

**MINUTES OF A PILOT BOARD MEETING AND A REGULAR MEETING OF THE
BOARD OF NAVIGATION AND CANAL COMMISSIONERS OF THE
BROWNSVILLE NAVIGATION DISTRICT OF CAMERON COUNTY, TEXAS HELD
AUGUST 20, 2025 AT 5:30 P.M.**

The Board of Navigation and Canal Commissioners of the Brownsville Navigation District of Cameron County, Texas, held a pilot board meeting and a regular meeting of the board on **Wednesday, August 20, 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: Arturo Gomez
Margie Recio
Michael Davis
Janie Velasquez
Yessenia Gonzalez
Estela Rangel
Juan Resendez
Guillermo Rico
Tony Rodriguez
Manuel Martinez
Carlos Garza
Zeus Yanez
Jose Herrera
Julio Romo
Jorge Montero
Ervey Gonzalez

OTHERS PRESENT: Rev. Andreas Lewis
Shariff Gonnella
Chris Urbanovsky
Jorge de la Colina
Kris Wood
Durkin Ledgard
Amanda Torres

Andrea Meneses
Irma Silva
Kendall Spurlin

Prior to commencement of the meeting, Chairman Guerra opened the public hearing on the adoption of a tax rate at 5:30 p.m. No person addressed the Board. At 5:31 p.m. Chairman Guerra closed the public hearing.

Chairman Guerra then noted that the Pilot Meeting would be cancelled.

PILOT MEETING

- 1. Meeting Called To Order**
- 2. Consideration and ACTION for Captain Travis Quinn to start as a deputy pilot and, upon approval, commence his minimum 2.5-year training program.**

REGULAR MEETING

- 1. Meeting Called To Order**

At 5:31 p.m. Chairman Guerra called to order the regular meeting. 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. Port Monthly Operations Summary Report**

Mr. Yanez made the report to the Board. Brief discussion followed.

CONSENT AGENDA ITEMS

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

- a. Approval of the Minutes of the Regular Board Meeting of August 06, 2025.
- b. Approval to authorize payments over \$25,000.00.
 1. HDR Engineering, Inc., the sum of \$65,663.59, for the Cargo Dock 3 – Phase I Design.
 2. Orion Construction, LP, the amount of \$1,417,350.00, for the BND Cargo Dock 10 Maintenance Draining project.

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

ACTION ITEMS

5. Consideration and ACTION to vote on a Resolution to adopt a 2025 Property Tax Rate for the Brownsville Navigation District at a rate not to exceed \$0.027206 per \$100 valuation.

Mr. Yanez addressed the Board that the Texas Tax Code Chapter 26 requires taxing units to adopt a tax rate by recorded vote and Resolution no later than September 30th or 60 days after the Certified Appraisal Roll is received (7/23/2025). The Cameron County Assessor & Collector assigns its own deadline of September 12th to include the District's adopted tax rate in the October 2025 property tax bills. On August 6, 2025, the Board voted to publish a Proposed Tax Rate of \$0.027206. The Proposed Tax Rate is less than the voter-approval rate of \$0.027207, which is the highest tax rate the District may adopt without holding a mandatory election to seek voter approval of the rate. The Proposed Tax rate exceeds the no-new-revenue rate of \$0.025148, which means the proposed tax rate would require a public hearing prior to adopting the tax rate. This required public hearing notice was published in the Brownsville Herald on August 13, 2025, and on the District's website and was held prior to commencement of this meeting. Chairman Guerra noted that \$0.027206 was the maximum rate that the Board could approve, but that the Board could adopt a lower rate if it so chose. Commissioner Reed noted that the District's tax rate has been reduced many times over the years, to the point that the District's financial advisors advised the District to not lower the rate any further. Chairman Guerra also noted that the District's rate as compared to other local taxing entities is very low, and further noted that to the extent the District's tax receipts may increase that is a result of rises in appraised values of properties, over which the District has no control. Mr. Irwin noted that certain truth in taxation legal requirements would require specific language be included in the motion and a roll call vote be taken, even if the District did not increase its tax rate from the prior year. After discussion, Chairman Guerra moved to keep the tax rate the same as in 2024, and to adopt a 2025 Property Tax Rate of \$0.025589 per \$100 of valuation, which is comprised of a maintenance and operations rate of \$0.025589 per \$100 valuation, Commissioner Lopez seconded, and the motion passed by a vote of 4-1. A roll call vote was taken with Chairman Guerra, Commissioner Lopez, Commissioner Gutierrez, and Commissioner Reed voting "Aye" and Commission Wood voting "Nay". In making his motion, even though the tax rate remains the same as 2024, Chairman Guerra made the statutorily required motion stating "I move that the property tax rate be increased by the adoption of a tax rate of \$0.025589, which is effectively a 1.7% increase in the tax rate."

