MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF CAMERON COUNTY, TEXAS HELD OCTOBER 20, 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 **Tuesday, October 20, 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:	Janie Velasquez Manuel Martinez Jorge Montero James Paschall Margie Recio Yessenia Gonzalez Maria Elena Sanchez Guillermo Rico Estela Rangel Ervey Gonzalez Miguel Barajas Ana Pascual Edgar Garcia Juan Resendez Esteban Del Angel Zeus Yanez Manuel Martinez Michael Davis
OTHERS PRESENT:	Rev. Andreas Lewis BJ Schulze Tony Garza Miguel Rodriguez Miguel Morlano

Edward Morlano
Steven Greg
Kris Wood
Nico Schaefer
Hollie Takacs
Adhlemy Martinez
Uriel Gavito
Etienne Rosas
Kevin Garcia
Joseph Bakay
Ruben Guerra
Joseph Macklin
Kristen Mosbrucker Garza
Xavier Valverde
Hugo Yanez
Sol Reyes
Joseph Leal

REGULAR MEETING

1. **Meeting Called To Order**

At 5:32 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**

Adhlemy Martinez addressed the Board regarding Items 7(2)-(3), 8, and 9.

Uriel Gavito addressed the Board regarding Items 7(2)-(3), 8, and 9.

3. **Port Monthly Operations Summary Report**

Mr. Yanez presented the report to the Board. Brief discussion followed.

Mr. Dietrich then asked if Item 6 could be tabled for discussion with legal counsel in executive session. Commissioner Reed moved to table Item 6 for discussion in executive session, Commissioner Gutierrez seconded, and the motion passed unanimously.

4. **Presentation of District's Investment Report for the quarter ended September 30,**

2026.

Mr. Yanez presented the report to the Board. Brief discussion followed.

5. **Consideration and ACTION on the Following Consent Agenda Item:**
    a. Approval of the Minutes of the Regular Board Meeting of October 7, 2026.
    b. Approval to authorize payments over $25,000.
        1. Cameron County Elections Dept., the amount of $103,399.21, for the final cost of the May 2nd, 2026, elections.
        2. Roberto J. Ruiz, the amount of $32,415.25, for architectural services related to the Permit Building and Woodfin Building Office Space Renovations.
        3. Southmost Regional Water Authority, the amount of $165,645.00, for the Fiscal Year 2027 Assessment fees.

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 Brownsville Navigation District and Scouting America Rio Grande Council, Inc.**

This item was tabled for discussion in executive session.

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

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

1. **B&L Freight Services LLC (Authority to Negotiate)**

B&L Freight Services LLC, a current lessee, is seeking a new lease for an additional site of approximately 3.15 acres located at 400 Yard Road. The lease term desired by B&L Freight Services LLC is for a period of 5-10 years. The proposed use of the site would be for (1) freight transportation and storage of coils and sheet metal, (2) multipurpose 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. Commissioner Villarreal moved to authorize staff to negotiate a new lease with B&L Freight Services LLC, Commissioner Garcia seconded, and the motion passed unanimously.

Mr. Dietrich then addressed the Board regarding Items 7(2)-(3), 8, and 9, which the Board considered together as related items.

2. **Space Exploration Technologies Corp. (Easement and Right of Wav Agreement)**

SpaceX is seeking the Board's approval of a 30-foot-wide Easement & Right-of-Way (ROW) Agreement for the construction, operation, and maintenance of one 16-inch underground natural gas pipeline and one fiber optic cable, each to be installed at a minimum depth of four feet, to serve

