

**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  
SEPTEMBER 3, 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, September 3, 2025, 2025 at 5:30 p.m.**

The following individuals were present and absent:

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

**ABSENT:** John Reed

**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  
Guillermo Rico  
Tony Rodriguez  
Manuel Martinez  
Carlos Garza  
Santos Barbosa  
Zeus Yanez  
Jose Herrera  
Julio Romo  
Justin Torres  
Ervey Gonzalez

**OTHERS PRESENT:** Rev. Andreas Lewis  
Roberto Ruiz  
Shariff Gonnella  
Ramon Montalvo  
Jorge de la Colina  
Chris Urbanovsky  
Angel Rodriguez

John Willett  
Jorge Sanchez  
James Fitzgerald  
Francisco Rodriguez  
Teresa Ramirez

## **PILOT MEETING**

The Chairman called the Pilot Meeting Called To Order at 5:32 p.m.

Angel Rodriguez, a new pilot, addressed the Board.

- 1. Brazos Santiago Pilots (BSP) are seeking approval of pilot dedication and the addition of two pilot apprentices in order to fulfill the Pilot Training and Support Agreement between the BSP and Next Decade LLC (LNG) which during the term of this agreement commits that at all times, for confirmed LNG tankers movements to and from the Rio Grande LNG facility, at least two pilots will be dedicated to the pilotage of LNG tankers transiting the ship channel, subject to unforeseen circumstances beyond BSP's reasonable control.**
- 2. Pilots are presenting, for the Board's approval, Captain Angel Rodriguez as District's first of two pilot apprentices. The second pilot apprentice is to begin training between March - July of 2026, subject to Pilot Board approval.**

Captain Urbanovsky addressed the Board and explained the need to appoint two new pilots as a result of expected increases in traffic associated with the Rio Grande LNG facility. Captain Urbanovsky introduced Angel Rodriguez who addressed the Board and thanked the Board for the opportunity to serve. Captain Urbanovsky noted that the second pilot apprenticeship will be filled at a later date and will be brought before the Board.

Items 1 and 2 were considered together.

Commissioner Wood moved to approve the pilot dedication and the addition of two pilot apprentices, with the first apprentice being Angel Rodriguez, Commissioner Gutierrez seconded, and the motion passed unanimously.

There being no further business before the Pilot Board, Chairman adjourned the Pilot Board meeting and proceeded to the regular meeting agenda.

## **REGULAR MEETING**

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

At 5:34 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**

Ramon Montalvo addressed the Board regarding Item 10 requesting that the Board consider keeping the worker's compensation insurance with Texas Mutual and explore self-insurance options for auto coverages.

## **3. Director's Report**

The Board acknowledged receipt of 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 August 20, 2025.

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

## **ACTION ITEMS**

### **5. Consideration and ACTION to approve additional payment of \$1,162.00 for the District's 0.68701% pro-rate share of the 2025 Cameron Appraisal District (CAD) amended budget.**

Mr. Yanez addressed the Board that the Cameron Appraisal District (CAD) provides appraisal services to the District for the purpose of assessing the District's annual property taxes. In consideration for these services, the District and other taxing jurisdictions of Cameron County are assessed a pro-rata share 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. On November 6, 2024, the Board approved payment of \$54,882, which represented the Port's share of the 2025 Cameron Appraisal District budget of \$7,969,487. The Board of Directors of the Cameron Appraisal District approved an amendment to the CAD's 2025 budget, increasing the total budgeted expenses by \$188,156 to \$8,157,643. The CAD has provided a corrected schedule increasing the amount assessed to the District for appraisal services by \$1,162 to address the budget amendment. The total assessment by the CAD for the 2025 appraisal services, including the \$54,882 approved in November 2024, is \$56,044, which represents the District's 0.68701% share of the 2025 Adopted Cameron Appraisal District budget of \$8,157,643. Commissioner Gutierrez moved to authorize payment of the District's additional pro-rata contribution of the 2025 Cameron Appraisal District Amended Budget in the amount of \$1,162.00 and Commissioner Guerra seconded, and the motion passed by a vote of 2-1, with Commissioner Wood voting "Nay".

