

# 2023 BUDGET



Approved by Commission on December 13, 2022

# Forward Looking Statements

*The information in this presentation contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance and achievements to be different from future results, performance and achievements expressed or implied by such forward-looking statements. Readers are cautioned that the actual results could differ materially from those set forth in the forward-looking statements.*



# EXECUTIVE SUMMARY



# 2022 Actuals – Executive Summary

- **2022 Revenue Overperformed Budget**
  - Strong performance in crude exports, break bulk, petroleum products and LNG
  - All refineries have returned to pre-winter storm levels, and refineries have returned to full tariff after 10 years of reduced rates for two refiners
  - PCCA has held crude export share while total US exports have increased – 1.75 mbpd to 1.92 mbpd
- **2022 Expenses lower than Budget**
  - Running roughly 40 heads below budget; partly filling with Temps and OT
  - Less maintenance dredging than planned
  - Lower spending on non-legal professional services



# 2023 Budget – Executive Summary

- 2023 Revenue will increase from 2022 levels
  - 3.49% PPI increase (\$5.1 million)
  - 100k barrel per day increase in crude oil exports (\$3.6 million)
  - Increase in pet coke and barite handling at bulk terminal
  - Increase to full product movements for SDI and GCGV
- 2023 Spending will increase from 2022 levels
  - Increased PS spending – heavy on studies to advance energy transition
  - Increased spending on Maintenance in dredging, oil and cargo docks
  - Increase in employee services to support greater operational demands
  - P&D remains at 3% of revenue, up to \$5.9 million of expense
- 2023 Capital spending will be high after two years of low spending
  - Close out spending on channel dredging and pipeline relocations
  - Strategic and targeted land acquisition in two particular sites
  - Continued infrastructure improvements at Bulk Terminal



# INCOME STATEMENT



# 2023 BUDGET INCOME STATEMENT

	2021 Actual	Prior 12 Months	2022 Projected	2022 Budget	2023 Budget
<b>Operating Revenues</b>					
Wharfage	\$ 83,998,460	\$ 97,279,774	\$ 99,542,772	\$ 87,424,591	\$ 109,177,780
Dockage	20,330,792	26,847,435	28,245,249	20,741,699	28,892,789
Building and Land Rentals	20,398,560	26,601,290	20,766,796	20,697,346	21,936,095
Security	15,240,436	17,627,804	16,840,509	14,477,911	19,641,330
Freight Handling	1,743,533	2,888,015	6,922,579	6,519,149	7,124,057
Dredging Revenue	4,450,401	2,206,235	2,683,223	4,215,739	2,189,588
Rail Charges	2,094,426	1,746,029	3,041,596	2,869,108	3,600,000
Conference Center Services	845,145	1,701,866	1,590,953	1,356,000	1,460,000
All Other Revenue	4,051,238	4,326,770	4,593,647	3,979,509	2,842,799
<b>Operating Revenues</b>	<b>153,152,991</b>	<b>181,225,218</b>	<b>184,227,324</b>	<b>162,281,052</b>	<b>196,864,439</b>
<b>Operating Expenses</b>					
Employee Services	27,545,399	28,668,297	29,522,597	31,662,555	35,439,288
Professional Services	11,220,677	13,562,699	12,251,980	13,067,781	17,253,158
Maintenance	8,604,001	11,111,233	11,163,917	12,416,369	11,067,051
Contracted Services	2,771,293	5,598,056	6,560,005	6,990,343	6,861,459
Promotion and Development	3,812,384	4,457,037	5,000,000	5,000,000	5,900,000
Insurance	2,959,461	3,597,234	3,792,151	3,538,039	4,633,949
Administrative Expenses	2,130,767	3,880,778	3,033,771	3,143,675	4,363,546
Utilities	1,291,651	1,578,146	1,603,492	1,588,316	1,607,391
Operator and Event Expenses	737,260	1,217,047	1,231,984	1,464,000	1,272,000
All Other Expenses	1,916,679	2,178,707	1,903,785	1,945,906	2,471,818
<b>Operating Expenses</b>	<b>62,989,570</b>	<b>75,849,234</b>	<b>76,063,683</b>	<b>80,816,984</b>	<b>90,869,660</b>
<b>EBITDA</b>	<b>90,163,421</b>	<b>105,375,984</b>	<b>108,163,641</b>	<b>81,464,068</b>	<b>105,994,780</b>
<b>Depreciation</b>	<b>21,044,928</b>	<b>24,732,955</b>	<b>22,823,376</b>	<b>18,717,283</b>	<b>27,897,948</b>
<b>EBIT</b>	<b>69,118,493</b>	<b>80,643,029</b>	<b>85,340,265</b>	<b>62,746,785</b>	<b>78,096,832</b>



