MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF CAMERON COUNTY, TEXAS HELD AUGUST 5, 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, August 5, 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 Jorge Montero Santos Barbosa Estela Rangel Ana Pascual
OTHERS PRESENT:	Rev. Andreas Lewis Jorge de la Colina Josette Cruz Hinojosa Valerie Caballero Rebekah Hinojosa Christopher Basaldu

Micah Hirschfield
Tom Ramsey
John Roller
Jules Brenner
Mark Hodgson
Kris Wood
Cynthia Irwin
United States Coast Guard
Shariff Gonnella
Amanda Torres
Alejandra Coronado
Karina Coronado
Irma Silva
Buddy Garcia
Andrea Meneses
Rick Stephanow
Jose Bravo
Hector Siller
Felicia Harral
Victoria Sanchez
Robert Kopacle
Donald Brinkman
Gustavo Leon
Rick Sanchez
Pablo Morales
Ruben Guerra
Florencio Silva
Rene Etcharren
Jenny Hollabaugh
Leonel Cantu
Leonel Cantu Sr.
Joseph Leal
Sol Reyes

REGULAR MEETING

1. **Meeting Called To Order**

At 5:30 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.

2. **Public Audience**

Christopher Basaldu addressed the Board and spoke in opposition to the Ouroboros Land Enterprise, America First Refining, and Saronic Technologies projects.

Josette Cruz Hinojosa addressed the Board and spoke in opposition to the America First Refining project.

Valerie Caballero addressed the Board and spoke in opposition to the America First Refining project.

Rebekah Hinojosa addressed the Board and spoke in opposition to the America First Refining project.

3. Directors Report

The Board received the reports. No discussion followed.

4. Port Monthly Operations Summary Report.

Mr. Yanez made the report to the Board. Brief 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 15, 2026.

b. Approval to authorize payments over $25,000.

1. Diverse Constructions, the amount of $144,000.00, for the Texas A&M Lift Station project.
2. Russell Marine, LLC, the amount of $397,575.00, for the Cargo Dock 3 – Phase I & III Demolition and Construction project.

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

ACTION ITEMS

6. Consideration and ACTION authorizing a Memorandum of Understanding (MOU) between the Brownsville Navigation District, American Electric Power, and The Metals Company.

Mr. Dietrich addressed the Board that Port Staff is seeking Board approval to enter into a Memorandum of Understanding (MOU) with The Metals Company (TMC), American Electric Power (AEP), and the Port of Brownsville (Brownsville Navigation District) to initiate a Large Load Power Study for TMC's proposed project at the Port of Brownsville. Upon execution by the authorized representatives of all parties, the agreement will become effective and remain in effect until the study is completed and all obligations have been fulfilled, unless terminated earlier by mutual written agreement. The Port will advance the $100,000 initial study fee to AEP, while TMC will reimburse the Port for the full amount under a separate reimbursement agreement or another mutually acceptable arrangement. The parties will also maintain the confidentiality of proprietary information exchanged during the study, except where disclosure is required by applicable law or regulation. Approval of the MOU will authorize its execution and facilitate completion of the

Large Load Power Study. Commissioner Reed moved to approve the proposed Memorandum of Understanding, Commissioner Gutierrez seconded, and the motion passed unanimously.

7. **Consideration and ACTION to acknowledge receipt of Certified Appraisal Roll and Property Tax calculations for the District's 2026 tax year levy.**

Mr. Yanez addressed the Board regarding the certified appraisal roll and property tax calculations for the District's 2026 tax year levy.

Tax Rate Adoption Process: On July 22, 2026, the Cameron Appraisal District certified the appraisal roll for properties in the District's jurisdiction. Submittal of the certified appraisal roll and the property tax rate calculations to the BND Commissioners are required steps in the tax assessment process as per Texas Tax Code Chapter 26. The District's calculated \$0.033795 no-new-revenue and \$0.038175 voter-approval tax rates will be published and posted on the District's website along with other required information and notices. Under a subsequent item at this August 5th meeting, BND Commissioners will vote to publish a Proposed Tax Rate for the 2026 Tax Year Levy. The final vote to adopt the proposed 2026 tax rate will take place at a subsequent Board meeting.

Truth in Taxation: "Truth in taxation" is a concept that requires local taxing units to make taxpayers aware of tax rate proposals and to afford taxpayers the opportunity to limit tax increases. Increases that exceed the voter-approval tax rate are subject to a mandatory voter election.

