

**AGENDA**

**Port Freeport  
Pilot Commission  
Special Meeting  
Tuesday, July 9, 2024, 3:00 pm - 5:00 pm  
In Person & Videoconference - Administration Building - 1100 Cherry Street - Freeport**

**This meeting agenda with the agenda packet is posted online at [www.portfreeport.com](http://www.portfreeport.com)**

The meeting will be conducted pursuant to Section 551.127 of the Texas Government Code titled "Videoconference Call." A quorum of the Pilot Commission, including the presiding officer, will be present at the Commissioner Meeting Room located at 1100 Cherry Street, Freeport, Texas. The public will be permitted to attend the meeting in person or by videoconference. The videoconference is available online as follows:

**Join Zoom Meeting**

<https://us02web.zoom.us/j/86969232791?pwd=883SDYLjHlMp58kl8ys5vcNyU4GKl.1>

Meeting ID: 869 6923 2791

Passcode: 169083

**Dial by your location**

• 1 346 248 7799 US (Houston)

Meeting ID: 869 6923 2791

Find your local number: <https://us02web.zoom.us/u/kOJloYyEn>

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Roll Call.
3. Public Comment. (Public comment on any matter not on this Agenda will be limited to 5 minutes per participant and can be completed in person or by videoconference.)
4. Public Testimony. (Public testimony on any item on this Agenda will be limited to 5 minutes per agenda item to be addressed per participant and can be completed in person or by videoconference. The participant shall identify in advance the specific agenda item or items to be addressed.)
5. EXECUTIVE SESSION in accordance with Subchapter D of the Open Meetings Act, Texas Government Code Section 551.001, et. seq., to review and consider the following:
  - A Under authority of Section 551.071 (Consultation with Attorney) for discussion regarding:
    1. Consultation with attorney regarding legal matters related to Brazos Pilots Association request for adjustment to pilot tariff dated May 31, 2024.
6. RECONVENE OPEN SESSION to review and consider the following:
7. Counsel to review the responsibilities of the Pilot Commission in the rate setting process according to Chapter 68 of the Transportation Code.
8. Discuss and consider acting on the application submitted by the Brazos Pilots Association for rate adjustment to pilot tariff dated May 31, 2024 pursuant to Chapter 68 of the Texas Transportation Code. The Pilot Board Commissioners shall individually vote for or against such rate-increase application in their discretion, acting in the public interest and taking into account the factors set forth in Section 68.067 of the Act. The application for pilotage rate increase relates to the following items as more particularly described in the application attached to this agenda:
  - A. Expand tariff units table and charges to 2450 units to include larger vessels anticipated to be utilizing the Freeport Harbor Channel;
  - B. Increase all Units Charges, Draft Charges, Detention Charges, Holding Charges, Cancellation Charges, and Minimum Charge by 15% for 2025 and by 12.5% for 2026 to cover increased inflation costs of employees and growing the pilot ranks;

- C. Simplify Draft Charge to a single fixed rate for vessels with drafts of 42 feet or greater to be in effect at the completion of the Freeport Harbor Channel Deepening and Widening Project;
  - D. Institute a Fuel & Lube Surcharge per movement that will 1) be calculated at the beginning of each month and be based on the previous months total cost of fuel & lube and then divided by the prior months total movements and 2) be held in a separate checking account established to hold and track Fuel & Lube Surcharges;
  - E. Modify "Pilot Transport Surcharge" to be "Per Pilot" instead of "Per Movement," to offset rising inflation costs & interest rates for new Pilot Boat, approve the request to accumulate funds for a new pilot boat, and approve an increase of the principal purchase value of the new pilot boat to \$8 million;
  - F. Increase "Training & Education Charge" by \$12.50 per movement to \$22.50 + (Units x .03) and in year two increase the charge by 12.5%;
  - G. Increase Communications/Dispatch Charge by \$10.00 per movement;
  - H. Amend Arrival Cancellation Charge for arrivals at the time of order to include the following tariff line item fees: Pilot Transport Charge, Communication Charge, Fuel & Lube Surcharge;
  - I. Modify Holding Charge to include "Per hour or a fraction thereof after 45 minutes; and
  - J. Add Communication Charge, Education Charge, Pilot Transport, and Fuel & Lube Surcharge to Shifts.
9. Adjourn.

***The Pilot Commission does not anticipate going into a closed session under Chapter 551 of the Texas Government Code at this meeting for any other items on the agenda, however, if necessary, the Pilot Commission may go into a closed session as permitted by law regarding any item on the agenda.***

With this posted notice, Port Commissioners have been provided certain background information on the above listed agenda items. Copies of this information can be obtained by the public at the Port Administrative offices at 1100 Cherry Street, Freeport, TX.

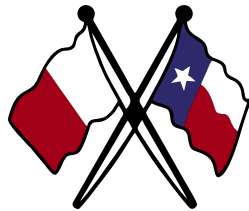


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Phyllis Saathoff, Executive Director, CEO  
**PORT FREEPORT**

Participation is welcomed without regard to race, color, religion, sex, age, national origin, disability or family status. In accordance with Title II of the Americans with Disabilities Act and Section 504 of the Rehabilitation Act, persons with disabilities needing reasonable accommodations to participate in this proceeding, or those requiring language assistance (free of charge) should contact the Executive Assistant no later than forty-eight (48) hours prior to the meeting, at (979) 233-2667, ext. 4326, email: [bevers@portfreeport.com](mailto:bevers@portfreeport.com).

La participación es bienvenida sin distinción de raza, color, religión, sexo, edad, origen nacional, discapacidad o situación familiar. De acuerdo con el Título II de la Ley de Estadounidenses con Discapacidades y la Sección 504 de la Ley de Rehabilitación, las personas con discapacidades que necesiten adaptaciones razonables para participar en este procedimiento, o aquellas que requieran asistencia lingüística (sin cargo), deben comunicarse con el Asistente Ejecutivo a más tardar cuarenta -ocho (48) horas antes de la reunión, al (979) 233-2667, ext. 4326, correo electrónico: [bevers@portfreeport.com](mailto:bevers@portfreeport.com).



