

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD JANUARY 21, 2026 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, January 21, 2026 at 5:30 p.m.**

The following individuals were present and absent:

PRESENT:

Esteban Guerra, Chairman
Sergio Tito Lopez, Vice Chairman
John Reed
John Wood
Ernesto Gutierrez

ABSENT:

None

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
Tony Rodriguez
Ervey Gonzalez
Guillermo Rico
Miguel Barajas
Justin Torres
Carlos Garza
Margie Recio
Santos Barbosa
Julio Romo

OTHERS PRESENT:

Rev. Andreas Lewis
Shariff Gonnella
Mark Hodgson
Jorge de la Garza
Leonel Cantu
Kevin Cantu
Ruben Guerra

Alfonso Larrasquitu
Sol Reyes
Jorge Sanchez

REGULAR MEETING

1. Meeting Called To Order

At 5:35 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 presented the report to the Board. Chairman Guerra asked about the decrease in vessel calls in November. Mr. Dietrich addressed the Board.

INFORMATION

4. Presentation of District's Investment Report for the quarter ended December 31, 2025.

Mr. Yanez presented the report to the Board.

CONSENT AGENDA ITEMS

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

- a. Approval of the Minutes of the Regular Board Meeting of January 7, 2026.
- b. Approval to authorize payments over \$25,000.
 1. HDR Engineering, Inc., the amount of \$62,372.00, for engineering services for the Cargo Dock 15 and 16 Deepening Evaluation project.
 2. Roberto J. Ruiz Architect Inc., the amount of \$55,234.55, for architectural services related to the Permit building and Woodfin building office space renovations.
 3. Russell Marine LLC, the amount of \$2,019,548.95, for Cargo Dock 3 – Phase

I & III Demolition and Construction project.

Commissioner Reed asked when renovations will start on the Woodfin and permit buildings. Mrs. Recio and Mr. Dietrich addressed the Board.

Commissioner Gutierrez asked for an update on discussions with Russell Marine, LLC and HDR, Inc. regarding the change order approved at the last meeting for the Cargo Dock 3 project. Mr. Dietrich addressed the Board and noted that HDR had agreed to take responsibility for the cost of the change order, though the amount may be subject to revision depending on discussions between HDR, Inc. and Russell Marine.

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

ACTION ITEMS

6. Consideration and ACTION to approve and authorize payment to the United States Army Corps of Engineers pursuant to the amended Project Partnership Agreement for the Brazos Island Harbor (BIH) Channel Improvement project.

Mr. Martinez addressed the Board that on June 30, 2022, the Board of Commissioners approved the Project Partnership Agreement (PPA) and Respective Certificates between the Department of the Army and the Brownsville Navigation District for the Brazos Island Harbor Project. The PPA was amended on July 19, 2024, to classify contributions made in excess of the original required contribution amount as "Advanced Funds" pursuant to 33 U.S.C 701 h-1, making them eligible for repayment, subject to appropriations by Congress for such purposes. On November 7, 2025, the District received a letter from the U.S. Army Corps of Engineers formally requesting \$2,300,000 of additional "Advanced Funds" pursuant to Article II. J Project Partnership Agreement Amendment 1 dated July 19, 2024. These funds will be used toward funding a Variation of Estimated Quantities for BIH Segment B Deepening. The U.S. Army Corps of Engineers is requesting the funds be paid on or before December 15, 2025. The Board emphasized working with the District's federal lobbyists to pursue reimbursement of advanced funds in the WRDA bill. Mr. Dietrich explained that while the situation was not ideal, the payment of the money to the Corps was necessary to avoid impacts to the project. Mr. Dietrich provided an explanation regarding the cause of the additional quantities of dredge in the Segment B Deepening which result in part from impacts to the side walls of the channel during the dredging, as well as environmental factors such as shoaling. Commissioner Reed asked why these funds were not budgeted if we received the letter from the Corps requesting payment in November. Mr. Yanez addressed the Board and noted that the figure had not been verified prior to completion of the budgeting process. Commissioner Wood moved to approve payment of \$2,300,000 additional "Advanced Funds" requested by the U.S. Army Corps of Engineers for the BIH Channel Improvement Project, Commissioner Gutierrez seconded, and the motion passed unanimously.

