

I N D E X

PORT COMMISSION
OF THE
PORT OF HOUSTON AUTHORITY
OF THE PORTS OF HARRIS COUNTY, TEXAS
November 11, 2025

Minute No.

Event/Action

General

Chairman Campo convened the in-person and virtual Port Commission meeting and provided opening remarks along with Port Commissioners

Staff Reports

2025-1111-01 Charlie Jenkins, Chief Executive Officer, presented a summary of selected financial and operational matters

D. Appearances

2025-1111-02(a) Chairman Campo introduced Meghan Riley, Earthjustice Gulf Office, who addressed the Port Commission

2025-1111-02(b) Chairman Campo introduced Juliana Hernandez, Air Alliance Houston, who addressed the Port Commission

2025-1111-02(c) Chairman Campo introduced Keva St. Fort, who addressed the Port Commission (via Webex)

E. Strategy

2025-1111-03 Staff Report – Selected agenda items – Candice Armenoff, Chief Strategy Officer

2025-1111-04 Approve and adopt the proposed amendment to the Strategic Plan 2025

F. Finance

2025-1111-05 Staff Report – Selected agenda items – Tim Finley, Chief Financial Officer

2025-1111-06 Adopt the proposed Fiscal Year 2026 Operating and Capital Budget

2025-1111-07 Staff briefing and discussion regarding the proposed Five-Year Operating and Capital Plan

Minute No.

Event/Action

G. Operations

2025-1111-08 Staff Report – Selected agenda items – Ryan Mariacher, Chief Port Operations Officer

2025-1111-09 Approve increases in Port Authority tariff charges, including dockage, wharfage, throughput charges, container storage rates, container crane and private crane rental rates, water hookup rates, freight handling rates, and miscellaneous other charges as follows: (i) increases equal to the sum of a 2.7% increase in the Consumer Price Index average for the 12-month period ending July 2025, as published by the U.S. Bureau of Labor Statistics, and a 1.79% increase based on the anticipated effects of the wage scale and working condition change contained in the labor contract(s) affecting those terminals for a combined increase of 4.49% for Tariff 14 (Barbours Cut Container Terminal) and Tariff 15 (Bayport Container Terminal); (ii) 2.7% increases for Tariff 8 (Houston Ship Channel and Public Owned Wharves), (iii) 2.7% increases for the Harbor Fee, and (iv) 2.7% increases for the Port Security Fee, such increased charges to be included and published in Port Authority Tariff Nos. 8, 14, and 15 effective January 1, 2026

H. Channel Infrastructure

2025-1111-10 Staff Report – Selected agenda items – Lori Brownell, Chief Channel Infrastructure Officer

2025-1111-11 Approve a cost-share agreement with the U.S. Army Corps of Engineers – Galveston District to initiate the navigation feasibility study for “Project 12,” the next Houston Ship Channel improvement project

I. Recess Open Meeting and Convene Executive Session

J. Reconvene Open Meeting

K. Closing Remarks by Chairman and Commissioners

L. Adjourn Meeting

**Port of Houston Authority
Port Commission Public Meeting**

**Houston, Texas
November 11, 2025**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on November 11, 2025, at 9:15 a.m., at the Port of Houston Authority Executive Offices, Fourth Floor Boardroom, at 111 East Loop North, Houston, Texas 77029, and via Cisco WebEx. The following commissioners, staff, and counsel were present:

Ric Campo, Chairman
Wendy Cloonan, Commissioner
Stephen DonCarlos, Commissioner
Clyde Fitzgerald, Commissioner
Roland Garcia, Commissioner
Thomas Jones, Commissioner
Charlie Jenkins, Chief Executive Officer
Erik Eriksson, Chief Legal Officer
Jessica Shaver, Chief Administration Officer
J. Kent Friedman, outside counsel

Chairman Campo began his opening remarks by noting that the meeting coincided with Veterans Day. He recognized that a number of Port Authority employees were veterans and expressed appreciation to them, and to all members of the military, for their service to the nation.

Chairman Campo then reported that the Port Authority hosted the annual Middle School Maritime Field Day the previous Friday, in partnership with the Houston Pilots, San Jacinto College, Port Houston Partners in Maritime Education, and the U.S. Coast Guard Auxiliary. A total of 288 students representing 16 middle schools from six area school districts participated in the event.

Chairman Campo explained that the field day was designed to reach students before they select their high school Career and Technical Education (CTE) endorsements, allowing them to explore career pathways in the maritime industry. He noted that this marked the second year the Port Authority had held the event.

Chairman Campo described the interactive nature of the program, stating that students rotated through six activity stations featuring virtual and augmented reality demonstrations, firefighting and aquatic safety exercises, and vessel tours aboard Texas A&M Galveston's Trident and the Port Authority's M/V Sam Houston. He added that teachers and students also received information about high school and college programs that prepare individuals for careers in maritime, logistics, and supply chain fields.

Chairman Campo remarked that the Maritime Field Day was one of many outreach efforts undertaken by the Port Authority to introduce young people to maritime careers and stated that the event was again a clear success. He thanked Port Authority staff and partners

for their work in organizing and supporting the program.

