

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD OCTOBER 15, 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 15, 2025 at 5:30 p.m.**

The following individuals were present and absent:

PRESENT: Esteban Guerra
Sergio Tito Lopez
John Reed
John Wood

ABSENT: Ernesto Gutierrez

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

STAFF MEMBERS: Arturo Gomez
Michael Davis
Margie Recio
Janie Velasquez
Yessenia Gonzalez
Estela Rangel
Manuel Martinez
Santos Barbosa
Zeus Yanez
Jorge Montero
Julio Romo
Ana Pascual
Juan Resendez
Julio Romo
Tony Rodriguez

OTHERS PRESENT: Rev. Andreas Lewis
Shariff Gonnella
Ruben Lopez
Jorge de la Colina
Ron Whitlock
Andrea Meneses
Joe Zamora
Rebecca Gearhart
Pedro Llamas
Daniela Capistran

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

No person addressed the Board.

3. Port Monthly Operations Summary Report

Mr. Yanez made the report. Discussion followed.

INFORMATION

4. Presentation of District's Investment Report for the quarter ended September 30, 2025.

Mr. Yanez presented to the Board that, as per Section 2256.023 of the Government Code Chapter 2256, Public Funds Investment Act, the governing board shall receive not less than quarterly a written investment report prepared and signed by the Investment Officer of the investment transactions for all funds for the preceding reporting period. The District's report covers the quarter ended September 30, 2025. The investment portfolio complied with Chapter 2256 and the District's Investment Policy & Investment Strategies. As of September 30, 2025, the District maintained \$30,762,046 in demand deposits at Lone Star National Bank and \$109,597,367 with Local Government Investment Pools, for a total of \$140,359,413. The report also includes an allocation of invested principal funds.

CONSENT AGENDA ITEMS

5. Consideration and ACTION on the Following Consent Agenda Item:

- a. Approval of the Minutes of the Regular Board Meeting of October 1, 2025.
- b. Approval to authorize payments over \$25,000.
 1. HDR Engineering, Inc., the amount of \$29,972.51, for Cargo Dock Phase 1 Design.

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

ACTION ITEMS

6. Consideration and ACTION on Resolution Authorizing the Extension of the Brownsville Navigation District of Cameron County, Texas Senior Lien Variable

BROWNSVILLE NAVIGATION DISTRICT MINUTES

October 15, 2025

Page 2 of 7

Rate Revolving Note Program; Authorizing Certain District Officials to Execute Related Documents and Resolving other matters related thereto.

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"). The Program is 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 source of liquidity through short-term borrowing. The Program can accommodate Taxable debt, Tax-Exempt debt, and AMT debt. The Notes can be fixed out through a refunding bond at any time and extended out with a long-term amortization. The Program had a 3-year commitment, which is set to expire November 8, 2025. The District can extend the Program for an additional 1 to 3 years based on terms provided by PNC. The extension terms provided by PNC have been reviewed and analyzed with the assistance of the District's municipal advisors. Staff recommended proceeding with the 2-year renewal considering fee implications. Commissioner Reed asked if there would be any fees or penalties if the District cancelled early and Mr. Yanez said no. Discussion followed regarding bond and advisory fees in this transaction. Commissioner Wood moved to approve the Resolution to Extend the Brownsville Navigation District of Cameron County, Texas Senior Lien Variable Rate Revolving Note Program and authorize the Port Director/CEO and Director of Finance to execute documents related to the extension of the Program, Commissioner Reed seconded, and the motion passed unanimously.

