

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD JULY 02, 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, July 02, 2025 at 5:30 p.m.**

The following individuals were present and absent:

PRESENT: Esteban Guerra
John Reed
Ernesto Gutierrez
John Wood

ABSENT: Sergio Tito Lopez

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

STAFF MEMBERS: Margie Recio
Janie Velasquez
Yessenia Gonzalez
Estela Rangel
Julio Romo
Justin Torres
Guillermo Rico
Michael Davis
Santos Barbosa

Ervey Gonzalez
Jorge Montero
Tony Rodriguez

OTHERS PRESENT: Rev. Andreas Lewis
Jorge de la Colina
Juan Velez
Andrea Meneses
Eloy Lopez
Andrea Benton
Leonel Cantu
Kevin Cantu
Kevin Garza
Claudia Ayarzagoitia
Ruben Lopez

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. Director's Report

Mr. Dietrich 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 June 18, 2025.

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

ACTION ITEMS

5. Consideration and ACTION to adopt a Resolution granting certain tax exemptions to eligible historic sites listed in the 2025 Historic Preservation Plan.

Mrs. Recio addressed the Board that each year, the City of Brownsville prepares a Historic Preservation Plan ("Plan") identifying buildings of historical significance in the Brownsville area. The properties included in the Plan are proposed for ad valorem property tax relief, either in the form of full or 50% exemptions, depending on their designation. Property owners must submit an annual application to be considered for inclusion in the Plan. Following preparation, the Plan is distributed to local taxing entities for consideration. Properties approved will have their appraised valuations reduced accordingly. The tax rate calculations are performed after the properties values are reduced from the total valuation. The total revenue that the District intends to collect through property taxes is spread over the remaining, non-exempt properties. Commissioner Wood moved to adopt the Resolution granting the ad valorem property tax relief to the eligible properties listed on Schedule A of the 2025 Historic Preservation Plan, and approve the removal of the properties listed on Schedule B, Commissioner Gutierrez seconded, and the motion passed unanimously.

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

Mr. Dietrich addressed the Board regarding the following Items:

1. Ultracem Cement LLC (Authority to Negotiate)

Ultracem Cement LLC is interested in leasing approximately 20 acres located on RL Ostos Road. The company seeks Authority to Negotiate a new lease for a term of thirty years. The proposed operations will include the importation, storage and distribution of cement, cementitious materials, aggregates, and related items. This may also involve grinding, blending and/or packaging. The operations may include receiving cargo via vessel or barge, transferring and storing materials in bulk, bags, or big bags, and distributing by truck, rail, or barge. Chairman Guerra asked about the proposed capital investment and the number of jobs that would be created. Mr. Dietrich responded that he would gather detailed information from Ultracem Cement, LLC. Discussion followed regarding concerns about whether the proposed site is appropriate for this particular project, considering possible noise and dust impacts of the project. Staff confirmed that they would discuss with Ultracem Cement the nature of the operations and examine whether the propose site or another location at the Port would be more appropriate. Commissioner Reed moved to authorize negotiations of a new lease for Ultracem Cement LLC, at a site to be determined, Commissioner Gurierrez seconded, and the motion passed unanimously.

2. Tameme, Inc. / Next Level Industrial & Marine, LLC (Consent to Assignment and Lease Amendment and Consent to Leasehold of Deed of Trust)

Tameme, Inc., a current lessee, is under contract to sell its leasehold improvements to Next Level Industrial & Marine, LLC. Tameme, Inc. is seeking the board's consent to an assignment of lease, an Amendment to Lease Agreement, and a Consent to Leasehold Deed of Trust. The initial term of the lease was for 1 year, commencing on March 1, 2024, with four renewal options of 1 year each, for the purposes of transloading steel and aggregates (ex: sand, gravel, limestone) from the railroad to trucks. Tameme, Inc. made improvements to the rail spur located on the leased premises, however, it has remained non-operational. Next Level Industrial & Marine, LLC has indicated that they will be providing services, including logistics and aggregate storage, for Rio Grande LNG as well as working with Bechtel and Texas LNG. The purpose clause shall be amended to allow for the storage and transloading of non-hazardous dry cargo, such as rock aggregate (e.g. crushed granite, limestone, etc.) and construction materials, the warehousing and storage of such materials, and handling activities of such materials. For purpose of clarity, Lessee shall be permitted, to the extent permitted by the district's tariffs, rules and regulations, to unload and load barges and ships, and to transload such non-hazardous cargo on the premises. No transloading of flammable materials, lubricants, or petrochemicals shall be permitted on the leased premises. As a condition of approving the Consent to Assignment and Amendment to Lease, Jose Leonel Cantu Jr., Managing Member of Next Level Industrial & Marine, LLC has signed a personal guaranty. This guaranty ensures timely fulfillment of all obligations under the lease and its amendments. The lease amendment reflects changes in operations at the leased premises and includes an increase in the security deposit to align with updated rent and lease rates, consistent with BND's current Leasing Policy. Additionally, Tameme, Inc. and Next Level Industrial & Marine, LLC have requested the district's consent to the filing of a leasehold deed of trust in favor of Tameme, Inc., who is owner financing the sale of the leasehold improvements. The proposed owner financing will mature on July 31, 2028. The proposed Consent to Leasehold deed of trust follows the format of similar agreements previously approved by the district and includes

