

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND  
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF  
CAMERON COUNTY, TEXAS HELD NOVEMBER 6, 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, November 6, 2024 at 5:30 p.m.**

The following individuals were present and absent:

**PRESENT:** Esteban Guerra  
John Reed  
John Wood  
Ernesto Gutierrez

**ABSENT:** Sergio Tito Lopez, Vice Chairman

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

**STAFF MEMBERS:** Arturo Gomez  
Julio Romo  
Miguel Barajas  
Jose Herrera  
Jorge Montero  
Margie Recio  
Janie Velasquez  
Zeus Yanez  
Yessenia Gonzalez  
Pablo Esquivel

**OTHERS PRESENT:** Rev. Andreas Lewis  
Jorge de la Colina  
Bob Berry  
Virginia Hermosa  
Earnest Wotring  
Doug Allison  
Gustavo Guerrero  
Steve Perez

**REGULAR MEETING**

**1. Meeting Called To Order**

The Chairman called the meeting to order at 5:33 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. Director's Report**

The board received the reports.

Commissioner Reed asked Mr. Davis for a report on his meetings relating to the Salamanca vessel. Mr. Davis 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 October 23, 2024;
- b. Approval to authorize payments over \$25,000.00:
  1. HDR Engineering Inc., the amount of \$28,831.36, PA 8 – Study Design Project; Deepening Project – Construction Phase Support; and
  2. R.M. Walsdorf, Inc., the amount of \$98,481.15, for Docks 15 and 16 concrete pavement project.

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

### **5. Consideration and ACTION on an application for a renewal of the Harbor Tug Operator's License from Signet Maritime Corporation.**

Mrs. Recio addressed the Board that Signet Maritime Corporation has a Harbor Tug Operator's License to operate in the Port of Brownsville which will expire November 30, 2024. District has received their license renewal application, with the appropriate attachments and their payment of the renewal fee. The renewal will be for a three-year period beginning December 1, 2024. Commissioner Reed moved to renew the Harbor Tug Operator's License for Signet Maritime Corporation to be effective December 1, 2024 for a term of three years, Commissioner Wood seconded, and the motion passed unanimously.

### **6. Consideration and ACTION to approve payment of the District's 0.68866% pro-rata portion of the 2025 Cameron Appraisal District (CAD) budget for an annual total of \$54,882.**

Mr. Yanez addressed the Board that the Cameron Appraisal District (CAD) provides appraisal services for the purpose of assessing the District's annual property taxes. The District and other taxing jurisdictions of Cameron County are assessed a pro-rata portion of the Cameron Appraisal District's annual budget based on the relationship of each jurisdiction's individual tax levy to the total tax levy for all taxing jurisdictions. The 2025 CAD adopted budget is \$7,969,487, an increase of \$525,513 from their previous 2024 budget. The District's 0.68866% pro-rata portion to total levies requires an annual contribution of \$54,882, an increase of \$6,048 or 12.38% from the District's 2024 contribution of \$48,834. Commissioner Reed moved to authorize payment of the District's \$54,882 pro-rata contribution of the 2025 CAD Budget to be paid in four quarterly payments of \$13,720.50/each, Commissioner Gutierrez seconded, and the motion passed by a vote

of 3-1 with Commissioner Wood voting nay.

## **ACTION ITEMS**

### **7. Consideration and ACTION on Leases, Assignments, Negotiations, Easements, Subleases, and Contracts in general.**

Mr. Dietrich addressed the Board regarding the following Items:

#### **1. US Desalination LLC (Authority to Negotiate)**

US Desalination LLC is seeking an Option to Lease for 30 acres. The recommended term would be one year, with a one-year renewal option. The purpose clause is for due diligence, specifically marine desalination for industrial uses. Commissioner Reed moved to authority staff to negotiate an Option to Lease for US Desalination LLC, Commissioner Wood seconded, and the motion passed unanimously.

