

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND  
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF  
CAMERON COUNTY, TEXAS HELD AUGUST 06, 2025 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, August 06, 2025 at 5:30 p.m.**

The following individuals were present and absent:

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

**ABSENT:** None

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

**STAFF MEMBERS:** Margie Recio  
Carlos Martinez  
Janie Velasquez  
Yessenia Gonzalez  
Estela Rangel  
Guillermo Rico  
Tony Rodriguez  
Manuel Martinez  
Zeus Yanez  
Jose Herrera  
Julio Romo  
Miguel Barajas  
Karina Franco  
Juan Resendez  
Ervey Gonzalez

**OTHERS PRESENT:** Rev. Andreas Lewis  
Durkin Ledgard  
Kris Wood  
Ruben Lopez  
Nico Schaefer  
Mark Hodgson  
Shariff Gonnella  
Chris Urbanovsky  
Gene Tuttle

Andrea Meneses  
Leonel Cantu  
Maria Jaross  
Jorge Sanchez

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## **REGULAR MEETING**

### **1. Meeting Called To Order**

The Chairman called the meeting to order at 5:30 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.

### **3. Directors Report**

The Board received the reports.

## **CONSENT AGENDA ITEMS**

### **4. Consideration and ACTION on the Following Consent Agenda Item:**

- a. Approval of the Minutes of the Regular Board Meeting of July 16, 2025.
- b. Approval to authorize payments over \$25,000.00.
  1. IOC Company, LLC, the amount of \$39,626.65, for Business Park concrete pavement project.

Commissioner Guerra asked for an update on discussions with IOC Company, LLC regarding a credit for delays relating to this project. Mr. Dietrich addressed the Board and noted that those credits would be addressed prior to closing out the project.

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

## **ACTION ITEMS**

### **5. Discussion and possible ACTION of proposed Fiscal Year 2025 Operating Budget Amendments.**

Mr. Yanez addressed the board that BND staff is submitting proposed budget amendments to the District's Fiscal Year 2025 Operating Budget for discussion and possible action. The proposed budget amendments are based on the current year's actual revenues and expenditures to date and projected operational needs for the remainder of the fiscal year. Staff are proposing increasing budgeted operating revenues to \$45,657,957, a net increase of \$2,078,476 from original budget projections. The overall increase is primarily attributed to increases in lease rentals, pipeline transmissions - throughout, security surcharges and storage revenues offset by decreases in wharf age-in, channel closing fee, and crane revenues. Additionally, Staff are proposing decreasing total



operating expenses to \$24,567,283, a net decrease of \$136,263 from original budget projections. The overall decrease is attributed to decreases in wages and benefit expenses, and materials-repairs, offset by increases in services purchased, other consultant fees, community participation, and software/support agreements. The wage and benefit expenses includes: funding allocation for two new position/personnel requests, an Administrative Assistant CT2 and 'Cargo Services Specialist' (if approved, position will be added to the Wage & Salary Chart CT4) for the Cargo Services & FTZ Department; reclassification of an Administrative Assistant CT2 position to a new position, 'Engineering Administrative Specialist' (if approved, position will be added to the Wage & Salary Chart CT4); reclassification of all 3 Wastewater Skilled Craftsmen MT2 positions to a new position, 'Wastewater Utilities Operator "C"' (if approved, position will be added to the Wage & Salary Chart MT3); and, reclassifications of personnel within divisions to align functions within departments with no net impact on the budget. After discussion, Commissioner Reed moved to approve the proposed budget amendments to the FY 2025 Operating Budget presented herein, subject to modifications requested by the Board, Commissioner Wood seconded, and the motion passed unanimously.

**6. Consideration and ACTION to authorize the Port Director of Finance to request terms from PNC Bank for a possible extension of the Brownsville Navigation District of Cameron County, Texas Senior Lien Variable Rate Revolving Note Program.**

Mr. Yanez addressed the board that on November 8, 2022, the District established the \$40,000,000 Brownsville Navigation District of Cameron County, Texas Senior Lien Variable Rate Revolving Note Program (the "Program") with PNC Bank. The Program was set up as a means of short-term interim financing for projects and functions, similar to a line of credit. The Program provides a cost-efficient means of short-term borrowing and minimizes the cost associated with maintaining the Program, especially during times when no debt is outstanding. The Program can accommodate Taxable debt, Tax-Exempt debt, and AMT debt. The Program is set to expire on November 8, 2025. Staff is currently requesting authorization from the Board to request terms from PNC Bank for a possible extension of the Program. Once terms are received from PNC Bank, the terms will be analyzed and provided to the Board for further consideration of a possible extension of the Program. Discussion followed regarding a possible 3year extension. Commissioner Reed moved to authorize the Director of Finance to request terms from PNC Bank for a possible extension of the Brownsville Navigation District of Cameron County, Texas Senior Lien Variable Rate Revolving Note Program, Commissioner Lopez seconded, and the motion passed unanimously.

