MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF CAMERON COUNTY, TEXAS HELD OCTOBER 1, 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, October 1, 2025 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 William Irwin, District Counsel
STAFF MEMBERS:	Michael Davis Janie Velasquez Yessenia Gonzalez Estela Rangel Manuel Martinez Santos Barbosa Zeus Yanez Jorge Montero Julio Romo Ana Pascual Juan Resendez
OTHERS PRESENT:	Rev. Andreas Lewis Jorge de la Colina Jorge Sanchez Carlos Villarreal Cesar Torres Josh Macklin

REGULAR MEETING

1. **Meeting Called To Order**

At 5:30 p.m. Chairman Guerra called to order the regular meeting. Reverand 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**

No person addressed the Board.

3. **Director's 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 September 17, 2025.
    b. Approval to authorize payments over $25,000.
        1. Southmost Regional Water Authority, the amount of $163,619.00, for fiscal year 2026 assessment fees.

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

ACTION ITEMS

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

Mrs. Velasquez addressed the Board regarding the following Items:

1. Josefina Pimenta d/b/a Restaurant de Mariscos La Familia **(Authority to Negotiate)**

The lease with Josefina Pimenta D/B/A Restaurant de Mariscos La Familia under BND Contract #4060 expired on September 1, 2025, with no renewal options. The lessee seeks Authority to Negotiate a New Lease for approximately 0.151 acres located at 1190 Angler's Place Road. The initial term would be for one year and the lessee and District may agree to extend the term of the agreement by four terms of one year each. A Special Conditions provision will be added to the lease agreement stating that if lessee submits a written request to renew the term of the lease agreement and is not in default under any part of the agreement, the request will be presented to the District's Board of Commissioners for approval. The Board may approve or reject the renewal request at its discretion. If the request is denied, the lease will expire on the current expiration date. The purpose clause of the lease is for a restaurant. Commissioner Reed moved to approve the Authority to Negotiate for Josefina Pimienta D/B/A Restaurant de Mariscos La Familia, Commissioner Wood seconded, and the motion passed unanimously.

2. Luga Petroil, LLC **(Authority to Negotiate)**

The lease with Oscar Luebbert Gutierrez under BND Contract #4111 expired on July 14, 2025, with no renewal options. Mr. Luebbert is now requesting authorization to negotiate a new lease for 1.492 acres at 1900 Fisherman's Place Road, under the name Luga Petroil, LLC. The proposed use is for the wholesale handling of petroleum derivatives, including loading and unloading from trucks to tanks and vice versa, for export to Mexico. The initial term would be for one year and the lessee and District may agree to extend the term of the agreement by four terms of one year each. A Special Conditions provision will be added to the lease agreement stating that if lessee submits a written request to renew the term of the lease agreement and is not in default under any part of the agreement, the request will be presented to the District's Board of Commissioners for approval. The Board may approve or reject the renewal request at its discretion. If the request is denied, the lease will expire on the current expiration date. Chairman Guerra asked about the proposed methods of loading and unloading of liquids at the site. Mrs. Velasquez noted that the loading and unloading would be done by existing tanks and terminal. Commissioner Wood moved to approve the Authority to Negotiate for Luga Petroil, LLC, Commissioner Reed seconded, and the motion passed unanimously.

3. Rio Grande LNG LandCo, LLC / Rio Grande LNG Train, LLC **(Consent, Estoppel Certificate, and 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 5. 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 5 Sublease). Previously, the Board approved similar documents related to Trains 1, 2, 3 and 4. 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 5 (Rio Grande LNG Train 5, 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 5, 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 Wood seconded, and the motion passed unanimously.

4. The Port Plaza Properties, LLC **(Termination / Release of Lease)**

The Port Plaza Properties, LLC entered into Lease Agreement No. 4449 for a 1.40-acre site located at 12171 SH 48. The lease commenced on May 20, 2020, with an initial term of five years and included four additional five-year renewal options. The lessee exercised its first renewal option from May 20, 2025, through May 19, 2030. However, the lessee has since decided not to proceed with the planned development of a commercial plaza on the leased premises and is seeking the district's approval to terminate the lease effectively on October 31, 2025. Commissioner Wood moved to approve the Release / Termination of Lease with the Port Plaza Properties, LLC, Commissioner Reed seconded, and the motion passed unanimously.

BIDS/AGREEMENTS/PURCHASES

6. **Consideration and ACTION to authorize Port staff to solicit proposals for medical insurance benefits for all BND employees.**

Mrs. Gonzalez addressed the Board that the District's current medical insurance benefit is set to expire December 31, 2025. While the existing agreement provides renewal options, this renewal will not be available until October 1, 2025. The District has determined that it is in its best interest to request authorization to solicit proposals contingent on the renewal received. This authorization will assist the District in being proactive should there be a need to solicit proposals to obtain the most comprehensive medical coverage at the best available premium. Commissioner Reed moved to authorize staff to solicit proposals for medical insurance coverage if necessary, Commissioner Wood seconded, and the motion passed unanimously.

7. **Consideration and ACTION to authorize Port Director and CEO to enter into a Memorandum of Understanding (MOU) between the Brownsville Navigation District and Rio Grande LNG, LLC for the construction of chlorination booster stations for waterlines serving their facility.**

Mr. Martinez addressed the Board that BND staff have been working with Rio Grande LNG, LLC on required chlorination booster stations to comply with the water quality at their site. RGLNG will be responsible for the costs and expenses relating to the design, procurement and installation of these facilities. BND will grant RGLNG, and their consultants, the right to reasonable access, custody, and control of the project related waterlines for the sole purpose of designing, procuring, and installing the chlorination facilities. RGLNG's consultants will submit their design detailing the cost of future maintenance and operations for evaluation by BND staff and final approval by the Board of Commissioners. Once the project is completed and accepted by the Board of Commissioners, RGLNG will transfer all its rights and interests in these facilities to BND. BND staff will be trained by consultants / contractors for proper operations. Commissioner Wood moved to authorize Port Director & CEO to enter in a Memorandum of Understanding between BND and Rio Grande LNG, LLC, Commissioner Reed seconded, and the motion passed unanimously.

EXECUTIVE SESSION

8. **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).**

1) Consultation with attorney and deliberation regarding economic development negotiations (Project Rio Grande).

Commissioner Reed moved to adjourn into Executive Session at 5:42 p.m., Commissioner Wood seconded, and the motion passed unanimously.

At 5:57 p.m., the Board reconvened in Open Session.

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

1) Possible action on engagement of outside legal counsel relating to Project Rio Grande.

Commissioner Reed moved to authorize the engagement of outside legal counsel relating to Project Rio Grande, Commissioner Wood seconded, and the motion passed unanimously.

10. Adjournment.

Commissioner Reed moved to adjourn the meeting, Commissioner Wood seconded, and the meeting was adjourned by unanimous consent at 5:58 p.m.

Esteban Guerra
Chairman of the Board

ATTEST

John Reed, Secretary