the company's facilities located outside of District property. The pipeline will extend approximately 29,536 linear feet. The Easement & ROW Agreement will also include a temporary workspace encompassing approximately 49.302 acres and a surface site of approximately 1.923 acres. The temporary workspace is anticipated to be utilized for an initial period of six months. If SpaceX continues to require the workspace beyond the initial six-month period, the agreement will automatically extend in one-month increments. However, if construction activities are completed and the workspace is no longer needed before the expiration of the initial six-month period, the temporary workspace authorization will terminate immediately. SpaceX will pay an initial channel crossing fee of $1,000,000.00 and thereafter for the term of the easement an annual crossing fee of $100,000.00. The rental for the temporary workspace will be $183,000 for six months. The annual easement and right of way fees and surface site fees will be $45,975.88, subject to changes in District policies. The easement requires SpaceX to pay throughput on actual volumes of natural gas passing through the pipeline. Based on projected volumes, this pipeline will generate approximately $8,244.23 per month in throughput fees. The easement requires SpaceX to carry insurance at level 5 requirements under District policies, and it requires SpaceX to comply with all applicable laws and regulations in the operation and maintenance of the pipeline.

3. Space Exploration Technologies Corp. (Easement & Right of Way agreement)

SpaceX is seeking the Board's approval for a 30-foot-wide Easement and Right of Way (ROW) Agreement for the construction, operation, and maintenance of one 16-inch underground pipeline. The proposed pipeline will extend approximately 4,319 linear feet, beginning at the SH 48 right of way and extending to the SpaceX property located south of R.L. Ostos Road. The pipeline will be used to transport natural gas to serve the company's facilities outside District's boundaries. SpaceX will pay an initial channel crossing fee of $1,000,000.00, and thereafter for the term of the easement annual crossing fee of $100,000.00. The annual easement and right of way fees will be $2,946.65, subject to changes in District policies. The easement requires SpaceX to pay throughput on actual volumes of natural gas passing through the pipeline. Based on projected volumes, this pipeline will generate approximately $164,884.57 per month in throughput fees. The easement requires SpaceX to carry insurance at level 5 requirements under District policies, and it requires SpaceX to comply with all applicable laws and regulations in the operation and maintenance of the pipeline.

BIDS / AGREEMENTS / PURCHASES

8. Consideration and ACTION authorizing Port Director and CEO to sign Memorandum of Understanding between Brownsville Navigation District and Space Exploration Technologies Corp.

The proposed Memorandum of Understanding (MOU) establishes a binding framework for cooperation in furtherance of mutual goals between SpaceX and the Port of Brownsville (POB) to advance pipeline easements, real property, dock, access and support-infrastructure agreements. SpaceX conducts launch, manufacturing, logistics, and related operations in and around Starbase, Texas and in connection with those uses, SpaceX owns and leases property adjacent to the POB. The areas of mutual interest include (i) an option for POB to purchase from SpaceX approximately 14 acres of property adjacent to Ostos Road with leaseback provisions in favor of SpaceX; (ii) two

pipeline easements in favor of SpaceX; (iii) good faith discussions for development of a public-private partnership for construction of a public dock facility and related infrastructure at the POB; (iv) SpaceX to pay for consultants' fees incurred by the POB in support of SpaceX projects. (v) purchase of earthen material (fill dirt) from POB's dredge material placement areas, in accordance with POB policies, at a rate of $5.00 per cubic yard, (vi) short-term leases of approximately 81 acres in the POB's business park at a rate of $7,000 per acre, per month, (vii) a route access agreement between SpaceX and POB relating to transit of SpaceX vehicles through the POB with a fee of $15 per vehicle in addition to the standard $4.00 Port entry fee per vehicle, per day; and (viii) cooperation and coordination with the United States Army Corps of Engineers to perform wetland delineations on currently unleased property of the POB. Certain documents referenced in the MOU remain subject to ongoing negotiation and will require approval by the BND commission and SpaceX respectively. Mr. Dietrich requested that the Board authorize him to exercise the purchase option relating to the 14 acres adjacent to Ostos Road. The MOU requires SpaceX to use property described in the MOU in a manner that complies with applicable laws and regulations and to make commercially reasonable efforts to avoid the creation of public or private nuisances that would substantially or unreasonably impact or interfere with the Port's (or its tenants' and users') use of Port property and facilities.

