement for the 8.0-acre site located at 4701 Foust Road with Gulf Facilities Inc. and Schaefer Stevedoring Inc. (BND Contract #4581) has a primary term of five years with two five-year renewal options that commenced on June 18, 2022. The lessee is seeking an amendment to its current lease to add one five-year renewal option. This amendment would reflect the increase in the number of options to renew from two additional five-year terms to three additional five-year terms each. Commissioner Reed moved to approve the Lease Amendment for Gulf Facilities Inc. / Schaefer Stevedoring Inc., Commissioner Lopez seconded, and the motion passed unanimously.

2. Gulf Facilities Inc. / Schaefer Stevedoring Inc. (**Lease Amendment – 4201 Foust Rd**)

The current lease agreement for the 3.31-acre site located at 4201 Foust Road with Gulf Facilities Inc. and Schaefer Stevedoring Inc. (BND Contract #4543) has a primary term of five years with one five-year renewal option that commenced on December 1, 2021. The lessee is seeking an amendment to its current lease to add two five-year renewal options each. This amendment would reflect the increase in the number of options to renew from one additional five-year term to three additional five-year terms each. Commissioner Reed moved to approve the Lease Amendment for Gulf Facilities Inc. / Schaefer Stevedoring Inc., Commissioner Lopez seconded, and the motion passed unanimously.

3. Gulf Facilities Inc. / Schaefer Stevedoring Inc. (**Lease Amendment – 4201 Foust Rd**)

The current lease agreement for the 2.255-acre site located at 4201 Foust Road with Gulf Facilities Inc. and Schaefer Stevedoring Inc. (BND Contract #4086) has a primary term of five years with one five-year renewal option that commenced on March 1, 2016. The lessee is seeking an amendment to its current lease to add three five-year renewal options. This amendment would reflect the increase in the number of options to renew from one additional five-year terms to four additional five-year terms each. Commissioner Wood moved to approve the Lease Amendment for Gulf Facilities Inc. / Schaefer Stevedoring Inc., Commissioner Lopez seconded, and the motion passed unanimously.

4. AEP Texas Inc. (**Easement and Right of Way**)

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 thirty (30) years. This Easement and ROW agreement includes a temporary workspace for one year, with an option to renew for an additional year. Commissioner Lopez asked about provisions in the easement to allow movement of poles to facilitate future use by the BND. Discussion followed and Mr. Chavez addressed the Board. Commissioner Wood moved to table this item, Commissioner Reed seconded, and the motion passed unanimously.

5. Westa Inc. (**New Lease**)

Westa Inc. is interested in leasing 9.29 acres located at the POB Business Park. The company seeks a New Lease for a term of thirty years for the purpose of constructing a Flour Mill and Sunflower seed processing plant. Commissioner Reed moved to approve the New Lease for Westa Inc.,

Commissioner Lopez seconded, and the motion passed unanimously.

6. Ternium USA, Inc. (New Lease)

This item was tabled for discussion in Executive Session.

BIDS/AGREEMENTS/PURCHASES

The Chairman announced that Items 7 and 8 would be considered together. Commissioner Gutierrez noted that he would be abstaining from Items 7 and 8.

7. Consideration and ACTION on the Grantee/Operators agreement between the Brownsville Navigation District-Foreign Trade Zone No. 62 and Scarbrough International LTD. (Vermillion air-cargo site).

Mr. Dietrich addressed the Board that Scarbrough International LTD has successfully acquired the full portfolio of operations previously held by Parker & Company, spanning from Laredo to Brownsville, Texas. As part of this transition, Scarbrough International will also assume control over all associated Foreign Trade Zone (FTZ) operations. This includes the transfer of all FTZ bonds, which are in place, and the U.S. Customs and Border Protection (USCBP) is issuing new Firm Codes to facilitate the seamless transfer of the operators' responsibilities to Scarbrough International. In light of this acquisition, Scarbrough International is formally requesting the activation of an additional 32,000 square feet of warehouse space within the FTZ at the Vermillion (Air cargo site). This space will be designated for general purpose warehousing under FTZ status. The purpose of this activation is to ensure that the new operations meet the growing demand for secure and efficient storage, in compliance with FTZ regulations.