7. Consideration and ACTION on the engagement letters for the Annual Financial Statement Audits of the Brownsville Navigation District and the Retirement Plan for the Employees of the Brownsville Navigation District.

Mr. Yanez addressed the Board that on November 1, 2023, the Board selected Carr, Riggs, & Ingram, LLC as the independent CPA firm for the District's and Retirement Plan's external audit

services for Fiscal Years 2023-2025. Prior to initiating the annual audits, an engagement letter is submitted for each audit that provides details on the scope and objectives of the audit; as well as other information related to the audit that auditors are required to communicate with management and those charged with governance. Commissioner Reed moved to approve the engagement letters for the District and Retirement Plan's annual financial statement audits, Commissioner Lopez seconded, and the motion passed unanimously.

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

Mr. Dietrich addressed the Board regarding the following Items:

1. Luga Petroil, LLC (New Lease)

This new lease agreement with Luga Petroil, LLC will replace BND Contract #4111 for 1.492 acres at 1900 Fisherman's Place Road. 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. For avoidance of doubt, no transloading of flammable substances without the use of a tank and terminal (i.e. no truck to truck) shall be permitted on the premises. 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 Condition in the lease agreement states 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. Mr. Dietrich noted that while the entity is new, the operations have been ongoing at the site since around 2009. Discussion followed regarding the ownership of the improvements, which staff confirmed has been transferred to Luga Petroil, a new LLC. Commissioner Lopez asked staff to confirm that the insurance required under the lease has been updated to match the name of Luga Petroil, LLC. Commissioner Reed moved to approve the new lease with Luga Petroil, LLC, Commissioner Lopez seconded, and the motion passed unanimously.

BIDS/AGREEMENTS/PURCHASES

9. Consideration and ACTION renewal of Agreement with Cornerstone Governmental Affairs, Inc. for governmental affairs services in the State of Texas.

Mr. Dietrich addressed the Board that on December 18, 2024, the Board of Commissioners approved a service agreement with Cornerstone Governmental Affairs, Inc. for governmental affairs services in the State of Texas. The initial term of this agreement is for one year, commencing December 18, 2024, and expiring December 17, 2025. The agreement includes the option to renew the term of the agreement for two additional one-year terms under the same terms and conditions, including pricing. Staff recommended that the agreement not be renewed. Commissioner Reed moved not to renew the term of the agreement, Commissioner Lopez seconded, and the motion passed by a vote of 4-1 with Commissioner Wood voting "Nay." Brief

discussion followed regarding the possibility of hiring a new consultant to assist the District with its legislative needs in Austin prior to the next legislative session.

10. Consideration of and ACTION on renewal of Agreement with Akin Gump Strauss Hauer & Feld LLP for federal governmental affairs services to District.

Mr. Dietrich addressed the Board that on February 19, 2025, the Board of Commissioners approved a service agreement with Akin Gump Strauss Hauer & Feld LLP for federal governmental affairs services. The initial term of this agreement is for one year, commencing February 19, 2025 and expiring February 18, 2026. The agreement includes an option for the District to renew the term of the agreement for one year under the same terms and conditions. Staff is requesting Board approval to exercise the option to renew the agreement for one additional year, commencing February 19, 2026 and expiring February 18, 2027. The monthly fee for services under the agreement shall be \$14,000. Akin Gump Strauss Hauer & Feld LLP will be entitled to reimbursement of reasonable and customary out-of-pocket expenses in accordance with the agreement. Commissioner Lopez moved to approve the extension of the Service Agreement with Akin Gump Strauss Hauer & Feld LLP for federal governmental affairs services to the District for an additional term of one year on the same terms and conditions, Commissioner Wood seconded, and the motion passed unanimously.