9. **Consideration and ACTION to authorize Port Director & CEO to Execute Route Use Agreement with Space Exploration Technologies Corp.**

SpaceX in connection with construction activity taking place along Port Connector Road and Highway 4, requested that the BND authorize certain vehicular traffic through the BND's North Gate to minimize safety issues associated with heavy traffic moving along State Highway 4. This agreement authorizes SpaceX-related vehicles, including its contractors, subcontractors, vendors, suppliers, and carriers, to use the BND-designated Port roadways and the South Port Connector Road as an authorized route for deliveries and project traffic traveling to or from SpaceX facilities and job sites along State Highway 4. The agreement provides for SpaceX to pay route fees of $15.00 per recorded vehicle in addition to the standard $4.00 Port entry fee per vehicle per day.

Commissioner Reed moved to approve Items 7(2)-(3), 8, and 9, as presented, Commissioner Gutierrez seconded, and the motion passed unanimously.

10. **Consideration and ACTION to accept proposal from B2Z Engineering to perform Geotechnical Engineering Services on Cargo Docks I 0 through 13 for the installation or new Bollards.**

On October 6, 2026, BND staff received from B2Z Engineering the proposal for the geotechnical engineering services in support of the proposed mooring piles and bollard improvements at Cargo Docks 10 through 13. Geotechnical exploration is intended to provide subsurface information extending below the anticipated pile tip elevation and to develop geotechnical design parameters for the proposed deep foundation system. The scope of work consists of three (3) borings, each to approximately 160 feet deep. The total fee for proposal is $95,000.00. Commissioner Garcia moved to approve the proposal as presented, Commissioner Reed seconded, and the motion passed unanimously.

11. Consideration and ACTION to Approve the Purchase of Internet and Phone Services from SmartCom Pursuant to TIPS COOP contract #260105.

Staff is requesting the Board of Commissioners consider and approve the purchase of Internet and Phone services from SmartCom pursuant to TIPS Coop contract #260105. Our current Internet Service Provider (ISP) has consistently underperformed in both service quality and connectivity reliability. Although we are subscribed to a 500 Mbps Internet plan, end users are receiving approximately 120 Mbps, significantly below the expected service capacity. This performance gap negatively impacts network efficiency, user productivity, and the reliability of daily business operations. The ongoing connectivity issues and inconsistent service levels indicate that our current provider is not meeting the organization's Internet performance requirements. Transitioning to a local provider represents a significant upgrade in service quality and overall network performance. In addition to Internet service, our current ISP bundles Voice over Internet Protocol (VoIP) telephone services and dedicated analog lines used for critical systems, including fax and alarm communications. Moving to a local provider is expected to improve Internet performance, provide more responsive technical support, and deliver substantial cost savings while maintaining these essential communication services. As part of this transition, staff is also reviewing available network redundancy option~ to help maintain connectivity and minimize operational disruptions when primary Internet services experience an outage. This approach will strengthen overall telecommunications reliability, support business continuity, and provide a more cost-effective solution for the organization's current and future needs. Commissioner Garcia moved to approve item as presented, Commissioner Gutierrez seconded, and the motion passed unanimously.

EXECUTIVE SESSION

12.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. Consultation with attorneys regarding legal issues associated with legislation relating to District powers and authorities (§ 551 .071).

Commissioner Reed moved to adjourn into executive session, Commissioner Villarreal seconded, and the motion passed by unanimous consent at 6:24 p.m.

Chairman Lopez reconvened the meeting in open session at 7:37 p.m.

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

Chairman Lopez recalled Item 6. Commissioner Reed made a motion to table the MOU and to direct BND staff to work with Rio Grande Council to explore ways that the POB can support the boy scouts, Commissioner Gutierrez seconded, and the motion passed unanimously.

a. Action, if any, relating to Item 12(a).

Commissioner Villarreal moved to authorize staff and legal counsel to proceed as discussed in executive session, Commissioner Garcia seconded, and the motion passed unanimously.

14. Adjournment.

Commissioner Villarreal moved to adjourn the meeting, Commissioner Garcia seconded, and the meeting was adjourned by unanimous consent at 7:39 p.m.

Sergio Tito Lopez
Chairman of the Board

ATTEST

John Reed, Secretary