7. Consideration and ACTION to ratify acceptance of the FY 2025 Port Security Grant Program Award.

Mr. Dietrich addressed the Board. The U.S. Department of Homeland Security, through the Federal Emergency Management Agency (FEMA), released the Notice of Funding Opportunity (NOFO) for the FY 2025 Port Security Grant Program (PSGP) on August 5, 2025. On August 15, 2025, Port staff submitted three investment justifications for consideration: (1) Port of Brownsville - Network Infrastructure Assessment; (2) Port of Brownsville - Server Infrastructure Upgrade; and (3) Port of Brownsville - Cybersecurity Training and Exercise. On September 27, 2025, the Port was notified that the "Cybersecurity Training and Exercise" project was awarded funding under the program. The U.S. Department of Homeland Security required the award to be accepted by September 30, 2025. Due to the short acceptance deadline provided by the U.S. Department of Homeland Security, staff proceeded with acceptance of the award to secure the funding. Chairman Guerra asked for additional details regarding the training program. Mr. Dietrich noted that all staff will undergo training. Commissioner Reed asked who would be performing training and Mr. Dietrich noted that had not been determined, but possible Sam Houston State University. Commissioner Reed moved to ratify the acceptance of the FY 2025 Port Security Grant Program award for the Cybersecurity Training and Exercise project, Commissioner Wood seconded, and the motion passed unanimously.

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

Mr. Dietrich and Mrs. Velasquez addressed the Board regarding the following Items:

1. US Department of Homeland Security – US Coast Guard (Lease Amendment)

The US Department of Homeland Security - US Coast Guard (Contract #4416), a current lessee,

seeks approval to extend the term of the lease from September 1, 2025 through August 31, 2026 with annual renewals until September 30, 2030. The purpose of this lease is for the placement and operation of government aids to navigation, specifically range lights. Discussion followed regarding maintenance of the range lights and discussions with CBP. Commissioner Lopez moved to approve the Lease Amendment for the US Department of Homeland Security – US Coast Guard, Commissioner Wood seconded, and the motion passed unanimously.

2. **AEP Texas, Inc. (Amendment to Easement and Right of Way Agreement & Lease Amendment)**

AEP Texas, Inc., is requesting an amendment to the Easement and Right of Way Agreement & Lease Amendment (BND Contract #2515) to increase the existing easement by 15 feet in width and 3,226 linear feet in length. The original easement dimensions of 75 feet in width and 62,498.58 linear feet in length will be expanded to a total of 90 feet in width and 68,724.58 linear feet in length. Commissioner Reed moved to approve the Easement and Right of Way Agreement & Lease Amendment for AEP Texas Inc., Commissioner Lopez seconded, and the motion passed unanimously.

3. **AEP Texas, Inc. (New Lease – Electrical Substation)**

AEP Texas, Inc. is seeking a new lease on a 6.329-acre site for the purpose of the development of the Pompano Electrical Substation, which will be located on property formerly within the Rio Grande LNG site. The lease is for a term of 5 years with 9 renewal options of 5 years each. The annual rental will be \$49,005.45, subject to adjustment in accordance with the lease and District's leasing policies. Commissioner Lopez moved to approve the new lease for AEP Texas, Inc., Commissioner Wood seconded, and the motion passed unanimously.

4. **Severo Perez (New Lease)**

This new lease agreement with Severo Perez will replace BND contract #4052 for 540 acres for the purpose of grazing. The lease term will be for one year with four renewal options of one year each. 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. All grazing leases have a provision that they may be terminated with or without cause on 30 days' written notice. Discussion followed regarding prohibition of hunting or discharging of firearms. Commissioner Lopez moved to approve the New Lease for Severo Perez, Commissioner Wood seconded, and the motion passed unanimously.

5. **White Tipped Dove, LLC (New Lease)**

This new lease agreement with White Tipped Dove, LLC will replace BND Contract #4670 and will cover approximately 114.86 acres located south of Yolanda Del Rio Road and Hwy 4. The lease term will be for one year, commencing on October 1, 2025 and ending on September 30,

2026. The purpose clause of the lease is for planting, cultivating, and harvesting row crops (such as vegetables, corn, cotton and grain sorghum). Discussion followed regarding calculation of rent. Mr. Irwin noted that the rental would be based on District's standard rates, not based on a share of the crops. Commissioner Lopez moved to approve the New Lease for White Tipped Dove, LLC, Commissioner Reed seconded, and the motion passed unanimously.

