MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF CAMERON COUNTY, TEXAS HELD AUGUST 19, 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 19, 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 Michael Davis Yessenia Gonzalez Maria Elena Sanchez Guillermo Rico Jorge Montero Santos Barbosa Estela Rangel Zeus Yanez Adriana Montiel
OTHERS PRESENT:	Rev. Andreas Lewis Jorge de la Colina Xavier Valverde William Osborn George Gavito Kris Wood Durkin Ledgard

Lisa Mutchler
Nick Hickson
Roger Caldwell
Gordon Lohmyer
Alfonso Larrasquitu
Tom Ramsey
Buddy Garcia
Irma Sierra
Toribro Garza
Hector Hernandez
Abel Campos
Andrea Meneses
Irma Silva
Sol Reyes
Joseph Leal
Agustin Martinez

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.

2. Public Audience

There was none.

3. Port Monthly Operations Summary Report

The Board received the reports. No discussion followed.

Mr. Dietrich asked that Item 6 be tabled. Commissioner Reed so moved, Commissioner Gutierrez seconded, and the motion passed unanimously.

CONSENT AGENDA ITEMS

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

a. Approval of the Minutes of the Regular Board Meeting of August 5, 2026.

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

    1. HDR Engineering, Inc., the amount of $125,621.04, for engineering services for the Cargo Dock 3 – Phase 1 project.

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

PRESENTATION

5. **Presentation of the Texas A&M Engineering Extension Service Workforce Development.**

Lisa Mutchler of the Texas A&M Engineering Extension Service Workforce Development program, made a presentation to the Board. Discussion followed regarding availability of training certificates, fire training, welding training, and other aspects of the workforce development program. The Board thanked Texas A&M and TEEX for their support and for their efforts developing the program at the Port of Brownsville.

6. **Presentation by Staff of the BND's boundary map and discussion regarding BND's real estate availability.**

This item was tabled.

APPOINTMENTS

7. **Appointment of Commissioners to Information Technology and Pension Plan Advisory Committees.**

Chairman Lopez addressed the Board and noted that in addition to his previous appointments to advisory committees, he wished to make appointments to the Pension Plan Committee and to a new Information Technology Committee. Chairman Lopez appointed Commissioners Reed and Gutierrez to the Pension Plan Committee and Commissioners Garcia and Villarreal to the Information Technology Committee.

ACTION ITEMS

8. **Discussion and possible ACTION of proposed Fiscal Year 2026 Operating and Capital Budget Amendments.**

Mr. Yanez addressed the Board that Staff is submitting proposed budget amendments to the District's Fiscal Year 2026 Operating and Capital budgets for discussion and possible action. The proposed operating budget amendments are based on the current year's actual revenues and expenses to date and projected operational needs for the remainder of the fiscal year. Staff is proposing increasing budgeted operating revenues to $46,316,481, a net increase of $346,762 from original budget projections. The overall increase in operating revenues is primarily attributed to increases in mobile harbor crane, cargo storage, lease rentals, and storage agreements - patios/sheds revenues offset by decreases in harbor fees - barge, dockage, wharfage-in and out, security surcharge - dockage, track lease rentals (railcar movement) and port entry revenues. Additionally, Staff is proposing increasing total operating expenses to $25,948,545, a net increase of $671,424 from original budget projections. The overall increase in operating expenses is attributed to increases in wages, materials, services purchased, other consultant fees and utility expenses, which are offset by decreases in payroll related (fringe benefit) expenses and property & liability insurance premiums. The FY 2026 Capital Budget includes allocations for equipment purchases, channel improvements, docks and terminal projects, utility projects, land improvement projects, patio and storage projects, building and building improvement projects, port road and road improvement projects, and IT equipment and infrastructure projects. Budget figures have been updated to reflect current project estimates based on contracts approved and awarded by the

Board, as well as new projects supporting incoming business at the Port. After discussion, Commissioner Gutierrez moved to approve the proposed budget amendments to the FY 2026 Operating and Capital Budgets presented herein, Commissioner Villarreal seconded, and the motion passed unanimously.

9. **Consideration and ACTION to acknowledge receipt of revised certified property tax calculations for District's 2026 tax year levy.**

Mr. Yanez addressed the Board that on August 5, 2026, staff presented certified property tax calculations for the 2026 tax year levy for Board acknowledgement. During the post-meeting work on the tax notification and related items, Mr. Yanez identified a discrepancy in the tax calculation worksheet previously submitted for acknowledgement. Correcting this discrepancy resulted in updated figures for both the No-New-Revenue Tax Rate (NNR) and the Voter Approval Tax Rate (VATR). The revised rates are: NNR: $0.023318 per $100 valuation; and VATR: $0.026417 per $100 valuation. Commissioner Garcia moved to acknowledge receipt of the revised Certified Property Tax calculations for the District's 2026 Property Tax Levy, Commissioner Gutierrez seconded, and the motion passed unanimously.