#### **2. Rodicel, Inc. (Consent to Assignment)**

Rodicel, Inc., a current lessee under BND contract #4689, has entered into a contract for sale and purchase of leasehold improvements with 2685 North Indiana, a series of Electrical Forever, L.L.C. The lessee seeks the Board's consent to assign the lease to 2685 North Indiana, a series of Electrical Forever, L.L.C. This property is located at 2685 North Indiana and consists of 1.12 acres for the purpose of plastic and injection molding. Rodicel, Inc. is in compliance with the insurance requirement of Level 2 with pollution insurance for the leased premises. BND Legal Counsel has reviewed the agreement and concurs that it is ready for consideration by the BND Commission subject to closing and the assignee, 2685 North Indiana, a series of Electrical Forever, L.L.C, providing the required insurance limits, (Level 2 with pollution). Commissioner Reed moved to approve the Consent to Assignment of Lease for Rodicel, Inc. subject to closing and providing the updated insurance by 2685 North Indiana, a series of Electric Forever, L.L.C, Commissioner Wood seconded, and the motion passed unanimously.

#### **3. VMK Equipment Series (Consent to Sublease)**

VMK Equipment Series is a current lessee under BND Contract #4560 and is located at 3600 North Chemical Road. Lessee is seeking the Board's Consent to Sublease to VMK Concrete, LLC for the purpose of operating a ready-mix plant on the site. The principals of VMK Equipment Series and VMK Concrete, LLC are the same. Chairman Guerra asked for clarification regarding the sublease and Mr. Irwin noted that the property is subject to an existing sublease to CEMEX. VMK Concrete, LLC wishes to take over the sublease for the same purposes. Commissioner Reed moved to approve the Consent to Sublease for VMK Equipment Series, Commissioner Wood seconded, and the motion passed unanimously.

#### **4. Oil Path Fuel & Supply, Inc. (New Lease)**

This new lease to Oil Patch Fuel & Supply, Inc., will replace BND Contract #3960 for the 0.854-acre site located in the Fishing Harbor at 2115 Bayou Court. The lease term will be for one year, with four one-year renewal options. The purpose of the lease will be for fuel and oil distribution.

After discussion Commissioner Wood suggested that the term and renewal options be reviewed so as to avoid four one year option renewal terms. Commissioner Reed moved to table the item, Commissioner Gutierrez seconded, and the motion passed unanimously.

#### **BIDS/AGREEMENTS/PURCHASES**

**8. Consideration and ACTION to approve payment of the audit adjustment for the Worker's Compensation premium, 2022-2023 policy year to the Texas Municipal League Intergovernmental Risk Pool in the amount of \$31,227.00.**

Ms. Gonzalez addressed the Board that TML performs an annual audit of the Worker's Compensation payroll at the end of each policy year. This year's audit showed that our actual payroll exceeded the estimated payroll by 22.8%, or \$1,530,625.00. This variance is due to increased staffing and hours and salary adjustments that arose during the year. The original premium for policy year 2022-2023 was \$143,873 and has been adjusted to \$175,100, which reflects an additional contribution of \$31,227. Commissioner Wood moved to approve payment to Texas Municipal League in the amount of \$31,227.00 for the audit adjustment for the Worker's Compensation Insurance premium for the 2022-2023 policy year, Commissioner Reed seconded, and the motion passed unanimously.

**9. Consideration and ACTION to authorize Port Staff to purchase new LED light towers to be utilized on Port Projects, pursuant to Buy Board contract #657-21.**

Mr. Herrera addressed the Board that BND Staff is requesting the Board of Commission to authorize Staff to purchase three new LED light towers. Staff received pricing from vendor Global Industrial with Buy Board #657-21 for three new LED light towers for a price of \$15,210.00 each, which is a total price of \$45,630.00. Commissioner Reed moved to authorize Staff to purchase three New LED Light Towers from vendor Global Industrial with Buy Board #657-21 at a cost of \$15,210 ea. and a total cost of \$45,630.00, Commissioner Wood seconded, and the motion passed unanimously.

**10. Consideration and ACTION to Authorize Port Staff to purchase a new water pump to be utilized on Port Projects, pursuant to TIPS COOP contract #23010401.**

Mr. Herrera addressed the Board that BND Staff is requesting the Board of Commission to authorize Staff to purchase a New 6" Water Pump. Staff received pricing from vendor CB3 Consultants, LLC with TIPS COOP contract #23010401 for a New 6" Water Pump for a total price of \$60,850.00. Commissioner Reed moved to authorize Staff to purchase a New 6" Water Pump from vendor CB3 Consultants LLC. with TIPS COOP contract #23010401 for a cost of \$60,850.00, Commissioner Gutierrez seconded, and the motion passed unanimously.

