

**MINUTES OF 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 SEPTEMBER 2, 2026 AT 5:30 P.M.**

The Board of Navigation and Canal Commissioners of the Brownsville Navigation District of Cameron County, Texas, held a public hearing and a regular meeting of the board on **Wednesday, September 2, 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
Jorge Montero
James Paschall
Carlos Garza
Ervey Gonzalez
Margie Recio
Michael Davis
Yessenia Gonzalez
Maria Elena Sanchez
Guillermo Rico
Jorge Montero
Santos Barbosa
Zeus Yanez

OTHERS PRESENT: Rev. Andreas Lewis
Xavier Valverde
Nico Schaefer
Kris Wood
Mark Hodgson
Humberto Torres
Jorge de la Colina
Shariff Gonnella

Rick Stephanow
Miguel Hughes
Michael Gruener
Carlos Martinez
Eddie Lucio III
Ida Trevino
Ruben Guerra
Stephanie Galvez
Arturo Galvez
Kendall Spurlin
Hayden Hughes
Andrea Meneses
Jerry Perez
Ricardo Pedraza
Nicolas Rodriguez

PUBLIC HEARING

- 1. Public Hearing to receive public comment on the proposed 2026 ad valorem tax rate that exceeds the No-New-Revenue tax rate.**

Chairman Lopez called the public hearing to order and no person addressed the Board.

REGULAR MEETING

- 1. Meeting Called To Order**

At 5:30 p.m. Chairman Lopez 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.

CONSENT AGENDA ITEMS

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

- Approval of the Minutes of the Regular Board Meeting of August 19, 2026.
- Approval to authorize payments over \$25,000.
 1. Jet Web Communications, LLC, the amount of \$53,652.00, to purchase and upgrade to Microsoft 365 licensing from commercial cloud E3 to government

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- community cloud G3 licensing.
2. Russel Marine, LLC, the amount of \$955,343.75, for the Cargo Dock 3 – Phase I and III Demolition and Construction project.

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

ACTION ITEMS

5. Consideration and ACTION on rescheduling the Regular Board Meeting of September 16, 2026.

Mr. Dietrich addressed the Board that the second Regular Board meeting in September is scheduled for September 16, 2026 but noted that there would likely not be a quorum at that meeting. After discussion, Commissioner Garcia moved to reschedule the second Regular Board meeting scheduled to September 23, 2026, Commissioner Reed seconded, and the motion passed unanimously.

6. Consideration and ACTION to vote on a Resolution to adopt a 2026 Property Tax Rate for the Brownsville Navigation District at a rate not to exceed \$0.025589 per \$100 valuation.

Mr. Yanez addressed the Board that Texas Tax Code Chapter 26 requires taxing units to adopt a tax rate by recorded vote and Resolution no later than September 30th or 60 days after the Certified Appraisal Roll is received, which is July 23, 2026. The Cameron County Assessor & Collector assigns its own deadline of September 11th to include the District's adopted tax rate in the October 2026 property tax bills. On August 19, 2026, the Board voted to publish a Proposed Tax Rate of \$0.025589 which is the same rate as the previous year. The Proposed Tax Rate is less than the voter-approval rate of \$0.026417, which is the highest tax rate the District may adopt without holding a mandatory election to seek voter approval of the rate. The Proposed tax rate exceeds the no-new-revenue rate of \$0.023318 which means the proposed tax rate would increase property taxes for the 2026 Tax Year and as such requires a public hearing prior to adopting the tax rate. This required public hearing notice was published in the Brownsville Herald on August 26, 2026, and on the District's website. The 2026 Proposed Tax Rate exceeds the no-new-revenue rate. Therefore, a motion to adopt a 2026 property tax rate of \$0.025589 must be made using the following specific language required by the Texas Property Tax Code: "I MOVE THAT THE PROPERTY TAX RATE BE INCREASED BY THE ADOPTION OF A TAX RATE OF \$0.025589, WHICH IS EFFECTIVELY AN 9.7% INCREASE IN THE TAX RATE." Because the proposed tax rate of \$0.025589, when applied to the total taxable value, will impose an amount of taxes to fund M&O expenditures for the District that would exceed the amount of taxes imposed for M&O purposes in the preceding year, the District must post on its website and on its Resolution to adopt a 2026 property tax rate, the following specific language required for M&O tax increases: "THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE" and "THE TAX RATE WILL EFFECTIVELY BE RAISED BY 5.8% AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$1.40." Commissioner Reed so moved, using the