# BRAZOS PILOTS

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## ASSOCIATION

Request to the Pilot Board  
Adjustment to the Pilot Tariff  
Submitted May 31, 2024

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## 2. Letter to the Board of Commissioners

In many aspects, the challenges we faced in 2020 continue to expand in conjunction with the channel improvements and increased vessel traffic. We thank the Pilot Commission for the granted order in 2020, to ensure we are able continue to grow and guarantee the ability to provide adequate services we are hopeful for a successful granted order in the items to follow.

Between January 1, 2021 – December 31, 2023, The Brazos pilots spent 13,371 hours safely navigating vessels on the Port Freeport Ship Channel (PFSC) incident free. In the last three years the Brazos Pilots have overcome extreme adversity, operating through a worldwide pandemic and major revenue loss during substantial terminal outages. These major impacts on our business are thankfully in the rear-view mirror and we continue to plan for the future.

Between witnessing industries' continuing and substantial financial investments into port infrastructure and the quickly approaching completion of the Freeport Harbor Deepening and Widening Project, we must expand our operations. This includes evaluating pilot manpower and additional boat crews to operate multiple pilot boats. With the increased vessel traffic we are experiencing, we have begun requiring the use of two pilot boats and crews, to ensure we maintain the most efficient and effective channel occupancy possible for all vessels. To ensure we have coverage for the second Pilot boat, we have promoted from within and created an Assistant Port Captain position.

With the increased vessel traffic and the most recent Commissioners approval of the "Basic Operating Procedures" (BOP), the Brazos Pilots have expanded night time operations to include (currently) 24 hour vessel movements for over 98% of all traffic and docks in Freeport. To ensure the safety of these vessels and to assist industry with time sensitive cargoes and costly Panama Canal Transits, we implemented more robust safety measures such as an additional Pilot to move these vessels at night, and additional assist tugs if necessary. As the vessels continue to get larger, with deeper draft, and a longer pilot transit with more frequency this will continue to require the most heightened sense of awareness from professional pilots.

Since the last rate adjustment in October 2020, the Brazos Pilots have, among other important actions to enhance operational safety, efficiency, and productivity, commissioned one (1) additional Branch Pilot, added four (4) full time deckhands, created a Port Captain and Assistant Port Captain positions, purchased additional land, and built a state of the art \$1.5 million boat house for pilot boat maintenance/crew quarters with a new bulkhead/dock (\$250,000), purchased and stocked spare pilot boat engines and parts (\$286,000), and purchased a 3,000gal fuel trailer. We're proud to claim that during both major traffic downturns caused by the worldwide pandemic and terminal adversities the

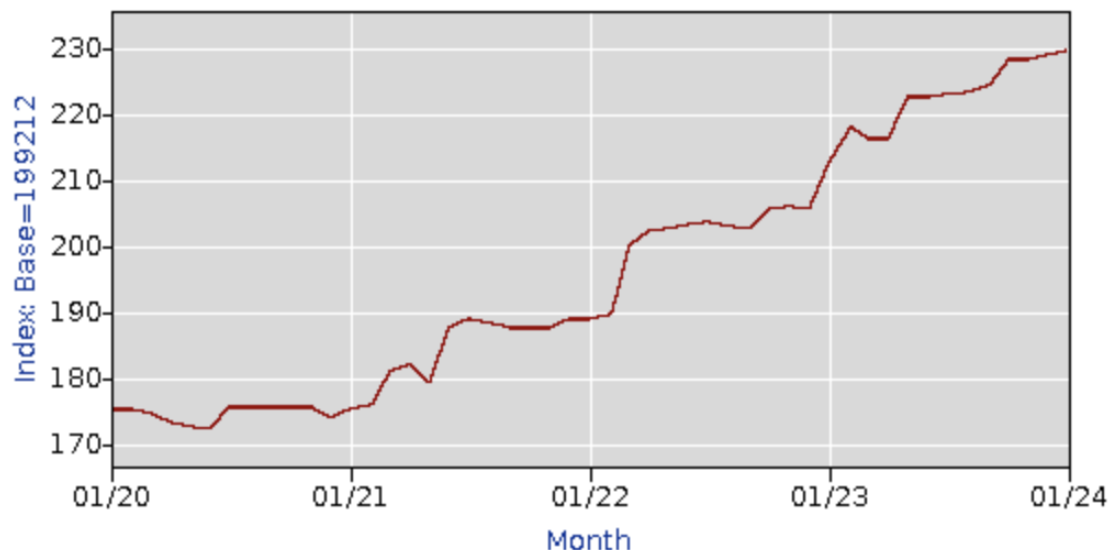
Association maintained all employees and operational readiness, while simultaneously absorbing an increase in employee costs of 49.1% over this period.

In 2023, more than half of the vessel transits that took place on the PFSC were performed during the nighttime hours of 1800-0600 (52%). We expect this percentage to further increase with the approval of LNG Dock 2 night sailings, the addition of liner services calling on Port Freeport, Phillips 66 investments into their infrastructure, and other additional various RORO lines to Brazos Harbor Dock 2 once adequate fendering and lighting has been installed. Our goal with this rate request is to ensure the channel is properly, adequately, and professionally staffed to support this level of increased traffic (including nighttime traffic) and predicted growth.

For over 35 years the Brazos Pilots Association operated out of 2502 Deep Sea Dr. in Quintana, Texas. Over this time the Association grew from three pilots and four employees to our current operations, with six pilots and 16 employees. We have outgrown the available space on Deep Sea Dr. To ensure that the pilots on watch are properly rested we have moved all office operations to Lake Jackson, and will begin updating and remodeling the property on Deep Sea Dr to accommodate sleeping quarters for up to eight people with a substantial cash injection from the Pilots.