11. Consideration and ACTION on proposals received for Insurance Consultant Services.

Mrs. Recio addressed the Board that the District issued a Request for Proposals (RFP) for insurance consultant services to assist and advise in the marketing, handling and placement of appropriate insurance coverage for the District's various property, marine risks and liabilities and other consulting needs. The RFP was advertised and made available through the District's procurement platform, Bidnet. A total of three (3) proposals were received in response to the RFP. An evaluation committee consisting of the Deputy Port Director, Director of Finance and Director of Administrative Services reviewed the proposals and conducted interviews with the three proposers: Alliant Insurance Services, Inc., Acrisure, and McGriff. Proposals were evaluated based on criteria, including responsiveness to the RFP scope and purpose, relevant experience, qualifications and cost-effectiveness. After a thorough review, staff determined that all three proposers possess experience managing port-related insurance programs and represent a number of port clients. Each firm was found to be capable of providing effective insurance consultant services for the District. However, after careful consideration of all factors, staff recommends awarding the contract to Acrisure. Acrisure's proposal was determined to be the best overall fit for the District's needs, demonstrating strong industry expertise, a tailored risk management approach, and competitive pricing. Commissioner Reed moved to approve to award a contract for insurance consultant services with Acrisure for an initial one-year term, with two (2) optional one-year renewal terms, each at an annual fee of \$25,000, Commissioner Wood seconded, and the motion passed unanimously.

12. Consideration and ACTION on Joint Funding Agreement with U.S. Geological Survey, of the U.S. Department of Interior, for calendar years 2026-2028.

Mr. Davis addressed the Board that BND Staff is seeking approval to continue a service agreement with USGS (United States Geological Survey). The purpose of this request is to continue a science support service agreement that installed an acoustic doppler velocimeter on a sentinel buoy located

inside the Brownsville Ship Channel. The USGS own all the equipment and will be responsible for maintenance and replacement (if/as necessary) of all equipment. This system provides information that allows our pilots to make real-time decisions to manage our deep draft vessel traffic and open a longer transit window. The equipment provides the following information:

- Studies of tidal current
- Online measurements of currents and waves
- Measurement where the full wave spectrum is needed
- Monitoring of transient waves for channel wall protection

The total cost related to this service agreement is \$100,500 to be paid over a period of three (3) years. The Port's payment the first year (2026) is \$32,500. Thereafter, the Port would pay \$33,500 in 2027 and \$34,500 in 2028. Commissioner Reed moved to approve and authorize staff to continue the science support agreement with USGS and pay invoices as presented, Commissioner Wood seconded, and the motion passed unanimously.

13. Consideration and ACTION to ratify authorization for staff to advertise proposals for unarmed security services at the fishing harbor.

Mr. Romo addressed the Board that the District's contract for Fishing Harbor unarmed security services with American Surveillance Company, Inc. is scheduled to expire February 28, 2026. In anticipation of this expiration, Staff previously initiated the process to seek new proposals to ensure continuity of security services at the Fishing Harbor. The Fishing Harbor Advisory Committee has been informed of the contract expiration and the District's intent to solicit proposals. If ratified, Staff will proceed with receiving and opening the Request for Proposals. Following receipt of proposals, Staff will coordinate a review meeting with the Fishing Harbor Advisory Committee. It is anticipated that a recommendation will be presented to the Board of Commissioners at the second meeting in February 2026, allowing sufficient time for contract execution and implementation effective March 1, 2026. This timeline will also allow notification of updated security rates to Fishing Harbor tenants, which will be invoiced beginning with the March utility billing cycle. Commissioner Lopez moved to ratify authorization for Staff to advertise for proposals for unarmed security services at the Fishing Harbor, Commissioner Wood seconded, and the motion passed unanimously.

EXECUTIVE SESSION

14. 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. Discussion with attorney regarding litigation in Cause No. 2025-DCL-6334-G pending

in Cameron County, Texas.

Commissioner Reed moved to adjourn into executive session, Commissioner Lopez seconded, and the motion passed by unanimous consent at 6:19 p.m.

The Board reconvened in open session at 6:42 p.m.

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

1. Possible action on matters relating to pending litigation in Cause No. 2025-DCL-6334-G.

Chairman Guerra moved to ratify the engagement by Rentfro, Irwin, & Irwin, PLLC of Hamilton Lucio P.C. as outside litigation counsel to represent the District, Commissioner Reed seconded, and the motion passed unanimously.

16. Adjournment.

Commissioner Lopez moved to adjourn the meeting, Commissioner Gutierrez seconded, and the meeting was adjourned by unanimous consent at 6:43 p.m.



Esteban Guerra
Chairman of the Board

ATTEST



John Reed, Secretary