Commissioner Gutierrez then left the meeting.

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

Mr. Dietrich addressed the Board regarding the following Items:

1. White Tipped Dove, LLC (Authority to Negotiate)

The lease with White Tipped Dove, LLC, under BND Contract #4670, will expire on August 31,

2025, with no renewal options. The lessee seeks a New Lease for approximately 112.10-acres located south of Yolanda Del Rio Road and Hwy 4. The recommended term would be for one year with a one-year option to renew. Lopez noted that no hunting or hunting blinds should be allowed. The purpose clause of the lease is for farm operations; specifically, to plant, cultivate, and harvest row crops. Commissioner Lopez moved to authorize negotiations for a new lease with White Tipped Dove, LLC, Commissioner Reed seconded, and the motion passed unanimously.

2. Rio Grande LNG Landco, LLC / Rio Grande LNG Train 4, LLC (Consent, Estoppel Certificate, Agreement & Non-Disturbance, and Attornment Agreement)

NextDecade is working on Phase 2 of the Rio Grande LNG project and is preparing to close on their financing for Train 4. Rio Grande Landco, LLC, District's tenant (which received an assignment of the lease from Rio Grande LNG, LLC in 2023), is seeking the Board's approval of a Consent and Estoppel Certificate and Agreement and a Non-Disturbance and Attornment Agreement (Train 4 Sublease). Previously, the Board approved similar documents related to Trains 1, 2, and 3. Under the lease, Rio Grande LNG reserved the right to sublease portions of the facility to affiliated companies in order to operate one or more trains on the facility or to lease and operate facilities common to all operations on the site. This document approves a sublease for Train 4 (Rio Grande LNG Train 4, LLC) and also consents to easements across the entire site allowing the various sublessees to cross other subleased property on the site. In addition, there are certain agreements and representations required by NextDecade's lender in order to move forward with the financing for Train 4, such as: assurances that the lease is in full force and effect, that there are no uncured defaults, and that the lease will not be materially amended or modified without the lender's consent. The Estoppel Certificate and Agreement includes those agreements and representations. None of these documents relieve the tenant of its primary responsibility for the obligations under the lease, nor do these documents amend the primary lease. Commissioner Reed moved to approve the Consent and Estoppel Certificate and Agreement and Non-Disturbance and Attornment Agreement, Commissioner Lopez seconded, and the motion passed unanimously.

3. Bay Bridge Texas, LLC (Lease Amendment)

Bay Bridge Texas LLC (Contract #3754) previously requested the Board's approval to amend its purpose clause. The lessee wishes to expand its operations to include a laydown yard for loading/unloading and storage of construction related equipment and materials as well as aggregates (non-hazardous dry bulk products) and transfer of aggregates on the leased premises to and from railcars and/or trucks. This amendment clarifies the lease amendment previously approved 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 transfers of such aggregates directly to or from vessels or barges shall not be permitted on the premises or the adjacent boat slips. Any vessel or barge transfers of aggregates must be done at the District's public docks and shall be subject to the District's Tariff, as may be amended from time to time. Additionally, the Lessee is not authorized to transload or transfer any other products including but not limited to flammable materials, lubricants or petrochemicals, on the premises. Commissioner Lopez moved to approve the lease amendment for Bay Bridge Texas LLC, Commissioner Reed seconded, and the motion passed unanimously.

