MINUTES OF A PILOT BOARD MEETING, A PUBLIC HEARING, AND A REGULAR MEETING OF THE BOARD OF NAVIGATION AND CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF CAMERON COUNTY, TEXAS HELD JULY 15, 2026 AT 5:30 P.M.

The Board of Navigation and Canal Commissioners of the Brownsville Navigation District of Cameron County, Texas, held a pilot board meeting, a public hearing, and a regular meeting of the board on **Wednesday, July 15, 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 Tony Rodriguez Michael Davis Yessenia Gonzalez Maria Elena Sanchez Michael Davis Guillermo Rico Miguel Barajas Jorge Montero Adriana Montiel Estephany Bravo Justin Torres
OTHERS PRESENT:	Rev. Andreas Lewis Jorge de la Colina Chris Urbanovsky Bryan Albrecht Constanza Miner

Mark Hodgson
Nico Schaefer
Shariff Gonnella
Ryan Dreier
Joseph Leal
Jorge Sanchez
Everard McDowell
Tom Ramsey
Alfonso Larrasquitu
Jeff Goutcher
C.J. Talley
Buddy Garcia
Rody Whalen
BJ Schulze
Ruben Guerra
Xavier F. Valverde Sr.
Jonathan Willett
Keil Propst
Mark Weiss
Dustin Daigle
Steve Perez
Mike Winans

PILOT BOARD MEETING

1. **Consideration and ACTION to approve the appointment of a new deputy branch pilot candidate, Captain Bryan Albrecht.**

At 5:31 p.m. Chairman Lopez called to order the pilot board meeting. Captain Urbanovsky presented Captain Albrecht noting Captain Albrecht's experience and qualifications. Captain Albrecht addressed the Board. Commissioner Reed moved to approve the appointment of Captain Bryan Albrecht as a deputy branch pilot, Commissioner Gutierrez seconded, and the motion passed unanimously.

Commissioner Reed moved to adjourn the pilot board meeting, Commissioner Gutierrez seconded, and the pilot board meeting was adjourned by unanimous consent at 5:33 p.m.

PUBLIC HEARING

1. **Presentation by Brownsville and Rio Grande International Railway, LLC regarding proposed Tariff increases, with public comment thereon from interested parties and the public.**

This item was taken out of order at the end of the regular meeting.

REGULAR MEETING

1. Meeting Called To Order

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

Mr. Dietrich asked to start the meeting with Item 6. Chairman Lopez then called Item 6 out of order.

PRESENTATION

6. Presentation regarding the Brownsville Public Utilities Board 2026 – 2030 Strategic Business Plan.

Constanza Miner, of Brownsville Public Utilities Board, made the presentation to the Board. Brief discussion followed. Commissioner Reed asked Ms. Miner about the Port's participation in the strategic plan. Ms. Miner noted that she understood the Port was consulted and would follow up with additional information.

Following the presentation Chairman Lopez noted the Board would proceed with the regular agenda and hold the public hearing at the end of the regular meeting.

2. Public Audience

There was none.

3. Port Operations Summary Report

Mr. Yanez made the report. Brief discussion followed.

INFORMATION

4. Presentation of District's Investment Report for the quarter ended June 30, 2026.

Mr. Yanez presented to the Board that, as per Section 2256.023 of the Government Code Chapter 2256, Public Funds Investment Act, the governing board shall receive not less than quarterly a written investment report prepared and signed by the Investment Officer of the investment transactions for all funds for the preceding reporting period. The report covers the quarter ended June 30, 2026. The investment portfolio compiles with Chapter 2256 and the District's Investment Policy & Investment Strategies. As of June 30, 2026, the District maintained $19,576,411 in demand deposits at Texas National Bank and $124,437,569 with Local Government Investment Pools for a total of $144,013,980. The report also includes an allocation of invested principal funds. Discussion followed.

CONSENT AGENDA ITEMS

5. **Consideration and ACTION on the Following Consent Agenda Item:**
   a. Approval of the Minutes of the Regular Board Meeting of July 1, 2026.
   b. Approval to authorize payments over $25,000.
      1. Carr, Riggs, & Ingram, the amount of $27,410.00, for audit services rendered for the FY2025 BND and Pension Plan Financial Audit.
      2. HDR Engineering, Inc., the amount of $107,134.50, for engineering services for the Cargo Dock 3 – Phase 1 project.