# 2023 BUDGET INCOME STATEMENT

	2021 Actual	Prior 12 Months	2022 Projected	2022 Budget	2023 Budget
<b>Non-Operating Revenue(Expenses)</b>					
Interest Income	\$ (447,261)	\$ 2,181,434	\$ 4,036,901	\$ 1,000,000	\$ 2,500,000
Other Income	2,554,253	4,523,826	391,333	-	-
Gain(Loss) Sale of Assets	(1,222,380)	1,603,844	3,768,299	-	-
Interest/Bond Issuance Expenses	(12,630,519)	(12,524,112)	(12,510,928)	(12,676,796)	(12,103,629)
Other Expenses	(519,632)	(290,993)	(37,480)	-	-
Hillcrest Expenditures	(47,264)	-	-	-	-
Hillcrest Reimbursement-TXDOT	(318,884)	-	-	-	-
<b>Non-Operating Revenue(Expense)</b>	<b>(12,631,686)</b>	<b>(4,506,001)</b>	<b>(4,351,875)</b>	<b>(11,676,796)</b>	<b>(9,603,629)</b>
<b>Net Income (Loss)</b>	<b>\$ 56,486,806</b>	<b>\$ 76,137,028</b>	<b>\$ 80,988,390</b>	<b>\$ 51,069,989</b>	<b>\$ 68,493,203</b>

<b>EBITDA %</b>	<b>58.9%</b>	<b>58.1%</b>	<b>58.7%</b>	<b>50.2%</b>	<b>53.8%</b>
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# EBITDA Historical Performance

	<u>2018 Budget</u>	<u>2019 Budget</u>	<u>2020 Budget</u>	<u>2021 Budget</u>	<u>2022 Budget</u>	<u>2023 Budget</u>
Operating Revenue	101,694,826	109,688,638	137,251,498	139,266,019	162,281,052	196,864,439
Operating Expense	<u>48,719,979</u>	<u>56,069,854</u>	<u>69,927,721</u>	<u>74,741,951</u>	<u>80,816,984</u>	<u>90,869,660</u>
EBITDA	52,974,847	53,618,784	67,323,777	64,524,068	81,464,068	105,994,780

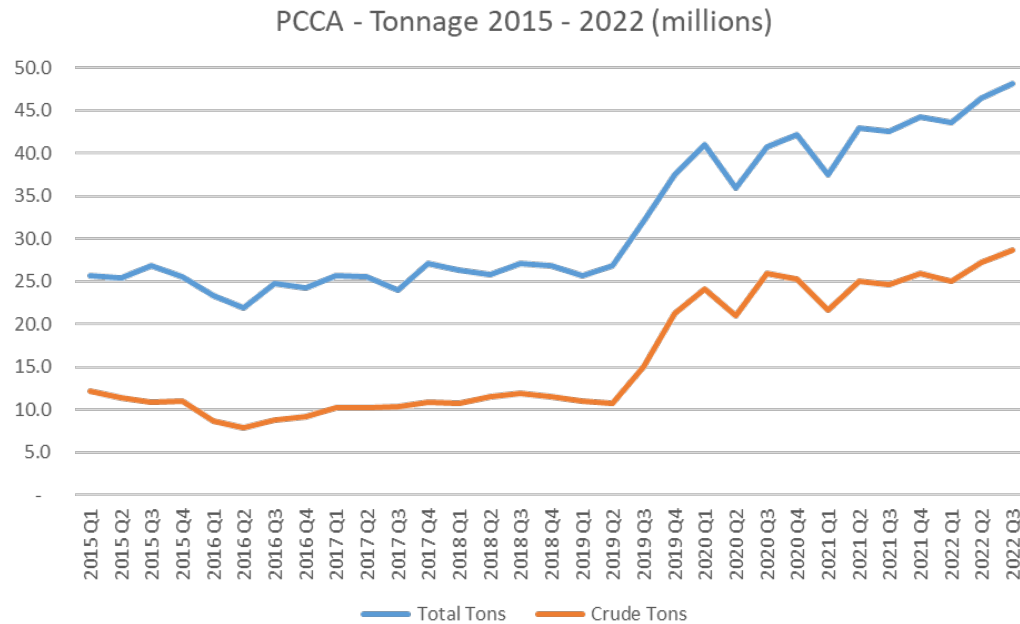
	<u>2018 Actual</u>	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Projected</u>
Operating Revenue	105,772,869	126,792,585	160,135,601	153,152,991	184,227,324
Operating Expense	<u>50,771,773</u>	<u>59,543,614</u>	<u>67,951,399</u>	<u>62,989,570</u>	<u>76,063,683</u>
EBITDA	55,001,096	67,248,971	92,184,202	90,163,421	108,163,641