Chairman Campo concluded by noting that the day's Port Commission meeting was primarily focused on the Port Authority's proposed 2026 budget and stated that he looked forward to the upcoming presentation.

(2025-1111-01) Charlie Jenkins, Chief Executive Officer, presented a summary of selected financial and operational matters:

Mr. Jenkins began his remarks by building on the Chairman's comments regarding the Middle School Maritime Field Day, noting that the event reflected the Port Authority's focus on developing the future maritime workforce. He stated that, in addition to workforce-focused outreach, the Port Authority also recently hosted an event centered on industry engagement and thought leadership.

Mr. Jenkins reported that the Port Authority hosted the fourth annual Houston International Maritime Conference (HIMC) the previous week, which brought together maritime and logistics professionals from across the industry. He stated that the conference was well attended, with nearly 700 guests participating. The conference program featured a diverse and high-profile group of speakers, including a fireside chat between Captain Richard Phillips and Eric Casey, Chief Operating Officer, during which Captain Phillips shared his experience of being held hostage by pirates and his subsequent rescue by members of the military. The Chief Executive Officer of the Panama Canal Authority also addressed the conference, as did Jim Teague of Enterprise Products, along with many other industry leaders.

Mr. Jenkins stated that the conference reinforced the Port Authority's role as a leader in maritime commerce and helped strengthen relationships with industry stakeholders and global partners. He remarked that the event was again a success and commended Port Authority staff for their efforts in planning and executing the conference.

Mr. Jenkins then addressed comments made at the previous Port Commission meeting, held approximately two weeks earlier, regarding the placement of dredged materials for future segments of the Houston Ship Channel Deepening and Widening Project (Project 11). He stated that no decision had yet been made, but that multiple options remained under evaluation, including consideration of community benefits, costs, and operational impacts, and emphasized that the process required time and careful analysis. These segments of Project 11 were not expected to be fully designed or advertised for construction until 2027.

Mr. Jenkins stated that once the options were fully vetted, the Port Authority would be involved in the final decision-making process and was committed to transparency,

including meeting with surrounding communities and their elected officials. He further emphasized the Port Authority's commitment to making the appropriate decision for the public and the project, in full compliance with all applicable state and federal guidelines.

Mr. Jenkins concluded by noting that a more detailed update on cargo volumes for October 2025 would be provided later in the meeting. He shared that, preliminarily, volumes for the month were very strong and stated that the Port Authority's terminal teams continued to deliver operational excellence, which was reflected in the performance results.

Commissioner Garcia shared the success of a trade mission he attended in Taipei and Tokyo. The Port Authority received plenty of accolades from the presentations put together by Mr. Jenkins and Mr. Moseley.

(2025-1111-02) Appearances

(a) Chairman Campo recognized Meghan Riley, Eathjustice Gulf Office, who addressed the Port Commission.

Ms. Riley stated that she appreciated the Port Commission's discussion of the budget, noting that budget decisions help set the future direction of the Port Authority. She commented specifically on the Port Authority's five-year investment plan and operating budget, stating that planned investments in equipment and fuel directly affect air quality and, by extension, community health.

Ms. Riley stated that the type of equipment and fuel selected by the Port Authority would influence the amount of air pollution affecting surrounding communities. She urged the Port Authority to prioritize investments in zero-emission equipment, particularly electric equipment, as well as the infrastructure needed to support such equipment and fleet electrification.

Ms. Riley stated that transitioning to electric equipment could help reduce air pollution and improve air quality in nearby communities. She further noted that electricity costs can be lower than diesel fuel over time, which could result in long-term cost savings. Ms. Riley acknowledged that these investment decisions were complex but stated that they were critical for the future of communities surrounding the Port Authority.

Ms. Riley concluded by referencing the Port Authority's Clean Air Strategy and its goal of achieving carbon neutrality by 2050.

(b) Chairman Campo recognized Juliana Hernandez, Air Alliance Houston, who addressed the Port Commission.

Ms. Hernandez stated that she was addressing the Port Commission regarding the Strategic Plan update, noting that the organizations she represented were identified in the plan as partners or engaged stakeholders. She stated, however, that after reviewing the plan, the organizations did not feel that their priorities were adequately reflected.

Ms. Hernandez referenced several initiatives, including the Clean Air Strategy, goods movement, the Energy Transition and Sustainability goals, the Clean Ports Program, and Project 11. She stated that the organizations considered themselves stakeholders due to the proximity of their communities to Port Authority operations and the fact that residents lived and worked in the surrounding areas.

Ms. Hernandez stated that the organizations had worked to remain engaged throughout the planning process and expressed concern that issues such as air pollution, electrification, and environmental impacts affecting surrounding communities were not sufficiently addressed in the Strategic Plan update. She stated that the organizations hoped their perspectives and priorities would be more explicitly considered in future updates to the Strategic Plan.

Ms. Hernandez thanked the Port Commission for the opportunity to provide public comment.

(c) Chairman Campo recognized Keva St. Fort, who addressed the Port Commission.

Ms. St. Fort stated that she was again addressing the Port Commission to urge the Port Authority to commit to greater transparency regarding the impacts of its projects on surrounding communities. Community members deserved clear and understandable information about how Port Authority projects affected their neighborhoods, both currently and in the future.

