

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD DECEMBER 17, 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, December 17, 2025 at 5:30 p.m.**

The following individuals were present and absent:

PRESENT: Sergio Tito Lopez, Vice Chairman
John Reed
John Wood
Ernesto Gutierrez

ABSENT: Esteban Guerra

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

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

OTHERS PRESENT: Rev. Andreas Lewis
Jorge de la Colina
Alamdar Hamdani
Mark Hodgson
Nico Schaefer
Rey Perez
Jose Olivares
Eddie Saenz
Randy Boyd

Martha Davila
Jorge Sanchez
Chris Dixon

REGULAR MEETING

1. Meeting Called To Order

At 5:33 p.m. Vice Chairman Lopez called to order the regular meeting. Reverend Lewis offered a prayer. The Vice Chairman then led those present in the Pledge of Allegiance to the United States and Texas flags.

2. Public Audience

Alamdar Hamdani addressed the Board regarding Item 6(6) requesting that the Board consent to the assignment of the lease.

Mr. Dietrich asked that items 6(6), 7, and 8 be tabled for discussion in executive session for consultation with attorney regarding real property deliberations. Commissioner Gutierrez so moved, Commissioner Reed seconded, and the motion passed unanimously.

3. Port Monthly Operations Summary Report

Mr. Yanez made the report to the Board.

CONSENT AGENDA ITEMS

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

- a. Approval of the Minutes of the Regular Board Meeting of December 3, 2025.
- b. Approval to authorize payments over \$25,000.00
 1. DebtBook, the amount of \$28,500.00, for the annual subscription for lease accounting and reporting software.
 2. HDR Engineering, Inc., the amount of \$27,044.99, for the Placement Area 8 Study and Design project.
 3. Russel Marine, LLC, the amount of \$3,100,092.25, for the Cargo Dock 3 – Phase I and III Demolition and Construction project.
 4. South Texas Pump, Inc., the amount of \$168,240.00, for the fuel tanks and fuel equipment removal and installation project.
 5. Tidalis Americas LTD, the amount of \$116,801.57, for the 2026 annual Klein Software Support/Maintenance license.
 6. Tyler Technologies, the amount of \$49,444.20, for the 2026 annual user/subscription fees.

Commissioner Gutierrez asked about Item 4(b)(3) and for a breakdown of costs associated with the project. Mr. Martinez addressed the Board and brief discussion followed.

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

ACTION ITEMS

5. Discussion and Possible ACTION on proposed Fiscal Year 2026 Operating Budget.

Mr. Yanez submitted to the Board the District's proposed Fiscal Year 2026 Operating Budget for the Commissioners review, discussion and possible action, as part of the budget adoption process. The proposed 2026 operating budget is based on historical operational trends and FY 2025 year to date revenues and expenditures. The FY 2026 budget includes funding allocations for 12-month personnel and fringe benefit costs for all employees (including vacant positions) and the continuation of the merit program. The FY 2026 budget reflects increases in wharfage in, wharfage out, dockage, mobile harbor crane, lease rentals - easements, security surcharges, and port entry permit revenues offset by decreases in lease rentals - turning basin and storage agreements. Additionally, the budget incorporates an increase in medical insurance, worker's compensation, community participation, other consultant fees, and election costs, and decreases in potable water purchased, retirement costs, and advertising. Discussion followed regarding economic development incentives and development of a policy to address use and qualification for incentives. Discussion also followed regarding development of a policy to provide financial incentives to staff that would be triggered by certain successes of the Port. Commissioner Reed moved to approve the budget as presented, with the addition of a line item of \$50,000 for economic development incentives, with the details and name of such program subject to policy committee and legal review, Commissioner Gutierrez seconded, and the motion passed unanimously.

6. Consideration and ACTION on 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 seeks a new lease for approximately 25 acres located on RL Ostos Road for a thirty-year term. The proposed operations will include the importation, storage, and distribution of cement, cementitious materials, aggregates, and related products. The project may also involve grinding and blending and/or packaging activities. Operations could also include receiving cargo via vessel or barge, transferring and storing materials in bulk, bags, or big bags and distributing materials by truck, rail, or barge. On July 2nd, the Board approved an Authority to Negotiate with Ultracem Cement LLC to identify a site suitable for their proposed operations, taking into account potential noise and dust impacts. Although that Authority to Negotiate has since expired, staff have continued to work with company representatives on their development timeline and to address site specific concerns associated with this type of project. Ultracem Cement LLC has reaffirmed its commitment to environmental sustainability by implementing strategies that protect the environment throughout its industrial processes. The company has also provided noise-level data from its current operations which are comparable to those proposed at the Port of Brownsville indicating that any noise impacts on neighboring activities are expected to be minimal. Commissioner Reed moved re-authorize negotiations for a new lease with Ultracem

Cement LLC, Commissioner Wood seconded, and the motion passed unanimously.