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Budgeted EBITDA%	52.1%	48.9%	49.1%	46.3%	50.2%	53.8%
Actual/Projected EBITDA%	<u>52.0%</u>	<u>53.0%</u>	<u>57.6%</u>	<u>58.9%</u>	<u>58.7%</u>	
Difference	-0.1%	4.2%	8.5%	12.5%	8.5%	

# Tonnage and Revenue



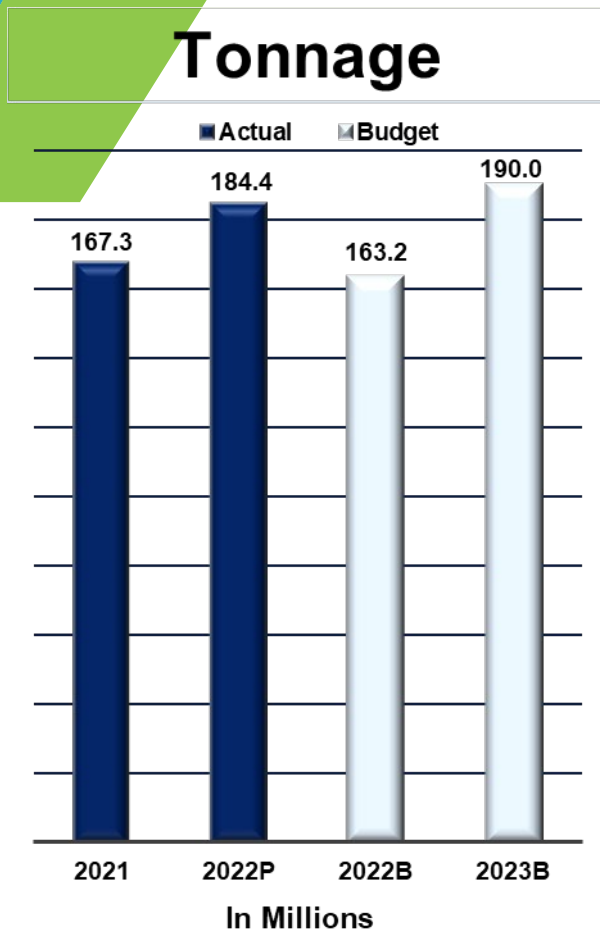
# Tonnage History



- 2022 has been consistently strong
  - Refineries return to form
  - LNG overperforming
  - Beginning of volumes from two new customers
  - Record wind competent imports
- Crude Oil exports fundamentally changed the outlook of PCCA in 2019
  - 2022 total exports increasing, with PCCA retaining market share gained in 2021
  - Net impact = 1.75 mbpd to 1.92 mbpd



# Tonnage Projections

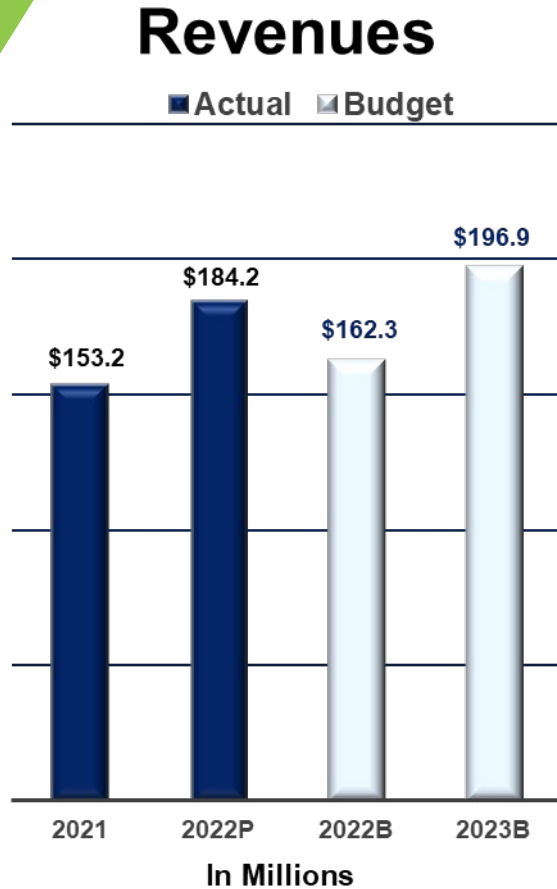


	2021	2022P	2022B	2023B	2023B vs 2022P
Crude Oil	97,337,818	108,087,761	94,416,624	115,646,544	7.0%
Refined Products	26,918,305	32,165,392	25,699,036	29,738,632	-7.5%
Other Petro Products	14,208,551	14,077,992	13,786,604	14,655,022	4.1%
LNG	15,677,178	16,316,497	15,239,860	16,316,497	0.0%
Dry Bulk (non-Ag)	6,321,598	7,942,229	6,747,691	8,018,734	1.0%
Agricultural	3,941,141	2,689,317	4,341,025	2,448,414	-9.0%
NGL	1,779,553	1,805,029	1,826,916	1,805,029	0.0%
Break Bulk	1,067,072	1,362,057	1,133,288	1,351,477	-0.8%
<b>Total Tonnage</b>	<b>167,251,216</b>	<b>184,446,276</b>	<b>163,191,045</b>	<b>189,980,349</b>	<b>3.0%</b>

