

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD NOVEMBER 20, 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 20, 2024 at 5:30 p.m.**

The following individuals were present and absent:

PRESENT: Esteban Guerra
John Reed
John Wood

ABSENT: Sergio Tito Lopez
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
Miguel Barajas
Jose Herrera
Jorge Montero
Margie Recio
Janie Velasquez
Zeus Yanez
Yessenia Gonzalez
Ariel Chavez
Michael Davis

OTHERS PRESENT: Rev. Andreas Lewis
Albert Perez
Humberto Torres
Virginia Hermosa
Jorge de la Colina
Joe Vega
Paul Shane
Ruben Lopez
Arnie Tyler
Teresa Saldivar
Landon Overby
Melissa Harrison
Jaime Cantu
Jeniffer Garcia
Rick Stephanow
Jerry Haddad

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

There was none.

Mr. Dietrich then asked that Items 6 and 7 be tabled. Commissioner Reed moved to table Items 6 and 7, Commissioner Wood seconded, and the motion passed unanimously.

3. 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 November 6, 2024;
- b. Approval to authorize payments over \$25,000.00:
 1. A&I Custom Manufacturing, LLC, the amount of \$122,869.80, for railroad concrete approaches for Foust, Bill Reed, and Windhaus roads; and
 2. IOC Company, LLC, the amount of \$125,810.28, for business park concrete pavement project.

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

ACTION ITEMS

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

Mr. Dietrich addressed the Board regarding the following Items:

1. Brownsville Gulfside Warehouse, Inc. (Lease Amendment – 16100 RL Ostos Rd.)

Brownsville Gulfside Warehouse, Inc., a current lessee under BND Contract #4717 and located at 16100 R.L. Ostos Road, seeks the board's approval to amend their lease to increase the size of their leased premises by 15.485-acres, expanding the total leased area to 17.565-acres. The lease rental and security deposit will be adjusted to reflect the current lease rental rates. Commissioner Reed moved to approve the Lease Amendment for Brownsville Gulfside Warehouse, Inc. as presented, Commissioner Wood seconded, and the motion passed unanimously.

2. B&L Freight Service, LLC (Lease Amendment – 2601 RL Ostos Rd.)

B&L Freight Service, LLC, a current lessee under BND Contract #4594 and located at 2601 RL Ostos Road, is seeking the Board's approval to amend its purpose clause. The current purpose of this lease is for freight transportation of coils, sheet metal sales, and warehouse storage. The lessee wishes to amend the purpose clause to include office space to accommodate the proposed sublease to Bureau Veritas, LLC. Mr. Dietrich addressed the Board and explained his and staff's concerns

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regarding B&L Freight Service, LLC's conduct, including repeated breaches of its lease and refusal to comply with BND policies and procedures. Mr. Dietrich noted that staff's recommendation was to not approve the lease amendment requested by B&L Freight Service, LLC. Commissioner Wood moved to follow staff's recommendation not to approve the Lease Amendment for B&L Freight Service, LLC, Commissioner Reed seconded, and the motion passed unanimously.

3. B&L Freight Service, LLC (Consent to Sublease – 2601 RL Ostos Rd.)

B & L Freight Service, LLC, a current lessee under BND Contract #4594 and located at 2601 RL Ostos Road, is seeking the Board's consent to sublease a tenant-owned building on the leased premises to Bureau Veritas, LLC for the purpose of office space. The current purpose of this lease is for freight transportation of coils, sheet metal sales, and warehouse storage. The sublease agreement between B & L Freight Service, LLC (lessee) and Bureau Veritas, LLC (proposed sublessee) specifies a monthly rent of \$725.00. In accordance with the District's Leasing Policy, the rental rate for the sublease must not exceed the rate charged under the primary lease. B & L Freight Service, LLC currently pays \$726.50 per month for leasing the premises. Mr. Dietrich referred to his explanation provided during consideration of the previous item and noted that staff's recommendation was to not consent to the proposed sublease. Commissioner Reed moved to follow staff's recommendation not to consent to the proposed sublease, Commissioner Wood seconded, and the motion passed unanimously.