In the last order approving rate increases, dated October 30, 2020, the Board ordered that pilotage rates be adjusted for years 2021-2024, by 0%, 2.4%, 2.4%, 2.4%, respectively (equaling a 1.8% average annual increase). During the hearing in 2020 the Brazos Pilots presented data based on PPI 488330 "Navigational Services to Shipping" which was used as a basis to grant the order. Recent data provided by Christopher Sitter, an economist for the U.S Bureau of Labor Statistics show during the same period, 2020-2023, the PPI has increased **28.59%**.

*(Graph of the index data over the time period to give a visual idea of how the index has increased)*



***(Annual Representation of PPI Increase (28.59% over 48 month period)***

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2020	6.7	4.3	0.6	2.5	-0.7	-0.9	1	0.3	0.4	0.1	0.2	-0.7	1.1
2021	0	0.5	3.7	4.9	3.8	8.8	7.5	7.2	6.8	6.8	6.8	8.6	5.5
2022	7.7	7.8	10.4	11.2	13.1	8.3	7.8	7.8	8	9.6	9.7	8.8	9.2
2023	12.6	14.9	8.2	6.9	9.8	9.6	9.5	9.9	10.7	11.1(P)	10.9(P)	11.3(P)	10.4(P)
2024	8.0(P)												

Finally, the rising costs of fuel have increased 69.6% since the final order. During the pandemic and status of world affairs, the Brazos Pilots operated for a prolonged period where fuel costs increased 103% since the final order was granted in 2020. These fuel costs over 2020-2023 exceeded \$705,000, and we calculate the business fuel & lube expenses to exceed \$250,000 a year with the completion of the Freeport Harbor Deepening and Widening Project.

*3. Goals of the 2024 Rate adjustment:*

- a. Expand tariff units table and charges to 2450 units to include larger vessels anticipated to be utilizing the Freeport Harbor Channel.*
- b. Increase all Units Charges, Draft Charges, Detention Charges, Holding Charges, Cancellation Charges, and Minimum Charge by 15% for 2025 and by 12.5% for 2026 to cover increased inflation costs of employees and growing our pilot ranks.*
- c. Simplify Draft charge for vessels with drafts greater than 42 feet.*
- d. Institute a Fuel & Lube Surcharge*
- e. Modify “Pilot Transport Surcharge” to be “Per Pilot” instead of “Per Movement,” to offset rising inflation costs & interest rates for new Pilot Boat and increase approved principal purchase value to \$8 million.*
- f. Adjust the Training & Education Charge*
- g. Adjust Communication/Dispatch Charge*
- h. Amend Arrival Cancellation Charge*
- i. Modify Holding Charge*
- j. Add Communication Charge, Education Charge, Pilot Transport, and Fuel & Lube Surcharge to Shifts*



**a. Expand tariff units table & charges to 2450 units.**

With the new depths and channel width available for waterborne customers calling Freeport Harbor Channel, the Brazos Pilots Association want to ensure our tariff will be ready to include any larger vessels for accurate billing. Currently, our tariff only accounts for vessels up to 2099 units. Units are used for billing are defined as LENGTH OVERALL (LOA) x EXTREME BEAM ÷ BY 100 = UNITS. For Example, a MGC LPG vessel with the dimensions 591' LOA, 92' beam, would equal 543.72 units. However, and Very Large Crude Carrier (VLCC) 1200' LOA and 120' of beam, would be 2400 units. These vessels fall outside of the current tariff and would be required to be billed under special services agreement for every movement. This would not only impact Very Large Crude Oil Carriers but potentially Post-Panamax containerships. Currently, the largest units charge ever encountered by the Brazos Pilots was 1591.

*In a proactive effort to ensure future shippers and customers calling on Freeport are properly included within the tariff for accurate billing, we ask that the Commission approve the extending of the tariff units table to 2450 units, and adjust unit charge commensurately. (see below table)*

	UNITS	UNIT CHARGE
Present unit charge table ends at 2099.	2000-2024	4.46
	2025-2049	4.53
	2050-2074	4.57
	2075-2099	4.67
Proposed additional units table carried out	2100-2124	4.78
	2125-2149	4.9
	2150-2174	5.01
	2175-2199	5.13
	2200-2224	5.26
	2225-2249	5.38
	2250-2274	5.51
	2275-2299	5.64
	2300-2324	5.78
	2325-2349	5.92
	2350-2374	6.06
	2375-2399	6.21
	2400-2424	6.36
	2425-2450	6.51
2450+	6.66	

*(this table represents the % increase request in item 2 implemented)*

**b. Increase all Units Charges, Draft Charges, Detention Charges, Holding Charges, Cancellation Charges and Minimum Charge by 15% for 2025 and 12.5% for 2026, to cover increased inflation costs of employees and growing our pilot ranks.**

**c. Simplify Draft Charge for vessels with drafts of 42 feet or greater.**

The long awaited Freeport Harbor Deepening and Widening Project completion date is fast approaching. Once completed, vessels will be able to call on docks within the port in excess of 42'. In the 2020 tariff adjustment this new draft table was approved and adopted based on controlling depths provided by the USACE in 2019, and covered drafts ranging from 42' to 51'. Since adopting the new 2020 tariff, the Freeport Harbor Deepening and Widening Project recently included additional approved depths to 56' through Zone 1 & Zone 2. To avoid expanding the draft table from 51' to 56' we propose simplifying this draft table to a fixed rate for any vessel greater than 42' of draft, as shown below.

*Draft less than 42' = \$41.72*

*Draft of 42' or greater = \$83.45*

*The 42 feet and over rate applies to the entire draft of vessels with a draft of 42 feet or more.*

The minimum draft charge will remain at 25'.