- 2023 Budget reflects additional 100k bpd of crude exports
- Continued growth in SDI and GCGV to close to full buildout volumes
- Increase in pet coke and barite handling at bulk terminal
- Tonnage projections built at most detailed level in PCCA history by new Director of Trade Development



# Revenue Projections

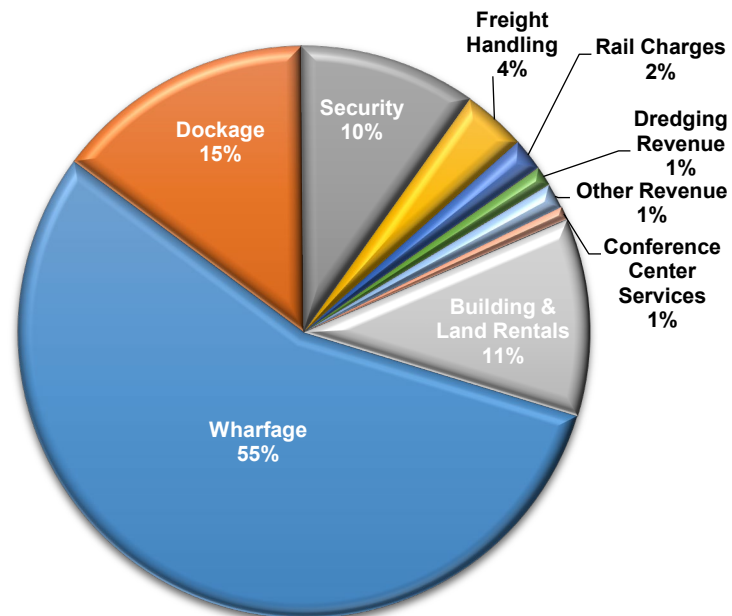


- 2022 Actuals will exceed both 2022 Budget and 2021 Actuals
  - Strong performance across the board
- 2023 will exceed 2022
  - Higher volumes in several areas
  - 3.49% PPI increase
- 2023 Budget built through market analysis and customer interaction
  - Most in-depth revenue budget PCCA has put together



# Revenue Detail

	2022P	2022B	2023B
Wharfage	\$ 99,542,772	\$ 87,424,591	\$ 109,177,780
Dockage	\$ 28,245,249	\$ 20,741,699	\$ 28,892,789
Building & Land Rentals	\$ 20,766,796	\$ 20,697,346	\$ 21,936,095
Security	\$ 16,840,509	\$ 14,477,911	\$ 19,641,330
Freight Handling	\$ 6,922,579	\$ 6,519,149	\$ 7,124,057
Dredging Revenue	\$ 2,683,223	\$ 4,215,739	\$ 2,189,588
Other Revenue	\$ 4,593,647	\$ 3,979,509	\$ 2,842,799
Rail Charges	\$ 3,041,596	\$ 2,869,108	\$ 3,600,000
Conference Center Services	\$ 1,590,953	\$ 1,356,000	\$ 1,460,000
<b>Total Revenues</b>	<b>\$184,227,324</b>	<b>\$162,281,052</b>	<b>\$196,864,439</b>



- Wharfage continues to dominate our revenue stream with many crude exports going to franchise docks – will top \$100 million for first time in 2023
- Dockage heavily dependent on mix of crude exports moving over private vs public docks
- 2023 budget is growth-positive

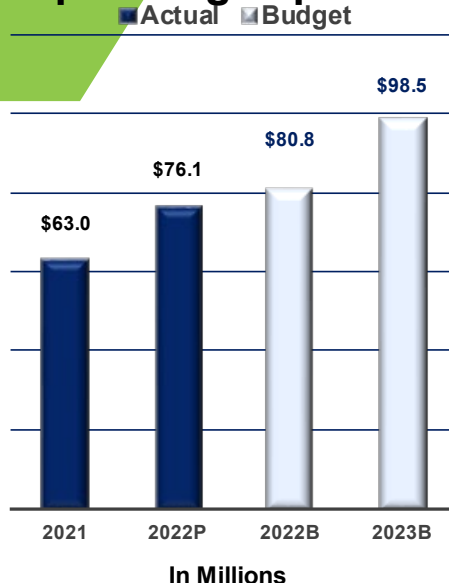


# EXPENSES



# Operating Expense Projections

## Operating Expenses



<b>2022 Operating Expenses Budget</b>	<b>\$</b>	<b>80.8</b>
Employee Services		3.8
Legal Services		3.0
Admin Expenses		1.2
Other Professional Svcs		1.2
P&D		0.9
Maintenance		(1.3)
All Other		1.2
<b>2023 Operating Expenses Budget</b>	<b>\$</b>	<b>90.8</b>