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

ACTION ITEMS

7. **Consideration and ACTION to declare one structure located in the Fishing Harbor as surplus to the District's needs and to authorize its disposition.**
   - **3700 Gator Court (1 building)**

Mrs. Recio addressed the Board that the Salvage Auction Team (SAT) has identified a structure located within the Fishing Harbor that is in poor condition and may cause a hazard. Therefore, the SAT is requesting for this building to be declared as surplus to the District's needs and to authorize their disposal according to the Policy for Disposition of Surplus, Salvage or Unclaimed Property. As is the SAT's usual procedure, any metal that can be salvaged will be sold to one of the local metal recyclers, and the remaining waste will be hauled to the landfill. Commissioner Garcia moved to declare the structure on the site as surplus to the District's needs and to authorize its disposal, Commissioner Gutierrez seconded, and the motion passed unanimously.

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

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

1. Karpower Valley Inc. **(Authority to Negotiate)**

On April 15, 2026, the Board approved an Authority to Negotiate (ATN) a new lease for parcels D, E, F, G, H-1 and IV with Karpower Valley Inc. (Karpower). As the negotiating period is set to expire on July 14, 2026, Karpower requested an extension the negotiating period for an additional 90 days, through October 12, 2026 to complete the surveying activities to prepare the metes and bounds descriptions for the parcels. The proposed lease would support phased development of these parcels to meet operational needs. Preliminary estimates for Capex and job creation are as follows:

Phase 1: Existing Lease Site and Parcel G

- Capex: $1.5 billion (vessels and deployment)
- Job Creation: 200-300 construction jobs; 75-100 permanent positions
- Purpose: Powership operations

Phase 2: Existing Lease Site and Parcels D, E, F, and IV

- Capex: TBD
- Job Creation: 600-900 construction jobs; 300-400 permanent positions
- Purpose: Manufacturing, pre-assembly, and shipbuilding facilities

Phase 3: Parcels F (North side), IV, and H-I

- Capex: $3 billion
- Job Creation: 600-900 construction jobs; 100-200 permanent positions
- Purpose: Development of a 1 GW land-based power plant and associated operations, with capacity for future expansion

Commissioner Gutierrez moved to approve a ninety-day extension of the negotiating period with Karpower Valley, Inc., Commissioner Garcia seconded, and the motion passed unanimously.

2. City of Brownsville **(Easement Agreement)**

The City of Brownsville (COB) is requesting a 20' ingress and egress easement across area currently leased to Lone Star National Bank for the purpose of allowing access for emergency vehicles and emergency personnel from Brownsville Fire Department Station #8 to and from a public roadway, namely Illinois Road, and for no other purpose. Additionally, the City of Brownsville has the right to build (or improve) an all-weather surface with caliche, asphalt or concrete on the above-described easement property, provided that Grantee agrees to submit its plans for construction of an all-weather surface on the easement property to District's Engineering Department for review and approval prior to commencement of construction. For so long as this easement is in effect, it shall be the COB's sole obligation to maintain the easement property in a manner safe and appropriate for its intended use. To the extent permitted by law, the COB agrees to indemnify and hold the District harmless for any claims arising out of use of the easement property, provided that such claims do not arise out of the sole negligence, gross negligence, or intentional misconduct. Upon expiration of the twenty-five (25) year term, the District and COB may mutually agree to extend the term of this easement for an additional term of twenty-five (25) years, on the same terms and conditions set forth herein. For the avoidance of doubt, the easement property shall not be dedicated as a public roadway. Legal Counsel has reviewed the agreement and concurs that it is ready for consideration by the BND Commission. Discussion followed regarding the use of the easement property and whether the easement would include paved access to the nearby substation. Chairman Lopez asked for the item to be tabled to allow time for staff to address these issues. Commissioner Gutierrez moved to table the item, Commissioner Reed seconded, and the motion passed unanimously.