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

Mr. Dietrich addressed the Board regarding the following Items:

1. Bay Runner Pipeline, LLC (Easement and Right of Way Agreement)



Bay Runner Pipeline, LLC is seeking an Easement and Right of Way (ROW) Agreement for the purpose of constructing, operating and maintaining one underground pipeline, having a normal diameter of 42 and 48 inches, to carry natural gas to the site presently leased by Rio Grande LNG, LLC. The term of this agreement is for thirty (30) years. This Easement and ROW agreement includes a temporary workspace for a period of eighteen (18) months from the effective date. If Bay Runner completes its use of the temporary workspace before the end of that period and provides written notice, the temporary workspace rights will terminate immediately. Additionally, the agreement provides for a Surface site space to construct, inspect and maintain the pipeline's launcher and receiver facilities. The right to use this surface site begins on the effective date and remains in effect for as long as the easement is active. Bay Runner Pipeline, LLC has worked closely with POB Staff to finalize the proposed construction plans, as well as the pipeline's alignment and designated site areas. BND Legal Counsel, in collaboration with Bay Runner's legal counsel, reviewed the documents and concurs that the agreement is ready for consideration and action by the BND Commission. Commissioner Wood moved to approve the Easement and Right of Way Agreement with Bay Runner Pipeline, LLC, Commissioner Gutierrez seconded, and the motion passed unanimously.

**2. Element Fuels Processing, LLC (Subordination Agreement, Lessor's Consent, Non-Disturbance and Attornment Agreement; and Memorandum of Lease)**

Element Fuels Processing, LLC, through its lender's counsel, is seeking approval of several agreements related to its financing, including a Lessor Agreement, Subordination Agreement, Leasehold Deed of Trust, and a Memorandum of Lease. As Element Fuels continues to develop their refinery and related assets at the port, they have entered into a credit facility loan agreement of up to \$30 million with Jackson Investment Group, LLC to support corporate overhead, advance their engineering, and hire and pay third party consultants and contractors. The credit facility has already closed, and the execution of these documents, at the lender's request, is a post-closing requirement. As part of the financing process, Element Fuels' lender, Jackson Investment Group, LLC, has requested that the District enter into a Lessor Agreement and a Subordination Agreement in the BND's standard form. The Lessor's Agreement and the Subordination Agreement would subordinate the District's lien position to the lender and authorize the lender to record a Leasehold Deed of Trust. The proposed Lessor Agreement follows the format used in other recent transactions and includes similar protections for the District in its role as landlord. Notably, it includes a provision granting the District certain approval rights if the lessee seeks to assign the lease or transfer any interest in the property. Additionally, in support of financing, the lender has requested confirmation that the lease remains in full force and effect and Element Fuels is not in default. BND staff have reviewed Element Fuels' lease and confirms compliance with their lease, including fulfillment of insurance requirements for leased premises. BND Legal Counsel has reviewed and approved the agreements, which are ready for board consideration. Commissioner Gutierrez moved to approve the Lessor Agreement, and other related documents for Element Fuels Processing, LLC as presented, Commissioner Wood seconded, and the motion passed unanimously.

**7. Discussion and possible ACTION on amending Tariff Number 6.**

Ms. Recio addressed the Board that BND staff have undertaken a comprehensive review of the current provisions of Tariff No. 6. As part of this review, a comparative analysis was conducted



measuring the Port's rates against those of comparable ports. The findings indicated areas where administrative updates and rate adjustments are needed to remain competitive, align with industry standards, and support the Port's long-term growth. The proposed amendments to Tariff No. 6 include both administrative changes and increases in certain rates. Most of the proposed amendments will take effect on January 1, 2026, except for Tariff Item No. 275 - Wharfage, which will reflect incremental increases effective on January 1, 2026, January 1, 2027, and a final increase on January 1, 2028. This item has been reviewed by the Policy Committee and Legal Counsel. In addition, stakeholder meetings were held on June 12 and June 13 to gather input and address questions. Commissioner Gutierrez moved to authorize the amendments of the Port of Brownsville Tariff No. 6 as proposed, with an effective date of January 1, 2026, and with incremental increases for Tariff Item No. 275 - Wharfage charges, Commissioner Wood seconded, and the motion passed unanimously.

