

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD MARCH 4, 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, March 4, 2026 at 5:30 p.m.**

The following individuals were present and absent:

PRESENT: Esteban Guerra, Chairman
Sergio Tito Lopez
John Wood
Ernesto Gutierrez

ABSENT: John Reed

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

STAFF MEMBERS:
Michael Davis
Janie Velasquez
Yessenia Gonzalez
Estela Rangel
Manuel Martinez
Zeus Yanez
Jorge Montero
Tony Rodriguez
Guillermo Rico
Santos Barbosa
Julio Romo
Miguel Barajas
Justin Torres

OTHERS PRESENT: Rev. Andreas Lewis
Mark Hodgson
Bob Berry
Hunter Stanco
Alvaro de la Garza
Raul Villanueva
Rusty Brechot
Philip Kuebler
Mike Winans
Kevin Lenz
Chad Janosky

Robyn Sarvis
Kelvin Folk
Kaan Uyal
Clint Harp
Keith Donahue
Jocelyn Loera
Ray Barron
Dacia Salinas
David Garza
Edna Cicero
Joe Quiroga
Chris Urbanovsky

REGULAR MEETING

1. Meeting Called To Order

At 5:31 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. Director's Report

The Board received the reports. Commissioner Lopez asked Mr. Barbosa to look into improvements to a particular stop sign on Ostos Road.

INFORMATION

4. Presentation on the performance of District's Pension Plan and 457 Voluntary Deferred Compensation Plan.

Mr. Yanez introduced Hunter Stanco, a financial advisor from Morgan Stanley, who presented to the Commission a summary of the performance of the Pension Plan and 457 Voluntary Deferred Compensation Plan. Discussion followed regarding the good performance of the plan and expectations for the coming year.

CONSENT AGENDA ITEMS

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

- a. Approval of the Minutes of the Regular Board Meeting of February 18, 2026.
- b. Approval to authorize payments over \$25,000.
 1. Acrisure South Insurance Services, LLC, the amount of \$25,000.00, for

- insurance consulting services.
2. Hoisting Wire Rope & Sling, the amount of \$116,392.93, for the purchase of two hoist cables for the mobile harbor crane.
 3. Russel Marine LLC, the amount of \$695,756.25, for the Cargo Dock – Phase I and III Demolition and Construction project.

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

ACTION ITEMS

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

Mr. Dietrich addressed the Board regarding the following Items:

1. I Truck Transportation LLC (Authority to Negotiate)

I Truck Transportation, LLC is seeking a new lease for approximately 3.12-acres located at 500 Yard Road. The proposed lease site would be used for crossdocking operations and the storage of ice products. The company representative indicated that they provide services to Bechtel. The proposed lease term would be for five years. Commissioner Wood moved to authorize negotiations for a lease with I Truck Transportation, LLC, Commissioner Gutierrez seconded, and the motion passed unanimously.

2. Bluewing One, LLC (Bill of Sale)

This Bill of Sale request is to transfer ownership of the one-story building located at 10155 Old S.H. 48 to Bluewing One, LLC. The building is approximately 7,200 square feet in size and has been fully paid off under Contract No. 4502. Commissioner Lopez moved to approve the Bill of Sale for Bluewing One, LLC, Commissioner Gutierrez seconded, and the motion passed unanimously.

Chairman Guerra noted that Items 6(3) and 7 would be considered together since they are related items.

3. G&H Towing Company (New Lease)

This proposed lease agreement with G&H Towing Company will be located on the east side of Dock 2. The premises would support harbor tug operations, including tugboat docking, crew changes, and necessary repair and maintenance activities essential to ongoing operations. For avoidance of doubt, no transloading operations, third-party truck parking or staging, or storage of hazardous materials shall be permitted on the premises. This lease is intended to serve as an interim arrangement while both parties identify and fully evaluate a suitable long-term site for permanent