Ms. St. Fort expressed concern that information provided to the community consisted primarily of summaries of completed activities and highly technical materials that were difficult for residents to interpret. This approach did not adequately address community questions regarding environmental impacts, including air and water quality, emissions, and the safety of dredged materials associated with Project 11.

Ms. St. Fort stated that, in her view, there had been insufficient disclosure regarding the environmental impacts of Project 11 and the broader port expansion. She expressed concern about the lack of plain-language explanations regarding the role of the U.S. Army Corps of Engineers, the handling of dredged materials, and whether hazardous materials could affect nearby communities.

Ms. St. Fort stated that, when community members raised these concerns, they were often told that their information was incomplete or inaccurate, which she attributed to inadequate communication. She believed community engagement efforts to date had been insufficient and urged the Port Authority to provide clearer, more accessible information on environmental conditions and project impacts.

Ms. St. Fort further commented on the agenda item related to the feasibility study for Project 12, stating that community members continued to seek additional information regarding Project 11. She urged the Port Authority to improve communication and transparency moving forward and to avoid repeating past shortcomings in future projects.

Ms. St. Fort concluded by thanking the Port Commission for the opportunity to provide public comment.

(2025-1111-03) Chairman Campo recognized Candice Armenoff, Chief Strategy Officer, to provide a report of selected Strategy agenda items.

Ms. Armenoff stated that she was present to introduce the revised Strategic Plan for the Port Authority. She reminded the Port Commission that, at the same time the previous year, the Port Commission approved the 2025 Strategic Plan update, which included a new mission, vision, goals, and objectives. She explained that the update served as the required five-year review under the Texas Special District Local Laws Code and also represented an appropriate timeframe to refresh the Port Authority's strategic direction.

Ms. Armenoff reported that since adoption of the 2025 Strategic Plan, the Port Authority had experienced both new challenges and opportunities, including changes in executive leadership and organizational structure, as well as evolving market conditions. She stated that in order to maintain the Port Authority's competitive advantage, these developments warranted recognition and incorporation into future planning efforts.

She explained that Revision 1.0 of the Strategic Plan 2025 Update was developed to strengthen alignment and execution in support of the Port Authority's strategic goals. Ms. Armenoff noted that the Port Commission was briefed on the final draft of Revision 1.0 at the October 2025 Port Commission meeting and that the amended plan reflected both formal and informal feedback received from stakeholders during development of the 2025 plan and since its adoption in November 2024.

Ms. Armenoff stated that, guided by its Strategic Plan, the Port Authority continued to proactively prepare for emerging opportunities and challenges while balancing short-term flexibility with long-term stability. She added that Revision 1.0 further enhanced alignment, execution, and advancement of the Port Authority's mission and vision.

Mr. Jenkins remarked that there were hundreds of organizational targets that staff worked on across all of the groups to better meet the purpose of creating jobs the right way, and that the targets all support and drive execution on the eleven that were put before the Port Commission for approval.

(2025-1111-04) RCA EI was presented, moved by Commissioner Jones, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, DonCarlos, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA EI PASSED.

(2025-1111-05) Chairman Campo recognized Tim Finley, Chief Financial Officer, to provide a report of selected Finance agenda items.

Mr. Finley greeted those present and referenced the meeting materials previously distributed to the Port Commission and displayed on the screen. He advised that no property tax revenues were included in the operating budget, as those revenues were used exclusively for debt service on the Port Authority's outstanding general obligation bonds. He noted that debt service on the Port Authority's revenue bonds was fully supported by net operating revenues. Mr. Finley further stated that expenditures over \$100,000 would continue to be brought to the Port Commission for approval. For purposes of the budget presentation, he explained that comparisons for the 2026 budget were made against the 2025 reforecast, which reflected nine months of actual results and three months of the original budget.

Mr. Finley began with an executive overview of the proposed 2026 budget. He reported projected operating revenue of \$726 million, representing an increase of 4.8% driven by anticipated cargo growth and tariff adjustments. He stated that approximately one-half of projected expenses were related to personnel, including salaries and benefits, headcount growth, continuation of the merit and short-term incentive programs, and labor rate increases.

Mr. Finley explained that other spending increases reflected focused investment in support of strategic initiatives. Capital awards totaling \$534 million were budgeted for 2026, with container terminals representing approximately 76% of the planned investment. Project 11 awards were estimated at \$35 million. He noted that the Port Authority's liquidity outlook indicated sufficient cash to fund the 2026–2030 capacity expansion program while maintaining a stable financial position, although shortfalls were projected to begin with the next major container terminal project.

Mr. Finley reviewed projected cargo volumes for 2026. He stated that container terminal units were anticipated to grow by 2.5%, with export and import loads increasing by 2.5% and 1.8%, respectively. Total container volumes were projected at approximately 4.351 million twenty-foot equivalent units (TEUs). Steel tonnage was expected to grow by

2%, primarily from imports of coils and slabs for manufacturing. Dry bulk tonnage was projected to increase by 7%, and other general cargo tonnage was expected to increase by 9%, driven by imports of bulk cement, aggregates, project cargo, aluminum, and bagged cement.

