

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD FEBRUARY 18, 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, February 18, 2026 at 5:30 p.m.**

The following individuals were present and absent:

PRESENT: Esteban Guerra, Chairman
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
Janie Velasquez
Yessenia Gonzalez
Estela Rangel
Manuel Martinez
Zeus Yanez
Jorge Montero
Tony Rodriguez
Ervey Gonzalez
Guillermo Rico
Santos Barbosa
Carlos Garza
Margie Recio
Julio Romo
Edgar Garcia
Miguel Barajas
Justin Torres
Ana Pascual

OTHERS PRESENT: Rev. Andreas Lewis
Jorge de la Colina
Chris Urbanovsky
Shariff Gonnella
Chris Dixon
Brent Moore

Glenn Kasch
Hollie Takacs
Kevin Trevino
Martha Davila
Jason Fulton
Ruben Guerra
Joseph Leal
Alec Pagan
Jennifer Garcia

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

There was none.

3. Port Monthly Operations Summary Report

Mr. Yanez made the report to the Board. Chairman Guerra commended staff on an excellent close to 2025.

CONSENT AGENDA ITEMS

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

- a. Approval of the Minutes of the Regular Board Meeting of February 4, 2026.
- b. Approval to authorize payments over \$25,000.
 1. ALATAS, the amount of \$33,281.86, for liquid cargo dock broom crane repairs.
 2. HDR Engineering, Inc., the amount of \$63,480.61, for engineering services for the Cargo Dock 3 – Phase 1 project.
 3. Mejia and Rose, Incorporated, the amount of \$41,800.00, for surveying services on two tracts of land in the San Martin Grant, Cameron County, Texas (Saronic Technologies, Inc. Option to Lease property).

Mr. Dietrich noted that one half of the cost for the survey in item 4b3 would be paid for by Saronic Technologies, Inc.

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

ACTION ITEMS

5. Consideration and ACTION to authorize Grant Application Submission for the FY

2026 Maritime Administration Port Infrastructure Development Program Grant.

Mrs. Recio addressed the Board that the Maritime Administration released its Notice of Funding Opportunity (NOFO) for the FY 2026 Port Infrastructure Development Program (PIDP). The PIDP provides funding assistance for eligible projects that enhance the safety, efficiency, or reliability of the movement of goods through ports and related intermodal connections. In response, the District proposes to submit a grant application for the following project: Placement Area 8 - Dike Relocation and Patio 22 Phase I Expansion. Chairman Guerra asked how much would be requested. Mrs. Recio noted that the Port would be requesting approximately \$11 million in funding, and that the anticipated match would be around 20 percent. Mr. Dietrich also addressed the Board and noted the importance of the Board's previous adoption of an infrastructure plan. This plan will help the Port make sure it has permitted and shovel-ready projects which will only benefit the Port's chances of receiving grant funding. Commissioner Wood moved to authorize submission of the FY 2026 Port Infrastructure Development Program for the Placement Area 8 - Dike Relocation and Patio 22 Phase I Expansion project, Commissioner Lopez seconded, and the motion passed unanimously.

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

Mrs. Velasquez addressed the Board regarding the following Items:

1. Space Exploration Technologies Corp. – SpaceX (Authority of Negotiate – Fish Camp Lease)

SpaceX is pursuing the purchase of the fish camp structure owned by Mark and Patti Barnard. The structure sits on an approximately 50' x 50' tract and is currently being leased by Mark and Patti Barnard under contract #3133, which expires on November 24, 2028. SpaceX is seeking a Fish Camp lease for a term of ten (10) years. If approved, the existing lease with Mark & Patti Barnard would be terminated and a new lease agreement for Fish Camp #11 would be negotiated with SpaceX. The leased site would be used as a fish camp for SpaceX employees on a sporadic basis, primarily on weekends. SpaceX has confirmed that there will be no full-time residents and that no individuals will occupy the premises for extended periods of time. The fish camp leases include a provision allowing termination, with or without cause, upon 30 days' written notice. Commissioner Lopez moved to authorize negotiations for a fish camp lease with SpaceX, Commissioner Wood seconded, and the motion passed unanimously.

2. PS Brownsville Shrimp, LLC (Authority to Negotiate)

PS Brownsville Shrimp, LLC is seeking a new lease for approximately 0.551 acres located at 2830 Cajun Court at the Fishing Harbor. The proposed lease would be used for the unloading and loading of shrimp onto trucks for transportation to Galveston for processing. 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. Commissioner Reed moved to authorize negotiations for a new lease with PS Brownsville Shrimp, LLC, Commissioner

Lopez seconded, and the motion passed unanimously.

3. **Josefina Pimenta d/b/a Restaurant de Mariscos La Familia (New Lease)**

This new lease with Josefina Pimenta d/b/a Restaurant de Mariscos La Familia will replace BND Contract #4060 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 is for a restaurant. Commissioner Lopez to approve the new lease for Josefina Pimenta d/b/a Restaurant de Mariscos La Familia, Commissioner Reed seconded, and the motion passed unanimously.