**7. Consideration and ACTION to acknowledge receipt of Certified Appraisal Roll and Property Tax calculations for the District's 2025 tax year levy.**

Mr. Yanez addressed the Board that on July 25, 2025, the Cameron Appraisal District certified the appraisal roll for properties in the District's jurisdiction. Submittal of the certified appraisal roll and the property tax rate calculations to the BND Commissioners are required steps in the tax assessment process of the Texas Tax Code Chapter 26. The District's calculated \$0.025148 no-new-revenue and \$0.027207 voter-approval tax rates will be published and posted on the District's website, along with other required information and notices. Under a subsequent item at this August 6<sup>th</sup> meeting, BND Commissioners will vote to publish a Proposed Tax Rate for the 2025 Tax Year Levy. The final vote to adopt the 2025 proposed tax rate will take place at a subsequent Board meeting. The attached exhibits contain the Certified Appraisal Rolls and tax rate calculations of the no-new-revenue and voter-approval tax rates as well as additional informational worksheets.



Truth-in-Taxation (from the State Comptroller's web site): "Truth-in-taxation" is a concept that requires local taxing units to make taxpayers aware of tax rate proposals and to afford taxpayers the opportunity to limit tax increases. Increases that exceed the voter-approval tax rate are subject to a mandatory voter election.

Property Tax – Definitions: There are two rates that are used to compare the District's 2025 tax rates to the 2024 tax rates. The tax rate calculation worksheet enables us to calculate the following rates: (1) no-new-revenue tax rate and (2) voter-approval tax rate. These rates are looked at in deciding what our Proposed Tax Rate will be each year. The Proposed Tax Rate is comprised of two parts, the Debt Rate and the No-new revenue Maintenance and Operations Rate (which may be increased by 3.5%). A short discussion of each of these rates is included below. The no-new-revenue tax rate is the rate that would generate approximately the same tax dollars as last year based on the 2025 valuations of the same property that was taxed in 2024. The no-new-revenue tax rate for 2025 is \$0.025148/\$100 valuation. The voter-approval tax rate is the maximum rate that the District can adopt without an automatic mandatory election so that voters may accept or reject a Proposed Tax Rate that is higher than the voter-approval rate. For a taxing unit other than a special taxing unit the voter-approval tax rate = (no-new-revenue Maintenance and Operations rate increased by 3.5%, plus the required debt rate to raise the debt service obligations and unused increment rate). The voter-approval tax rate for 2025 is \$0.027207/\$100 valuation, consisting of a \$0.025245/\$100 Maintenance and Operations no-new-revenue rate increased by 3.5%. It is important to note that the District's calculated voter-approval tax rate for the 2025 Tax Year does not include a debt service rate component. It is no longer necessary for the District to levy a General Obligation portion (the Debt Rate) as the District no longer has tax supported debt outstanding. Tax supported debt was paid off during 2023. The Proposed Tax Rate is the maximum rate that the District's Board plans to adopt at a subsequent Board meeting. This rate will provide tax revenues to meet the District's maintenance and operations expectations from the tax levy. Proposing a tax rate in excess of the lower of the no-new-revenue and voter-approval tax rates will require the District to hold one public hearing and publish additional notices in the paper and website before the tax rate can be adopted. In addition, if the adopted tax rate exceeds the voter-approval tax rate, the District would be subject to a mandatory voter election in November.

Notable Items in the Certified Values: There are 52 properties pending ARB protests (compared to 105 in 2024) as of July 22, 2025, the date of the official certification. For those properties still under ARB review, the lower of the appraised value and the value claimed by the taxpayer is used for the purposes of calculating the 2025 Tax Rates. As these protests are settled, the District's values are amended through supplemental reports, which is usually done on a monthly basis during the year.