Property Tax Definitions: There are two rates that are used to compare the District's 2026 tax rates to the 2025 tax rates. The tax rate calculation worksheet enables the District to calculate the following rates: (1) no-new-revenue tax rate and (2) voter-approval tax rate. These rates are looked at in deciding what District's Proposed Tax Rate will be each year. The Proposed Tax Rate is comprised of two parts, the Debt Rate and the No-new revenue Maintenance and Operations Rate (which may be increased by 3.5%). A short discussion of each of these rates is included below. The no-new-revenue tax rate is the rate that would generate approximately the same tax dollars as last year based on the 2026 valuations of the same property that was taxed in 2025. The no-new-revenue tax rate for 2026 is \$0.033795/\$100 valuation. The voter-approval tax rate is the maximum rate that the District can adopt without an automatic mandatory election so that voters may accept or reject a Proposed Tax Rate that is higher than the voter-approval rate. For a taxing unit other than a special taxing unit the voter-approval tax rate = (no-new-revenue Maintenance and Operations rate increased by 3.5%, plus the required debt rate to raise the debt service obligations and unused increment rate). The voter-approval tax rate for 2026 is \$0.038175/\$100 valuation, consisting of a \$0.035063/\$100 Maintenance and Operations no-new-revenue rate increased by 3.5%. It is important to note that the District's calculated voter-approval tax rate for the 2026 Tax Year does not include a debt service rate component. It is no longer necessary for the District to levy a General Obligation portion (the Debt Rate) as the District no longer has tax supported debt outstanding. Tax supported debt was paid off in 2023.

Proposed Property Tax Rate: The Proposed Tax Rate is the maximum rate that the District's Board can adopt at a subsequent Board meeting. This rate will provide tax revenues to supplement the District's maintenance and operations activities. Proposing a tax rate that exceeds the lower of the no-new-revenue and voter-approval tax rates will require the District to hold one public hearing and publish additional notices in the paper and website before the tax rate can be adopted. In addition, if the adopted tax rate exceeds the voter-approval tax rate, the District would be subject to a mandatory voter election in November.

Transportation Reinvestment Zone Tax Increment: The District has an active Transportation Reinvestment Zone (TRZ) that allocates a portion of the annual tax levy for capital improvements. The calculation of the Tax Increment for the TRZ uses taxable valuations less the value of personal (non-real) property. The base valuation for 2013 was $6,251,410,971, which is the base year for the calculation of the tax increment in all years going forward. The taxable value for 2026 is $16,030,764,231 net of non-real property values and results in a "captured value" for the TRZ of $9,779,353,260. The proposed tax rate is applied to the captured value to determine the anticipated deposit to the TRZ Fund from the 2026 Tax Year Levy (which will be made in 2026). In calculating the no-new-revenue tax rates, the TRZ deposit and the captured value are deducted from the calculations, in accordance with the Property Tax Code. The TRZ allocation is also deducted from the calculation of the M&O portion of the voter-approval rate.

Taxes on Home Values: The Board has always expressed an interest in setting a rate that reflects the District's awareness of how the tax rates impact homeowners. There is a spreadsheet titled "2026 Tax Rate Analysis" that is used in evaluating and discussing the effect of the calculated tax rates on homeowners. The taxable value of property is determined by the Cameron Appraisal District. The worksheet demonstrates the effect of the calculated tax rates based on the average taxable value of property and per $100,000 valuation.

Certified Values and Appeals: This 2026 tax year, the District's certified market valuation and the certified taxable valuation were $24,505,250,030 and $19,360,444,753, respectively. This represents increases of 9.2% and 10.2%, respectively, over prior year valuations. The current year certified taxable value includes $1,500,340,729 of new property and improvements. The 2025 tax year experienced increases of 6.9% and 11.4%, respectively, over 2024 valuation amounts. These figures indicate continued growth in appraised values of existing property and improvements and substantial capital investments over prior year valuations. There are 106 properties pending ARB protests (compared to 52 in 2025) as of July 22, 2026, the date of the official certification. For those properties still under ARB review, the lower of the appraised value and the value claimed by the taxpayer is used for the purposes of calculating the 2026 Tax Rates. As these protests are settled, the District's values are adjusted through supplemental reports during the year.

Commissioner Garcia moved to acknowledge receipt of the Certified Appraisal Roll and Property Tax calculations for the District's 2026 Property Tax Levy, Commissioner Reed seconded, and the motion passed unanimously.