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statutory language, to approve the Resolution to adopt the same rate as 2025, which makes the 2026 Property Tax Rate \$0.025589 per \$100 of valuation, which is comprised of a maintenance and operations rate of \$0.025589 per \$100 valuation, Commissioner Gutierrez seconded, and the motion passed unanimously. A roll call vote was taken and each Commissioner voted “Aye”.

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

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

1. Tex-US Substation Services (Authority to Negotiate)

Tex-US Substation Services specializes in transformer testing, diagnostics, maintenance, commissioning, repair, and technical field support for utilities, industrial facilities, renewable energy projects, and commercial power systems. The company is seeking authority to negotiate a new lease for approximately 11.95 acres located on Highway 48. The proposed lease would be for an initial term of five years, with an option to renew for an additional five-year period. The intended use of the property would include equipment storage, staging yard, a warehouse and office facilities to support the company's operations and a maintenance facility. Commissioner Gutierrez moved to authorize staff to negotiate a lease with Tex-US Substation Services, Commissioner Reed seconded, and the motion passed unanimously.

2. Ultracem Cement, LLC (Authority to Negotiate)

Ultracem Cement, LLC, is seeking the Authority to Negotiate a Lease for approximately 1.8 acres located on RL Ostos Road. The intended use of the site is to develop and operate a bulk cement import, storage and distribution terminal. The proposed use of the site would be for the development and operation of a bulk cement import, storage, and distribution terminal. The initial development is anticipated to include the construction of warehouse facilities and one or more storage domes or silos. Cement would be delivered by self-discharging bulk vessels into enclosed dockside receiving hoppers and then conveyed to the storage domes or silos. The facility is also expected to include an automated truck and/or rail load-out station with loading bays, integrated weighing scales, and dust-collection systems to support the efficient and controlled distribution of cement. The proposed development would provide infrastructure for the import, storage, and distribution of bulk cement while incorporating enclosed handling and dust-control systems to support safe and efficient terminal operations. Commissioner Gutierrez moved to authorize staff to negotiate a lease with Ultracem Cement, LLC, Commissioner Reed seconded, and the motion passed unanimously.

3. Your Prime Services d/b/a Prime Power Services (Authority to Negotiate)

Your Prime Services d/b/a Prime Power Service specializes in high-voltage electrical services including transformer services and motor and generator services related to testing, assembly, maintenance and repair. The company is seeking authority to negotiate a new lease for approximately 10.81 acres located on Hwy 48. The proposed lease would be for an initial term of five years, with an option to renew for an additional five-year period. The intended use of the property will be for transformer and substation services, equipment storage, laydown, and light manufacturing of transformers (XMFR). Commissioner Gutierrez moved to authorize staff to negotiate a new lease with Your Prime Services d/b/a Prime Power Services, Commissioner Garcia

seconded, and the motion passed unanimously.