Transportation Reinvestment Zone Tax Increment: The District has an active Transportation Reinvestment Zone (TRZ) that allocates a portion of the annual tax levy for capital

improvements. The calculation of the Tax Increment for the TRZ uses taxable valuations less the value of personal (non-real) property. The base valuation for 2013 was \$6,251,410,971, which is the base year for the calculation of the tax increment in all years going forward. The taxable value for 2025 is \$14,663,380,475 net of non-real property values and results in a “captured value” for the TRZ of \$8,411,969,504. The proposed tax rate is applied to the captured value to determine the anticipated deposit to the TRZ Fund from the 2025 Tax Year Levy (which will be made in 2026). In calculating the no-new-revenue tax rates, the TRZ deposit and the captured value are deducted from the calculations, in accordance with the Property Tax Code. The TRZ allocation is also deducted from the calculation of the M&O portion of the voter-approval rate.

Taxes on Home Values: The Board has always expressed an interest in setting a rate that reflects the District’s awareness of how the tax rates impact homeowners. There is a worksheet titled “Comparable Taxes” attached to a subsequent item on this agenda, for use in discussions regarding the effect of the calculated tax rates on homeowners. The “average” value of homes is calculated by the Cameron Appraisal District. The worksheet also demonstrates the effect of the calculated tax rates per \$100,000 valuation of a home. Commissioner Reed moved to acknowledge receipt of the Certified Appraisal Roll and Property Tax calculations for the District's 2025 Property Tax Levy, Commissioner Wood seconded, and the motion passed unanimously.

#### **8. Consideration and ACTION to discuss and vote on a 2025 proposed Tax Rate for the Brownsville Navigation District.**

Mr. Yanez addressed the Board that the BND Commissioners will vote on a 2025 Proposed Tax Rate. The recommended Proposed Tax Rate is at \$0.027207 per \$100 valuation. This proposed tax rate is equal to the voter-approval rate which is the maximum rate that can be adopted without requiring an election to seek voter approval of the rate. Since the proposed tax rate is greater than the lower of the \$0.025148 no-new-revenue tax rate and \$0.027207 voter-approval tax rate, a public hearing is required since the District is proposing to increase property taxes in the 2025 tax year. In this agenda item, the Board has the option of accepting the proposed \$0.027207 tax rate or proposing an alternative rate. Once the motion has been made to accept the 2025 Proposed Property Tax Rate, the Board will need to take a roll call vote. The vote will be recorded in the "Notice of Public Hearing on Tax Increase" which will be published in the Brownsville Herald and the District's website. After publishing this required notice and holding the public hearing, the BND Commissioners may vote to adopt the \$0.027207 Proposed Tax Rate. The District will need to submit its 2025 adopted rate by September 12<sup>th</sup> to the County Assessor & Collector for the District's 2025 tax rate to be included in the combined October tax statements. Discussion followed regarding the implications of establishing rates above the no-new-revenue rate but below the voter-



approval rate. Chairman Guerra noted that this vote was not to establish the final rate, but to set the maximum rate that would be voted on at the public hearing following publishing of the required notices. Commissioner Reed moved to publish the 2025 Proposed Property Tax Rate of \$0.027206 per \$100 of valuation, which consists of a Maintenance and Operations rate of \$0.027206 per \$100 of valuation, Commissioner Wood seconded, and the motion passed by a vote of 3-2. A roll call vote was taken with Chairman Guerra, Commissioner Reed, and Commissioner Wood voting “Aye” and Commissioner Lopez and Commissioner Gutierrez voting “Nay”.

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

Mr. Dietrich addressed the Board regarding the following Items:

**1. Severo Perez (Authority to Negotiate)**

The lease with Severo Perez, under BND contract #4052, expired on July 06, 2025, with no renewal options. The lessee seeks a new lease for 540 acres for the purpose of grazing. The recommended term would be for one year with four renewal options of one year each. All grazing leases have a provision that they may be terminated with or without cause on 30 days' written notice. Chairman Guerra noted that he wanted to make sure that grazing lease tenants understood that hunting will not be permitted on BND property. Commissioner Lopez moved to authorize negotiations for a new grazing lease with Severo Perez, Commissioner Gutierrez seconded, and the motion passed unanimously.

**2. Motus Energy, LLC (Authority to Negotiate)**

Motus Energy LLC, a current lessee, seeks a new lease for an additional site of 10.67 acres located at 9600 Old SH 48. The recommended term would be five years with an option to extend for an additional five years with the condition of achieving milestones in an approved timeline. The purpose clause is bulk liquefied petroleum terminal operations, LPG/propane storage, and a transloading facility. Commissioner Lopez asked staff to understand and incorporate a timeline for development of the project into the lease that would be brought to the Board for approval. Commissioner Reed moved to authorize negotiations for a new lease for Motus Energy, LLC, Commissioner Wood seconded, and the motion passed unanimously.