*We ask the Commission to simplify the expanded draft charge to a single fixed rate for vessels with drafts of 42' or more to be in effect when utilized by deep draft vessels calling on PFSC at the completion of the Freeport Harbor Deepening and Widening Project.*

**d. Institute a Fuel & Lube Surcharge.**

With the additional traffic and extended channel length, the Brazos Pilots predict our annual fuel costs will be more than a quarter million dollars a year. We currently average around \$200,000 in annual fuel costs between the two pilot boats. In addition, on multiple occasions we have utilized both pilot boats to expedite vessel movements to move our pilots more efficiently between vessels to ensure ships entering or leaving the Port meet their order times. Currently, the pilots absorb all fuel costs. In 2020 the average cost of diesel on the Gulf coast was \$2.31 a gallon, but in 2023 that average had risen to \$3.92 a gallon (69.6% increase). During the worldwide pandemic and the world conflicts of 2022, we experienced an average cost of \$4.68 a gallon, a 103% increase over 2020 (see data below). During this same time period with increased vessel traffic the Brazos Pilots purchased a 3,000 gallon Fuel Trailer (\$67,434) to ensure fuel availability during hurricane season, on weekends, and during holidays, in the event our fuel supplier was unable to make a fuel delivery on those occasions.

*We ask the Commission adopt and approve a Fuel & Lube Surcharge to charge each vessel per movement. This charge will be calculated at the beginning of each month and be based on the previous months total cost of fuel & lube and then divided by the prior months total movements. There will be a separate checking account established to hold and track Fuel & Lube Surcharges.*

**Weekly Retail Gasoline and Diesel Prices**  
 (Dollars per Gallon, Including Taxes)

Product: Ultra Low Sulfur Diesel    Period: Annual

Download Series History	Definitions, Sources & Notes		2018	2019	2020	2021	2022	2023	View History
Show Data By:		Graph Clear							
<input type="radio"/> Product <input checked="" type="radio"/> Area									
U.S.	<input type="checkbox"/>		3.178	3.056	2.551	3.287	4.989	4.214	2007-2023
East Coast (PADD 1)	<input type="checkbox"/>		3.190	3.081	2.624	3.272	5.070	4.272	2007-2023
New England (PADD 1A)	<input type="checkbox"/>		3.237	3.131	2.723	3.228	5.272	4.514	2007-2023
Central Atlantic (PADD 1B)	<input type="checkbox"/>		3.361	3.267	2.806	3.431	5.354	4.541	2007-2023
Lower Atlantic (PADD 1C)	<input type="checkbox"/>		3.061	2.945	2.480	3.174	4.920	4.149	2007-2023
Gulf Coast (PADD 3)	<input type="checkbox"/>		2.960	2.819	2.313	3.040	4.683	3.915	2007-2023
West Coast (PADD 5)	<input type="checkbox"/>		3.644	3.617	3.084	3.854	5.616	4.942	2007-2023

**e. Modify “Pilot Transport Surcharge” and increase boat allowance to \$8 million.**

Currently the “Pilot Transport Surcharge” is charged “per movement.” Rising costs caused by inflation since the last rate adjustments in 2020, and dramatically increased interest rates have rendered this charge insufficient for future needs.

*We ask this charge be modified from “per movement” to “per pilot.” The calculation for the Pilot Transportation Surcharge would remain at \$100 + (Units x .1). Once the current loan on “BRAZOS PILOT” is paid in full, the Association requests the ability to accumulate funds in the same dedicated Pilot Boat Fee account (Home Bank xxx968) to provide an appropriate down payment on a new pilot boat and allow a sustainable monthly payment for the loan to construct and purchase the boat.*

Secondly, we ask the board to increase the principal value of the next pilot boat from the \$5 million ordered in the 2020 rate adjustment to \$8 million. The cost for the same vessel we were looking at 3 years ago has increased from \$3.6 million to \$6,536,425.00, an 82% increase in cost for same boat.

**f. Increase “Training & Education Charge” by \$12.50 per movement.**

Organizational and operational growth necessitates increased funding for adequate training. We are proud of our training program which currently includes: Advanced Shiphandling for Pilots, Electronic Navigation, Man Overboard Recovery, Marine Firefighting, Advanced Trauma Care, First Aid/CPR/AED, and Leadership & Development. Specifically and considering the death of four pilots and one pilot boat crewmember worldwide in 2023, we are proud of the medical training and partnership we have built with Freeport Fire/EMS. This collaboration, training, and education will increase the survivability of our pilots while performing one of the most hazardous occupations on the planet.

We ask the Training and Education Charge be increased by \$12.50. The current charge is \$10.00 + (Units x .03), and would request it be modified to \$22.50 + (Units x .03). In year two it would increase by 12.5%.

**g. Increase Communications/Dispatch Charge by \$10.00 per movement.**

The Communications Charge established in the last rate hearing has not changed since its implementation in 2021. To offset rising inflation costs for employees this charge must be adjusted.

We ask this charge be adjusted \$10.00 per movement

**h. Cancellation / Changes to Pilot Order**

Amend ARRIVAL cancellation charge on tariff- 3. "Arriving vessels cancelling at the time of order with pilot boat on station will be assessed a Pilot Transport Surcharge, Communication Charge, and Fuel & Lube Surcharge."

Currently, when vessels cancel their arrival order when pilot(s) and pilot boat are on station no Pilot Transport Surcharge, Communication Charge, or (pending approval) Fuel & Lube Surcharge is assessed on a vessels invoice and all costs are incurred by the Brazos Pilots.

We ask the Commission approve amending Cancellation Charges for arrivals at the time of order to include the following tariff line item fees: Pilot Transport Charge, Communication Charge, Fuel & Lube Surcharge.

**i. Modify Holding Charge**

We ask the Commission approve the changing of tariff verbiage to include “Per hour or a fraction thereof after 45 minutes.”

**j. Add Communication Charge, Education Charge, Pilot Transport Surcharge, and Fuel & Lube Surcharge to Shifts**

In the rate adjustment from October 2020 it was ordered that the Communication Charge and Pilot Transport Charge would not be assessed on vessels shifting inside the port.