**11. Consideration and ACTION to authorize Port Staff to advertise for Bids for the purchase and Installation of two new fuel tanks to be utilized for fuel storage at the Port and to rent portable tanks.**

Mr. Herrera addressed the Board that BND Staff is requesting the Board of Commission to authorize Staff to advertise for the purchase and installation of two new 4000-gallon fuel tanks,

one for Gasoline and one for Diesel. These tanks will be utilized for storage of fuel on site for all Port rolling stock. The old tanks were deemed unsafe and have been locked out. While the tanks are being procured and installed, the rental of portable fuel tanks will be necessary at a cost of \$1,680 each per month plus a one-time fee of \$1,900 for each tank for delivery and pickup. Discussion followed regarding the condition of the tanks and the Port's procedures to review condition of tanks and other BND property. Commissioner Reed moved to authorize Staff to advertise for the purchase and installation of two new 4000-gallon fuel tanks, one for Gasoline and one for Diesel and to authorize the continued rental of portable fuel tanks., Commissioner Gutierrez seconded, and the motion passed unanimously.

**12. Consideration and ACTION to ratify authorization for Port Staff to purchase dowel pin to be utilized on 118-acre Industrial Park Project Road pursuant Sourcewell Contract #091422-WCP.**

Mr. Herrera addressed the Board that on April 19, 2023, BND Commissioners authorized Staff to proceed with the development of the 118-acre Industrial Park and to Solicit bids for the purchase of material required for construction. Staff is requesting the Board of Commissioners to authorize Staff to purchase 7,400 pc. of 1" x 18" Dowel Pins to be utilized in the 118-acres Concrete Road. Staff received a quote from vendor White Cap with Sourcewell Contract #091422-WCP for a price of \$4.15 each, for a total price of \$30,710.00. Discussion followed regarding the need to purchase the dowel pins. Commissioner Wood moved to ratify authorization for Port Staff to purchase 7,400 pc. of 1" x 18" Dowel Pins at \$4.15 ea. for a total price of \$30,710.00 from vendor White Cap with Sourcewell Contract #091422-WCP, Commissioner Gutierrez seconded, and the motion passed unanimously.

Chairman Guerra left the meeting room.

**13. Consideration and ACTION on Settlement Agreement and Mutual Release Agreement with Marquette Transportation Company Gulf-Inland, LLC on damages caused to Oil Dock No. 5**

Mrs. Recio addressed the Board that on April 9 and May 26, a vessel and its tow operated by Marquette Transportation Company Gulf-Inland, LLC caused damages to the western and eastern fenders of Oil Dock No. 5. Following May 26, Marquette procured two Yokohama fenders as temporary repairs to maintain Dock operations. The District procured the service for installation. Marquette now seeks to enter into a settlement agreement and mutual release with the District, involving the following items. Permanent Fender Repair: Marquette will engage Russell Marine LLC to procure and install two permanent fender panel systems at Oil Dock 5. The initial proposed cost is \$295,992.00. Marquette reserves the right to negotiate with Russell Marine and retain any cost savings. Any revisions to the proposal must be reviewed and approved by the District's engineering department. Transfer of Yokohama Fenders: Marquette agrees to relinquish any claim to the Yokohama fenders, transferring ownership to the District. Waiver of District's Reimbursement Claim: In exchange for the Yokohama fenders, the District agrees to release its reimbursement claim of \$28,000 for costs associated with securing, removing, and replacing the damaged fenders, as well as installing the Yokohama fenders. Commissioner Wood moved to authorize the execution of the Settlement Agreement and Mutual Release, Commissioner Reed

seconded, and the motion passed unanimously.

Commissioner Guerra returned to the meeting room.