**3. American Oxygen Company, LLC (Bill of Sale)**

This Bill of Sale is requested to transfer ownership of three metal buildings located at 11700 S.H. 48 to American Oxygen Company, LLC. One building is approximately 14,432 square feet; a second building is approximately 19,456 square feet, and a third building is approximately 1,600 square feet. All three buildings have been fully paid off under Contract No. 4445. Commissioner Lopez moved to approve the Bill of Sale for American Oxygen Company, LLC, Commissioner Gutierrez seconded, and the motion passed unanimously.

**4. Bay Bridge Texas LLC (Lease Amendment)**

Bay Bridge Texas LLC (Contract #3754) is seeking the Board's approval to amend its purpose clause. The current purpose of the site is for ship breaking and a marine services yard. The lessee wishes to expand its operations to include a laydown yard for the loading/unloading and storage of construction related equipment, materials, and aggregates (non-hazardous dry bulk products),



and the transfer of aggregates from vessels, railcars, and trucks to vessels, railcars, and trucks. This amendment is for the purpose of amending the purpose clause of the lease to authorize the expanded operations described above for a period of two years beginning August 15, 2025 and ending August 14, 2027. For purpose of clarity the Lessee would not be authorized to transload or transfer any other products, including but not limited to, flammable materials, lubricants or petrochemicals on the premises. Commissioner Reed asked for additional information regarding the lessee's performance of ship breaking and marine services in recent years and regarding their plans moving forward. Commissioner Gutierrez asked for confirmation that delivery of aggregates to or from the site would not be directly to the site but instead to the public docks. Commissioner Wood moved to approve the lease amendment for Bay Bridge Texas LLC, Commissioner Reed seconded, and the motion passed unanimously.

**5. Adriana Coba, Inc (New Lease)**

Adriana Caba, Inc. is interested in leasing approximately .275 acres located at 1700 Bayou Court. The company seeks a new lease for an initial term of 1 year with 4 renewal options of 1 year each subject to mutual consent. Manuel Coba, owner of Adriana Coba Inc., signed a personal guaranty of the lease, ensuring the timely fulfillment of all obligations under the lease and its amendments. The purpose clause is for shrimp operations; specifically seafood unloading, boat tie up, and boat repairs and maintenance of lessee's boats. Commissioner Lopez moved to approve the New Lease for Adriana Caba, Inc, Commissioner Wood seconded, and the motion passed unanimously.

**BIDS/AGREEMENTS/PURCHASES**

**10. Consideration and ACTION on the agreement with TRB Capital Markets, LLC (d/b/a 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. Commissioner Wood moved to approve the Financial Advisory Services Agreement with TRB Capital Markets, LLC (d/b/a/ Estrada Hinojosa), Commissioner Reed seconded, and the motion passed unanimously.

**11. Consideration and ACTION on the Grantee/Operators agreement between the Brownsville Navigation District – Foreign Trade Zone No. 62 and Gulf Facilities Inc.**

Mr. Rodriguez addressed the Board that Gulf Facilities has submitted a request for Foreign-Trade Zone (FTZ) activation for its warehouse space and an adjacent 2.255-acre open patio located at 4201 Foust Road, Brownsville, TX 78521. The requested FTZ activation will support general-purpose warehousing operations. The scope of activity will include the storage and handling of general merchandise, with a focus on machinery, aluminum products, and other steel products. All necessary documentation has been provided, and the request has been reviewed for compliance with the applicable FTZ requirements. Commissioner Lopez moved to authorize Gulf Facilities (Port of Brownsville Magnet Site) to be an Operator of FTZ No. 62, Commissioner Gutierrez



seconded, and the motion passed unanimously.

**12. Consideration and ACTION to update the Grantee/Operator's Agreement between the Brownsville Navigation District – Foreign Trade Zone No. 62 from Panasonic Automotive Systems Company of America (Division of Panasonic Corporation of North America) to Panasonic Automotive System of America, LLC.**

Mr. Rodriguez addressed the Board that Panasonic Automotive System America LLC, located at 1101 Joaquin Cavazos Memorial Dr., Los Indios, TX, respectfully requests the conversion of their current Foreign Trade Zone (FTZ) operator's agreement with Contract# 4354 to reflect their updated organizational structure, as well as the issuance of a new FIRMS code associated with the new company name. Previously, their operations were conducted under the name Panasonic Automotive Systems Company of America, Division of Panasonic Corporation of North America, with the associated FIRMS code SB04. Following recent corporate restructuring, Panasonic Automotive Systems Company of America, Division of Panasonic Corporation of North America, now operates as Panasonic Automotive System America, LLC, and respectfully request that FTZ records be updated accordingly with the new bond and a new firm's code under the updated company name. Commissioner Lopez moved to authorize Panasonic Automotive System America, LLC (Los Indios Industrial Park Magnet Site) to be an Operators of FTZ No. 62, Commissioner Gutierrez seconded, and the motion passed unanimously.