4. B&L Freight Service, LLC (Lease Amendment – 2775 Foust Rd.)

B & L Freight Service, LLC, a current lessee under BND Contract #4598 and located at 2775 Foust Road, is seeking the Board's approval to amend its purpose clause, as it aims to expand their operations. The current purpose of the lease is for freight transportation, storage of coils, and sheet metal. Lessee wishes to amend the purpose clause to include multipurpose warehousing of non-hazardous dry bulk materials and for a laydown area of non-hazardous dry bulk materials. For purposes of clarity, the lessee would not be authorized to permit third-party truck parking or staging, transloading operations, or storage of hazardous materials on the premises. Mr. Dietrich referred to his explanation provided during consideration of the previous items and noted that staff's recommendation was to not approve the leased amendment requested by B&L Freight Service, LLC. Commissioner Wood moved to follow staff's recommendation not to approve the Lease Amendment for B&L Freight Service, LLC, Commissioner Reed seconded, and the motion passed unanimously.

BIDS/AGREEMENTS/PURCHASES

6. Consideration and ACTION to award recommended medical, dental, vision, short term disability, long term disability and life insurance for all BND employees.

This item was tabled.

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

This item was tabled.

8. Consideration and ACTION to approve renewal of annual subscription for 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 accounting software. District's current subscription to the software is set to expire on December 5, 2024. The subscription to the software was for a 1-year term subject to renewal based on the terms set forth in the Terms & Conditions. Per discussion with DebtBook, they have agreed to offer a 3-year renewal term with no change in rate throughout the 3-year term. The annual subscription fee for this new 3-year term is \$28,500 and remains unchanged from the current subscription fee. 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. Commissioner Wood moved to authorize staff to renew the subscription to DebtBook software for a 3-year term in the amount of \$28,500 annually, Commissioner Reed seconded, and the motion passed unanimously.

9. Consideration and ACTION to approve a Master Open-End Lease Agreement with Commercial Vehicle Leasing, LLC dba D&M Leasing, for the leasing of fleet and patrol vehicles, pursuant to TXMAS contract 23-97501.

Mr. Yanez addressed the Board that Staff have been evaluating and assessing the pros and cons of outright purchasing or leasing vehicles to replace the Port's aging fleet. District's fleet currently ranges in age from 3-21 years old, which equity is rapidly declining. An aging fleet is also more costly to maintain. Through Staff's assessment, Staff estimate that the cost for replacing District's complete fleet of 45 vehicles, by purchasing them outright, would cost approximately \$2,586,656, based on recent bids for similar vehicles (PUB and Bexar County Bid results). While the lease of the vehicles would cost a similar \$2,413,260; there are two factors which would greatly favor entering a lease program: (1) By entering a lease program, the capital outlay of approximately \$2,400,000 can be spread out over the term of the lease. In contrast, if District purchases the vehicles outright, the funds will be paid upfront as vehicles are replaced. (2) The leasing program has an option for a maintenance program for the leased vehicles (excluding patrol cars) that can be added on for a nominal fee. The maintenance program will allow the Port to take leased vehicles to pre-approved shops (including dealerships and other reputable shops) that have negotiated contracts with D&M to service lease vehicles. The maintenance program will cover routine maintenance, such as oil changes and other repair work not covered by manufacturer's warranty (excluding brakes/tires). Discussion followed regarding the value that would be offered by using the master lease program. Members of D&M Leasing addressed the Board to answer questions. D&M Leasing noted that local dealerships could be used under the program. Commissioner Reed moved to approve the Master Lease Agreement with Commercial Vehicle Leasing, LLC dba D&M Leasing for the fleet vehicles and patrol vehicles, Commissioner Wood seconded, and the motion passed unanimously.

Staff presented Item 11 out of order.

11. Consideration and ACTION to purchase limestone and geogrid for Patio 22T – 19.95 acre laydown are development.

Mr. Gomez addressed the Board that The Brownsville Navigation District, Gulf Steam Marine, Inc. and Ternium Procurement S.A. "Ternium" entered into a lease and guaranty of development

agreement for 19.95-acres of patio laydown area approved by the Board of Commissioners on October 23, 2024. Commissioner Reed moved to grant staff authority to purchase materials required and to provide payment once staff receives approximately 35,000 tons of crushed limestone (CALIXA Aggregates LLC., Contract No. 4637) at \$35.00 per ton and 45 rolls of geogrid (Ferguson Waterworks., Buyboard 706-23) at \$1,457.76 per roll, Commissioner Wood seconded, and the motion passed unanimously.