Commissioner Lopez joined the meeting.

**8. Consideration and ACTION to ratify Grant Application Submission for the FY 2025 Port Security Grant Program.**

Mr. Dietrich addressed the Board that the U.S. Department of Homeland Security, through the Federal Emergency Management Agency (FEMA), has released the Notice of Funding Opportunity (NOFO) for the FY 2025 Port Security Grant Program (PSGP). The PSGP provides \$90,000,000 nationwide to directly support maritime transportation security activities. The FY 2025 NOFO was released on August 5, 2025, with a submission deadline of August 15, 2025. To meet the deadline, the District prepared and submitted three Investment Justifications for consideration under the PSGP. The proposed projects submitted are as follows: (1) Port of Brownsville - Network Infrastructure Assessment; (2) Port of Brownsville - Server Infrastructure Upgrade; and (3) Port of Brownsville - Cybersecurity Training and Exercise. Commissioner Guerra inquired about the total value. Mrs. Recio responded that cyber security training moved to the next phase, therefore the District's share would be \$8,400.00. Mr. Dietrich noted that he would provide information on the other grant submissions. Commissioner Gutierrez moved to ratify the submission of the FY 2025 Port Security Grant Program applications for the three projects listed above, Commissioner Wood seconded, and the motion passed unanimously.

**9. Consideration and ACTION to enter into a Task Order under Professional Services Contract 3779 with Roberto J. Ruiz Architect Inc. for Architectural Services for Renovations to the Existing Permitting Building and Retrofitting of the former "Woodfin" building.**

Mr. Dietrich addressed the Board that the District has experienced growth in staff, creating the need for additional offices. To address this, the District seeks to renovate and repurpose existing facilities. The scope of work includes: (1) Renovations to the existing Permitting Building to accommodate Cargo Services and Engineering Department; and (2) Retrofitting the former "Woodfin" building to provide office space for IT department and records storage facilities. These improvements are being undertaken primarily to accommodate current staff growth while also keeping in mind future potential growth and operational needs. The services to be performed under this Task Order will include architectural design, construction documents, bidding and negotiation, and construction observation in accordance with Professional Services Contract No. 3779. Commissioner Lopez asked Mr. Ruiz to keep a uniform appearance on the buildings when



compared to the administration building. Commissioner Guerra inquired if these renovations and retrofitting would qualify for grant funding. Mrs. Recio responded that it would not. Commissioner Lopez moved to authorize the Port Director to enter into a Task Order under Professional Services Contract No. 3779 with Roberto J. Ruiz Architect, Inc. for architectural services related to the renovations to the Permitting Building and the retrofitting of the former "Woodfin" building, Commissioner Wood seconded, and the motion passed unanimously.

## **BIDS/AGREEMENTS/PURCHASES**

### **10. Consideration and ACTION to rescind and cancel the Workers' Compensation placement with Texas Mutual and award Workers' Compensation placement with Texas Municipal League Risk Pool**