6. Bedoli Group, Inc. (Scrap Metal Services) (Landlord Creditor Agreement)

On January 19, 2022, the District approved a Landlord Credit Agreement with Bank Leumi USA on behalf of Bedoli Group, Inc. (Scrap Metal Services) to secure credit for its operations at the Port of Brownsville. Since that time, Bank Leumi has merged with Valley National Bank (VNB), which is now requesting formal acknowledgment from the District that the landlord agreement remains in effect and that VNB is the successor in interest to Bank Leumi. BND Legal Counsel has reviewed the agreement and confirms that it is ready for the Board's consideration. Commissioner Lopez moved to approve the Landlord Creditor Agreement, Commissioner Wood seconded, and the motion passed unanimously.

BIDS/AGREEMENTS/PURCHASES

Chairman Guerra noted that Items 9-11 would be considered together. Mr. Rodriguez addressed the Board.

9. Consideration and ACTION regarding application received of Steamship License Agent to CV International, Inc d/b/a Capes Shipping Agencies.

CV International, Inc. dba Capes Shipping Agencies has submitted a complete application for a Steamship Agent License, including all required attachments and payment of the \$2,000 application fee as prescribed by Port of Brownsville Tariff No. 6. Port staff have reviewed the application and determined that all required documentation has been properly submitted. As part of the application, CV International, Inc. dba Capes Shipping Agencies has provided the required \$10,000 cash deposit. The license will be effective for three years beginning October 16, 2025.

10. Consideration and ACTION on application received of Steamship License Agent to Valhalla Ship Agency, LLC.

Valhalla Ship Agency, LLC has submitted a complete application for a Steamship Agent License, including all required attachments and payment of the \$2,000 application fee as prescribed by Port of Brownsville Tariff No. 6. The Port of Brownsville staff have reviewed the application and determined that all required documentation has been properly submitted. As part of the application, Valhalla Ship Agency, LLC has provided a Letter of Credit in the amount of \$25,000, made payable to the Brownsville Navigation District. This Letter of Credit is provided in lieu of the required \$10,000 cash deposit. The license will be effective for three years beginning October 16, 2025.

11. Consideration and ACTION on application for renewal of Steamship License Agent to Gulf Marine Contractors.

Gulf Marine Contractors currently holds a Steamship Agent License to operate in the Port of Brownsville, which is set to expire on October 15, 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 October 16, 2025. The license will be effective for three years beginning October 15, 2025.

Commissioner Lopez moved to approve the applications described in items 9-11, as presented, Commissioner Wood seconded, and the motion passed unanimously.

EXECUTIVE SESSION

12. 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 value, exchange, and/or purchase of real property.
- 2) Annual evaluation of Port Director and CEO.

Commissioner Wood moved to adjourn into Executive Session, Commissioner Lopez seconded, and the motion passed unanimously at 6:15 p.m.

At 7:02 p.m., the Board reconvened in Open Session.

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

- 1) Possible action on approval of contract for purchase of real property and release and termination of that certain February 1, 1947 drainage easement.

Chairman Guerra moved to authorize the Port Director and CEO to execute the contract for purchase of approximately 61 acres of real property and to approve the release and termination of that certain February 1, 1947 easement with members of the Garcia and Dougherty families, and to further authorize William Dietrich as Port Director and CEO to expend funds and take all other actions, including execution of documents, on behalf of the District, as described in the contract, including as may necessary to close the transaction, Commissioner Reed seconded, and the motion passed unanimously.

- 2) Possible action on renewal, extension, or modification of contract of Port Director and CEO.

Chairman Guerra complimented Mr. Dietrich on a job well done as Port Director and CEO. Chairman Guerra then moved to approve an amendment to the Port Director and CEO's contract which includes an extension of the term through August 6, 2029 with cost of living adjustments. Mr. Dietrich thanked the commission and praised the staff for their support and hard work. Commissioner Lopez then seconded the motion, and the motion passed unanimously.

14. Adjournment.

Commissioner Reed moved to adjourn the meeting, Commissioner Lopez seconded, and the meeting was adjourned by unanimous consent at 7:03 p.m.



Esteban Guerra
Chairman of the Board

ATTEST



John Reed, Secretary