**14. Consideration and ACTION to authorize BND Staff to purchase (1) Right Lay Cable-Hoist Rope for GHMK 6507 Model 6 Cranes.**

Mr. Davis addressed the Board that the Harbormaster Office is requesting permission to purchase one (1) RIGHT LAY CABLE-HOIST ROPE to prevent any crane delays due to damaged cables. This item qualifies as a Sole Source under section 60.412: it is for captive replacement parts or components for equipment. Discussion followed regarding the availability of alternatives, lead times for the product, and what is causing the damage to the rope. Commissioner Reed moved to authorize BND Staff to purchase one RIGHT LAY CABLE-HOIST ROPE in the amount for \$28,639.37 for GHMK 6507 Model 6 Cranes from Konecranes, INC, plus freight and shipping charges, which are determined at the time of shipping, and to authorize payment once the items are received, Commissioner Gutierrez seconded, and the motion passed unanimously.

**15. Consideration and ACTION to approve renewal of annual subscription of the lease and subscription-based information technology arrangement accounting software from Fifth Asset, Inc. DBA DebtBook.**

Mr. Yanez addressed the Board that on December 6, 2023, the Board approved the purchase of the annual subscription to DebtBook for lease and subscription-based information technology arrangement ("SBITA") accounting software. Our current subscription to the software is set to expire on December 5, 2024. The subscription to the software was procured through the BuyBoard purchasing cooperative and was for a 1-year term subject to renewal based on the terms set forth in the Terms & Conditions. The DebtBook cloud-based software for lease and SBITA accounting and reporting will ensure compliance with the GASB 87 and GASB 96 accounting and disclosure requirements. It will also ensure accuracy and efficiency by generating the necessary amortization tables, journal entries, and required notes for the financial statements. Discussion followed regarding negotiation of a longer term with the same pricing. Commissioner Reed moved to table the item, Commissioner Gutierrez seconded, and the motion passed unanimously.

**16. Consideration and ACTION on the agreement with TRB Capital Markets, LLC (DBA Estrada Hinojosa) for financial advisory services.**

Mr. Yanez addressed the board that Estrada Hinojosa has provided the district with financial advisory services including services associated with debt issuance, debt refinancing, and assistance with the required annual filings related to the District's outstanding debt. Estrada Hinojosa has provided these services to the District for over twenty-five years and is familiar with the Port's ongoing and future financial needs. Estrada Hinojosa has provided excellent service and sound financial advice during this period. The Estrada Hinojosa team has been responsive to the District's needs. Discussion followed regarding the rates in the new agreement as compared to the existing agreement. Commissioner Reed moved to table the item, Commissioner Gutierrez seconded, and the motion passed unanimously.

**17. Consideration and Action to ratify Change Order No. 1 to the contract with A&I Custom Manufacturing, LLC on the Railroad Concrete Approaches for Foust, Bill Reed, and Windhaus roads project, adding demolition of old concrete pad and extra concrete, limestone base and subgrade, and deleting limestone base and subgrade.**

Mr. Esquivel addressed the Board that on June 19, 2024, BND Commissioners awarded the Railroad Concrete Approaches for Foust, Bill Reed and Windhaus Roads project to A&I Custom Manufacturing, LLC (A&I) in the amount of \$668,872.00 to install concrete pavement approaches on five railroad crossings. During construction of the crossing at Windhaus and Foust Roads, old concrete was encountered that is in conflict with the proposed pad there, requiring demolition and removal. Change Order #1 adjusts the contract price to cover A&I's proposed amount to demolish and remove the old concrete, extend the proposed pad on the North to match the old joint, and remove subgrade and base area on the South of this intersection due to found solid base there. These modifications result in an increase of \$45,660.00 in the contract price, for a new contract price of \$714,532.00, being an increase of 6.83%. Commissioner Reed moved to ratify approval of Change Order No. 1 to the contract with A&I Custom Manufacturing, LLC on the Railroad Concrete Approaches for Foust, Bill Reed and Windhaus Roads project, increasing the original contract price of \$668,872.00 by \$45,660.00, for a new contract price of \$714,532.00, Commissioner Wood seconded, and the motion passed unanimously.

**18. 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.

**19. Possible ACTION on matters or items discussed in Executive Session.**

There was none.

**20. Adjournment.**

Commissioner Reed moved to adjourn the meeting, Commissioner Gutierrez seconded, and the meeting was adjourned by unanimous consent at 6:35 p.m.



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Esteban Guerra  
Chairman of the Board

ATTEST



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John Reed, Secretary