8. **Consideration and ACTION to discuss and vote on a 2026 proposed tax rate for the Brownsville Navigation District.**

Mr. Yanez addressed the Board that, under this item, the BND Commissioners will vote on a 2026 Proposed Tax Rate which is the highest rate the Board can adopt a subsequent meeting. The recommended Proposed Tax Rate is $0.038175 per $100 valuation. This recommended proposed tax rate is equal to the voter-approval rate which is the maximum rate that can be adopted without requiring an election to seek voter approval of the rate. Since the proposed tax rate is greater than the lower of the calculated no-new-revenue tax rate ($0.033795) and voter-approval tax rate ($0.038175), a public hearing is required since the District would be proposing to increase property taxes in the 2026 tax year. In this agenda item, the Board has the option of accepting the recommended proposed tax rate of $0.038175 or proposing an alternative rate. Once the motion has been made to accept and publish the 2026 Proposed Property Tax Rate, the Board will need to take a roll call vote. The vote will be recorded in the "Notice of Public Hearing on Tax Increase" which will be published in the Brownsville Herald and the District's website. After publishing this required notice and holding the public hearing, the BND Commissioners may vote to adopt the $0.038175 Proposed Tax Rate or any other tax rate that does not exceed the Proposed Tax Rate. The District will need to submit its 2026 adopted rate by September 11th to the County Assessor & Collector for the District's 2026 tax rate to be included in the combined October tax statements. Commissioner Garcia moved to accept the staff's recommendation of a proposed tax rate of $0.038175 per $100 of valuation. The motion died for lack of a second. After further discussion, Commissioner Reed moved to propose a tax rate equal to the 2025 proposed tax rate of $0.025589 per $100 of valuation, Commissioner Gutierrez seconded, and a roll call vote was taken, with each Commissioner voting "Aye".

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

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

1. Antojitos Freddy **(Authority to Negotiate)**

Antojitos Freddy has been operating as a sublessee under the International Longshoremen Association (BND Contract #3948). The lease with the International Longshoremen Association #2995 has been on a month-to-month basis since May 2022, pending the submission and approval of a new lease request. To ensure the continued operation of the restaurant, Antojitos Freddy is seeking authorization to negotiate a new lease for the property. The premises consist of approximately 0.3 acres located at 8150 Old State Highway 48, where Antojitos Freddy will continue to operate as a restaurant. The recommended lease term would be for an initial period of one-year with four additional one-year renewal options. 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 Gutierrez moved to authorize negotiations for a new lease with Antojitos Freddy, Commissioner Villarreal seconded, and the motion passed unanimously.

2. Shallow Stalker Boats, LLC **(Authority to Negotiate)**

The lease with Shallow Stalker Boats, LLC. under BND contract # 4107 expired on June 30, 2026, with no additional renewal options. Shallow Stalker Boats, LLC is seeking authorization to negotiate a new lease for approximately 1.768-acres located at 2780 Anglers Place Rd & 2775 Angler's Place Rd. The proposed use is for Marine Manufacturing and Repair. 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 Shallow Stalker Boats, LLC, Commissioner Gutierrez seconded, and the motion passed unanimously.

3. Adriana Coba, Inc. **(Renewal of Lease)**

Adriana Coba, Inc. entered into a lease agreement (Contract# 4791) with the District on August 1, 2025 for an initial term of one year. The lease provides that the lessee and District may agree to extend the agreement for up to four additional one-year terms, provided the lessee is not in default and obtains board approval. The current term expired on July 31, 2026, and lessee is seeking the Board's approval to exercise their first one-year renewal option for the period of August 1, 2026, through July 31, 2027. Staff confirms that the lease is not in default under any provision of the agreement. 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 repair or maintenance operations for boats owned by third parties. Commissioner Villarreal moved to approve the Renewal of Lease for Adriana Coba, Inc. (Contract# 4791), Commissioner Gutierrez seconded, and the motion passed unanimously.

4. E&J Trawlers, Inc. **(Renewal of Lease)**

E & J Trawlers, Inc. entered into a lease agreement (Contract# 4785) with the District on July 1, 2025, for an initial term of one year. The lease provides that the lessee and District may agree to extend the agreement for up to four additional one-year terms, provided the lessee is not in default and obtains board approval. The current term expired on June 30, 2026, and lessee is seeking the Board's approval to exercise their first one-year renewal option for the period of July 1, 2026, through June 30, 2027. Staff confirms that the lease is not in default under any provision of the agreement. The purpose of the lease is for shrimp operations, specifically the unloading and boat tie-up of shrimp and seafood vessels. Lessee shall not be permitted to conduct boat repair or maintenance operations for boats owned by third parties. Commissioner Garcia moved to approve the Renewal of Lease for E & J Trawlers, Inc. (Contract# 4785), Commissioner Gutierrez seconded, and the motion passed unanimously.

