MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF CAMERON COUNTY, TEXAS HELD JULY 1, 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, July 1, 2026, at 5:30 p.m.**

The following individuals were present and absent:

PRESENT:	Sergio Tito Lopez, Chairman Ernesto Gutierrez John Reed Luis Villarreal David Garcia
ABSENT:	None
ALSO PRESENT:	William Dietrich, Port Director and CEO William Irwin, District Counsel
STAFF MEMBERS:	Arturo Gomez Janie Velasquez Manuel Martinez Jorge Montero James Paschall Carlos Garza Ervey Gonzalez Margie Recio Tony Rodriguez Michael Davis Yessenia Gonzalez Maria Elena Sanchez Michael Davis Guillermo Rico Miguel Barajas Jorge Montero
OTHERS PRESENT:	Jorge de la Colina Nico Schaefer Mark Clive Christian Scott Rick Stephanon Kevin Cantu Toribio Garza Brett Lamb

APPOINTMENTS

5. **Appointments of BND Commissioner to Boards and Committees.**

Every two years, the Chairman of the Board appoints Commission members to various advisory committees and/or boards. Chairman Lopez addressed the Board and made the following appointments:

Audit Committee: Commissioner Garcia, Chairman, and Commissioner Villarreal

Policy Committee: Commissioner Gutierrez, Chairman, and Commissioner Villarreal

Economic Development Committee: Commissioner Reed, Chairman, with the remaining Commissioners serving as individual alternates

Short Term Infrastructure Committee: Commissioner Lopez, Chairman, and Commissioner Gutierrez

Long Term Infrastructure Committee: Commissioner Reed, Chairman, and Commissioner Gutierrez

Leasing Committee: Commissioner Lopez, Chairman, with the remaining Commissioners serving as individual alternates

Southmost Regional Water Authority: Commissioner Lopez

Board Policy Committee: Commissioner Villarreal, Chairman, and Commissioner Garcia

Insurance Committee: Commissioner Villarreal, Chairman, and Commissioner Garcia

Governmental Affairs/Lobbyist Committee: Commissioner Reed, Chairman, with Commissioners Garcia and Villarreal serving as individual alternates

ACTION ITEMS

6. **Consideration and ACTION authorizing Port Director and CEO to execute a Memorandum of Understanding between Brownsville Navigation District and The University of Texas Health Science Center at Houston for the implementation of the diabetes prevention program.**

Ms. Gonzalez addressed the Board regarding a MOU between the Brownsville Navigation District and The University of Texas Health Science Center at Houston (UT Health) to implement UT Health's Diabetes Prevention Program (DPP) for Port employees. The DPP is a voluntary wellness initiative aimed at providing employees with access to an evidence-based diabetes prevention and lifestyle intervention program delivered in a group format by trained lifestyle coaches. Under the MOU, UT Health will be responsible for administering the voluntary wellness program, including participant recruitment, enrollment, program facilitation, curriculum delivery, materials, and program oversight. Either party may terminate the MOU upon thirty (30) days' written notice. Commissioner Garcia moved to approve the proposed MOU, Commissioner Gutierrez seconded, and the motion passed unanimously.

7. **Consideration and Action on Assignments, Negotiations, Easements, Subleases, and Contracts, in general:**

Mr. Dietrich then addressed the Board regarding the following Items:

1. CHCL Enterprises, LLC **(Consent to Sublease and Lease Amendment)**

CHCL Enterprise, LLC, a current lessee, is seeking the Board's Consent to Sublease an approximate 10,000 square foot building to Dot Construction, Inc. In addition, CHCL Enterprise, LLC. seeks the Board's approval to amend the stated purpose of the lease to include office space and light industrial operations in support of the proposed sublease to Dot Construction, Inc. Commissioner Reed moved to approve the Consent to Sublease and Lease Amendment for CHCL Enterprises, LLC, Commissioner Gutierrez seconded, and the motion passed unanimously.

2. Bedoli Group, Inc. (**Subordination Agreement)**

Bedoli Group, Inc. (All Star Metals, LLC, All Star Shredding LC, Scrap Metal Services), a current lessee under BND Contract #3132, is obtaining financing from Wingspire Equipment Finance, LLC (WEF) for the purchase of a Caterpillar Model 725C Articulated Truck to support operations at its leased premises located at 101 Boxcar Road. As a condition of the financing, WEF has requested a Subordination Agreement to allow the lessee to complete the loan transaction and receive the financing proceeds. Legal Counsel has reviewed the agreement and concurs that it is ready for consideration by the BND Commission. Commissioner Gutierrez moved to authorize the Port Director & CEO to sign the Subordination Agreement, Commissioner Villarreal seconded, and the motion passed unanimously.