Because Items 13 and 14 were related matters, the Board considered them together.

**13. Consideration and ACTION to authorize Port Staff to solicit proposals for the repairs required at the Turning Basin Wastewater Treatment Plants and open proposals thereof.**

Mr. Dietrich addressed the Board that Port Staff is requesting BND Board of Commission to give port staff authorization to solicit proposals for the repairs required at the Turning Basin Wastewater Treatment Plants. The services would be for the complete removal, repair or replacement of all valves, grids, weirs, electrical, motors and any other items identified for the plant to function properly. Proposals will then be evaluated and presented to the board for consideration to award a contract.

**14. Consideration and ACTION to authorize Port Staff to solicit proposals for the removal and disposal of all contents consisting of sand, silt, and oily sludge from the Turning Basin Wastewater Treatment Plant and open proposals thereof.**

Mr. Dietrich addressed the Board that Port Staff is requesting BND Board of Commission to give port staff authorization to solicit proposals for the removal of all contents consisting of sand, silt and oily sludge from Turning Basin Wastewater Treatment Plant. The services would be for the complete removal, hauling and disposal of all the oily sludge. Proposals will then be evaluated and presented to the board for consideration to award a contract.

Discussion followed regarding the condition and age of the treatment plants and past maintenance or repairs made to each facility. Staff noted that given the unique nature of these projects and their potential complexities, it would be advantageous to the District to solicit proposals instead of bids. Commissioner Lopez moved to approve Items 13 and 14, Commissioner Gutierrez seconded, and



the motion passed unanimously.

Mr. Dietrich requested that Item 15 be tabled.

**15. Consideration and ACTION on proposals by TRC Environmental Corporation for the renewal of the Texas Pollutant Discharge Elimination System (TPDES) permits for the Brownsville Navigation District Turning Basin and Northside Wastewater Treatment Plants.**

Commissioner Gutierrez moved to table this item, Commissioner Lopez seconded, and the motion passed unanimously.

**16. Consideration and ACTION on proposal by B2Z Engineering, LLC for construction material engineering testing services for the Cargo Dock No. 3 – Phase I and III: Demolition and Construction project.**

Mr. Martinez addressed the Board that on July 16, 2025, BND Commissioners authorized Port Staff to issue a Notice to Award to the lowest bidder on the Cargo Dock No. 3 - Phase I and III: Demolition and Construction project. Testing is required to ensure the quality of the materials and that the installation meets the contract standards. Testing includes concrete cylinders to determine resistance to compression strength, slump tests to determine proper ratio of water-cement on concrete, rolling pattern for asphalt pavement, and earthwork densities to verify proper compaction. B2Z Engineering, LLC has submitted a proposal for construction materials engineering testing for \$187,862.52. Commissioner Gutierrez asked Mr. Martinez if he foresaw additional work being necessary beyond what is estimated in the proposal. Mr. Martinez noted that the work is well defined at this point, so he did not expect additional work being necessary. Commissioner Gutierrez moved to accept the construction materials engineering testing on the amount of \$187,862.52 by B2Z Engineering, LLC, Commissioner Wood seconded, and the motion passed unanimously.

**17. Consideration and ACTION on project acceptance and final payment relating to the BND Cargo Dock 3 – Phase II: Pile Procurement project.**

Mr. Martinez addressed the Board that Russell Marine, LLC has delivered a total of 219 - 36" diameter and 276 - 24" diameter steel piles of different lengths with proper coating for the Cargo Dock 3 project. BND consultant, HDR, performed field observations during the delivery and storage of this material and has issued a report and a recommendation of final payment letter. BND Staff is requesting the acceptance of material and the release of final payment. The piles were received on Cargo Dock 11 and stored in Port property located south of the project site. Commissioner Reed moved to approve final payment in the amount of \$5,830,577.36 to Russell Marine, LLC, Commissioner Wood seconded, and the motion passed unanimously.

**EXECUTIVE SESSION**

**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 (§551.072); 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 Lopez moved to adjourn the meeting, Commissioner Gutierrez seconded, and the meeting was adjourned by unanimous consent at 6:45 p.m.



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Esteban Guerra  
Chairman of the Board

**ATTEST**



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John Reed, Secretary