5. US Department of Homeland Security – US Coast Guard **(Lease Amendment)**

In September 2019, the Board approved a lease with the U.S. Department of Homeland Security - U.S. Coast Guard (Contract No. 4416) for the placement and operation of government navigation aids, specifically range lights located throughout the channel. The proposed amendment extends the lease term from September 1, 2026, through August 31, 2027, with annual renewal options through September 30, 2030. Commissioner Garcia moved to approve the Lease Amendment for the US Department of Homeland Security - US Coast Guard, Commissioner Villarreal seconded, and the motion passed unanimously. The Commission thanked the Coast Guard for being present.

6. Ouroboros Land Enterprise, LLC **(Option of Lease Extension)**

Ouroboros Land Enterprise, LLC (Contract No. 4702) entered into an Option to Lease with the District on February 7, 2024, for an initial one-year term, with the option to renew for up to two additional one-year terms. Since execution of the agreement, Ouroboros has exercised both renewal options, continuing the Option Agreement through February 6, 2027. To date, Ouroboros has paid the District a total of $902,758.50 in option fees pursuant to the agreement. Ouroboros is seeking the Board's approval to extend the Option Agreement for an additional six months, through August 7, 2027. Company representatives have indicated they remain committed to moving forward with the proposed project. The requested extension will provide the additional time needed to complete final due diligence and advance the project. Commissioner Reed moved to approve the six-month extension for Ouroboros Land Enterprise, LLC, Commissioner Gutierrez seconded, and the motion passed unanimously.

7. America First Refining Holdings, LLC **(Second Amendment to Lease)**

America First Refining Holdings, LLC, formerly known as Element Fuels Processing, LLC and previously ARX Energy, LLC, currently leases approximately 241.24 acres under BND Contract No. 4612, as has been amended. As the proposed project has developed, which includes a crude oil refinery designed to process 100% American light shale oil. America First Refining has indicated that it no longer needs 7.66 acres from the leased premises but needs approximately 51.143 acres to be added to the lease agreement. AFR has also informed the District that America First Refining, LLC, which is wholly owned by AFR, will construct and operate, as a Project Component, a greenfield crude oil refinery with a nameplate processing capacity of 168,000 barrels of crude oil per day. The project will include, subject to completion of project development including engineering and securing all remaining permits and financing for the project, but not be limited to, all required infrastructure and facilities for crude oil receipt, refined product evacuation, storage facilities (including intake and offtake tanks), utilities, offsites, and all associated infrastructure necessary to deliver refined products to the designated delivery point for offtake possession. AFR has represented to the District that the refinery will be state-of-the-art, designed to operate as one of the cleanest and most efficient refineries of its kind using modern, commercially proven technologies. AFR has also indicated to the District that, as the project has changed, the project may require construction of a dock. The Second Amendment to the Lease provides that any agreement to construct other infrastructure or improvements outside the premises, such as a dock, must first be negotiated and approved by Lessee and District's Board of Commissioners, in their discretion. The amendment states that the security deposit and lease rental rate will be adjusted to the current rates. Additionally, the lessee has submitted an updated list of permits, licenses, and authorizations for the project that have been received and those that are still needed. The permits already received include an air quality permit issued by EPA/TCEQ in 2021 following a public comment and review process. The updated list will be incorporated into the lease agreement. Furthermore, Second Amendment to the Lease includes new provisions allowing the District to contract with consultants and other professionals, including engineers and environmental consultants, to assist the District with its oversight of the project including review of permit, license, or authorization applications submitted in connection with the project and inspection of construction and operation of the project for compliance with applicable laws and regulations, permits, licenses, and authorizations. Beginning on August 1, 2026 and continuing through the 5th anniversary of commencement of commercial operations of any project component, AFR will be obligated to reimburse the District up to $150,000 per year for District's fees and expenses charged by District's consultants. The additional acreage of approximately 51.143 acres would be to allow the Lessee to construct and operate a dock supporting the Refinery. Dock construction is conditioned on District approval of the design, receipt of required approvals and financing, and commencement of Refinery construction. The Lessee will have priority use of the dock, while the District retains certain rights to use the multi-modal portion and lessee's use of the proposed docks shall be subject to all applicable charges, including wharfage under the District's Tariff. The Lessee is responsible for all dock-related design, financing, permitting, and other authorizations under applicable laws and regulations needed to commence construction of the Refinery and the docks. In the event the foregoing conditions are not met on or before