Prior to the worldwide pandemic, it was common for Pilots shifting vessels within the port to ride back to the vessels dock of origin with linemen, and even tugboats, which did not require the use of a pilot boat. However, new rules and regulations in place with these companies post-pandemic do not allow for this practice, and thus require the Pilots to utilize a Pilot Boat. These costs are currently being incurred by the Pilots.

(For reference, in 2023 only 1.1% of all movements were shifts within the port.)

We ask the Commission approve and adopt the Pilots to assess the Communication Charge, Pilot Transport Charge, and Fuel & Lube Surcharge on vessels that shift within the port.

**4. Summary**

The costs for maintaining and providing pilotage services in the safest, most efficient and effective manner have increased significantly since October 2020. The Brazos Pilots respectfully request that the rates be adjusted and implemented January 1, 2025.




**BRAZOS PILOTS**  

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**ASSOCIATION**

I, Ross Coviello, certify that copies of this application were on this 31<sup>st</sup> day of May, 2024 submitted to all known: Commissioners of the Board, Pilots, Consignees and Association of Consignees Operating in Brazoria County at the time of the application per Section 68.063(b)(2) of the Brazoria County Pilots Licensing and Regulatory Act.

*Ross Coviello* 

Ross Coviello  
President

**Port Freeport/Pilot  
Commissioners**

Phyllis Saathoff  
Ravi Singhanian  
Rob Giesecke  
Rudy Santos  
Dan Croft  
Barbara Fratila  
Kim Kincannon  
Grady Randle

**Terminals**

BASF  
Dow Chemical  
Enterprise Products  
Phillips 66  
Freeport LNG  
Vopak

**Consignees and Associations  
of Consignees**

Biehl & Co  
Bryant Marine Co  
Cory Brothers USA  
Davis Shipping Agency  
Fillette Green  
GAC USA  
General Steamship

**Consignees and Associations of  
Consignees (con't)**

Host Agency  
Inchcape/Stolt Nielsen USA Inc  
Kirby Offshore Marine  
Leeward Agency, Inc  
Lighthouse Shipping  
Moran Shipping Agencies  
Norton Lilly International  
NYK Group Americas Inc  
Odfjell Tankers  
RG Shipping International  
SeaPort Hub Agencies  
SouthPort Agencies  
Texas Marine Agency  
Transmarine Navigation Corp  
Tropical Fruit Americas  
Wilhelmsen Ships Services Inc  
Atlantic Container Line-Grimaldi  
American Eagle Tankers  
AR Savage & Son LLC  
BP Energy Company  
Chiquita Fresh North America  
Del Monte Fresh Produce  
Hoegh Autoliners  
Horizon Auto Logistics  
Hyundai Glovis  
JERA Americas

**Consignees and Associations of  
Consignees (con't)**

Osaka Gas USA

SK E&S LNG, LLC

TotalEnergies

Volkswagen Group of America

West Gulf Maritime Association

Yara Clean Ammonia US, Inc



**BRAZOS PILOTS**  

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**ASSOCIATION**

Annual Financial  
Report  
2023



**BRAZOS PILOTS ASSOCIATION**  
**CASH FLOW STATEMENT - INDIRECT METHOD**  
**FOR THE TAX YEAR ENDED DECEMBER 31, 2023**

<u>Cash Flow from Operations</u>		<u>Notes</u>
<b>Net Profit</b>	389,472.30	Per TB
<i>Additions to Cash</i>		
Depreciation	354,000.50	Per AJE
Amortization	3,062.50	
Increase in Accounts Receivable	(98,086.68)	
<hr/>		
<b>Net Cash provided by Operating Activities</b>	<b>648,448.62</b>	
<hr/>		
<b>Cash Flow from Investing</b>		
Increase in Charles Schwab (RHP)	(20,136.31)	
Decrease in Charles Schwab 5473	4,038.22	
Increase in Depreciable Assets	(1,179,537.51)	
<hr/>		
<b>Net Cash used by Investing Activities</b>	<b>(1,195,635.60)</b>	
<hr/>		
<b>Cash Flow from Financing</b>		
Increase in Accounts Payable	428,274.34	
Loan Payments toward TDECU Business Loan (9442)	(358,170.18)	
Loan Payments toward Home Bank Loan (599)	(46,985.47)	
<hr/>		
<b>Net Cash used by Financing Activities</b>	<b>23,118.69</b>	Subtotal
<hr/>		
<b>Net Cash decrease for period</b>	<b>(524,068.29)</b>	Total
<hr/>		
Cash at beginning of period	2,066,257.10	Per 2022 TB
<hr/>		
<b>Cash Flow for Year Ended December 31, 2023</b>	<b>1,542,188.81</b>	Total

1:56 PM  
04/01/24  
Cash Basis

Brazos Pilots Association  
**Profit & Loss**  
January through December 2023

	<u>Jan - Dec 23</u>
Ordinary Income/Expense	
Income	
Dividend Income	5,884.21
Misc Income	0.00
Pilotage fees	
BOAT FEE INCOME	407,020.00
COMMUNICATION FEE	468,826.00
EDUCATION CHARGE INCOME	76,226.00
Pilotage fees - Other	9,112,599.54
Total Pilotage fees	<u>10,064,671.54</u>
Total Income	<u>10,070,555.75</u>
Gross Profit	10,070,555.75
Expense	
Auto Expense	75,275.00
Bank Charges/Acct Fees	-10.16
Boat Fuel and Lube	203,577.04
Boat Supplies	22,193.43
Communication Expense	461,673.35
Dues and Subscriptions	25,610.35
Education Expense	136,141.80
Insurance Expense	
Boat Insurance	57,721.25
Builders Risk -2503 Compass Ct	-1,069.60
Directors & Officers Liability	2,570.00
Employee Health Insurance	193,693.34
Key Life ins - pilot	709,936.40
LTD~Employees & Pilots	44,989.78
Marine General Liability	10,242.29
Marine License Ins (MOPS)	20,670.00
Office Insurance	2,742.74
Pilot Bonds	950.00
STD~employees only	3,718.96
WINDSTORM	19,404.00
WORKERS COMP INSURANCE RENEWAL	4,917.00
I - Employee/Pilot Life Insurance	9,068.35
Total Insurance Expense	<u>1,079,554.51</u>
Interest Expense	48,450.54
Legal and Professional Expense	
Computer/website IT	3,098.68
Consulting Agreements	991,467.16
CPA/Accounting	37,136.00
Marketing/PR	1,500.00