10. Consideration and ACTION to purchase limestone and geogrid for Patio Access Road.

Mr. Gomez addressed the Board that the Facilities Maintenance Department is progressing on repairs to the Patio 22 Access Road (from Patio 22E to the Dock 16 entrance). This critical route, originally designed to include a 24-inch layer of limestone base, currently has only 12 inches of base, which has led to accelerated wear. Serving as the main connection between Docks 15 and 16 and the Patio 22 laydown area, this access road endures significant and varied traffic, including steel slabs, wind components, and heavy project cargo. Due to the high volume and weight of the loads it supports, the road's condition has deteriorated significantly. To ensure durability and meet operational and safety standards, it will be repaired and rebuilt according to the original 24-inch limestone base specification. Commissioner Wood moved to grant staff authority to purchase material required and payment once received to begin work: Approximately 26,000 tons of crushed limestone (CALIXA Aggregates LLC., Contract No. 4637) at \$35.00 per ton and 30 rolls of geogrid (Ferguson Waterworks Buy Board 706-23) at \$1,457.76 per roll, Commissioner Reed seconded, and the motion passed unanimously.

12. Consideration and ACTION on amendment to commitment on partial funding participation with the County of Cameron and the Texas General Land Office in the Children's Beach Restoration project.

Mr. Chavez addressed the Board that BND Staff has been working with Cameron County on the Children's Beach Restoration project located in the Cameron County and BND property at Isla Blanca Park on South Padre Island, Texas. Significant erosion at the Children's Beach site caused by daily wave action, storm events, and vessel movements in the Brazos Santiago Pass poses a threat to County Park facilities and adjacent areas. This project's objective is to restore and protect the shoreline. This erosion has degraded natural habitats, destabilized adjacent uplands, and made the shoreline inaccessible and unsafe for public use. This project will be funded by the Texas General Land Office Coastal Erosion Planning and Response Act (CEPRA), in collaboration with Cameron County and BND. The total project cost is \$330,000.00. Under the amended agreement proposed by the stakeholders, the Texas General Land Office will contribute 60% (\$198,000.00); Cameron County Parks & Recreation contribution will be 20% (\$66,000.00); and the BND will contribute 20% (\$66,000.00). On June 14, 2023, and December 06, 2023; the Board of Commissioners for the Port of Brownsville approved and signed an Interlocal Agreement and an Amended and Restated Interlocal Agreement, with current dates, is being presented for consideration and approval. Mr. Vega from Cameron County addressed the Board. Discussion followed regarding a timeline for development of the project. Commissioner Reed moved to approve entering into the Amended and Restated Interlocal Agreement and authorize payment when invoiced of the not-to-exceed contribution of \$66,000.00 as local match for the Children's Beach Restoration project, Commissioner Wood seconded, and the motion passed unanimously.

13. Consideration and ACTION on Amendment to EarthCo. LLC'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 \$28,627.00. 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. Discussion followed regarding the terms of the estimate. Commissioner Reed noted that some of the terms looked incorrect and asked staff to confirm the correct terms with EarthCo. Commissioner Reed moved to table Item 13, Commissioner Wood 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 (§551.074); and to conduct deliberations regarding economic development negotiations (§551.087).

The Chairman then announced that the time was 6:37 p.m., and that the Board would adjourn into executive session. Commissioner Wood moved to adjourn into executive session, Commissioner Reed seconded, and the motion passed unanimously.

At 7:14 p.m. Chairman announced that the Board had reconvened in open session.

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

There was none.

16. Adjournment.

Commissioner Wood moved to adjourn the meeting, Commissioner Reed seconded, and the meeting was adjourned by unanimous consent at 7:14 p.m.



Esteban Guerra
Chairman of the Board

ATTEST



John Reed, Secretary

**Brownsville Navigation District
BOARD OF COMMISSIONERS
REGULAR MEETING PUBLIC FORUM SIGN-IN SHEET**

December 04, 2024, at 5:30 p.m.

This sheet will be submitted to the Board at 5:15 p.m.
(15 minutes prior to the meeting)

**Only those persons who have registered on this Sign-In Sheet
will be permitted to address the Board of Commissioners
during the Public Forum portion(s) of this meeting.**

No presentation shall exceed three (3) minutes.

	Name and Address	Agenda Item to be Addressed or Subject to be Discussed
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