7. Consideration and ACTION on the amending Tariff Number 6, Item 145 – District – Owned Equipment Use Rates.

Mrs. Recio addressed the Board that Item 145, establishes the rates, terms, and conditions for the use of District-owned equipment when performing maintenance and repairs to District facilities that are collectible from lessees or other parties. Following a review of the District's equipment operation, maintenance, and replacement costs, Staff recommends amending this item to update the rate schedule to better reflect current expenses and market conditions. In addition to the rate changes, one new piece of equipment - Fenders- has been added to the schedule. Mrs. Recio noted that the gangway item listed in the packet would be omitted. Reed asked how rates compare to rental companies around the Port. Mrs. Recio noted this had been studied and the rates do align with those of local rental companies. Commissioner Reed moved to approve the amendment of the Port of Brownsville Tariff No. 6 Item 145 as proposed and to be effective September 20, 2025, Commissioner Lopez seconded, and the motion passed unanimously.

8. Consideration and ACTION on amending Tariff Number 6, Item 160 – Labor Charges.

Mrs. Recio addressed the Board that Item 160 establishes the rates for labor charges when the District utilizes its personnel to perform maintenance and repairs to District facilities. These charges are collectible from the District's lessees or other responsible parties. The current tariff item sets a fixed rate schedule for various positions. Staff recommends amending this item to: (1) Revise Rate Schedule: Replace the existing fixed rate schedule with a rate calculated as the *employee's hourly rate plus forty percent (40%)*, plus applicable sales tax. This adjustment will allow labor charges to better reflect actual costs incurred by the District; and (2) Expand Scope of Services: Add provisions to include: (a) Security services for non-regularly manned areas; and (b) Other professional services that may be required to support District operations. Commissioner Reed moved to approve the amendment of the Port of Brownsville Tariff No. 6 Item 160 as proposed and to be effective September 20, 2025, Commissioner Wood seconded, and the motion passed unanimously.

9. Consideration and ACTION amending Tariff Number 6, Item 256 – Open Storage.

Mrs. Recio addressed the Board that item 256 currently authorizes the Port Director & CEO to enter into short-term agreements for open storage for up to one year at a rate of \$3,000 per acre per month. However, after careful consideration and evaluation of demand, District staff recommends amending the item to: (1) Rename the provision to reflect "Short-Term Agreements" for clarity; and (2) Introduce differentiated minimum rates for dock and non-dock space. Commissioner Lopez moved to approve the amendment of the Port of Brownsville Tariff No. 6 Item 256 as proposed and to be effective September 20, 2025, Commissioner Wood seconded, and the motion passed unanimously.

10. Consideration and ACTION on amending Tariff Number 6, by adding new Item 282 – Use of Privately Owned/Rented Cranes.

Mrs. Recio addressed the Board that the Port of Brownsville seeks to establish a new tariff item to clarify and establish consistent guidelines for the use of privately owned or rented cranes on District facilities. The proposed language: The District reserves the right to restrict the use of privately owned or rented cranes on its facilities. District-owned or District-rented cranes shall be granted priority and first call for use when they are available and adequate to perform the user's operations. Such user will pay the District for use of its cranes in accordance with the provisions

of this Tariff. In the event District cranes are not available or adequate to perform the user's operations, a request to operate privately owned or rented cranes must be made in writing to the District's Harbor Master or the District's Port Director and CEO. The Harbor Master or Port Director and CEO shall have the discretion to approve such requests and to apply conditions to such approvals. Commissioner Reed moved to approve the amendment of the Port of Brownsville Tariff No. 6 to adopt Tariff Item 282, as proposed, and to be effective August 21, 2025, Commissioner Wood seconded, and the motion passed unanimously.