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

Mr. Yanez addressed the Board that, considering the revised calculated tax rates, in this agenda item, Staff requested the BND Commissioners vote on a 2026 Proposed Tax Rate, which is the highest rate the Board can adopt at a subsequent meeting. The staff's recommended Proposed Tax Rate is $0.026417 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 ($0.023318) and voter-approval tax rate ($0.026417), a public hearing is required as 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 $0.026417 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" or the "Notice of Meeting to Vote on Tax Rate" as applicable, which will be published in the Brownsville Herald and the District's website. After publishing the required notice and holding the public hearing (if necessary), the BND Commissioners may vote to adopt the $0.026417 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 Gutierrez moved to propose the same rate has the previous year, which was $0.025589 per $100 of valuation which consists of a Maintenance and Operations rate of $0.025589 per $100 of valuation, Commissioner Garcia seconded, and the motion passed unanimously. A roll call vote was taken and each Commissioner voted "Aye".

11. **Consideration and ACTION on adoption of the maximum local-option residence homestead exemption for individuals who are disabled or age 65 and older pursuant to Texas Property Code §11.13.**

Mr. Yanez addressed the Board that Texas Tax Code §11.13(d) and 11.13(e) authorizes a taxing unit, including special districts, to adopt a local-option residence homestead exemption for individuals who are disabled or 65 years of age or older. These exemptions may be set at any amount not less than $3,000 with no statutory maximum, allowing a governing body to adopt the exemption up to 100% of the appraised value of a qualified residence homestead. This exemption reduces the taxable value of qualifying homesteads within the District's taxing jurisdiction and provides direct tax relief to homeowners. The Board has the discretion to adopt the exemption up to any amount or percentage, but not less than $3,000. Staff has evaluated the fiscal impact of adopting the exemption at 100% of the appraised value and determined that the District can maintain essential services and financial obligations while offering meaningful tax relief to elderly and disabled residents. The proposed resolution would formally adopt the maximum allowable exemption of 100% of the appraised value (minimum $3,000) under §11.13(d) and 11.13(e), beginning with the 2027 tax year, unless modified or repealed by future Board action. Commissioner Villarreal moved to adopt the resolution establishing a 100% residence homestead exemption (minimum $3,000) for individuals who are disabled or age 65 or older pursuant to Texas Property Tax Code §11 .13(d) and 11.13(e), Commissioner Gutierrez seconded, and the motion passed unanimously.

12. Consideration and ACTION to authorize grant application submission for FY 2026 United States Marine Highway Program Funding Opportunity.

Mr. Dietrich addressed the Board that the Maritime Administration released its Notice of Funding Opportunity (NOFO) for the FY 2026 Marine Highways Program. This program provides funding assistance for eligible projects that help expand water transportation along designated Marine Highway routes. In response, the District proposed submitting a grant application for the following project: Ship Channel/Turning Basin Deepening Preconstruction Project (preliminary engineering, design, permitting, site investigations, environmental review). Commissioner Gutierrez moved to authorize submission of the FY 2026 Marine Highways Program for the project listed above, Commissioner Garcia seconded, and the motion passed unanimously.

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

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

1. Glenfarne North America Interconnect, LLC **(Authority to Negotiate – Option to Lease)**

Glenfarne North America Interconnect, LLC. Is seeking Authority to Negotiate an Option to Lease for approximately 100 acres located north of Hwy 48 and west of Chemical Road. The proposed term of the Option to Lease would be for an initial period of one year with an option to renewal for an additional year. The renewal would be contingent upon demonstrating substantial progress and compliance with the timeline related to due diligence and project development activities. The purpose shall be to conduct due diligence activities associated with the development, construction and operation of a natural gas power generation facility. The company has indicated that the facility would provide reliable energy for the Texas LNG project. The company estimates a capital investment of approximately $2.3 billion and projects the creation of up to 45 direct jobs upon completion and operation of facility. Commissioner Reed moved to authorize negotiation of an Option to Lease with Glenfarne North America Interconnect, LLC, Commissioner Garcia seconded, and the motion passed unanimously.

2. Christopher Lee Hernandez d/b/a Hernandez Seafood (**Renewal of Lease)**

Christopher Lee Hernandez d/b/a Hernandez Seafood entered into a lease agreement (Contract # 4807) with the District on September 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 expires on August 31, 2026, and lessee is seeking the Board's approval to exercise their first one-year renewal option for the period of September 1, 2026, through August 31, 2027. Staff confirmed that the lease is not in default under any provision of the agreement. Commissioner Garcia moved to approve the Renewal of Lease for Christopher Lee Hernandez d/b/a Hernandez Seafood. (Contract# 4807), Commissioner Gutierrez seconded, and the motion passed unanimously.