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04/01/24  
Cash Basis

Brazos Pilots Association  
Profit & Loss  
January through December 2023

	Jan - Dec 23
Legal and Professional Expense - Other	23,444.29
Total Legal and Professional Expense	1,056,646.13
MARKETING/PR	38,050.55
MEDICAL/DRUG TESTING	1,495.00
Miscellaneous Expense	13,788.32
Office Supplies	12,213.12
Payroll Expenses	1,079,258.31
Pilot Fees (expense)	3,965,624.64
Postage and Stationary	459.39
Rent Expense	22,812.00
Repair and Maintenance	
Repair & Maintenance -Shipyard	2,108.84
Repair & Maintenance STATION	
Station Rebuild	1,650.00
Repair & Maintenance STATION - Other	35,496.49
Total Repair & Maintenance STATION	37,146.49
Shipyard build	1,179,537.51
Repair and Maintenance - Other	318,674.59
Total Repair and Maintenance	1,537,467.43
Tax Expense	68,502.06
Travel Expense	1,855.45
Utilities Expense	40,395.60
Total Expense	9,891,033.86
Net Ordinary Income	179,521.89
Other Income/Expense	
Other Income	
Market gain/ (loss)	-3,221.73
Total Other Income	-3,221.73
Net Other Income	-3,221.73
Net Income	176,300.16

**Brazos Pilots Association**  
**Balance Sheet**  
 As of December 31, 2023

	Dec 31, 23
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
HOME BANK -Boat Fee ...37968	110,302.64
HOME BANK -Comm fees ..5180	74,820.09
HOME BANK -Education fund 2054	58,211.41
HOME BANK -General check .2038	1,297,704.67
HOME BANK -Payroll acct 7845	600.00
<b>Total Checking/Savings</b>	1,541,638.81
Accounts Receivable	
Accounts Receivable	463,858.44
<b>Total Accounts Receivable</b>	463,858.44
<b>Other Current Assets</b>	
Charles Schwab 0832 (RHP)	653,486.20
Charles Schwab 5473-Noble pymts	4,043.93
Equipment Deposit	63,810.64
<b>Total Other Current Assets</b>	721,340.77
<b>Total Current Assets</b>	2,726,838.02
<b>Fixed Assets</b>	
Accumulated Depreciation	-2,837,507.16
Depreciable Assets	-1,265.20
Equipment	509,110.19
Pilot Boat & Equipment	3,269,447.38
Pilot Station	139,670.18
<b>Total Fixed Assets</b>	1,079,455.39
<b>Other Assets</b>	
Accumulated Amortization	-12,249.50
Construct in Progress Shipyard	581,908.39
Construct in Progress SY Dredge	19,070.00
LAND -SHIPYARD	100,907.55
Loan Origination Fees	24,500.00
Office Furniture	37,374.84
<b>Total Other Assets</b>	751,511.28
<b>TOTAL ASSETS</b>	<b>4,557,804.69</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
Accounts Payable	428,274.34
<b>Total Accounts Payable</b>	428,274.34
<b>Other Current Liabilities</b>	
HOME Bank Loan ...599	169,234.29

1:59 PM

04/01/24

Accrual Basis

**Brazos Pilots Association**

**Balance Sheet**

As of December 31, 2023

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	<u>Dec 31, 23</u>
Total Other Current Liabilities	169,234.29
Total Current Liabilities	597,508.63
Long Term Liabilities	
HOME BANK-Comm Loan PBoat 1536	701,807.62
Total Long Term Liabilities	701,807.62
Total Liabilities	1,299,316.25
Equity	
Capital - D Blanton	293,750.96
Capital - M Krohn	327,517.68
Capital - N Niday	388,720.79
Capital - R Coviello	281,519.66
Capital - S Kelly	282,313.43
CAPITAL - TEETER	0.00
Capital Burns	126,904.07
Capital Gunning	0.00
Step up in basis	115,000.00
Withdrawal - Burns, JW	0.00
3900 - Retained Earnings	1,596,649.35
Net Income	-153,887.50
Total Equity	3,258,488.44
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u><b>4,557,804.69</b></u></u>