8. Consideration and ACTION on the Grantee Operators agreement between the Brownsville Navigation District – Foreign Trade Zone No. 62 and Scarbrough International LTD. (NAFTA Industrial Commercial site).

Mr. Dietrich addressed the Board that Scarbrough International LTD has successfully acquired the full portfolio of operations previously held by Parker & Company, spanning from Laredo to Brownsville, Texas. As part of this transition, Scarbrough International will also assume control over all associated Foreign Trade Zone (FTZ) operations. This includes the transfer of all FTZ bonds, which are in place, and the U.S. Customs and Border Protection (USCBP) is issuing new Firm Codes to facilitate the seamless transfer of the operators' responsibilities to Scarbrough International. In light of this acquisition, Scarbrough International is formally requesting the activation of an additional 15,000 square feet of warehouse space within the FTZ at the NAFTA Commercial Industrial Park. This space will be designated for general-purpose warehousing under FTZ status. The purpose of this activation is to ensure that the new operations meet the growing demand for secure and efficient storage, in compliance with FTZ regulations.

Commissioner Reed moved to approve Items 7 and 8 as presented, Commissioner Lopez seconded, and the motion passed by a vote of 4-0. Commissioner Gutierrez abstained.

9. Consideration and ACTION to accept work performed by C&C Waste Management for the removal and disposal sludge from North Side Wastewater Treatment Plant project and to authorize payment of contract amount adjusted for actual quantities.

Mr. Herrera addressed the Board that on September 18, 2024, BND Board awarded a contract in the amount of \$100,000 to C&C Waste Management Services dba, CB3 LLC, for the removal and disposal of sludge from the North Side Wastewater Treatment Plant. The original contract included the removal and disposal of 80,000 gallons of sludge at \$0.75 per gallon (\$60,000), power washing of the holding tanks (\$15,000), and the management of 32,680 gallons of daily wastewater flow for five (5) days while the plant was being serviced (\$25,000). During the execution of the project an additional 385,870 gallons of petroleum sludge was required to be removed from the treatment plant. The quantity of sludge that was removed and disposed of is supported by waste manifest tickets. The additional sludge removal is billed at \$0.25 per gallon for a total of \$96,467.50. The disposal of the additional petroleum sludge incurred a cost of \$45,000. The total contract amount based on actual quantities including the original items totals \$241,467.50. Commissioner Gutierrez asked Mr. Herrera for clarification regarding the Port's procurement process and how it was applied in this case. Discussion followed regarding the processes used and the Board emphasized that staff follow the applicable procedures. Commissioner Reed moved to accept the project as complete and authorize final payment of \$241,467.50, which includes all final actual quantities and completed work, Commissioner Wood seconded, and the motion passed unanimously.

10. Consideration and ACTION to authorize Port Staff to solicit bids for the construction of the BND New Fishing Harbor Wastewater Treatment Plant project, and to open bids thereof.

Mr. Chavez addressed the Board that on October 23, 2023, BND Commissioners approved Work Authorization 1 (WA1) with consultant R.R.P. Consulting Engineers, L.L.C. (RRP, formerly S&B Infrastructure, Ltd.), for professional engineering services to design a new Wastewater Treatment Plant to replace the existing plant at the Fishing Harbor, and to prepare plans and specifications for bidding and construction of said plant. RRP has completed plans and specifications for the new plant with capacity for current and future Port tenants in the area. Once bids are received, BND Staff and a consultant will evaluate the submissions and invite the top bidders to present their qualifications to BND Staff and Commissioners to designate the successful bidder. The proposed year 2025 calendar from Advertisement to Award, subject to modification, is as follows: Advertise for Bids January 11th and January 18th; Pre-Bid Meeting January 21st; Bid Opening March 11th; Bid Review March 12th through March 28th; Recommendation March 31st; and Award Contract at the April 16th Board Meeting. BND Staff is requesting authorization to Advertise for Bids on a local newspaper and other media for the work on this project. BND Staff will also notify known contractors by email and/or phone to invite them to bid. The Plan is to present this project to BND Commissioners to consider award of the contract at the April 2, 2025 Board Meeting. This schedule may vary as needed. Commissioner Reed moved to authorize staff to prepare an Invitation to Bid on the BND New Fishing Harbor Wastewater Treatment Plant project, to publish it in the local newspaper and on the portofbrownsville.com and bidnet.com websites as required by BND Purchasing procedures, and to open bids once they are received, Commissioner Gutierrez seconded, and the motion passed unanimously.