- 2022 Expenses, excluding depreciation, expected to be 5.9% below budget
  - Lower than expected employee services and non-legal professional services
- 2023 Expenses expected to increase over prior budget
  - Legal expenses in line with 2022 actual spending, primarily to handle permitting load
  - Increase in Employee Services
    - 3.5% COLA \$1.3M
    - 2023 New heads \$1.2M
    - 2023 impact of 2022 hires \$1.3M
  - Increase in P&D to \$5.9M, still 3% of revenue
  - Maintenance spending in line with current year





# Professional Services

Professional Services			
	2022P	2022B	2023B
Legal Services	\$ 6,563,305	\$ 3,677,957	\$ 7,659,800
Other Consulting Services	\$ 3,331,163	\$ 4,092,300	\$ 3,838,629
Engineering Services	\$ 567,776	\$ 1,924,600	\$ 2,521,092
Environmental Services	\$ 1,173,456	\$ 2,578,250	\$ 2,163,250
Accounting/IT Services	\$ 399,392	\$ 478,174	\$ 700,887
Real Estate Services	\$ 94,727	\$ 285,000	\$ 250,000
All Other Professional Services	\$ 32,925	\$ 31,500	\$ 43,500
<b>Total</b>	<b>\$ 12,162,744</b>	<b>\$ 13,067,781</b>	<b>\$ 17,177,158</b>

- Professional Services overall budgeted to increase by \$4.2 million from prior year budget
- Permitting environment is unfriendly and requires prolonged, directed effort, and creating legal expense increase over 2022 budget, flat to current year actuals
- Other consulting services include external affairs costs that match current year and other specific consultants for the various areas of operation
- Engineering services are more heavily weighted toward channel development
- Environmental services are led by Avery Point Enviro evaluation, which is grant funded, and by air monitoring at BT and the southside neighborhoods



# Professional Services – Engineering, Environmental and Channel Dev

Engineering and Channel Development	2023 Budget
<b>Engineering</b>	
Additional staff augmentation	
Portwide Fender Optimization - Phase 1 implementation	
LWG - Sr QA/QC	
Construction Contract Front-ends	
All Other (less than \$75k)	
<b>Subtotal</b>	<b>\$ 900,000</b>
<b>Channel Development</b>	
La Quinta Expansion Economic Analysis	
Hydrographic Survey Program (BD/AD Survey & Soundings)	
Annual BD/AD Dredging Underwater Inspections	
All Other	
Moffatt & Nichol (CIP PM Support Services: 18-007A)	
Welder Property DMPA Planning & Support Services	
All Other (less than \$75k)	
<b>Subtotal</b>	<b>1,621,092</b>
<b>TOTAL ENGINEERING &amp; CHANNEL DEVELOPMENT</b>	<b>\$ 2,521,092</b>

Environmental	2023 Budget
Avery Point Enviro Evaluation (fully grant funded)	
Strategic Environmental Initiatives	
Regulatory Support	
Compliance Activities	
Air Monitoring - Bulk Terminal and Southside	
Property Acquisition Support	
Demo and Cleanup of Hillcrest and Abandoned Assets	
All Other Environmental Professional Services	
<b>Total</b>	<b>\$ 2,163,250</b>



# Maintenance Expenses

Maintenance			
	2022P	2022B	2023B
Maintenance Projects	\$ 5,407,364	\$ 5,605,000	\$ 5,772,000
Dredging and DMPA	\$ 411,900	\$ 3,100,000	\$ 1,799,400
Computer Equipment	\$ 1,113,244	\$ 779,694	\$ 1,760,802
Facilities	\$ 651,263	\$ 631,920	\$ 554,811
Machinery	\$ 866,406	\$ 503,005	\$ 547,500
Waterborne Craft	\$ 350,108	\$ 388,870	\$ 435,000
Autos and Trucks	\$ 355,340	\$ 306,348	\$ 385,992
Waste Disposal/Janitorial	\$ 275,206	\$ 285,680	\$ 329,020
Environmental Projects	\$ 466,150	\$ 340,500	\$ 698,099
Security Equipment	\$ 84,025	\$ 180,000	\$ 197,000
All Others	\$ 315,214	\$ 295,352	\$ 3,880,007
<b>Total</b>	<b>\$ 10,296,221</b>	<b>\$ 12,416,369</b>	<b>\$ 16,359,631</b>