operations. The initial term shall be for one year. During the lease, and provided that the lease remains in effect with no default by lessee, the agreement may be renewed for one additional year, provided that the lessee has diligently pursued its plans to enter into a lease for the long-term operations at the Port of Brownsville. The agreement includes special conditions providing that lessee intends to use the District's Dock 2 and the associated gangways for its harbor tug operations. During the term of the lease, lessee shall have priority, but non-exclusive use of Dock 2 and the property designated as gangways for its tug operations. If lessee is not utilizing the entirety of Dock 2, District reserves the right to use the unused portion in any manner that does not interfere with lessee's operations. District acknowledges that lessee intends to install certain improvements to Dock 2 as necessary for its harbor tug operations, subject to the advance approval of the District's Engineering Department. Upon expiration or termination of the lease, provided that the lease is not in default, lessee shall have the right to remove such improvements provided removal is coordinated with the District's Engineering Department and does not cause any damage to Dock 2. District shall have unrestricted access to the warehouse located West of the leased premises. In lieu of dockage fees under the District's Tariff, lessee shall pay a flat rate of \$100.00 per day, for each day that any of its vessels is docked at Dock 2. Within ninety (90) days of the Commencement Date, lessee shall install the delineator posts and raised pavement markers to enclose and clearly define the designated areas for crew parking and Conex containers.

7. Consideration and ACTION on a Harbor Tug Operator's License Application to G&H Towing Company.

G&H Towing has been in the marine towing industry for over 90 years and currently employs more than 530 personnel. The company maintains and operates a fleet of more than 50 vessels, including Z-Tech, tractor, and twin-screw flanking rudder tugboats, providing towage services throughout the Texas coast. G&H Towing brings extensive operational expertise supported by personnel across 10 existing facilities. In support of local operations at the Port of Brownsville, G&H Towing will dedicate four new tugboats/vessels and establish a support facility to serve the port. Staff have reviewed all required documentation and attachments in accordance with Item 401 of the Brownsville Navigation District Tariff No. 7 and has determined that the application meets all established guidelines. Accordingly, the Harbor Tug Operator's License will be issued for a period of three (3) years, effective March 5, 2026.

After discussion, Commissioner Lopez moved to approve the new lease to G&H Towing Company and the Harbor Tug Operator's License Application for a three-year term, effective March 5, 2026, Commissioner Gutierrez seconded, and the motion passed unanimously.

BIDS/AGREEMENTS/PURCHASES

8. Consideration and ACTION on proposals for District Depository, and Authorization for the Port Director and CEO and Director of Finance to Execute a Depository Agreement, and all relevant documents incident thereto.

Mr. Yanez addressed the Board that a Request for Proposals was posted on the District's website and advertised in the local newspaper. In addition, the solicitation documents were posted on Bid Net. The District received 6 proposals with one bank withdrawing their proposal prior to evaluation. The evaluation committee reviewed and evaluated proposals submitted by Frost Bank,

Lone Star National Bank, Plains Capital Bank, PNC Bank, and Texas National Bank. The evaluation committee reviewed the five proposals for conformance with the specifications outlined in the solicitation documents. The banks were evaluated and ranked by the evaluation committee based on the criteria set forth in the RFP documents, which included: Safety and Creditworthiness (maximum 35pts), Experience and Service Ability (maximum 30pts), Cost of Services (15pts), and Interest Rates (20pts). The evaluation committee comprised of the Director of Finance, Assistant Director of Finance, and the Accounting Supervisor. All banks that were evaluated are capable of providing the required services outlined in the solicitation document specifications. Based on the evaluation of the submitted proposals, Staff is recommending that the District award the Depository Services agreement to Texas National Bank and to authorize the Port Director and CEO and Director of Finance to execute all relevant documents incident thereto, subject to legal review. Commissioner Wood thanked staff for the thorough review of the proposals. Chairman Guerra thanked the banks that submitted proposals and were present. Commissioner Wood also thanked Lone Star Bank for its service to the Port. Commissioner Lopez moved to award the Depository Services agreement to Texas National Bank and to authorize the Port Director and CEO and Director of Finance to execute all relevant documents incident thereto, subject to legal review, Commissioner Gutierrez seconded, and the motion passed unanimously.

9. Consideration and ACTION on proposals received for unarmed security services at the Fishing Harbor.

Mr. Dietrich addressed the Board that the District previously authorized Staff to advertise a Request for Proposals for unarmed security services at the Fishing Harbor in anticipation of the contract expiration on February 28, 2026. Following a comprehensive review of the proposals submitted, Staff has determined that is in the best interest of the Brownsville Navigation District to reject all current proposals received during this solicitation process. Commissioner Lopez moved to reject all proposals received for unarmed security services at the Fishing Harbor, Commissioner Wood seconded, and the motion passed unanimously.