11. Consideration and ACTION to authorize Port Staff to Solicit bids for the BND Fishing Harbor Wastewater Treatment Plant Equipment Relocations project, and to open bids thereof.

Mr. Chavez addressed the Board that BND Staff has been working with Ternium USA Inc. (Ternium) on a lease of a 166.63 Acre Tract East of the Fishing Harbor, and BND Commissioners recently approved said lease. Ternium's development plans include installing railroad tracks into and within the lease site for handling of their materials. The currently proposed railroad track alignment is to cross through our existing wastewater treatment plant at the Fishing Harbor. Installing the railroad track requires removal of several of the features of the existing plant. BND Staff has been working on relocation of the obstructing plant components and a bid package for the relocation of those components is being finalized. Once bids are received, BND Staff and a consultant will evaluate the bids and prepare a recommendation to BND Commissioners on award of the contract. The proposed year 2025 calendar from Ad to Award, subject to modification, is as follows: Advertise for Bids January 11th and January 18th; Pre-Bid Meeting January 21st; Bid Opening January 28th; Bid Review January 29th; Recommendation January 29th; and Award Contract at the February 5th Board Meeting. BND Staff is requesting authorization to Advertise for Bids on a local newspaper and other media for the work on this project. BND Staff will also notify known contractors by email and/or phone to invite them to bid. The Plan is to present this project to BND Commissioners to consider award of the contract at the February 5, 2025 Board Meeting. This schedule may vary. Commissioner Lopez moved to table this item until after the Board has the opportunity to discuss Item 6(6) in Executive Session, Commissioner Gutierrez 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).

The Chairman then announced that the time was 6:15 p.m. and that the Board would adjourn into executive session. Commissioner Reed moved to adjourn into executive session, Commissioner Reed seconded, and the motion passed unanimously.

At 6:48 p.m. the Chairman announced that the Board had reconvened in open session.

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

The Chairman recalled Item 6(6).

Ternium USA, Inc. (New Lease)

Ternium USA, Inc. seeks a new lease for 166.63 acres located at 14340 State Highway 48 for a term of thirty (30) years with two renewal options of ten (10) years each. The purpose of this lease is to construct and operate a terminal facility for receiving, storing and distributing iron ore and other steel products. Commissioner Reed moved to approve the lease as presented, subject to and conditioned on the BND's review and approval of the dock proposed by Ternium USA, Inc.,

Commissioner Lopez seconded, and the motion passed unanimously.

The Chairman then recalled Item 11.

Consideration and ACTION to authorize Port Staff to Solicit bids for the BND Fishing Harbor Wastewater Treatment Plant Equipment Relocations project, and to open bids thereof.

Commissioner Lopez moved to approve the solicitation of bids for the BND Fishing Harbor Wastewater Treatment Plant Equipment Relocations project and to authorize staff to open bids thereof, as presented, Commissioner Gutierrez seconded, and the motion passed unanimously.

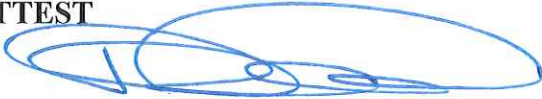
14. Adjournment.

Commissioner Lopez moved to adjourn the meeting, Commissioner Reed seconded, and the meeting was adjourned by unanimous consent at 6:50 p.m.



Esteban Guerra
Chairman of the Board

ATTEST



John Reed, Secretary