December 31, 2031 or lessee elects not to construct the Refinery on the leased premises by providing written notice to the District in accordance with the terms of the lease, Lessee shall have no further rights in and to the parcel and an amendment will be executed to remove the additional acreage from the leased premises and make corresponding adjustments to the rental and security deposit required under the lease. Finally, the Second Amendment to the Lease acknowledges the change in Lessee's name and consents to the operation of America First Refining, LLC (AFR's wholly owned operating affiliate) on the Premises pursuant to a sublease substantially in the same form as the lease. The operating affiliate will be obligated to comply with the terms of the lease and the District may enforce the terms of the lease against AFR and/or its operating affiliate. The Second Amendment of the Lease does not change any of the existing deadlines under the Lease. The Lease remains guaranteed by AFR's parent company, Element Fuels Holdings, LLC. The financial security under the lease also includes a security deposit in the amount of 3 months' rent and a letter of credit in the amount of one year's rent. AFR will continue to be obligated to provide monthly reports on the status of the project's development. A surface waiver provision has been added to the amendment that the District waives its right to access the surface of the leased property for mineral exploration, drilling, production, or related activities for the duration of the lease. However, the District may still pursue oil, gas, or other mineral extraction through directional drilling beneath the property, provided the activity does not interfere with the leased premises or the Lessee's use of the property during the lease term. Commissioner Reed moved to approve the Second Amendment to Lease to America First Refining Holdings, LLC, Commissioner Garcia seconded, and the motion passed unanimously.

8. America First Refining Holdings, LLC **(Lessor Agreements - Subordination Agreement; Lessor's Consent, Consent to Leasehold Deed of Trust, and Memorandum of Lease)**

America First Refining Holdings, LLC (AFR) formerly known as Element Fuels Processing, LLC through its lender's counsel, is seeking approval of several agreements related to its financing, including a Lessor agreement, Subordination agreement, Leasehold Deed of Trust and a Memorandum of lease. As AFR continues to develop their refinery and related assets at the port they have entered into a credit facility loan agreement of up to $60 million with Standard Chartered Bank. As part of the financing process, AFR's lender, Standard Chartered Bank, has requested that the District enter into a Lessor Agreement and a subordination agreement. The lessor's agreement and the subordination agreement would subordinate the District's lien position to the lender and authorize the lender to record a Leasehold Deed of Trust. The proposed Lessor Agreement follows the format used in other recent transactions and includes similar protections for the District in its role as landlord. Notably, it includes a provision granting the District certain approval rights if the lessee seeks to assign the lease or transfer any interest in the property. Additionally, in support of financing, the lender has requested confirmation that the lease remains in full force and effect and AFR is not in default. BND staff has reviewed AFR formerly known as Element Fuels lease and confirms compliance with their lease including fulfillment of insurance requirements for leased premises. BND Legal Counsel in collaboration with AFR's legal counsel has reviewed the documents and concur that they are ready for consideration and action by the BND Commissioners. Commissioner Reed moved to approve the Lessor Agreements and other related documents for America First Refining Holdings, LLC as presented, Commissioner Gutierrez seconded, and the motion passed unanimously.

BIDS/AGREEMENTS/PURCHASES

10. **Consideration of and ACTION to authorize Port Staff to solicit proposals for the District's External Audit Services for Fiscal Years 2026-2028.**

The District annually engages a certified public accounting firm to perform the District's required annual financial and compliance audits. An annual audit of The Retirement Plan for Employees of Brownsville Navigation District is also required and performed as a separate engagement. Fiscal Year 2025 was the third year of the current contract with Carr, Riggs, and Ingram, LLC. Staff is requesting authorization to solicit Proposals for the District's external audit services for the Fiscal Years Ending December 31, 2026, through December 31, 2028. Commissioner Garcia moved to authorize staff to solicit proposals for the required external audit services for Brownsville Navigation District and the Retirement Plan for Employees of the Brownsville Navigation District for the next three years Fiscal Years (2026 - 2028), Commissioner Reed seconded, and the motion passed unanimously.