3. BioUrja Brownsville Terminal, LLC **(Consent to Change of Control)**

BioUrja Brownsville Terminal, LLC a current lessee, is in the process of selling 100 percent of its membership interests to Weskan Grain, LLC. As required under the lease, BioUrja Brownsville Terminal, LLC is seeking the Board's consent to the change of control of the company as required under its lease (Contract #4088) of 18.334 acres located at 9155 R L Ostos Road, as well as the Bulk Cargo Dock lease (Contract #4088F). Weskan Grain, LLC would be providing a guaranty of lease obligations following the change in control. Weskan intends to redevelop the existing grain elevator facility. The proposed project is intended to establish a dedicated grain export terminal, serving domestic grain production from the central United States and international customers, primarily in Mexico, Central America and Asia. The company has indicated that the proposed investment would convert the facility into a modern export hub capable of receiving grain by rail, storing and conditioning product, and efficiently loading ocean vessels. Weskan Grain, LLC has provided a development roadmap outlining a phased approach to expanding storage capacity and rail infrastructure growth. **Phase I**: recommission existing receiving, storage, conveying and grain-handling systems; install ship-loading equipment on the dock; complete conveyor and material-handling connections for vessel loading; commission approximately 750,000 bushels of existing enclosed bin storage; begin commercial grain receiving and export operations; utilize three existing enclosed flat-storage buildings served by the conveying system as operational needs warrant with an approximate investment of $4.5million dollars. Weskan notes they have a contractor ready to proceed with Phase I immediately. **Phase 2**: add approximately 750,000-1,000,000 bushels of new enclosed grain storage; increase total enclosed bin storage to approximately 1.5-1.75 million bushels; integrate new storage with existing receiving and ship loading systems; support larger export volumes and improved vessel-loading efficiency; evaluate and pursue availability grant and infrastructure funding opportunities that may complement and accelerate planned storage and rail improvements. **Phase 3 (growth phase)**: extend the Phase 2 capital program to include additional railroad track and siding capacity; increase on-site railcar storage and staging; rail expansion is intended as a continuation of the Phase 2 development program, with available infrastructure funding opportunities pursued where appropriate. The Consent to Change in Control requires lessee to complete Phase I and commence Phase II within 36 months of the closing or else lessee will be in default under the leases. The Consent further acknowledges that the initial term of the Lease commenced on November 1, 2016, and expires on October 31, 2026, and that the Lessee will exercise its first option to renew the Lease for an additional 15-year term commencing November 1, 2026, and expiring October 31, 2041. Weskan and the District agreed to negotiate in good faith an amendment to the Lease to revise the applicable deadlines, timelines, and milestones that must be satisfied for the Lessee to exercise its second 15-year renewal option. The Consent to Assignment authorizes the change of control, provided that the closing occurs within 14 days following the Consent Effective Date. It also confirms that the leasehold improvements, for which the Lessee paid the District $1,000,000, are owned by the Lessee as provided in the lease. The consent to change in control also brings the rent to current policy rates. Beginning on the Closing Date, the annual rental under the Real Property lease shall be $148,157.05 (based on 18.334 acres at a rate of $8,081.00 per acre, per year). The security deposit will also be increased to $37,039.26 consistent with the increase in rates. Commissioner Reed moved to approve the Consent to Change of Control to Weskan Grain LLC, 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).**

    1. Discussion with attorney regarding potential acquisition of real property and deliberations regarding purchase, sale, lease, or value of approximately 34.44 acres, more or less, described as Cameron Appraisal District Property ID 118626 (§§ 551.071 and 551.072)

    2. Discussion with attorney regarding potential acquisition of real property and deliberations regarding purchase, sale, lease, or value of certain acreage in Share 7 of San Martin Grant, Cameron County, Texas (§§ 551.071 and 551.072)

Commissioner Gutierrez moved to adjourn into executive session, Commissioner Villarreal seconded, and the motion passed unanimously at 6:34 p.m.

Chairman Lopez reconvened the meeting in open session at 7:27 p.m.

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

    1. Action, if any, pertaining to Item 14(1), including ratification of a contract for

purchase of real property.

Commissioner Reed moved to ratify the Port Director's execution of contracts for the purchase of approximately 34.44 acres of land, more or less, Commissioner Garcia seconded, and the motion passed unanimously.

2. Action, if any, pertaining to Item 14(2), including authorization for Port Director and CEO to execute a letter of intent relating to the potential acquisition of real property.

Commissioner Garcia made a motion for the Port Director and CEO to proceed as discussed in executive session, Commissioner Gutierrez seconded, and the motion passed unanimously.

16. Adjournment.

Commissioner Reed moved to adjourn the meeting, Commissioner Villarreal seconded, and the meeting was adjourned by unanimous consent at 7:28 p.m.

Sergio Tito Lopez
Chairman of the Board

ATTEST

John Reed, Secretary