Mr. Finley referenced the income statement summary, which compared the 2024 audited results, the 2025 reforecast, and the proposed 2026 budget. He reported that revenue growth in 2025 increased by approximately 9% through October. For 2026, operating revenue was projected to increase by approximately 5% to \$726 million, while net operating cash flow was projected to increase by approximately 0.3%. Mr. Finley stated that overall cash flow remained healthy.

Mr. Finley then provided a detailed revenue analysis, noting that total revenues consisted of \$726 million in operating revenue and \$70 million in non-operating revenue. He explained that non-operating revenue included interest income, which was projected to decline, as well as grant funding. He stated that container operations accounted for approximately 76% of operating revenue, representing a 5% increase driven largely by unit growth and tariff adjustments.

Revenue from multipurpose facilities was projected to increase by approximately 6 percent. The increase in the operating budget from \$693 million in 2025 to \$726 million in 2026 was primarily attributable to anticipated container volume growth and tariff increases.

Mr. Finley also presented a detailed expense analysis. Operating expenses and general and administrative expenses were budgeted at \$421 million and \$90 million, respectively. Non-operating expenses, consisting primarily of interest payments on revenue-backed debt, were projected at \$29 million. Approximately one-half of operating expenses were attributable to salaries and benefits for Port Authority employees and International Longshoremen's Association (ILA) labor. Overall expenses were projected to increase by approximately 10% in 2026.

Depreciation comprised a significant portion of operating expenses, with additional increases associated with maintenance and capacity support items such as wharf cranes, road equipment, and software.

Regarding the \$18 million increase in general and administrative expenses, Mr. Finley provided a line-item breakdown. He explained that base business costs, including software maintenance, licenses, and depreciation, accounted for a 6.3% increase. Strategic and community initiatives, including container terminal strategies, the Clean Ports Program, and economic development and community support, increased by approximately 8%. Headcount, merit increases, and medical costs increased by approximately 3.7%. Mr. Finley stated that, in total, G&A expenses increased by approximately 2% from 2025;

however, grant-funded expenditures were expected to offset a portion of the increase, resulting in a net increase of approximately 1.6%, or \$15 million.

Mr. Finley noted that the Promotion and Development Fund, previously approved by the Port Commission, was incorporated into the budget figures presented.

Mr. Finley reported that the Port Authority had a current headcount of 831 employees, with 59 open positions as of the end of September. The proposed 2026 budget included the addition of 30 new positions, resulting in a total headcount of 920 when fully staffed.

Commissioner Garcia inquired whether executive search firms would be utilized to fill the newly created positions. Mr. Jenkins responded that the Port Authority would first seek to promote from within. He stated that while some highly specialized positions might require external assistance, staff would prioritize internal recruitment before engaging outside firms.

Mr. Finley continued his presentation with an overview of the capital plan. He stated that strategic projects accounted for approximately 47% of planned capital expenditures, while recapitalization represented approximately 38%. Project 11 accounted for approximately 6% of the capital plan, although the Port Authority anticipated the potential to reduce costs through work-in-kind credits. He noted that the budget reflected a conservative, worst-case scenario.

Chairman Campo asked why channel maintenance was included in the capital section. Mr. Finley explained that channel maintenance was capitalized and therefore not treated as an operating expense.

Commissioner DonCarlos asked about the impact of tariffs on the budget. Mr. Finley stated that any reimbursement received by the Port Authority related to tariffs paid on cranes would be returned to the Port Authority's reserves.

Mr. Jenkins added that staff would return to the Port Commission with a budget amendment should significant additional funds be obtained. He further stated that if new tariffs were imposed, staff would similarly seek Port Commission approval for any resulting increase in spending authorization.

Mr. Finley provided additional detail regarding capital expenditures. He stated that the \$7 million real estate budget line item was intended to allow for opportunistic acquisitions during the year. The information technology line item supported asset management and costs associated with the NexGen enterprise resource planning (ERP) project.

Commissioner Garcia asked about the Project 11 capital line item. Mr. Finley reiterated that the amount represented the Port Authority's cost share and again noted the potential for cost savings through work-in-kind credits.

Mr. Finley then detailed the capital plans for the container terminals. At Bayport Container Terminal, the budget included construction of Wharf 1 in the amount of \$165 million, as well as the Bayport South Access Road, ship-to-shore crane purchases, and ILA parking improvements. At Barbours Cut Container Terminal, the capital plan included construction of Wharfs 5 and 6, along with ship-to-shore crane purchases for Wharfs 4, 5, and 6.

Mr. Finley concluded the capital plan discussion by outlining projects at the Turning Basin Terminal, including rehabilitation of City Docks 9, 16, and 20–21, and at the Manchester Terminal, including construction of Wharf M2 and design of Wharf M3.

Mr. Finley reviewed the Port Authority's liquidity projections, noting that the Port Authority was expected to maintain a stable liquidity position while investing in capacity expansion and recapitalization and while providing required debt service coverage for Project 11 bonds. He stated that approximately \$592 million in operating cash was projected to be available in 2026 and that the Port Authority's funding obligations for Project 11 were expected to conclude in 2028.