4. B&L Freight Services, LLC (Lease Amendment)

B&L Freight Services, LLC a current lessee under BND Contract #4598 located at 2775 Foust Road, is seeking the Board's approval to amend its lease agreement to modify the purpose clause and adjust the rent and security deposit. The revised purpose provides that the premises shall be used for freight transportation and storage of coils and sheet metal, multi-purpose warehousing, handling, and repackaging of non-hazardous dry bulk material, including bag busting and bagging of such materials, and for a laydown area for non-hazardous dry bulk materials. Overnight truck parking and staging may be permitted by District staff on a limited, as-needed, basis solely for vehicles directly associated with the foregoing permitted uses, but permanent or long-term truck parking and staging shall not be authorized. Staged trucks and trailers shall not carry or store hazardous materials. Lessee's operations on the premises, including any parking and staging activities, shall be conducted in a safe manner and in accordance with applicable laws and regulations, as well as District's Tariff, policies, rules, and regulations. For the avoidance of doubt, transloading operations and storage of hazardous materials shall not be permitted on the premises. Commissioner Gutierrez moved to approve the Lease Amendment for B & L Freight Services, LLC, Commissioner Villarreal seconded, and the motion passed unanimously.

5. Espinoza Manufacturing Solutions, LLC (Consent to Assignment of Lease and Renewal of Lease)

Espinoza Manufacturing Solutions, LLC, the current lessee under BND Contract No. 4680 for the property located at 2975 Dry Dock Road, intends to undergo a corporate reorganization. In connection with this reorganization, Espinoza Manufacturing Solutions, LLC is seeking the Board's consent to assign its Lease to Espinoza Machine Shop, LLC. The Lease commenced on September 1, 2023, for an initial one-year term and provides for up to four additional one-year renewal terms, subject to the lessee not being in default and obtaining Board approval. The current lease term expires on August 31, 2026. The Lessee is requesting the Board's approval to exercise the third one-year renewal option for the period of September 1, 2026, through August 31, 2027. The intended used of the premises is for machine shop operations and welding fabrication. Although the Lessee has been non-operational at the site due to a slowdown in business, it has notified the District of its plans to install the necessary equipment and place Conex containers on the property, with the goal of becoming fully operational within the next few months. Once operational, Espinoza Machine Shop, LLC intends to provide on-site welding, fabrication, and manufacturing services. Espinoza Machine Shop, LLC has indicated that it will continue providing ongoing support services to SpaceX for the fabrication of parts on an as-needed basis. The company also stated it maintains an active working relationship with Karpower, providing assistance with the repair and fabrication of pipe systems and structural components as needed. Espinoza Machine Shop, LLC has represented that it will provide comprehensive welding, metal fabrication, and custom manufacturing services to support industrial, marine, and construction operations from the leased premises. Commissioner Gutierrez moved to approve the Consent to Assignment of Lease and the Lease Renewal for Espinoza Machine Shop, LLC, Commissioner Villarreal seconded, and the motion passed unanimously.

6. Synergia Energy Park LLC (Option to Lease)

Synergia Energy Park, LLC is seeking an Option to Lease for approximately 350 acres located on

Hwy 48. The requested term of the Option would be for a period of 2 years commencing on September 1, 2026 and expiring on July 31, 2028. The Option would allow Synergia to conduct due diligence for the construction of an electrical power generation facility with a micro-grid, and to develop and manage power infrastructure including local grid connectivity and substation step downs, followed by conventional natural gas fired power production. During the option term, Synergia must comply with timeline for due diligence and permitting, providing written progress reports and the right to apply for all necessary or desirable permits, approval. Synergia may exercise the Option by providing written notice prior to the expiration of the option term for some or all of the premises, provided that both parties agree to reduce the size of the premises by written agreement in the parties' respective sole discretion. If the Option is exercised, the proposed Lease would provide for an initial 30-year term, with an option for an additional 20-year renewal. Exercise of the Option would be subject to Synergia meeting specified conditions, including satisfactory financing, an acceptable development and construction schedule, required permits and licenses, acceptable lease security, compliance with the District's insurance requirements, and no default under the Option Agreement. If the Option is exercised, the proposed Lease would provide for an initial 30-year term, with an option for an additional 20-year renewal. Exercise of the Option would be subject to Synergia meeting specified conditions, including satisfactory financing, an acceptable development and construction schedule, required permits and licenses, acceptable lease security, compliance with the District's insurance requirements, and no default under the Option Agreement. The proposed terms would also provide the District and its tenants with a 60-day right of first refusal to purchase power generated by the project before Synergia may contract with a third party. The right of first refusal would be reinstated if a proposed third-party transaction is not completed within the applicable period. The District would retain the right to engage consultants and professional advisors for permitting, project review, and oversight. Synergia would be responsible for reimbursing the District for actual, documented professional fees and expenses incurred in connection with the project. The Option Agreement is intended to provide Synergia with a defined period to evaluate the property and advance the proposed power project while maintaining appropriate protections and oversight for the District. Commissioner Gutierrez moved to approve the Option to Lease for Synergia Energy Park LLC, Commissioner Reed seconded, and the motion passed unanimously.