2. The Metals Company USA, LLC (Authority to Negotiate – Option to Lease)

The Metals Company USA, LLC is seeking an Option to Lease for approximately 981 acres located on Highway 48 North of the Fishing Harbor. The term of the Option to Lease is for an initial period of one year with an option to renew for one additional year upon demonstrated substantial compliance with the timeline for due diligence and permitting work. The purpose shall be for due diligence of the construction and operation of a minerals processing facility, offloading and stockpiling polymetallic nodules, and processing those nodules including crushing and minerals processing including refining and smelting. Commissioner Reed moved to approve authority to negotiate an option to lease with The Metals Company USA, LLC, Commissioner Gutierrez seconded, and the motion passed unanimously.

Items 6(3) and 6(4) were considered together.

3. Valley Crossing Pipeline, LLC (Second Amendment to Easement Agreement)

Valley Crossing Pipeline, LLC (VCP) is requesting an amendment to the Easement Agreement (BND Contract #4166) to increase the existing easement to include a thirty-foot easement as necessary to construct and install a lateral underground pipeline. The amendment includes a temporary workspace for a period of twelve (12) months from the effective date. If VCP 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 for the purpose of constructing above ground grade valves to include a trap connection for maintenance and repairs. The right to use this surface site begins on the effective date and remains in effect for as long as the easement is active.

4. First Amendment to Designation of Utility Corridor

On May 17, 2017, the District established a Utility Corridor (BND Contract #4161) ranging in width from 150-feet to 200-feet. The corridor accommodates overhead electrical transmission and distribution lines; underground sewer, water, and telecommunication lines; underground pipelines; and other utilities deemed appropriate. Staff is seeking Board approval to amend the utility corridor to increase the number of pipelines from four to five, outlined as follows: two gas pipelines by Valley Crossing Pipeline, LLC; two gas pipelines by Rio Bravo Pipeline Company, LLC; and one gas pipeline by Texas LNG, LLC.

Commissioner Wood moved to approve the Second Amendment to Easement Agreement with Valley Crossing Pipeline, LLC and to approve the First Amendment to Designation of Utility Corridor (BND Contract #4161), Commissioner Gutierrez seconded, and the motion passed unanimously.

5. Seatrium AmFELS, Inc. / Karpower Valley, LLC (Consent to Assignment)

Seatrium AmFELS Inc., a current lessee, is in the process of selling its assets to Karpower Valley LLC (Assignee). The anticipated closing date is early January 2026. Seatrium Amfels Inc. is seeking the Board's consent to assign its lease of 136.87 acres located at 20000 S.H. 48 to

Karpower Valley LLC, which will assume all existing lease obligations. Karpower intends to use the leased premises for the purposes of building and repairing marine structures, such as jackups, rigs, platforms, topsides, and other modules, as well as steel type work and other related activities, and to put the leased premises at the forefront of its ambitious growing activities across relevant sectors, such as ship building, manufacturing strategic power generation equipment, building floating power plants and key floating infrastructures, such as floating data centers, which will create 1,500 jobs during operations and possibly up to 2,500 jobs during the build out phase following the first year. The Assignee expects its CAPEX investment in the leased premises, following Assignment Effective Date, to exceed \$3 billion should a competitive and conducive environment and conditions be achieved. Karpower has represented that it and its affiliates have 30 years of energy market and power generation experience and anticipate expanding its operations across the United States and supporting critical initiatives such as establishing a shipyard on the leased premises to oversee shipbuilding, power plant equipment manufacturing, assembly and deployment, bridging manufacturing with gigawatt-scale power delivery, and advancing long-term energy resilience. The Assignee anticipates current and near-term deliverables of 21.4 GW of new power generation capacity to the United States by 2031, with a potential investment of over \$70 billion, with a defined possible expansion path for an additional 6 GW from 2029 onwards, adding 2 GW increments per year, to support the demand across the United States. BND Legal Counsel has reviewed the agreement and confirms that it is ready for the BND Commission's consideration. Commissioner Reed moved to approve the Consent to Assignment from Seatrium AmFELS, Inc. to Karpower Valley, LLC, Commissioner Wood seconded, and the motion passed unanimously.