- Maintenance costs dominated by maintenance project list, primarily for needed maintenance on Port owned oil docks and cargo docks, and annual maintenance dredging
  - Decrease from 2022 Budget is solely related to dredging costs – otherwise flat
  - More costs moving from maintenance project list controlled by engineering, to All Other, as work will be done by Operations and Maintenance
- Computer maintenance increasing as more technology deployed during pandemic, coupled with JDE long-term maintenance agreement in place for full year in 2023
- Autos and Waterborne assets increasing as we increase asset count



# Key Maintenance Projects - 2022

ENGINEERING MAINTENANCE PROJECTS DETAIL	2023 Proposed
Cargo Dock 9 Structural Repairs	
General Maintenance of Oil Docks	
Shoreline Repairs to Accutrans Mooring Area	
<b>Total Engineering Projects</b>	<b>\$ 2,972,000</b>

NON-ENGINEERING MAINTENANCE PROJECTS	2023 Proposed
Annual Dredging Services - ( <i>Channel Development</i> )	
Bulk Terminal General Maintenance ( <i>BMT</i> )	
Exterior painting ( <i>OPS</i> )	
Laydown yard surface maintenance ( <i>OPS</i> )	
General Maintenance at Ortiz Center ( <i>OPS</i> )	
Fender Replacements ( <i>OPS</i> )	
Dock bollards/moorings ( <i>OPS</i> )	
Warehouse door replacement/maint ( <i>OPS</i> )	
Lighting retrofits at Annex and Admin ( <i>FAC</i> )	
Office Modifications at EAB ( <i>FAC</i> )	
Annex modifications ( <i>OPS</i> )	
Port Rail Inspections and AIE Maintenance ( <i>OPS</i> )	
General Maintenance on Boat Dock facilities ( <i>SEC</i> )	
<b>Total Non-Engineering Projects</b>	<b>\$ 3,741,400</b>



# Administrative Expenses

Administrative Expenses			
	2022P	2022B	2023B
Supplies	\$ 1,634,721	\$ 934,896	\$ 1,967,320
Travel	\$ 652,942	\$ 596,546	\$ 767,500
Training	\$ 362,509	\$ 490,659	\$ 713,017
Public Relations	\$ 420,417	\$ 387,800	\$ 448,300
All Other Administrative Expenses	\$ 919,990	\$ 733,774	\$ 682,405
<b>Total</b>	<b>\$ 3,990,579</b>	<b>\$ 3,143,675</b>	<b>\$ 4,578,542</b>

- 2022 increase over budget in Supplies to resupply new EAB
- 2023 Supplies expense is heavily weighted to computer supply
  - Computers deployed in 2020 come off warranty in 2023
- Travel now exceeding pre-pandemic levels, and will continue in 2023
- Training is a catch up for deferred training over the past several years
- Public Relations costs are HR related items for employees and customer golf tournament
- All Other includes dues, subscriptions, and postage



# CAPITAL SPENDING



# Capital Budget Project Detail – Summary

Type	2023
<b>Supporting Infrastructure Projects - NO INCREMENTAL REVENUE</b>	
Security	13,727,775
Oil Docks	13,550,000
Cargo Docks	100,000
Bulk Terminal	12,100,000
Canals and Basins	2,425,000
Property and Buildings	73,145,234
Conference Center	5,000,000
Administration	691,000
Port Operations	370,000
<b>Total Supporting Infrastructure</b>	<b>121,109,009</b>
<b>Strategic Projects - DIRECT LINK TO INCREMENTAL REVENUE</b>	
Oil Docks	18,300,000
Dry Cargo Docks	5,000,000
Liquid Docks	2,200,000
Bulk Terminal	3,100,000
Property and Buildings	46,800,000
Rail	1,430,000
<b>Total Strategic Projects</b>	<b>76,830,000</b>
<b>Channel Projects</b>	<b>38,703,416</b>
<b>Total Capital Projects</b>	<b>236,642,425</b>
<b>Less: Grant Offsets</b>	<b>(11,211,033)</b>
<b>Total Capital Projects - Net Port</b>	<b>225,431,392</b>