comparable landlord protections, such as reasonable approval rights for the District of a third party tenant in the event of foreclosure on the leasehold deed of trust. The agreement also confirms that the lease remains in full force and effect and that Tameme, Inc. is not in default. BND Legal Counsel in collaboration with legal counsel for Next Level Industrial & Marine, LLC has reviewed the documents and concurs they are ready for consideration and action by the BND Commission, subject to closing of the sale within 15 days of the BND Board's consent and provision of prorated rent and increased security deposit and proof of level 3 insurance contemporaneous with closing. Discussion followed regarding plans to bring in cargoes to the leased premises and Mr. Dietrich confirmed that the cargoes would be delivered to the Port's public docks. Commissioner Reed moved to approve the Consent to Assignment, Amendment to Lease Agreement, and Leasehold Deed of Trust, Commissioner Gutierrez seconded, subject to closing of the transaction within 15 days, and the motion passed unanimously.

BIDS/AGREEMENTS/PURCHASES

7. Consideration and ACTION to approve a three-year lease to own agreement for Axcient x360 Recover Solution (data storage and backup solution) equipment and managed monitoring services, pursuant to TIPS contract number 230105.

Mr. Montero addressed the Board that the Port of Brownsville depends on reliable data access to support day-to-day operations, communications, and security. A strong backup and business continuity strategy is essential to maintain operations during disruptions, such as cyberattacks, equipment failures, or natural disasters. IT staff and Barcom, the District's IT Managed Service Provider ("MSP"), conducted an assessment of the District's current and future data backup and storage needs, as well as the state of the current system, Barracuda. Barracuda was found to be functional, but has limitations in recovery of cybersecurity threats, slow data recovery times, inefficient storage, and dispersed data locations that complicate maintenance and testing. To address these challenges, IT staff recommends upgrading to the Axcient x360 Recover Solution. This modern system enhances protection from cybersecurity threats, offers faster recovery times, reduces storage needs, and improves day-to-day operations. This option also consolidates data onto a centralized data server to enhance backup management and testing. This investment will improve resilience, ensure service continuity, and support the Port's long-term growth and evolving security needs. The quote includes a three-year Lease-to-Own a server, equipment license, and a managed monitoring agreement. It also includes a two-year extended warranty for hardware to begin after the three-year agreement ends. This service will be procured through the TIPS purchasing cooperative. Commissioner Wood moved to authorize entering into a three-year Lease-to-Own Agreement of Axcient x360 Recover data storage and backup solution in the total amount of \$52,978, and to pay invoices as services are completed, Commissioner Gutierrez seconded, and the motion passed unanimously.

8. Consideration and ACTION on the Grantee / Operators agreement between the Brownsville Navigation District-Foreign Trade Zone No. 62 and Rio Grande LNG LLC (RG LNG Sites).

Mr. Rodriguez addressed the Board that Rio Grande LNG, LLC is formally requesting the activation of its following locations: (1) 48325 State Highway 48, Port Isabel, TX 78578, (2) 901

Windhaus Road Brownsville, TX 78521, and (3) 11950 State Highway 48, Brownsville, TX 78521. The purpose of this activation is to designate laydown areas and warehouse space for production equipment and related materials under Foreign-Trade Zone (“FTZ”) status. These areas will be used for general purpose warehousing to support the ramp-up of equipment and cargo associated with construction activities. Activation under FTZ Status ensures secure and efficient storage operations while maintaining compliance with all applicable FTZ regulations. This initiative is intended to meet the increasing demand for streamlined logistics and inventory management during the project's development phase. Commissioner Wood moved that Rio Grande LNG LLC be an Operator of FTZ No. 62, Commissioner Reed seconded, and the motion passed unanimously.

9. Consideration and ACTION to authorize Port Staff to purchase two mobile guardhouses to be utilized on Cargo Docks 3 and 15, pursuant to GSA Contract #47QSWA19D0062.

Mr. Romo addressed the Board that District police and security staff are seeking the board's authorization to purchase two 6' x 8' mobile guardhouses to be utilized at Cargo Docks 3 and 15. Staff received a quote from vendor Allied Modular Building Systems of Nashville, Tennessee with GSA Contract #47QSWA19D0062, for a price of \$25,958.86, including shipping. Chairman Guerra asked about the lead time and Mr. Barajas confirmed that the items were in stock. Commissioner Reed moved to authorize staff to purchase two 6' x 8' mobile guardhouses from vendor Allied Modular Building Systems with GSA Contract #47QSWA19D0062, for a total cost of \$25,958.86, and authorize payment once order and invoice have been received, Commissioner Wood seconded, and the motion passed unanimously.

EXECUTIVE SESSION

10. 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.

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

There was none.

12. Adjournment.

Commissioner Gutierrez moved to adjourn the meeting, Commissioner Reed seconded, and the meeting was adjourned by unanimous consent at 5:57 p.m.



Esteban Guerra
Chairman of the Board

ATTEST



John Reed, Secretary