8. Consideration and ACTION to accept FY 2027 Public Safety Office Grant award.

Chief Paschall addressed the Board that the Office of the Governor, through its Public Safety Office (PSO), previously released the Notice of Funding Opportunity for the FY 2027 Public Safety Office Grant Program. The District submitted grant applications for the following programs: (1) Rifle-Resistant Body Armor Grant; and (2) Body-Worn Camera Grant. On August 25, 2026, the District received notification from the Public Safety Office that its application for the Rifle-Resistant Body Armor Grant was approved for the full requested amount of \$12,036.00. The grant funding will provide rifle-resistant body armor for Port Police officers, enhancing officer protection and safety during high-risk incidents and other law enforcement activities within the Port. Commissioner Gutierrez moved to authorize the acceptance of the FY 2027 Public Safety Office Rifle-Resistant Body Armor Grant award in the amount of \$12,036.00, and to authorize the Port Staff to execute all necessary grant award documents, Commissioner Reed seconded, and the motion passed unanimously.

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9. Consideration and ACTION to declare the 2,400 st. ft. structure located at 500 Yard Road as surplus to the District's needs and to authorize its deposition.

Mr. Dietrich addressed the Board that, currently, the lease site is under Authority to Negotiate by I Truck Transportation LLC, who have expressed their intention to renovate the structure and construct a new one in its place. The Leasing Committee convened to discuss I Truck Transportation's request for the demolition of the existing structure. A site inspection was conducted, and the Maintenance Department prepared a demolition cost estimate of \$5,282.20. The estimate does not include landfill costs. Any proceeds for scrap materials will be applied toward the landfill expenses. I Truck Transportation has subsequently agreed to reimburse the District for the demolition expenses. Commissioner Gutierrez moved to declare 2,400 sq. ft. structure located at 500 Yard Road as Surplus to the District's needs and to authorize the Salvage Auction Team to have the structure demolished, Commissioner Reed seconded, and the motion passed unanimously.

10. Consideration and ACTION to approve Position and Pay Grade revisions to the BND Pay Matrix.

Mrs. Gonzalez addressed the Board that Staff is requesting approval to establish the classifications of Skilled Craftsman II and Equipment Operator II at Pay Grade MT 4 and to modify the pay grade for the Business Development Associate position from Pay Grade 120 to Pay Grade 126, effective January 1, 2027. The establishment of Skilled Craftsman II and Equipment Operator II at Pay Grade MT 4 will provide a structured advancement level within these classifications. Advancement to the II level will be based on demonstrated proficiency, qualifications and certifications, ability to perform higher-level work, expanded responsibility, and performance. The Business Development Associate position was established in 2025. Since its creation, the scope and complexity of the position have developed beyond what was originally anticipated. This pay grade adjustment to Pay Grade 126 will better align the position's compensation range with relevant market compensation and its current level of responsibility, scope of duties, and organizational expectations. Commissioner Reed moved to approve of the proposed position and pay grade revisions to the BND Pay Matrix, Commissioner Villarreal seconded, and the motion passed unanimously.

BIDS / AGREEMENTS / PURCHASES

11. Consideration and ACTION on selection of a consultant to provide professional State governmental relations and legislative advisory services.