Mr. Finley explained the concept of award capacity, defined as the governing body's ability to appropriate funds for projects throughout the year. He stated that award capacity included the ability to award against the Port Authority's \$300 million extendable commercial paper facility, which functions similarly to a letter of credit. He noted that no draws were anticipated, as the Port Authority remained in a strong financial position.

Mr. Finley summarized the key takeaways from the budget presentation. He stated that the Port Authority's financial outlook for 2026 was stable and supported by modest cargo growth and continued operational excellence across the organization. Container unit growth was projected based on industry and market indicators, alongside stable steel import volumes. Capital plans continued to focus on container capacity expansion and general cargo facility redevelopment. He emphasized that the Port Authority's liquidity position remained sound, with favorable cash balances under the stated business assumptions.

Mr. Finley then provided an overview of the five-year financial plan. He stated that, assuming container unit growth of 4% and multipurpose cargo growth of 3%, operating revenues were projected to increase by approximately 5% across the planning horizon, while net operating cash generation was projected to grow by approximately 7%. He noted that net operating income trends were influenced by depreciation associated with capacity additions, as well as Port Authority and ILA compensation costs.

Mr. Finley stated that capital awards were anticipated to decrease in 2027 before rebounding in 2028 and 2029 associated with the projected expansion into Bayport East. Award capacity remained stable across the five-year horizon, and the Port Authority was well positioned following 2026. As the Port Authority moved into the 2030s and began planning for the next container terminal and Project 12, he noted that the need for external financing would emerge.

Mr. Finley concluded his presentation by thanking staff for their work in preparing the detailed budget, specifically recognizing the Financial Planning team led by David Jochneau, Director of Financial Planning, with support from Katrina Stewart, Budget Manager, and David Dupre, Business Analyst.

Commissioner Jones asked about the Port Authority's current exposure to tariff rates. Mr. Jenkins responded that, while the Port's current exposure stood at approximately 45%, tariff conditions were changing frequently and noted that a Supreme Court case was pending on two of the three potential tariff exposures. Mr. Jenkins added that the Port Authority's tariff exposure on the wharf cranes had previously been as high as 170%.

Commissioner Fitzgerald asked how future cargo growth could be projected given the uncertainty created by tariff volatility. Mr. Jenkins responded that while cargo volumes nationwide were down approximately 6%, the Port Authority's volumes were up approximately 6%. He stated that the Port Authority had been the fastest-growing port in the nation for ten consecutive years and had grown four times faster than the other top ten container ports. He noted that the Port Authority's growth was closely tied to regional and statewide economic performance.

Chairman Campo remarked that domestic migration into Texas remained strong. He noted that Texas' population growth was supported by both migration and a positive birth-to-death ratio, which continued to drive job demand and economic expansion in the region.

Commissioner Garcia asked whether other ports were experiencing similar growth rates. Mr. Jenkins responded that they were not, stating that the Port Authority's container business generated jobs within Texas and that its supply chain and market dynamics were unique.

Chairman Campo added that the Port Authority benefited from both maritime and distribution commerce, supporting a broad range of employment opportunities. He observed that while cargo arriving at East and West Coast ports often moved inland, cargo arriving in Texas tended to remain within the region.

Mr. Finley added that, for purposes of the 2026 budget, the Texas economy was projected to grow by approximately 3 percent, compared to national growth of less than 2 percent.

Chairman Campo concluded by noting that cities such as San Francisco and Los Angeles had not yet recovered all jobs lost during the COVID-19 pandemic, while Texas had added millions of jobs during the same period.

(2025-1111-06) RCA F1 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, DonCarlos, Fitzgerald, Garcia, and Jones, voted Aye. Nays none. RCA F1 PASSED.

(2025-1111-07) RCA F2 was presented, "Staff briefing, discussion, and possible action regarding the proposed Five-Year Operating and Capital Plan."

(2025-1111-08) Chairman Campo recognized Ryan Mariacher, Chief Port Operations Officer, to provide a report of selected Port Operations agenda items.

Mr. Mariacher began by noting that the agenda included a recommendation regarding the Port Authority's proposed 2026 tariff rate increases. He provided an update on recent cargo activity, reporting that total tonnage at the Port Authority's public facilities was up approximately 6 percent. He stated that the Port Authority had handled more than 46 million tons of cargo, which he described as a notable performance given current market conditions.

Mr. Mariacher reported that multipurpose facilities had experienced a slight decline in activity during the month but remained up just over 3% on a year-to-date basis. He stated that overall performance remained consistent with the prior month's update, holding at approximately 2% below earlier projections. Dry bulk growth slowed somewhat in October but remained up nearly 7% for the year. Liquid bulk volumes increased slightly for the month but remained down approximately 5% on a year-to-date basis.

Mr. Mariacher noted that breakbulk cargo experienced a significant rebound during the month, with tonnage increasing by more than 21%. He stated that activity at the Northside Turning Basin exceeded forecasts and contributed to the increase.