Mrs. Recio addressed the Board that in May 2025, the District awarded its Workers' Compensation coverage to Texas Mutual at a one-year premium of \$107,598.83. Historically, the District's Workers' Compensation policy had been carried out through the Texas Municipal League Intergovernmental Risk Pool (TML) along with Automobile coverage. TML's proposal during the RFP process reflected a one-year premium of \$294,794 for Workers' Compensation and \$47,380 for Automobile coverage. Based on the significant premium difference, the District awarded the Workers' Compensation coverage to Texas Mutual and retained TML for Automobile coverage. Subsequent to this award, TML informed the District that it no longer permits single-line placements. Because the District did not renew its Workers' Compensation coverage with TML, TML advised that the Automobile policy would be canceled effective August 31, 2025. Following this notification, the District's insurance consultant solicited alternative quotes for Automobile coverage. Proposals received exceeded \$300,000. In response, and consistent with the Board's direction at its last meeting, staff also evaluated options of self-insuring and soliciting Automobile coverage limits within the Tort Claims Act limits. Self-insuring option would require the District to file an application with the Texas Department of Public Safety and either employ a licensed adjuster on staff or contract with an outside adjusting firm. Staff intends to continue to evaluate self-insurance options, which will be presented to the Board at a later date. TML has since completed its annual audit and provided the District with an updated proposal for Workers' Compensation policy in the amount of \$258,687, with a pro-rated premium of \$191,358 for the current policy year. Additionally, if the District places its Workers' Compensation coverage with TML and remits payment within 30 days of invoice, the District will receive an additional 2% discount, resulting in a total premium of \$187,530.84. If the Texas Mutual workers' compensation policy is cancelled, the District will undergo a payroll audit and may be eligible for a refund in premium, if applicable. The total savings to the District by cancelling the Texas Mutual Workers' Compensation policy and bundling TML's Workers' Compensation and Auto Policies will be \$180,027. Discussion followed regarding existing self-insurance options. Mrs. Recio said that there was not time available to determine whether a self-insurance option was feasible given the short notice from TML. Commissioner Lopez moved to rescind the Workers' Compensation placement with Texas Mutual and award the Workers' Compensation coverage to TML in a bundled package with Automobile coverage to ensure continuity of both coverages and obtain the most cost-effective solution for the District, effective September 04, 2025 and to authorize payment of invoice once received, Commissioner Wood seconded, and the motion passed



unanimously.

**11. Consideration and ACTION to authorize Port staff to solicit proposals for Insurance Consultant Services.**

Mrs. Recio addressed the Board that the District has utilized the services of an insurance consultant to assist in obtaining the most comprehensive insurance coverage available at the best available premiums. The current contract for these services, identified as Contract No. 4759, is set to expire on January 21, 2026. While the existing contract provides renewal options, the District has determined that it is in its best interest not to exercise those options and instead proceed with soliciting proposals to procure Insurance Consultant Services. Soliciting for these services will allow the District to receive and evaluate proposals to ensure continued value and support in securing the District's insurance coverage needs. Commissioner Lopez moved to authorize staff to solicit proposals for insurance consultant services, Commissioner Wood seconded, and the motion passed unanimously.

**12. Consideration and ACTION on the Grantee/Operator's Agreement between the Brownsville Navigation District-Foreign Trade Zone No. 62 and Panasonic Automotive System America LLC (LI-3) located at 702 Joaquin Cavazos Memorial Dr., Los Indios, Texas 78567.**

Mr. Rodriguez addressed the Board that Panasonic Automotive System America LLC is requesting to activate 7,000 square feet out of their 165,000 square feet warehouse located in FTZ No. 62 Magnet Site No. 4, FINSA Industrial Park at Los Indios, TX. The scope of operations within the activated zone will include, but not be limited to, receiving, general inspection, storage, repacking into returnable totes, warehousing, and shipping of automotive components. A preliminary security survey has been completed. All required improvements to perimeter fencing and access controls have been made in full compliance with U.S. Customs and Border Protection (USCBP) security standards. Panasonic Automotive personnel will be responsible for maintaining all zone records and transactions, and for keeping their security plan current in accordance with FTZ Board regulations and USCBP requirements. The agreement is ready for Board consideration. Commissioner Lopez moved to approve the agreement as presented for Panasonic Automotive Systems Company of America be an Operators of FTZ No. 62, Commissioner Gutierrez seconded, and the motion passed unanimously.

**13. Consideration and ACTION on Change Order No. 1 to the Port of Brownsville Business Park – Concrete Pavement project and Acceptance of work performed by IOC Company LLC, and to authorize final payment, including retainage and removing liquidated damages, unused items and unsatisfactory lab testing.**

Mr. Martinez addressed the Board that on May 25, 2025, IOC Company, L.L.C., working under contract 4722, achieved substantial completion of the Port of Brownsville Business Park- Concrete Pavement project. The contractual completion date for this project was October 30, 2024, resulting in a delay of 207 days. IOC Company, L.L.C. has requested a total of 165 days to be added to the contract time, from which only 90 days were justified as follows: (1) Weather conditions (38 days); (2) Subgrade preparation delays (39 days); and (3) Material delivery delays (13 days). Change Order No. 1 accounts for the additional contract time, liquidated damages and the deletion of unused bid items, decreasing the contract amount by (\$303,277.66). IOC Company, L.L.C. is requesting acceptance of the work completed and release of final payment including retainage in



the amount of \$581,198.58. Discussion followed regarding the extended delays. Commissioner Gutierrez moved to approve Change Order No. 1 to the Port of Brownsville Business Park - Concrete Pavement project completion and to authorize release of final payment of \$581,198.68, which includes retainage, liquidated damages and laboratory costs. Commissioner Wood seconded, and the motion passed by a vote of 3-1, with Chairman Guerra voting "Nay".