BIDS/AGREEMENTS/PURCHASES

9. **Consideration and ACTION on the Grantee/Operators agreement between the Brownsville Navigation District-Foreign Trade Zone No. 62 and International World Transportation Corp.**

IWT Corp has submitted a request for Foreign-Trade Zone (FTZ) activation under the Alternative Site Framework "ASF" Program "Usage Driven Site Agreement" for its warehouse located at 5206 Commercial Drive, Brownsville, TX 78521. The requested FTZ activation will support general-purpose warehousing operations. The scope of activity of operations will be importing, exporting, and general warehousing; to include but not limited; (unpacking, inspecting, repacking, repairing, relabeling, handling destruction, research, and development engineering testing, and shipping). All necessary documentation has been provided, and the request has been reviewed for compliance with the applicable FTZ-USCBP requirements. The agreement is now ready for Board's consideration and approval. Commissioner Garcia moved approve the grantee/operators agreement as presented, Commissioner Gutierrez seconded, and the motion passed unanimously.

10. Consideration of and ACTION on Change Order 1, project acceptance and release of final payment for the furnishing and installation of new fenders to Oil Dock 5 and Cargo Dock 10, and repairs to Oil Dock 6 project.

Mr. Martinez addressed the Board. On May 31, 2026, Russell Marine, LLC, working under contract 4794, achieved substantial completion of the "Furnish and Install New Fenders to Oil Dock 5 and Cargo Dock 10 and Repairs to Oil Dock 6" project. Change Order No. 1 reflects a deductive change for the removal of four fenders that were not installed at Cargo Dock 10. This change order decreases the contract amount by ($18,000.00), reducing the total contract value from $981,000.00 to $963,000.00. Russell Marine LLC has completed all remaining work in accordance with the contract requirements and is requesting acceptance of the completed work, authorization of final payment, and the closeout of the contract. Commissioner Gutierrez moved to approve Change Order No. 1 to the Furnish and Install New Fenders to Oil Dock 5 and Cargo Dock 10 and Repairs to Oil Dock 6 project in the amount of ($18,000.00), decreasing the contract amount to $963,000.00, and to approve the release of final payment in the amount of $57,650.00, including retainage, Commissioner Reed seconded, and the motion passed unanimously.

Chairman Lopez then recalled the public hearing.

PUBLIC HEARING

Presentation by Brownsville and Rio Grande International Railway, LLC regarding proposed Tariff increases, with public comment thereon from interested parties and the public.

Shariff Gonnella and Ryan Dreier made a presentation to the Board on behalf of OmniTRAX and Brownsville and Rio Grande International Railway, as required under the Master Franchise Agreement. The presentation addressed the performance of the railroad including information on safety, service, and carload growth. Mr. Dreier provided information regarding OmniTRAX's "market analysis". Mr. Dreier noted the desire to "modernize" the tariff, and "inflation", as drivers of the proposed rate increases. Discussion followed with several questions and comments from the BND Commission regarding the proposed rate increases. The Commission expressed concerns regarding the fairness and reasonableness of the proposed increases, pointing out that the market analysis provided was irrelevant because BRG has a monopoly on rail service at the Port of Brownsville. BRG's significant operating incomes, which have increased significantly in recent years, were also noted by the BND commission. The BND expressed additional concerns regarding the negative impact the proposed increases will have on the BND's tenants and customers. The Commission further noted that the profit margins for BRG were significantly higher than industry norms. The Commission asked about projected capital improvement expenses, but no information was provided by BRG. Following further discussion, Chairman Lopez asked if anyone present wished to provide comment. The Commission noted that there were several tenants present at the meeting but likely feared retaliation from BRG if negative comments on the proposed increase were made. No additional comments were made, and the Chairman closed the public hearing.

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 (§ 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).

a. Discussion with attorney regarding legal issues pertaining to District advisory committees and their functions.

Commissioner Gutierrez moved to adjourn into executive session, Commissioner Reed seconded, and the motion passed unanimously at 6:45 p.m.

Chairman Lopez reconvened the meeting in open session at 7:30 p.m.

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

a. Action, if any, pertaining to Item 11a.

There was none.

13. Adjournment.

Commissioner Gutierrez moved to adjourn the meeting, Commissioner Reed seconded, and the meeting was adjourned by unanimous consent at 7:30 p.m.

Sergio Tito Lopez
Chairman of the Board

ATTEST

John Reed, Secretary