# BRAZOS PILOTS

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## ASSOCIATION

VESSEL NAME	Units	Draft (ft)	FREEPORT Current UNIT RATE	FREEPORT Current DRAFT RATE	FREEPORT Proposed UNIT RATE	FREEPORT Proposed DRAFT RATE	HOUSTON UNIT RATE	HOUSTON DRAFT RATE	GALVESTON UNIT RATE	GALVESTON DRAFT RATE	CORPUS UNIT RATE	CORPUS DRAFT RATE
Nordic Ann	326	25	\$ 0.82	\$ 36.28	\$ 0.94	\$ 41.72	\$ 1.713	\$ 90.44	\$ 0.566	\$ 64.15	\$ 1.133	\$ 38.66
Navigator Taurus	441	27	\$ 0.87	\$ 36.28	\$ 1.00	\$ 41.72	\$ 2.284	\$ 91.91	\$ 0.683	\$ 64.15	\$ 1.215	\$ 38.15
Legacy	544	24	\$ 1.03	\$ 36.28	\$ 1.19	\$ 41.72	\$ 2.284	\$ 91.91	\$ 0.802	\$ 64.15	\$ 1.299	\$ 38.66
Stolt Innovation	592	38	\$ 1.12	\$ 36.28	\$ 1.28	\$ 41.72	\$ 2.284	\$ 91.91	\$ 0.850	\$ 64.15	\$ 1.344	\$ 38.66
Bow Flora	635	36	\$ 1.22	\$ 36.28	\$ 1.41	\$ 41.72	\$ 2.284	\$ 90.44	\$ 1.101	\$ 64.15	\$ 1.383	\$ 38.66
Dole Aztec	679	33	\$ 1.31	\$ 36.28	\$ 1.51	\$ 41.72	\$ 2.284	\$ 87.37	\$ 1.160	\$ 64.15	-	-
Hoegh Trove	694	24	\$ 1.31	\$ 36.28	\$ 1.51	\$ 41.72	\$ 2.284	\$ 87.37	\$ 1.160	\$ 64.15	\$ 1.427	\$ 38.15
Grande Togo	734	28	\$ 1.42	\$ 36.28	\$ 1.63	\$ 41.72	\$ 3.420	\$ 87.37	\$ 1.241	\$ 64.15	\$ 1.469	\$ 38.15
BW Carina	887	41	\$ 1.66	\$ 36.28	\$ 1.91	\$ 41.72	\$ 3.420	\$ 183.83	\$ 1.439	\$64.15pf+ \$781.04	\$ 1.603	\$ 38.66
Carina Voyager	1181	42	\$ 2.17	\$ 36.28	\$ 2.49	\$ 41.72	\$ 4.702	\$ 94.68	\$ 1.860	\$64.15pf+ \$781.03	\$ 1.855	\$ 38.66
Eagle San Juan	1447	45	\$ 2.62	\$ 53.19	\$ 3.01	\$ 83.45	\$ 6.730	\$ 94.68	\$ 2.282	\$64.15pf+ \$781.04	\$ 2.096	\$210pf > 45'
LNG Rosenrot	1546	31	\$ 2.76	\$ 36.28	\$ 3.25	\$ 41.72	-	-	\$ 2.367	\$ 64.15	\$ 2.670	\$ 38.15

# CHARACTERISTICS OF VESSELS TO BE PILOTED

<b>TYPE OF VESSEL</b>	<b>VESSEL NAME</b>	<b>LOA &amp; BEAM</b>	<b>AVERAGE DRAFT FT</b>
<b>Chemical Tanker</b>	Nordic Ann	441x74	25
	Stolt Innovation	580x105	38
	Bow Flora	600x105	36
<b>LPG</b>	Navigator Taurus	525x84	27
	Legacy	591x92	24
	BW Carina	739x120	41
<b>Container</b>	Dole Aztec	640x106	33
<b>Bulk Carrier</b>	Canadian Bulker	590x98	29
<b>Ro/Ro</b>	Hoegh Trove	656x106	24
	Grande Togo	692x106	28
<b>Crude Oil Tanker</b>	Carina Voyager	820x144	42
	Eagle San Juan	900x161	45
<b>LNG</b>	LNG Rosenrot	977x158	31



We create chemistry

602 Copper Road  
Freeport, TX 77541-3001

May 20, 2024

Mr. Ravi Singhania  
Board of Pilot Commissioners for Brazoria County Ports  
1100 Cherry Street  
Freeport, TX 77542

Subject: Letter of Support 2024 Application for Adjustment to Pilotage Rates

Chairman Singhania,

The Brazos Pilots provide a crucial and efficient service to our Freeport operations. BASF supports the proposed adjustments to the pilotage rates to improve port infrastructure and meet the growing needs of our ship channel.

The port users have benefited and will continue to benefit from the Brazos Pilots. We believe they are instrumental in contributing to its standing as one of the best ports in the nation.

Sincerely,

Brad Morrison  
SVP BASF Freeport



979-248-9826



[tiffanie.pham@basf.com](mailto:tiffanie.pham@basf.com)





May 16, 2024

Mr. Ravi Singhanian  
Board of Pilot Commissioners for Brazoria County Ports  
1100 Cherry Street  
Freeport, TX 77542

Subject: Letter of Support 2024 Application for Adjustment to Pilotage Rates

Dear Chairman Singhanian,

Dow is a company who relies on the operation of 6 total docks with 3 deep draft facilities locally in Freeport. The operation of these assets is integral to the success of the Freeport site which is currently the largest chemical manufacturing complex in the western hemisphere. Dow operates 109 manufacturing sites in 31 countries and employs approximately 35,900 people. References to Dow or the Company mean Dow Inc. and its subsidiaries.

The Brazos Pilots provide a crucial and efficient service to our operations in Freeport. Without their service we would be unable to ship the volume of product warranted by our business models. In light of this, we fully support the proposed adjustments to the pilotage rates to improve port infrastructure and meet the growing needs of our ship channel.

Specifically, the Freeport Harbor Channel Deepening and Widening Project will place increased demands on pilotage services. The port users have benefited and will continue to benefit from the Brazos Pilots value-added service concept. We believe they are instrumental in the growth of Freeport and contribute to its standing as one of the best ports in the Nation.

Thank you for your time and consideration. We are available to discuss this issue at your convenience if necessary.

Sincerely,

A handwritten signature in blue ink that reads "Sarah Roth".

Sarah Roth  
Senior Site Logistics Director  
Dow Inc.



May 6, 2024

Mr. Ravi Singhania  
Board of Pilot Commissioners for Brazoria County Ports  
1100 Cherry Street  
Freeport, TX 77542

Subject: Letter of Support 2024 Application for Adjustment to Pilotage Rates

Dear Chairman Singhania,

The Brazos Pilots provide a crucial and efficient service to our marine operations in Freeport. We fully support the proposed adjustments to the pilotage rates to improve port infrastructure and meet the growing demands of the Brazos Harbor.

The Freeport Harbor Channel Deeping and Widening Project will place increased demands on pilotage services. The port users have benefited and will continue to benefit from the Brazos Pilots value-added service concept. We believe they are instrumental in the growth of Freeport and contribute to its standing as one of the best ports in the Nation.