**14. Consideration and ACTION on proposal by HDR Engineering, Inc. on evaluation services for the Cargo Docks 15 & 16 Deepening Evaluation project, and to authorize the Port Director & CEO to execute the proposal.**

Mr. Martinez presented to the Board that HDR Engineering, Inc. has submitted the Proposal for the Cargo Dock 15 and Cargo Dock 16 Deepening Evaluation to perform the preliminary studies to determine feasibility and recommend potential upgrades for deepened berth design based on the current condition and available information on these cargo docks. HDR is the original designer of record of the cargo docks and will use this knowledge to inform decision making and make recommendations. HDR will also provide potential sources of funding to perform these upgrades. This phase of work is composed of six tasks; *Task 001: Project Management and Controls; Task 002: Data Collection and Review; Task 003: Facility Berthing Geometric Analysis; Task 004: Facility Loading Equipment Geometric Analysis; Task 005: Project Grant Opportunity Evaluation and Task 006: Permitting and Regulatory Matix.* At the conclusion of this phase of work, BND will have conceptual options, opinions of cost and sources of funding for the proposed improvements. Commissioner Wood moved to accept the Proposal from HDR Engineering, Inc. for the Cargo Docks 15 & 16 Deepening Evaluation Project in the amount of \$212,900.00 and authorize Port Director & CEO to execute an Agreement for Professional Engineering Services on a task order basis, Commissioner Gutierrez seconded, and the motion passed unanimously.

**15. Consideration and ACTION to ratify Change Order No. 1 to the BND Cargo Dock 10 Maintenance Dredging project and Acceptance of Work performed by Orion Construction LLC, and to authorize final payment, including retainage.**

Mr. Martinez addressed the Board that on August 9, 2025, Orion Construction L.L.C., working under contract 4782, achieved substantial completion of the BND Cargo Dock 10 Maintenance Dredging project. Change Order No. 1 accounts for the new rate per cubic yard requested by Orion Construction due to the hardness of the material found on Cargo Dock 10. In addition, Change Order No. 1 also accounts for extra stand-by time, which was accumulated when a vessel was moored to any dock from Cargo Dock 11 to Cargo Dock 16. Change Order No. 1 will increase the total contract amount to \$2,681,934.00. Orion Construction, L.L.C. is requesting acceptance of the work completed and release of final payment, including retainage, in the amount of \$1,264,584.00. Discussion followed regarding the contractor's request and whether the increases to the contract amount were fully substantiated. Chairman Guerra asked if the change order increased the contract price by more than 25%. Mr. Martinez noted that the increase was just short of 25%. Chairman Guerra asked that Staff revisit the change order with the contractor to see if the amount could be adjusted downward. Commissioner Lopez moved to table Item 15 and Commissioner Wood seconded, and the motion passed unanimously.



## EXECUTIVE SESSION

16. 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.

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

There was none.

### 18. Adjournment.

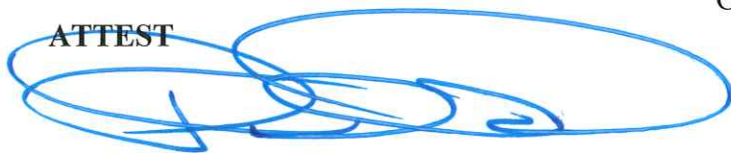
Commissioner Gutierrez moved to adjourn the meeting, Commissioner Lopez seconded, and the meeting was adjourned by unanimous consent at 6:21 p.m.



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Esteban Guerra  
Chairman of the Board

ATTEST



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John Reed, Secretary