10. Consideration and ACTION to authorize the renewal of the contract with American Surveillance Company, Inc. for unarmed security services at the Fishing Harbor.

Mr. Dietrich addressed the board that the current contract for Fishing Harbor unarmed security services with American Surveillance Company, Inc. is scheduled to expire February 28, 2026. The approved contract contains options to renew the contract on an annual basis upon the same terms and conditions for up to three additional one-year terms. After consideration, it has been determined that it is in the best interest of the Port to renew with the current provider to ensure continuity of service. If exercised, this option is the first of three annual renewals available on the contract. This action would extend the existing agreement for a one-year period, effective March 1, 2026, through February 28, 2027. Commissioner Gutierrez moved to authorize a one-year renewal of the contract with American Surveillance Company, Inc. for unarmed security services at the Fishing Harbor, Commissioner Lopez seconded, and the motion passed unanimously.

11. Consideration and ACTION to accept proposals from Halff Associates Inc. for Professional Engineering Services on the North Hwy 48 Force Main Reroute and to execute services under Task Order 2.

Mr. Martinez addressed the Board that, as Texas A&M and Forza Steel progress with their facility construction, BND staff anticipate that sanitary sewer inflow will exceed the design capacity of

the Northside Wastewater Treatment Plant. To avoid hydraulic overloading, the existing force main must be re-routed to the Fishing Harbor Wastewater Treatment Plant, which has current capacity under the authorized TCEQ permit. BND Staff is requesting authorization from the Board of Commissioners to accept the proposal from Halff Associates Inc. for the engineering design of the North Hwy 48 Force Main Reroute for an amount of \$37,710.00. Commissioner Lopez moved to authorize and accept the proposal from Halff Associates for the North Hwy 48 Force Main Reroute design in the amount of \$37,710.00, Commissioner Wood seconded, and the motion passed unanimously.

12. Consideration and ACTION on the Grantee/Operator’s Agreement between the Brownsville Navigation District – Foreign Trade Zone No. 62 and Karpower Valley Inc.

Mr. Rodriguez addressed the Board that Karpower Valley Inc. acquired the operations of Seatruim USA in late January. As part of this transition, Karpower Valley Inc. will assume control of all associated Foreign Trade Zone (FTZ) operations. This includes the transfer of all existing FTZ bonds currently in place. Additionally, U.S. Customs and Border Protection (CSP) is issuing a new Firm Code to facilitate the seamless transfer of the operator's responsibilities to Karpower Valley Inc. In light of this acquisition, Karpower Valley Inc. formally requests the activation of several warehouses and laydown areas within the Karpower site. These areas will be designated for general-purpose warehousing under FTZ status. The intended use of the space includes, but is not limited to: shipbuilding and vessel fabrication; offshore platform and structural manufacturing; ship repairs and maintenance services; and storing and staging of marine components. The purpose of this activation is to ensure that the new operations meet the growing demand for secure and efficient storage, while maintaining full compliance with FTZ regulations. Commissioner Lopez moved to approve Karpower Valley Inc., under the Port of Brownsville Magnet Site, as an Operator of Foreign-Trade Zone No. 62 and authorize to proceed with the FTZ activation request, Commissioner Wood seconded, and the motion passed unanimously.

EXECUTIVE SESSION

13. 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 regarding potential lease and value of real property, and deliberations regarding economic development negotiations relating to Project Hercules.

Commissioner Lopez moved to adjourn into executive session, Commissioner Wood seconded, and the motion passed unanimously. The Board adjourned into executive session at 6:02 p.m.

Chairman Guerra left the meeting during executive session.

The Board reconvened in open session at 7:13 p.m. Vice Chairman Lopez assumed the Chair.

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

There was none.

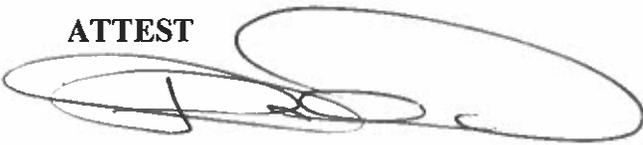
15. Adjournment.

Commissioner Wood moved to adjourn the meeting, Commissioner Gutierrez seconded, and the meeting was adjourned by unanimous consent at 7:13 p.m.



Esteban Guerra
Chairman of the Board

ATTEST



John Reed, Secretary