The proposed rate adjustments are strongly supported by Freeport LNG. We believe these requested increases will benefit the Port of Freeport and only serve to further its reputation as a work-class port.

Sincerely,

A handwritten signature in black ink, appearing to read "M. D. Moppert", with a long horizontal flourish extending to the right.

Michael D. Moppert  
Senior Vice President, Chief Operating Officer  
Freeport LNG Development, L.P.



May 22, 2024

Mr. Ravi Singhania  
Board of Pilot Commissioners for Brazoria County Ports  
1100 Cherry Street  
Freeport, TX 77542

Re: Support for 2024 Application for Adjustment to Pilotage Rates

Dear Chairman Singhania,

MEGlobal Americas Inc. (MEGlobal) is a global leader in the manufacture, supply and marketing of ethylene glycol, a cornerstone product that helps improve lives through applications such as clothing, food storage, construction and automotives. We are a subsidiary of EQUATE Petrochemical Company K.S.C.C. (EQUATE), headquartered in Kuwait. Locally, the MEGlobal Oyster Creek site employs approximately 100 people and distributes its product to customers around the world. We load 6-8 vessels per month at Dock A-8 at Port Freeport.

The Brazos Pilots provide a crucial and efficient service to our operations in Freeport. They safely navigate the delivery of vessels in a range of challenging environmental conditions including fog and severe storms. The Freeport pilots were also instrumental in creating a dispatch service that is manned 24/7 and utilized by MEGlobal vessels in the event of communication disruptions.

The Freeport Harbor Channel Deeping and Widening Project will place increased demands on pilotage services. We fully support the proposed adjustments to the pilotage rates to improve port infrastructure and meet the growing needs of our ship channel.

The port users have benefited and will continue to benefit from the Brazos Pilots value-added service concept. We believe they are instrumental in the growth of Freeport and contribute to its standing as one of the best ports in the Nation.

Sincerely,

A handwritten signature in black ink that reads "Scott Daigle". The signature is fluid and cursive, written over a white background.

Scott Daigle  
Oyster Creek Site Leader  
MEGlobal Americas Inc.  
979-481-9888

[www.meglobal.biz](http://www.meglobal.biz)

MEGlobal Americas Inc.  
4057 E. Hwy 332  
P.O. Box 3490  
Freeport, TX 77541

  
PHILLIPS 66 COMPANY  
HQ  
2331 CityWest Boulevard  
Houston, TX 77042-2862



PROVIDING ENERGY. IMPROVING LIVES.

Mr. Ravi Singhania  
Board of Pilot Commissioners for Brazoria County Ports  
1100 Cherry Street  
Freeport, Texas 77542

Via Email: [rsinghania@portfreeport.com](mailto:rsinghania@portfreeport.com)

May 30, 2024

**RE: Brazos Pilots Association's 2024 Application for Adjustment to Pilotage Rates**

Dear Chairman Singhania,

On behalf of Phillips 66 Company ("Phillips 66") we wish to convey our support for the Brazos Pilots' Association's 2024 Request for Adjustment to the Pilot Tariff ("Request").

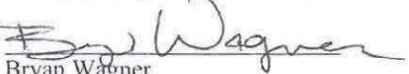
As you may be aware, Phillips 66 operates the Freeport LPG Export Terminal with its prime location within the middle of the U.S. petrochemical industry and is currently capable of exporting 250,000 barrels per day of liquefied petroleum gas ("LPG") to overseas markets. The Phillips 66 Freeport Terminal is capable of loading two Very Large Gas Carriers ("VLGC") simultaneously and has been fully operational since December 2016. The Brazos Pilots provide a crucial and efficient service to our operations. They have facilitated every vessel movement in and out of our terminal and have done so through the safe and efficient movement of vessels, with impeccable professionalism and seamanship.

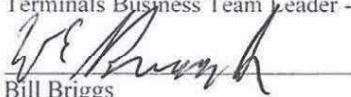
We have recently had the opportunity to be fully briefed on the Brazos Pilots proposed Request and are of the opinion that the request will enable the Brazos Pilots to meet the growing pilotage demands in the Port of Freeport, particularly related to the Freeport Harbor Channel Deepening and Widening Project.

The port users have benefited and will continue to benefit from the Brazos Pilots value-added service concept. We believe they are instrumental in the growth of the Port of Freeport and contribute to its standing as one of the best ports in the Nation. As such, on behalf of Phillips 66, we fully support the adoption of their Request as it is both reasonable and necessary to facilitate our mission in providing safe and efficient marine operations in order to meet the growing international demand for affordable U.S. natural gas liquids.

Respectfully Submitted,

  
Derek Thompson  
Manager, Logistics Assurance & HSE Commercial

  
Bryan Wagner  
Terminals Business Team Leader - Sweeny Refinery

  
Bill Briggs  
Manager, LPG Sales • Midstream Commercial & BD

CC: Captain Ross Coviello  
President, Brazos Pilots Association

Via Email: [coviello@brazospilots.com](mailto:coviello@brazospilots.com)



Our date  
May 22, 2024

## Knowledge grows

May 22, 2024

Mr. Ravi Singhania  
Board of Pilot Commissioners for Brazoria County Ports  
1100 Cherry Street  
Freeport, TX 77542

Re: Letter of Support 2024 Application for Adjustment to Pilotage Rates

Dear Chairman Singhania,

The Brazos Pilots provide a crucial and efficient service to our operations in Freeport. We fully support the proposed adjustments to the pilotage rates to improve port infrastructure and meet the growing needs of our ship channel.

The Freeport Harbor Channel Deeping and Widening Project will place increased demands on pilotage services. The port users have benefited and will continue to benefit from the Brazos Pilots value-added service concept. We believe they are instrumental in the growth of Freeport and contribute to its standing as one of the best ports in the Nation.

Thank you for your time and consideration.

Sincerely,

Yara Clean Ammonia US, Inc.



By: Jim Hartz

Title: VP Ammonia Trade and Shipping

Date: May 22, 2024