11. **Consideration and ACTION to adopt a resolution and ratify a submittal of an application for financial assistance under the Texas Water Development Board (TWDB) Water Supply and Infrastructure Grant Program.**

BND Staff has been working on the submission of an application to request financial assistance from the Texas Water Development Board for the construction of an elevated water storage tank on the south side of the Brownsville Ship Channel. The Water Supply and Infrastructure Grant (WSIG) application submittal deadline was July 30, 2026. BND Staff is hereby requesting ratification of the WSIG application documents to comply with the grant's eligibility requirements. Chairman Lopez asked Mr. Martinez about the cost for the project and Mr. Martinez noted that the goal would be to have the entire cost covered by the grant, but the estimated cost had not been fully developed Commissioner Garcia moved to adopt the Resolution and ratify the application for financial participation from the Texas Water Development Board, Commissioner Gutierrez seconded, and the motion passed unanimously. A roll call vote was taken and each commissioner voted "Aye."

12. **Consideration and ACTION to authorize Port Staff to proceed with the purchase of a vacuum truck for the continued work required for the Port of Brownsville, pursuant to Sourcewell Coop contract #032824-KTC.**

Mr. Dietrich and Mr. Barbosa addressed the Board noting that staff is requesting the Board of Commission authorize the purchase of a Vacuum 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 (Sourcewell Coop Contract# 032824-KTC) submitted a quote for a total price of $560,918.64 with a time of delivery of approximate 180 days. Staff recommends French Ellison over other vendors based on overall value, warranty coverage, and operational suitability. The proposed unit includes a 5- year / 200,000-mile extended warranty on engine and aftertreatment system, along with one year of unlimited- mile towing coverage for manufacturer warranty- covered mechanical failures. The transmission is covered by a 5-year warranty. Additionally, the 10-speed manual transmission is well suited to the Port's operating conditions and heavy-duty applications. Commissioner Villarreal moved to authorize Staff to proceed with the purchase of a Vacuum Truck from vendor French Ellison Sourcewell Cooperative Contract #032824-KTC for the quoted price of $560,918.64, Commissioner Reed seconded, and the motion passed unanimously.

13. **Consideration and ACTION to approve the purchase of 4,000 tons of limestone under contract #4639C.**

Mr. Dietrich and Mr. Barbosa addressed the Board noting that BND Staff is requesting the Board of Commissioners to approve and authorize staff to proceed with the purchase of 4,000 Tons of Limestone from the vendor Vulcan Materials at $38 per ton for a total of $152,000 under Contract # 4639C. Limestone is necessary to complete various maintenance projects throughout the Port and for stock. Commissioner Garcia asked about the planned uses for the limestone. Staff noted that the limestone would be used on the storage patios. Mr. Dietrich complimented staff on the efficient use of limestone. Commissioner Gutierrez moved to approve and authorize staff to proceed with Purchase of 4,000 Tons of Limestone from Vulcan Materials for a total cost of $152,000 and authorize payment of invoice(s) upon delivery and acceptance of the material ordered, Commissioner Garcia 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 (§ 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 contemplated litigation relating to the BRG railroad.

    b. Discussion with attorney regarding the potential acquisition of real property, and deliberations regarding the purchase, sale, lease, or value of approximately 34.44 acres, more or less, described as Cameron Appraisal Property ID 118626; and approximately 32.23 acres, more or less, described in State Abstract 275, survey 702A (§§ 551.071 and 551.072).

Commissioner Villarreal moved to adjourn into executive session, Commissioner Garcia seconded, and the motion passed unanimously at 6:26 p.m.

Chairman Lopez reconvened the meeting in open session at 7:43 p.m.

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

a. Action, if any, pertaining to Item 14a, including engagement of outside counsel.

Commissioner Garcia moved to authorize the engagement Colvin, Saenz, Rodriguez, & Kennamer LLP as outside counsel regarding potential litigation with Brownsville & Rio Grande International Railway, LLC, Commissioner Reed seconded, and the motion passed unanimously.

b. Action, if any, pertaining to Item 14b, including authorization of negotiations to acquire real property interests in approximately 34.44 acres, more or less, described as Cameron Appraisal Property ID 118626; and approximately 32.23 acres, more or less, described in State Abstract 275, survey 702A.

Commissioner Reed moved to authorize the Port Director and CEO and general counsel to negotiate the acquisition of real property interests in approximately 34.44 acres described as Cameron Appraisal Property ID 118626, and to request a patent from the GLO on approximately 32.23 acres or a portion thereof, as described in State Abstract 275, Survey 702A.

16. Adjournment.

Commissioner Gutierrez moved to adjourn the meeting, Commissioner Garcia seconded, and the meeting was adjourned by unanimous consent at 7:44 p.m.

Sergio Tito Lopez
Chairman of the Board

ATTEST

John Reed, Secretary