Mr. Mariacher reported that container volumes experienced a notable increase during the month compared to both September and the prior year. He stated that loaded twenty-foot equivalent unit (TEU) volumes were up approximately 5.6% and total TEU volumes were up nearly 6%. Exports continued to be a primary driver of growth, increasing by more than 9% on a year-to-date basis.

Mr. Mariacher acknowledged that uncertainty remained in the market, particularly on the import side; however, he stated that the Port Authority continued to demonstrate resilience in overall performance.

Mr. Mariacher then returned to the agenda item regarding rate adjustments. He stated that staff recommended a general rate increase of 2.7% for Tariff 8 and a 4.49% increase for Tariffs 14 and 15. He explained that the 2.7% increase was based on the July Consumer Price Index.

Mr. Mariacher further stated that the recommended rate adjustments included an additional uplift to offset increasing labor rates contained in labor agreements. He added that staff also recommended increases to harbor and security fees.

(2025-1111-09) RCA G1 was presented, moved by Commissioner Cloonan, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Cloonan, DonCarlos, Fitzgerald, Garcia, and Jones, voted Aye. Nays none. RCA G1 PASSED.

(2025-1111-10) Chairman Campo recognized Lori Brownell, Chief Channel Infrastructure Officer, to provide a report of selected Channel Infrastructure agenda items.

Ms. Brownell introduced an agreement with the Army Corps of Engineers to initiate the navigation feasibility study for the next Houston Ship Channel improvement project, Project 12, in an amount not to exceed \$49,999.

Ms. Brownell provided background on the request, noting that the Water Resources Development Act of 2024 authorized the feasibility study for Project 12. She stated that the Port Authority intended to serve as the sole non-federal sponsor of the study, which would be cost-shared with the Army Corps of Engineers and conducted in three distinct phases. The request before the Port Commission addressed Phase One of the study.

She explained that Phase One included initiation of the feasibility study cost share, development of the required agreement, preparation of the project management plan, and commencement of the study scoping process. Phase Two would involve development of the full study scope, and Phase Three would consist of completion of the feasibility study in the form of a Chief's Report.

Ms. Brownell noted that staff would return to the Port Commission with requests for approval of subsequent phases, should the work proceed. Costs for Phases Two and Three would depend on the size and complexity of the project and would be refined as the study scope was developed.

Mr. Jenkins added that the process for a deepening and widening project took a long time, and it would likely be ten years before construction would begin on Project 12. The current timeline for Project 12 aligned with the Coastal Spine hurricane protection project. He concluded by emphasizing that Project 12 was much bigger in scope than Project 11.

(2025-1111-11) RCA H1 was presented, moved by Commissioner Don Carlos, seconded by Commissioner Jones. Chairman Campo, and Commissioners Cloonan, DonCarlos, Fitzgerald, Garcia, and Jones, voted Aye. Nays none. RCA H1 PASSED.

At 10:41 a.m. Chairman Campo called for a brief recess, and at 10:54 a.m. called for an Executive Session and asked Mr. Eriksson to make the following announcement:

The Port Commission of the Port of Houston Authority of Harris County, Texas will now convene in a closed meeting, as permitted by the Texas Open Meetings Act and Government Code, to conduct a consultation with attorneys (*Section 551.071, Open Meetings Act*), including consultations regarding 33 U.S.C.A. §§5(b) and 2236, and Water Code Chapter 60 subchapter O, and deliberate regarding (i) real estate (*Section 551.072, Open Meetings Act*), including deliberation regarding disposition of Galveston Bay vicinity property; (ii) economic development negotiations or incentives (*Section 551.087, Open Meetings Act*); (iii) employment and evaluation of public employees (*Section 551.074, Open Meetings Act*), and (iv) security-related matters (*Section 551.076, Open Meetings Act and Sections 418.175-418.183, Government Code*). The Port Commission will reconvene in public session after the closed meeting is adjourned.

At 11:40 a.m., Chairman Campo reconvened the open meeting with the following Commissioners, staff, and counsel in attendance:

Ric Campo, Chairman
Wendy Cloonan, Commissioner
Stephen DonCarlos, Commissioner
Clyde Fitzgerald, Commissioner
Roland Garcia, Commissioner
Thomas Jones, Commissioner
Charlie Jenkins, Chief Executive Officer
Erik Eriksson, Chief Legal Officer
Jessica Shaver, Chief Administration Officer
J. Kent Friedman, outside counsel

At 11:40 a.m., Chairman Campo adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the November 11, 2025 meeting of the Port Commission of the Port of Houston Authority.

A handwritten signature in black ink, appearing to read 'Ric Campo', with a long horizontal flourish extending to the right.

Ric Campo, Chairman

A handwritten signature in black ink, appearing to read 'Erik A. Eriksson', with a long horizontal flourish extending to the right.