6. West Plains, LLC / BioUrja Brownsville Terminal, LLC (Consent to Assignment)

West Plains, LLC, the lessee under BND contract #4088, has requested that the BND consent to an assignment of their leases to BioUrja Brownsville, LLC, in connection with their corporate reorganization. As a condition for this assignment, BioUrja Terminals & Land, LLC provided a Parent Guaranty of the leases. There will be no change in management nor the purpose of the leased site, which is the development, maintenance, and operation of a facility for storing, merchandising, and exporting grain, animal feed ingredients, and related agricultural commodities, as well as an ethanol facility. This item was tabled for discussion in executive session.

BIDS/AGREEMENTS/PURCHASES

7. Consideration and ACTION on award of bids receive for BND Placement Area * - Dike Relocation project, and to authorize staff to issue the Notice of Award to the successful bidder.

On July 16, 2025, BND Commissioners authorized Staff to advertise to solicit bids on the BND Placement Area 8 – Dike Relocation project. On October 6, 2025, BND Staff received and opened five bids, as follows:

<u>Bidder</u>	<u>Amount</u>
HDR OOPC (2025)	\$8,063,966.00
RLB Contracting, Inc.	\$7,293,600.00
GO Underground, L.L.C.	\$7,755,400.00
AFFOLTER Contracting, Inc.	\$8,876,800.00

A&I Custom Manufacturing	\$9,820,020.00
R.M. Walsdorf, Inc.	\$10,085,855.00

BND and HDR have reviewed the submitted documentation and performed a virtual interview with the lowest bidder. BND has received a letter of recommendation from HDR concurring to award this project to the lowest responsive and responsible bidder, RLB Contracting, Inc., in the amount of \$7,293,600.00. This item was tabled for discussion in executive session.

8. Consideration and ACTION on project scope change by HDR Engineering Inc. on engineering services for the BND Placement Area 8 – Dike relocation project and authorize the Port Director & CEO to execute the scope change proposal.

Mr. Martinez addressed the Board that on June 14, 2023, the Board of Commissioners approved the proposal from HDR Engineering, Inc. to perform the study and design of the relocation of the Northern Dike of Placement Area 8. The proposal included: *Task 1: Project Management and Controls Design; Task 2: Geotechnical Study and Preliminary Design; and, Task 3: Final Design*, in the amount of \$636,811.00. On May 8, 2024, HDR submitted Project Scope Change No.1 (PSC1), which added *Task 4: Draft Categorical Exclusion Document*. The cost for this scope change was covered by the remaining balance from the original proposal. On August 7, 2024, HDR submitted Project Scope Change No. 2 (PSC2), which added *Task 5: USACE Coordination, and Task 6: Bid Phase Services*, which were also covered by the remaining balance from the original proposal. HDR further submitted Project Scope Change No. 3, adding *Task 7: Project Management Controls of tasks 8 and 9; Task 8: Construction Administration; and, Task 9: Construction Observation*. The cost for PSC No. 3 is \$436,850.00. The remaining balance from the previous scope changes of \$276,151.00 will be applied to this cost, for a total amount of \$160,850.00, resulting in a total project cost of \$797,510.00. This item was tabled for discussion in executive session.

EXECUTIVE SESSION

9. 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).

Commissioner Reed moved to adjourn into executive session, Commissioner Wood seconded, and the motion passed by unanimous consent at 6:21 p.m.

The Board reconvened in open session at 7:01 p.m.

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

Vice Chairman Lopez recalled items 6(6), 7, and 8.

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Commissioner Reed moved to approve the consent to assignment of the lease from West Plains, LLC to BioUrja Brownsville Terminal, LLC, but without a release of West Plains, LLC, and further authorized negotiation of a timeline with milestones relating to the lessee's performance on the site to be added to the lease, Commissioner Wood seconded, and the motion passed unanimously.

Commissioner Reed then moved to reject the bids in Item 7 and to reject the proposal in Item 8, Commissioner Gutierrez seconded, and the motion passed unanimously.

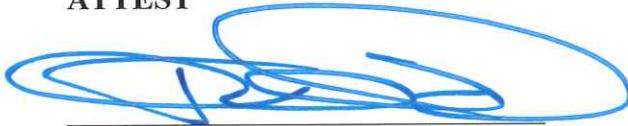
11. Adjournment.

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



Esteban Guerra
Chairman of the Board

ATTEST



John Reed, Secretary