# Capital Budget Projects – 2023 Spend

Status	Project Title	2023
<b>Supporting Infrastructure Projects - NO INCREMENTAL REVENUE</b>		
<b>Security</b>		<b>\$ 13,727,775</b>
UC	Bulk Terminal Security Entrance and Gate Improvements (grant)	
N	Fireboat #2	
UD	Security Command and Control Center (old Admin Bldg)	
UD	New Fireboat Dock Facility	
UD	BMT New Security Entrance-west end (grant)	
UC	Security Grant 21 - Digital Twin System	
R	Purchase of Vehicles	
N	San Pat Security Center	
UC	Security Grant 21 - 44' Patrol Boat	
<b>Oil Docks</b>		<b>\$ 13,550,000</b>
UC	Avery Dock (OD 3 expansion) (grant reim estimated \$17M)	
N	Avery Dock (OD 3) remaining grant funds	
UC	Gangway Systems for Various Docks	
N	Avery Docks Berthing Aid System	
N	Oil Dock 14 Berthing Aid System	
<b>Cargo Docks</b>		<b>\$ 100,000</b>
N	Cargo Dock 10	

Items in red have grant offset



# Capital Budget Projects – 2023 Spend

Status	Project Title	2023
<b>Supporting Infrastructure Projects - NO INCREMENTAL REVENUE</b>		
<b>Bulk Terminal</b>		<b>\$ 12,100,000</b>
UC	BD 1 Landside Expansion	
UD	BMT Drainage and Pad Improvements	
<b>Canals and Basins</b>		<b>\$ 2,425,000</b>
N	DMPA 14 Levee Raise	
N	Good Hope DMPA Cell I Levee Raise	
UD	BD1 & BD2 Slip Expansion Dredging	
N	Development of Barge Mooring Area (La Quinta)	
N	Rincon B West DMPA Improvements	

Items in red have grant offset

# Capital Budget Projects – 2023 Spend

Status	Project Title	2023
<b>Supporting Infrastructure Projects - NO INCREMENTAL REVENUE</b>		
<b>Property and Buildings</b>		<b>\$ 73,145,234</b>
R	Sustaining Project Property Acquisitions	
UD	Harbor Point East	
N	New Maintenance Facility (new/relocate)	
N	EAB Solar Powered Carports	
UC	Nueces Bay Shoreline Erosion - Hurricane Harvey	
N	Habitat Creation-(Ducks Unlimited BU Projects - M3 & Dagger Island)	
N	AI Speight Yard Rail and Drainage Modifications	
N	EAB Data Center Upgrades & Enhancements	
R	Hillcrest non-program land acquisitions	
UD	Avery Point Storm Drainage Improvements	
N	Harbor Point East - public art acquisition/adminn (for Phase 2)	
R	Various Shoreline Revetment Projects	
N	Storm Water Capital Improvements (Rincon / Northside / Southside)	
N	Trash Skimmer #2 - equipment purchase	
UD	Northside Open Storage Drainage Improvements	
N	Air Monitoring Network - Southside (Purchase of Equipment)	
UD	Maintenance Facility Area Drainage Improvements	
N	New Maintenance Facility FFE	
N	EAB Art Program Implementation (Skylight Commission)	
UC	Kay Bailey Hutchison Road	
N	Extend Eastbound Right Turn Lane at Mike Carrell	
UC	Bollards	
N	Greenfield Laydown Yard (22 acre site) doesn't include rail	
N	Shoreline Erosion at CD 15	
N	Storm Water Sampling Equipment	
N	Facility Signage (Annex, Admin, CD9, Obs/radar bldg, water taxi)	
N	Admin parking lot fencing	

Items in red have grant offset

# Capital Budget Projects – 2023 Spend

Status	Project Title	2023
<b>Supporting Infrastructure Projects - NO INCREMENTAL REVENUE</b>		
<b>Conference Center</b>		<b>\$ 5,000,000</b>
UD	Ortiz - HVAC	
UD	Ortiz - Exterior Refurbishment	
UD	Ortiz - Nueces Room Remodel and other Interior	
<b>Administration</b>		<b>\$ 691,000</b>
N	Asset Mngt Enterprise software (Avery Point Redevelopment-Phase 1)	
N	Digital Twin of the CC Ship Channel	
R	IT Capital Projects	
R	Vehicles and other Mobile Equipment	
N	Grant Management Software	
N	ArcGIS Hub Premium	
<b>Port Operations</b>		<b>\$ 370,000</b>
N	OPS work barge/crane/tug	
R	Purchase of Equipment and Vehicles	
<b>Total Supporting Infrastructure Projects</b>		<b>\$ 121,109,009</b>

# Capital Budget Projects – 2023 Spend

Status	Project Title	2023
<b>Strategic Projects - DIRECT LINK TO INCREMENTAL REVENUE</b>		
<b>Oil Docks</b>		<b>\$ 18,300,000</b>
UC	Oil Dock 1 Upgrades and Deepening ( <i>does not include dredging</i> )	
UD	Harbor Island Demolition of Pile Remnants and Misc Debris	
<b>Dry Cargo Docks</b>		<b>\$ 5,000,000</b>
UC	Mobile Crane (CD8)	
N	Ingleside Cargo/RoRo Dock ( <i>design &amp; permitting only</i> )	
<b>Liquid Docks</b>		<b>\$ 2,200,000</b>
N	Ingleside Terminal Dock 1	
N	Ingleside Terminal Dock 2	
N	Ingleside Terminal Turning Basin Dredging ( <i>design/evaluate</i> )	
N	Ingleside Terminal Dock Dredging 1 & 2	