Erik A. Eriksson, Secretary

E. STRATEGY

Subject	1. Approve and adopt the proposed amendment to the Strategic Plan 2025.
Meeting	Nov 11, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its November 11, 2025 meeting, approve and adopt the proposed amendment to the Strategic Plan 2025 Update, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
General

Department:
Corporate Strategy

Staff Contact:
Candice Armenoff

Background:
Section 5007.221 of the Texas Special District Local Laws Code requires of the Port Authority that:

- (a) Appropriate staff shall develop a long-range plan containing:
 - a mission and values statement;
 - an assessment of the Port Authority’s state as of the date of the plan;
 - an assessment of the projected operating environment over the course of the long-range plan;
 - a discussion of high-level goals, strategies, and priorities;
 - a scheme for ongoing evaluation of progress toward stated goals, including performance measures; and
 - other strategic planning elements, as considered appropriate by the staff or Port Commission.
- (b) The Port Commission shall establish a planning horizon of at least ten years for the long-range plan;
- (c) The staff shall identify and collaborate with stakeholders to obtain input on the long-range plan; and
- (d) The Port Commission may amend and shall adopt the plan and any updates to the plan in an open meeting.

The Port Authority is also required, by Section 5007.221(f) of the Code, to re-evaluate its long-range and strategic plans every five years, or more frequently if conditions warrant it.

By Minute No. 2024-1112-08, the Port Commission approved and adopted the Strategic Plan 2025 Update - Mission, Vision, Strategic Goals, and Objectives.

Since the 2025 update’s adoption, the Port Authority has experienced new challenges and opportunities, including a change in executive leadership and organizational structure as well as evolving market conditions. In order to maintain its competitive advantage, these changes warrant recognition and inclusion in planning the Port Authority’s future. This amendment to the Strategic Plan 2025 Update strengthens alignment and execution to better support the strategic goals.

Staff Evaluation/Justification:

The Port Commission was provided the final draft of this amendment to the 2025 Strategic Plan at the October 27, 2025 Port Commission meeting. The amended plan reflects formal and informal feedback received from stakeholders during the development of the 2025 plan development and since its adoption in November 2024.

Staff recommends to the Port Commission that the proposed amendment to the 2025 Strategic Plan be approved and adopted.

F. FINANCE

Subject	1. Consideration and possible action regarding the proposed Fiscal Year 2026 Operating and Capital Budget.
Meeting	Nov 11, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its November 11, 2025, meeting, consider and take possible action regarding the proposed Operating and Capital Budget for Fiscal Year 2026, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Finance

Staff Contact:

David Jochnau/Tim Finley

Background:

The Texas Special District Local Laws Code includes the following requirements for the Port Authority:

Sec. 5007.223. BUDGET. The port commission shall annually adopt a budget for the authority in an open meeting.

Sec. 5007.224. ONE-YEAR CAPITAL PLAN.

- Appropriate staff shall develop a one-year capital plan, including associated financing that is integrated with the budget of the authority.
- The port commission shall adopt the one-year capital plan in an open meeting.
- The port commission shall establish and document a detailed process for the analysis and approval of a project proposed for inclusion in the one-year capital plan. A project may be included in the one-year capital plan only if it is approved in accordance with that process.

A proposed Operating Budget has been developed by staff to guide it in the operation and management of Port Authority facilities and activities for Fiscal Year 2026. In addition, staff has followed its standard process for review and analysis of capital projects and prepared a proposed 2026 Capital Budget to address the most urgent infrastructure needs in line with the Port Authority’s strategic direction, and as required by law.

Staff Evaluation/Justification:

In accordance with its Strategic Planning Policy, the Port Authority has made available to the public by posting on its website the proposed Fiscal Year 2026 Operating and Capital Budget at least seventy-two hours prior to this meeting.

Staff recommends that the proposed Operating and Capital Budget be adopted for Fiscal Year 2026.

F. FINANCE

Subject	2. Staff briefing, discussion, and possible action, regarding the proposed Five-Year Operating and Capital Plan.
Meeting	Nov 11, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its November 11, 2025 meeting, conduct a staff briefing and discussion, and take possible action, regarding the proposed Five-Year Operating and Capital Plan, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Finance

Staff Contact:

David Jochnau/Tim Finley

Background:

The Texas Special District Local Laws Code includes the following requirements for the Port Authority:

Sec. 5007.222. MID-RANGE PLANNING.

- a. Appropriate staff shall develop a mid-range plan consistent with the long-range plan. The mid-range plan must include:
 - 1. a five-year financial forecast addressing the financial needs and financing options of the authority for the five-year period, with information about the relative cost of the options;
 - 2. a five-year capital plan, including a preliminary analysis and prioritization of projects; and
 - 3. other detailed action plans as the port commission or staff finds necessary to achieve the goals of the mid-range plan or long-range plan.
- b. The staff shall present the mid-range plan in an open meeting of the port commission. The port commission is not required to adopt a mid-range plan.

A proposed Five-Year Operating and Capital Plan has been developed by staff for the years 2026-2030 as required by law

Staff Evaluation/Justification:

In accordance with its Strategic Planning Policy, the Port Authority has made available to the public by posting on its website the proposed Five-Year Operating and Capital Plan at least seventy-two hours prior to this meeting.

Staff requests that the Port Commission conduct a staff briefing and discussion regarding this matter.