3. Gulf Facilities, Inc. and Schaefer Stevedoring, Inc. **(Lease Amendments)**

Gulf Facilities, Inc. and Schaefer Stevedoring, Inc., a current lessee, is seeking the Board's approval to amend the purpose clause in two lease agreements, Contract No. 4086 and Contract No. 4430. In addition, the security deposit and rental rate for Contract No. 4430 will be adjusted. For Contract No. 4086, only the security deposit will be adjusted, as the lease rental rate is already at the current standard rate. The revised purpose clause provides that the premises shall be used for the storage, warehousing, handling, movement, and transloading of non-hazardous dry cargo, including, without limitation, bulk, breakbulk, containers, project cargo, minerals, ores, and general cargo, including cargo received from or delivered to marine vessels via cargo docks, railcars, and trucks, together with the handling and movement of cargo throughout the Premises, and all customary and incidental material handling, terminal, and logistics activities directly related thereto. Permitted activities include, without limitation: open-yard and covered/dry warehouse storage, mechanic shop and office uses, including the outdoor storage of associated cargo handling equipment and machinery; bulk and breakbulk handling, cargo consolidation and segregation; light manufacturing and processing activities incidental to and in direct support of warehousing, terminal, and logistics operations; re-handling, truck staging, and transloading of non-hazardous cargo between truck, rail, and marine vessel; railcar storage, switching and related rail operations; value-added services incidental to warehousing and logistics operations, including, without limitation, inventory management, labeling, repackaging, inspection, cargo conditioning, bagging of material, breaking of bags, and the stripping and stuffing of containers. With regard to "truck staging" by third-party motor carriers and logistics providers, such activities shall only be permitted to the extent they are in direct support of on-site operations and will not be permitted as a stand-alone truck parking or staging area. For the avoidance of doubt, consistent with the above-permitted activities, no storage or handling of materials classified as hazardous under applicable federal, state, or local laws or regulations shall be permitted on the premises, and staged trucks and trailers on the premises may not carry or store such hazardous materials, without the prior written consent of the District's Board of Commissioners, in its sole discretion. Lessee acknowledges and agrees that it shall adhere to any rules, regulations, and policies, including those applicable to truck parking and staging, that may be established by the District. Commissioner Gutierrez moved to approve the lease amendments for Gulf Facilities, Inc. and Schaefer Stevedoring Inc. under Contract Nos. 4086 and 4430, Commissioner Reed seconded, and the motion passed unanimously.

4. Texas LNG Brownsville LLC **(Fourth Lease Amendment)**

Texas LNG Brownsville LLC, Contract No. 4499, entered into a Lease Agreement with the District on December 16, 2020. Since execution of the lease, the parties have approved three amendments. The first amendment, approved on December 7, 2022, extended the Effective Date by one year and added four additional Pre-Effective Date quarterly payments. The second Amendment, approved on November 1, 2023, extended the Effective Date by eighteen months and added six additional quarterly payments. The third Amendment, approved on June 18, 2025, further extended the Effective Date by one year and added four additional quarterly payments. To date, the lessee has made twenty-two (22) pre-effective date quarterly payments of $250,000 each, for a total of $5,500,000 paid to the District. A fourth Amendment is now proposed to extend the Effective Date Notice deadline by an additional six months, from July 1, 2026 to January 1, 2027, and to require two additional pre-effective date quarterly payments of $250,000 each during the extension period. This item was tabled for discussion in executive session as noted previously.

5. M&M Mooring Company **(New Lease)**

M&M Mooring Company, a current lessee, seeks a new lease for an additional 1.101-acre site located at 2675 Anglers Place Road. The purpose of the lease is for shrimp operations specifically, seafood unloading, boat tie up, and boat repairs and maintenance of lessee's boats. Lessee shall not be permitted to conduct boat repairs or maintenance operations for boats owned by third parties. For purposes of clarity, the leased site shall not be used for boat tours or any related recreational or commercial passenger activities. Lessee agrees to construct a fence along the perimeter of the premises on or before November 1, 2026. The materials and design of the fence must be approved, prior to construction, by the District's Engineering Department. The initial term will 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. 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 approve the new lease for M&M Mooring Company, Commissioner Gutierrez seconded, and the motion passed unanimously.