# Capital Budget Projects – 2023 Spend

Status	Project Title	2023
<b>Strategic Projects - DIRECT LINK TO INCREMENTAL REVENUE</b>		
<b>Bulk Terminal</b>		<b>\$ 3,100,000</b>
N	Taconite unloading and rail modifications	
N	Bulk Dock 4 Dock	
N	Bulk Dock 4 Dredging	
<b>Property and Buildings</b>		<b>\$ 46,800,000</b>
R	Strategic Property Acquisitions	
UD	Rincon East Laydown Yard	
N	Heavy Haul Road (next to SubSea 7) ( <i>design only</i> )	
N	Rincon West Laydown Yard and Rail (GLO property)	
<b>Rail</b>		<b>\$ 1,430,000</b>
UC	Bulk Terminal Rail Expansion - Phase I	
N	PCCA Inland Rail Terminal	
<b>Total Strategic Projects</b>		<b>\$ 76,830,000</b>
<b>Strategic Channel Projects</b>		<b>\$ 38,703,416</b>
UC	CCSC CIP - Deepening, Widening, and Barge Lanes	
UC	CCSC CIP - Utility Relocation	
<b>Total Channel Projects</b>		<b>\$ 38,703,416</b>
<b>Total Capital Projects</b>		<b>\$ 236,642,425</b>

# Capital Budget Grant Offsets

Project	Status	Grantor	2023
Bulk Terminal Security Entrance and Gate Improvements	Committed	PSGP/TxDOT	\$ (937,500)
Nueces Bay Shoreline Repair - Harvey	Committed	FEMA/TxGLO	\$ (640,000)
Avery Point (OD3)	Committed	PIDP	\$ (4,000,000)
Avery Point (OD3) remaining funds	Committed	PIDP	
New Fireboat Dock Facility	Committed	PSGP	\$ (1,000,000)
44' Patrol Boat	Committed	PSGP	\$ (375,000)
Digital Twin System	Committed	PSGP	\$ (937,500)
BMT West End Lighting & Security Cameras	Committed	PSGP	\$ (600,000)
Security Command and Control Center	Committed	PSGP	\$ (971,250)
Harbor Point East	Committed	TGLO	
New JFC Access Road (West End of BMT)	Committed	TxDOT	\$ (1,241,711)
Trash Skimmer	Committed	EPA	\$ (124,008)
Rincon Road	Committed	TxDOT	\$ (1,321,564)
Total Committed by Year			\$ (11,211,033)

# CASH POSITION



# Cash Position - 2023

2023	
<b>Total Cash Reserve Funds Available, Beginning of Period</b>	<b>\$ 316,300,207</b>
<b>Less Non-discretionary Funds:</b>	
Operating Reserve	(56,793,537)
Contingency Reserve	(10,000,000)
2015 Bond Early Repayment Reserve	(60,000,000)
Self Insurance Reserve	(5,000,000)
Debt Service Reserve	(15,314,816)
<b>Total Non-discretionary Funds</b>	<b>(147,108,353)</b>
<b>Discretionary Reserves Available, Beginning of Period</b>	<b>\$ 169,191,854</b>
<b>Sources:</b>	
Net Income	68,493,203
Add: Depreciation	27,897,948
<b>Operating Cashflow</b>	<b>96,391,151</b>
Awarded Grant Proceeds	11,211,033
Capital Recovery - Customers	-
<b>Total Sources</b>	<b>107,602,184</b>
<b>Total Available Resources</b>	<b>276,794,038</b>
<b>Uses:</b>	
<b>Capital Projects:</b>	
Supporting Infrastructure Projects	(121,109,009)
Strategic Projects	(76,830,000)
Channel Projects	(38,703,416)
<b>Total Capital Projects</b>	<b>(236,642,425)</b>
Principal Debt Service	(9,175,000)
<b>Total Uses</b>	<b>(245,817,425)</b>
<b>Net Source(Use) of Discretionary Reserves</b>	<b>(138,215,241)</b>
<b>Discretionary Reserves Available, End of Period</b>	<b>\$ 30,976,613</b>
<b>Total Cash Reserve Funds Available, End of Period</b>	<b>\$ 178,084,966</b>

- Strong cash position going into 2023
- Heavy capital load will use most of non-discretionary reserves in 2023
  - Capital spending variability weighs heavily on final cash outcome
- Frost LOC will need to be renegotiated or replaced in 2023