G. OPERATIONS

Subject	1. Approve increases in Port Authority tariff charges, including dockage, wharfage, throughput charges, container storage rates, container crane and private crane rental rates, water hookup rates, freight handling rates, and miscellaneous other charges as follows: (i) increases equal to the sum of a 2.7% increase in the Consumer Price Index average for the 12-month period ending July 2025, as published by the U.S. Bureau of Labor Statistics, and a 1.79% increase based on the anticipated effects of the wage scale and working condition change contained in the labor contract(s) affecting those terminals for a combined increase of 4.49% for Tariff 14 (Barbours Cut Container Terminal) and Tariff 15 (Bayport Container Terminal); (ii) 2.7% increases for Tariff 8 (Houston Ship Channel and Public Owned Wharves), (iii) 2.7% increases for the Harbor Fee, and (iv) 2.7% increases for the Port Security Fee, such increased charges to be included and published in Port Authority Tariff Nos. 8, 14, and 15 effective January 1, 2026.
Meeting	Nov 11, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its November 11, 2025 meeting, approve increases in Port Authority tariff charges, including dockage, wharfage, throughput charges, container storage rates, container crane and private crane rental rates, water hookup rates, freight handling rates, and miscellaneous other charges as follows: (i) increases equal to the sum of a 2.7% increase in the Consumer Price Index average for the 12-month period ending July 2025, as published by the U.S. Bureau of Labor Statistics, and a 1.79% increase based on the anticipated effects of the wage scale and working condition change contained in the labor contract(s) affecting those terminals for a combined increase of 4.49% for Tariff 14 (Barbours Cut Container Terminal) and Tariff 15 (Bayport Container Terminal); (ii) 2.7% increases for Tariff 8 (Houston Ship Channel and Public Owned Wharves), (iii) 2.7% increases for the Harbor Fee, and (iv) 2.7% increases for the Port Security Fee, such increased charges to be included and published in Port Authority Tariff Nos. 8, 14, and 15 effective January 1, 2026, and (v) further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Operations

Staff Contact:

Ryan Mariacher

Background:

Port Authority operations must remain cost-effective to meet the increasing demands of the maritime trade and take account of other relevant considerations. Staff anticipates that the cost of operations, including third-party expenses, would in general continue to increase in 2026, as reported by the change in the Consumer Price Index (CPI) for All Urban Consumers (CPI-U), United States city average, measured over a twelve-month period.

Staff Evaluation/Justification:

In view of escalating costs and expense increases and recognizing the need to keep Port Authority terminals competitive and operating at compensatory levels, staff has determined that it is advisable to implement increases in certain tariff charges, including dockage, wharfage, throughput charges, container storage rates, container crane and private crane rental rates, water hookup rates, freight handling rates, and miscellaneous other rates. These 4.49% increases in Tariff 14 and 15 for the container handling facilities, equal to a combination of the CPI increase and the anticipated effects of the wage scale and working condition change contained in the labor contract(s) affecting the container terminals, and 2.7% increases for certain Tariff 8 fees, including those applicable to the multi-purpose facilities, should enable the Port Authority to maintain its facilities and services as a competitive port and continue to meet the needs of its customers.

Staff is also requesting a 2.7% increase in the Harbor Fee per vessel charge provided for in Tariff 8, to continue to permit a fee that is both reasonable and compensates the Port Authority for its expenses relating to safety, and fire prevention and suppression responsibilities. Staff also requests a 2.7% increase for the Port Security Fee provided for in Tariffs 8, 14 and 15, in order to continue to fulfill its responsibilities for security.

Staff recommends the Port Commission approve the above tariff charge increases to take effect January 1, 2026.

H. CHANNEL INFRASTRUCTURE

Subject	1. Approve a cost-share agreement with the U.S. Army Corps of Engineers – Galveston District to initiate the navigation feasibility study for "Project 12", the next Houston Ship Channel improvement project, in an amount not to exceed \$49,999
Meeting	Nov 11, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its November 11, 2025 meeting, approve a cost-share agreement with the U.S. Army Corps of Engineers – Galveston District to initiate the navigation feasibility study for "Project 12", the next Houston Ship Channel improvement project, in an amount not to exceed \$49,999, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Channel Infrastructure Operations

Staff Contact:

Lori Brownell/Leia Wilson

Background:

The Water Resource Development Act (WRDA) of 2024 authorized the feasibility study for the "Project 12", the next Houston Ship Channel improvement project. The Port Authority intends to serve as the non-federal sponsor of the study, which would be cost-shared with the U.S. Army Corps of Engineers (USACE). Port Authority staff would also negotiate an interlocal agreement to provide cooperation and financial assistance from Galveston and Texas City to support this project.

The navigation feasibility study is estimated to cost \$20,000,000 and would be funded in three phases. The Port Authority's cost-share portion is an estimated \$10,000,000, that staff expects to be shared with Galveston and Texas City. The initial kickoff of the feasibility study cost-share for the development of the agreement, project management plan, and initiation of scoping, is an amount not to exceed \$49,999. Staff would bring further study commitments to the Port Commission for future consideration as this work proceeds.

Staff Evaluation/Justification:

Port Authority staff recognize this as the initial and necessary step in continued progress for the Houston Ship Channel.

Staff recommends that the Port Commission authorize the approval to enter into a navigation feasibility cost-share agreement as described above.