4. **Saronic Technologies, Inc. (Option to Lease)**

BND Staff is seeking that the Board ratify the Port Director and CEO's execution of the Option to Lease with Saronic Technologies, Inc. The company is seeking exclusive right and Option to Lease approximately 4,387 acres for a one-year term commencing on February 6, 2026 and expiring on February 4, 2027, unless terminated earlier. As negotiations continue toward a long-term lease agreement, the District and Saronic wish to formalize the exclusive Option to Lease to support the company's tax abatement applications. The Option to Lease would allow Saronic to design, develop, and operate a shipbuilding project that includes general office operations, manufacturing, research and development, warehousing, distribution activities related to shipbuilding, and other lawful shipbuilding-related uses. During the option term, Saronic would have the right to apply for all necessary or desirable permits, approvals, tax abatements, and incentives from governmental authorities and public utilities in connection with the development, construction, and operation of the project. A portion of the premises is currently located within a dredged material placement area (DMPA). Saronic is interested in developing this portion of the property as part of its project and intends to conduct due diligence, in coordination and cooperation with the District, to evaluate the feasibility of relocating the DMPA. Any such evaluation and potential relocation would be subject to the requirements of the U.S. Army Corps of Engineers and the District's reasonable approval. All due diligence costs will be incurred by Saronic. Additionally, Saronic and the District will share the cost of surveying the premises, with a total survey cost of \$41,800. The Option Agreement may be terminated by either party, in its sole discretion and for any reason, including convenience, upon thirty (30) days' written notice during the option term. In the event of early termination, the Option Fee will be refunded to Saronic, minus \$100 to be retained by the District. Saronic may exercise the Option by providing written notice prior to the expiration of the option term for some or all of the premises, provided that at least approximately 585-acres associated with Phase 1 of the project are included. The proposed lease term would be fifty (50) years. Saronic intends to develop the project in four phases, allowing capacity, automation, and workforce levels to scale in alignment with market demand and program requirements. Discussion followed regarding the importance of the project and the Port's efforts in bringing the project to this stage. Commissioner Lopez moved to ratify the authorization of the Port Director and CEO's execution of the Option to Lease for Saronic Technologies, Inc., Commissioner Wood seconded, and the

motion passed unanimously.

Mr. Irwin noted that Items 6(5) and 6(6) were related items that could be considered together. Chairman noted that these items would be considered together.

5. Rio Grande LNG (Fourth Amendment to Lease and Second Amendment to Memorandum of Lease Agreement)

Rio Grande LNG, LLC (BND Contract #4375) is seeking the Board's approval for an amendment to the Fourth Amendment to the Lease Agreement and the Second Amendment to the Memorandum of Lease Agreement to update and replace the legal description of the premises adjusting the acreage designated for development of the AEP Pompano Electrical Substation within their leased site.

6. AEP Texas Inc. (Lease Amendment)

AEP Texas Inc. (BND Contract #4804) is seeking the Board's approval to amend their lease agreement to update and replace the legal description of the leased premises for the development of the Pompano Electrical Substation, to be located within the Rio Grande LNG site. The purpose of this amendment is to correct the acreage and legal description of the leased premises, which was rounded to 6.33 acres instead of reflecting the actual acreage of 6.325 acres, and to adjust the annual rental rate accordingly.

Commissioner Reed moved to approve the Second Amendment to Memorandum of Lease Agreement and Fourth Amendment to Lease for Rio Grande LNG, LLC, and the Lease Amendment for AEP Texas Inc. (BND Contract #4804), Commissioner Lopez seconded, and the motion passed unanimously.

BIDS/AGREEMENTS/PURCHASES

7. Consideration and ACTION on bids received for the Texas A&M lift station project, and to issue the Notice of Award to the successful bidder.

Mr. Martinez addressed the Board that on March 19, 2025, BND Commissioners authorized staff to advertise for bids on the Texas A&M Lift Station project which includes the construction of a new lift station, force main, and electrical and mechanical equipment for the development site. BND Staff opened bids on February 9, 2022. A total of three (3) bids were received. Staff reviewed and tabulated unit prices. Diverse Construction, which is the lowest bidder, submitted a Bid in the amount of \$325,000. Commissioner Lopez moved to award the contract for the Texas A&M Lift Station project to the lowest responsive and responsible bidder, Diverse Construction, in the amount of \$325,000, and authorize Staff to issue the Notice of Award to the successful contractor, Commissioner Reed seconded, and the motion passed unanimously.

8. Consideration and ACTION to approve a Master Open-End Lease Agreement with Commercial Vehicle Leasing, LLC dba D&M Leasing, for the leasing of fleet and police vehicles pursuant to BuyBoard Contract 744-24 and to Approve lease agreements for 15 vehicles.