Mr. Dietrich addressed the Board that the District received proposals for State governmental relations and legislative advocacy services from Graydon Strama Lucio Group, LLC and Hance Scarborough, LLP. The District's objective is to retain a qualified governmental relations firm to assist the District in advancing its legislative priorities and representing its interests before the Texas Legislature, individual legislators, the Office of the Governor, State agencies, and other

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governmental entities. The selected consultant will work with District leadership and staff to develop and implement strategies in support of the District's legislative and governmental affairs objectives. Chairman Lopez that he wished to discuss the proposed selections with legal counsel. Commissioner Reed moved to table this item for discussion in executive session with legal counsel, Commissioner Gutierrez seconded, and the motion passed unanimously.

12. Consideration and ACTION to authorize Port Director and CEO to execute an amendment to the Master Agreement for Professional Services with HDR Engineering, Inc. for professional engineering and related services.

Mr. Martinez addressed the Board that on June 14, 2023, BND Commissioners authorized Port Director and CEO to enter into a Master Agreement for Professional Services or Master Services Agreement (MSA), with consultant HOR Engineering, Inc. (HDR) covering various task orders, and has been extended several times to govern multiple projects. At this time, staff is requesting authorization for the Port Director and CEO to amend the current MSA to cover pending work on various projects, such as design of Cargo Dock #3 Phase II, Placement Area No. 8 Dike Relocation, and tasks related to the Release of Easements from the USACE. The now expired 2023 MSA will be extended for three years and the insurance coverage, specifically for unmanned aerial liability insurance, will be reduced from \$10,000,000 to \$1,000,000. All other language remains for the rest of the agreement. The new MSA has been reviewed by legal counsel and there is concurrence to proceed. Commissioner Reed moved to authorize the Port Director and CEO to enter into a Master Agreement for Professional Services (MSA) with consultant HDR Engineering, Inc. with the new provisions and execute any required documents for this action, Commissioner Gutierrez 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 (§ 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 pending or contemplated litigation relating to BRG Railroad (§ 551.071).

2. Discussion with attorney regarding the purchase, lease, or value of real property, and availability of real estate for District infrastructure (§ 551.071 and § 551.072)

Commissioner Reed moved to adjourn into executive session, Commissioner Garcia seconded, and the motion passed unanimously at 6:02 p.m.

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

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

- a. Action, if any, pertaining to Item 13(1).

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

- b. Action, if any, pertaining to Item 13(2), including possible action to set aside real property for purposes of Districts infrastructure.

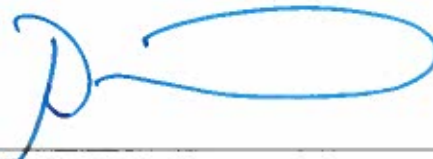
Mr. Dietrich and Mr. Gomez presented a map of Port of Brownsville property and addressed staff's request to designate certain properties as non-leasable. These properties include approximately 6.94 acres located at the corner of Bill Reed Road and Old Highway 48 and approximately 980 acres identified for potential future mitigation purposes. Additional properties were identified for future growth and operational needs, including approximately 80 waterfront acres located south of SH 48 adjacent to the Rio Grande LNG site, as well as approximately 184 waterfront acres located south of the channel and south of the Fishing Harbor. The approximately 44 acres located south of the existing 118-acre Business Park would be designated as Phase II of the Business Park to accommodate future development and operational needs.

Chairman Lopez then recalled Item 11.

Commissioner Gutierrez moved to select Graydon Strama Lucio Group, LLC as the Port's state governmental relations and legislative advocacy consultant and authorized Mr. Dietrich to execute an engagement letter subject to legal review, Commissioner Reed seconded, and the motion passed unanimously.

15. Adjournment.

Commissioner Reed moved to adjourn the meeting, Commissioner Garcia seconded, and the meeting was adjourned by unanimous consent at 7:32 p.m.



Sergio Tito Lopez
Chairman of the Board

ATTEST



John Reed, Secretary