11. Consideration and ACTION on application for a renewal of Steamship License to: GAC North America – Shipping.

Mr. Rodriguez addressed the Board that GAC North America currently holds a Steamship Agent License to operate in the Port of Brownsville, which is set to expire on September 6, 2025. We have received their renewal application, including all required attachments and the payment of the renewal fee. The renewed license will be valid for a three-year period, beginning September 7, 2025. The license will be for three years effective September 07, 2025. Commissioner Lopez moved to approve the renewal of the Steamship Agent License for GAC North America - Shipping, effective September 7, 2025, for a term of three-years, Commissioner Reed seconded the motion passed unanimously.

BIDS/AGREEMENTS/PURCHASES

12. Consideration and ACTION authorizing the Port Director & CEO to bind coverage for Automobile Liability and Physical damage with McGriff, a Marsh & McLennan Agency through Choice Partners Cooperative #24/026SG-06.

Mrs. Recio addressed the Board that in June, the Board awarded the District's Automobile Liability and Physical Damage coverage to the Texas Municipal League (TML) for a one-year premium of \$47,380. Subsequent to the award, TML informed the District that it no longer permits single-line placements. Because the District did not renew its Workers' Compensation policy with TML, TML advised they would be canceling our Automobile policy effective August 31st. Following this notification, the District's insurance consultant solicited alternative quotes from the market. The most competitive option identified was from Hartford, with placement to be facilitated through McGriff Insurance Services via the Choice Partners Cooperative purchasing program. McGriff is still negotiating final terms and pricing with Hartford but anticipates having the final quote available prior to the Board meeting. Discussion followed regarding the unexpected cancellation of this insurance. Mrs. Recio noted staff would be working with District's insurance consultant to present a cost-effective option to the Board that may involve bundling of coverages. Commissioner Lopez asked staff to look at options for self insurance. Commissioner Lopez moved to table this item, Commissioner Reed, and the motion passed unanimously.

13. Consideration and ACTION to authorize Acting Director of Engineering Services to execute License No. DACW64-3-25-0109 with USACE for the Demolition and Reconstruction of Cargo Dock No. 3.

Mr. Martinez addressed the Board that on August 11, 2025, the BND Engineering Department received the temporary License No. DAWC64-3-25-0109 from the United States Corps of Engineers (USACE) to demolish and replace the existing Cargo Dock No. 3 and demolish the adjacent abandoned rail trestle. This license is granted for a term of three (3) years beginning on the date of this license being fully executed. Commissioner Wood moved to authorize the Director of Engineering Services to execute the License DAWC64-3-25-0109 with USACE for the Demolition and Reconstruction of Cargo Dock No. 3, Commissioner Reed seconded, and the motion passed unanimously.

14. Consideration and ACTION on Change Order No. 2 to the Harbormaster's office building generator installation and acceptance of work performed by JP's Ace Electric LLC, and to authorize final payment of \$8,497.79, including retainage.

Mr. Martinez addressed the Board that on July 22, 2025, JP's Ace Electric L.L.C., working under contract 4736, achieved completion of the Harbormaster's Office Building Generator Installation project. Change Order No. 2 to this contract accounts for the addition of contract time due to weather conditions, permit delays, design modifications, gas utility connection delays, BPUB connection and supplier startup scheduling. JP's Ace Electric L.L.C. is requesting acceptance of the work completed, release of final payment and closure of the contract. Commissioner Reed moved to approve Change Order No. 2 to the Harbormaster's office building generator installation contract with JP's Ace Electric L.L.C. increasing the contract time by 164 days, and accept the project as complete, authorizing release of final payment of \$8,497.79, which includes all completed work, Commissioner Wood seconded, and the motion passed unanimously.

EXECUTIVE SESSION

15. 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.

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

There was none.

17. Adjournment.

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



Esteban Guerra
Chairman of the Board

ATTEST



John Reed, Secretary

John Wood, Commissioner