Mr. Yanez addressed the Board that the Port's current fleet of vehicles ranges in age from 4-22

years old with minimal equity. The aging fleet has also become a costly burden to maintain. Staff completed a thorough assessment of the benefits and drawbacks of outright purchasing vehicles compared to leasing vehicles. After careful consideration, Staff recommends leasing vehicles. List of factors considered: (1) By entering a lease program, the capital outlay required to replace vehicles can be spread out over the term of the lease. In contrast, if the Port purchases the vehicles outright, the amounts will be paid upfront as vehicles are replaced. (2) In addition to manufacturer warranties, the leasing program has an option for a maintenance program for the leased vehicles (excluding police units) that can be added on for a nominal fee. The maintenance program will allow the Port to take leased vehicles to pre-approved shops (including local dealerships and other reputable shops) that have negotiated contracts with D&M to service leased vehicles. The maintenance program will cover routine maintenance, such as oil changes and other repair work not covered by manufacturer's warranty (excluding brakes/tires). (3) Police vehicles have a separate maintenance program that will provide the Port access to the service providers contracted with D&M Leasing to perform vehicle maintenance with the costs passed through to the Port of Brownsville. (4) The leasing program allows the Port to modernize its fleet and replace vehicles timely to obtain the lowest Total Cost of Ownership. Staff is seeking the Board's approval to lease 5 Police units and 10 fleet vehicles of various models for the Administration office, Harbor Master's Office and Maintenance department. Jennifer Garcia of D&M Leasing addressed questions from the Board. Discussion followed regarding the effective financing rates for the leases, trade-in values, monthly fees, and deliver dates. Discussion also followed on the placement of trackers on District's vehicles. Commissioner Wood moved to approve a Master Open-End Lease Agreement with Commercial Vehicle Leasing, LLC d/b/a D&M Leasing for the fleet vehicles pursuant to BuyBoard contract 744-24, approve lease agreements for 5 Police Units and 10 white fleet vehicles of various models for the Administration office, Harbor Master's Office and Maintenance department, and to further authorize the Port Director and CEO to execute all relevant documents incident thereto, Commissioner Reed seconded, and the motion passed unanimously.

9. Consideration and ACTION to approve the purchase of a water truck from French Ellison, pursuant to Sourcewell Coop contract #032824-KTC.

Mr. Barbosa addressed the Board that Staff is requesting that the Board of Commission approve the purchase of a Water Truck for the continued work required in the Port of Brownsville. Staff requested and received quotes from multiple vendors which were analyzed and compared by staff. Vendor French Ellison (pursuant to Sourcewell Coop contract #032824-KTC) submitted a quote for a total price of \$158,396.06 with a time of delivery of 90 to 120 days and Vendor International (pursuant to BuyBoard Coop contract #723-23) submitted a quote for a total price of \$149,210.49 with a time of delivery of 120-150 days, with no local technicians available. Vendor Kinloch (pursuant to TIPS Coop contract #230802) submitted a quote for a total price of \$251,808.12 with a time TBD, sold through Doggett. Vendor Doggett Freightliner (pursuant to Buyboard Coop contract #723-23) submitted a quote for a total price of \$123,994.81 with a time of delivery of 90-150 days. Vendor Mack (pursuant to TIPS Coop contract HGAC HT06-20) submitted a quote for a total price of \$148,565.00, with a time of delivery of 90-120 days. Staff recommends French Ellison over other vendors based on overall value, warranty coverage, and operational suitability. The proposed unit includes the standard on a chassis 12 months / unlimited bumper to bumper warranty. The engine warranty consists of 3 years of standard manufacturer coverage, supplemented by an additional 3-year extended warranty (maximum 150,000 miles), resulting in

a total engine warranty of 6 years or 150,000 miles, whichever occurs first. The transmission has 3 years / unlimited warranty. Additionally, the 10-speed manual transmission meets operational requirements for Port conditions and heavy-duty use. Commissioner Lopez moved to authorize Staff to proceed with the purchase of one Water Truck from vendor French Ellison (pursuant to Sourcewell Cooperative Contract #032824-KTC) in the amount of \$158,396.06, Commissioner Reed seconded, and the motion passed unanimously.

10. Consideration and ACTION to approve the purchase of one (1) three-phase asynchronous motor.

Mr. Davis addressed the Board that the harbormaster office is requesting permission to purchase one (1) three-phase asynchronous motor to prevent any potential crane delays. This item qualifies as a Sole Source item under section 60.412- as it is for captive replacement parts or components for equipment (Part #92041240- three-phase asynchronous motor). Commissioner Lopez thanked Mr. Davis for being proactive in getting parts ahead of time. Commissioner Lopez moved to approve and authorize BND Staff to purchase one (1) three-phase asynchronous motor in the amount of \$21,588.88 for GHMK 6507 Model 6 Cranes from Konecranes, INC, plus freight and shipping charges, which are determined at the time of shipping, Commissioner Reed seconded, and the motion passed unanimously.

EXECUTIVE SESSION

11. 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.

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

There was none.

13. Adjournment.

Commissioner Lopez moved to adjourn the meeting, Commissioner Reed seconded, and the meeting was adjourned by unanimous consent at 6:32 p.m.



Esteban Guerra
Chairman of the Board

ATTEST



John Reed, Secretary