6. Gulf Facilities Inc. and Schaefer Stevedoring, Inc. **(New Lease)**

Gulf Facilities, Inc. and Schaefer Stevedoring, Inc., a current lessee seeks a new lease for an additional 5-acre site located at 9600 Old State Highway 48. The proposed lease term includes an initial five-year period with one additional five-year renewal option. The purpose of the lease is to provide a laydown and terminal operations area for aluminum, steel, and project cargo, and for transloading and storage yard activities. For the avoidance of doubt, no storage or transloading of hazardous materials will be permitted on the premises. Rail infrastructure has been identified on the Premises and shall be deemed an existing improvement to the Premises. As a result, Lessee shall be subject to the applicable rail spur fee to be set forth in the lease agreement. Lessee acknowledges the current condition of the rail spur and accepts it in its existing state. Throughout the Term, Lessee shall, at its sole cost and expense, be responsible for all maintenance, repairs, replacements, and improvements to the rail spur as may be necessary to support Lessee's operational needs, regardless of whether such work is required to restore operability, improve functionality, or otherwise accommodate Lessee's intended use of the Premises. Commissioner Gutierrez moved to approve the new lease for Gulf Facilities, Inc. and Schaefer Stevedoring, Inc., Commissioner Villarreal seconded, and the motion passed unanimously.

7. Saronic Technologies Inc. **(New Lease)**

Saronic Technologies Inc. entered into an Option to Lease on February 6, 2026 for approximately 4,387-acres located on the South side of the Channel and is exercising its option for the leased premises. The purpose of the lease is to design, develop, and operate a shipbuilding and advanced manufacturing project that includes general office operations, manufacturing, research and development, warehousing, distribution activities related to shipbuilding, and other lawful shipbuilding-related uses. Subject to Saronic's selection of the Port of Brownsville as its location for its Port Alpha and completion of project due diligence, Saronic will lease approximately 835-acres of land, formerly used as DMPA 5A, for purposes of developing Phase 1 of the project. Saronic will keep options to add property from adjacent parcels for up to 20 years as the project develops. Saronic Technologies has announced plans to invest approximately $3.2 billion and create up to 10,000 jobs over a ten-year period. The incentives identified thus far consist of local and state-authorized tax incentive programs for the project which include: Point Isabel ISO JETI Agreement: Approximately $228 million in school property tax incentives; Cameron County Chapter 312 Tax Abatement: Approximately $211 million in county property tax abatements; and Greater Brownsville Economic Development Corporation (GBEDC): $10 million local economic development incentive. These publicly announced incentives total approximately $449 million. The proposed project is expected to generate significant economic benefits for the Port of Brownsville and the surrounding region through substantial private investment, job creation, and expanded industrial activity. In addition to direct employment, the project is anticipated to support indirect and induced jobs through construction, supplier networks, logistics, and service industries, creating additional opportunities. For the Port, the project is expected to stimulate additional cargo and vessel activity, strengthen the Port's maritime manufacturing and industrial base, and further diversify its tenant portfolio and revenue sources. From a regional and statewide perspective, the project supports the continued growth of South Texas' advanced manufacturing and maritime industries, enhances the region's role in domestic shipbuilding and defense manufacturing, and reinforces the Port of Brownsville's position as a strategic hub for emerging maritime technologies and future industrial development. This item was tabled for discussion in executive session as noted previously.

EXECUTIVE SESSION

8. **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 (§ 551.071); 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 Gutierrez moved to adjourn into executive session to deliberate leasing items 7(4) and 7(7), and to consult with legal counsel regarding the same, Commissioner Reed seconded, and the motion passed unanimously at 5:44 p.m.

At 6:46 p.m. Chairman Lopez reconvened the meeting in open session.

9. **Possible ACTION on matters or items discussed in Executive Session.**

Chairman Lopez recalled Item 7(4) and Item 7(7). Mr. Dietrich addressed the Board providing background information on each item.

7(4). Texas LNG Brownsville LLC **(Fourth Lease Amendment)**

Commissioner Reed moved to approve the Fourth Lease Amendment for Texas LNG Brownsville LLC, noting that any future extensions considered by the Board would require an increase in the amount of the quarterly payments, Commissioner Garcia seconded, and the motion passed unanimously.

7(7). Saronic Technologies Inc. **(New Lease)**

Commissioner Garcia moved to approve the new lease for Saronic Technologies Inc., subject to legal review and execution, Commissioner Gutierrez seconded, and the motion passed unanimously.

10. **Adjournment.**

Commissioner Reed moved to adjourn the meeting, Commissioner Villarreal seconded, and the meeting was adjourned by unanimous consent at 6:51 p.m.

Sergio Tito Lopez
Chairman of the Board

ATTEST

John Reed, Secretary