



RISING TIDE

2022-2023
ANNUAL REPORT



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Port of Harlingen Authority's **Mission**

TO ENHANCE ECONOMIC
AND COMMUNITY GROWTH
THROUGH QUALITY AND
EFFICIENT TRANSPORTATION.

Board of Commission



ROSE SNELL
Place 1



NEIL HAMAN
Vice Chairman, Place 2



ALAN JOHNSON
Chairman, Place 3



CHRIS VILLARREAL
Secretary, Place 4



RYAN NEWMAN
Place 5



Letter from the Director

I started at the Port of Harlingen in March 2014. It's hard to believe it has been just over 10 years since my first day. As we began putting together this year's report, I thought a lot about the last decade and what it took to get where we are today. Mostly about the opportunity to build on the original idea of bringing economic development to our region, and the obligation resources, like the Port, have to to make sure our community flourishes.

If you do not know anything about me, I grew up in Harlingen. After a few years of college in Abeline, I came home, married my high school sweetheart, Kara, and went into the family business. My family, the Smiths, have been area farmers for generations. I like to say, "I fell off the tractor into this position," but that is the simpler way to describe my transition to Port Director. In reality, my connection to the Port runs deeper. My father, Lamar Smith, was a Commissioner for the Port from 1991 to 2007. Seeing my father serve as a Port Commissioner made me realize that serving your community wasn't just an opportunity to be taken advantage of but that is was a privilege to be proud of.

Prior to becoming Port Director, I was the assistant manager for Willacy Co-op in Raymondville, overseeing the operations and logistics for five grain elevators in the Rio Grande Valley, including the one at the Port! Life has a funny way of sometimes bringing things in and out of your life to weave together a purpose.

That first year, our tonnage was about 600,000 annually with operating revenue of about \$1.3 million. In industry terms, we were what was labeled as a "low use port," which can mean less funding for essential maintenance to just stay in operation. But, what we did have was tons of potential, and a region hungry for economic improvement. So, we went to work. To expand, we needed the infrastructure to handle more tenants and cargo. With just over \$1 million in revenue for operations, and motivated

by growing opportunity, we made the tough decision to reinstate our existing M&O tax at the same rate it was suspended at in 1999 (\$.0300/100). While not popular, it was essential to help pay for current infrastructure needs to apply revenue dollars for new infrastructure, while seeking state and federal grants to fill in the gaps.

Ten years later, we now hold steady at more than 3.2 million tons of cargo annually and operating revenue of \$2.7 million. I am proud of how far we have come, but there is more to be done. I would venture to say we are on the cusp of another era of transformation, just like we were 10 years ago. The key reason we have chosen our theme for this year's report: Rising Tide. In the following pages, you will read about new and ongoing grant funding; numerous avenues of expansion, including operations; infrastructure; and our board of commission, as well as, from what you might have guessed looking at our cover, our rebranding. However, just as life has its proverbial peaks, it is not without its valleys. Although technically not in the previous fiscal year, this past February The Rio Grande Valley Sugar Growers, Inc. announced it would be closing its mill, ending a partnership just shy of 40 years. A loss for the Port but most importantly, our community. More about our history together and its impact on the Rio Grande Valley inside.

I've said before better ports mean better business, and I stand behind that. I look forward to updating you on our progress over the next 10 years. We hope our annual report inspires you and I want to thank you for your continued support.

Respectfully,

Walker Smith, Port Director

Port Enters a New Era in Style

The Port of Harlingen Authority unveiled a new look in 2024 with the launch of its rebranding. After more than 30 years, the face of the Port has been a Venice blue and white porthole with three waves, accompanied with complimentary color palette of aqua deep (dark green) and Gossamer (light green). However, over the last three decades the Port has changed, and its image will now reflect what the growing Port has become.

“The Port has grown so much since we last changed our logo,” Port Director Walker Smith said. “We look different, from our footprint, facilities, tenants, modalities, our annual tonnage and even our mission. It was time our outward face reflected who we have become.”

Since the 1990s the Port has increased land size to more than 2,800 acres; rehabilitated existing infrastructure, and built new docks, expanded the number of tenants and commodity diversification, as well as increased connectivity to and from the Port via road, rail and the shipping channel. Since 2009 alone, the Port has increased barge tonnage by 565% and total multimodal tonnage by 239%. It was time to adapt its look.

“While the Port of Harlingen has transformed dramatically over the last few decades, the outward image of the Port has not evolved at the same pace as operations and business,” Port Commission Chairman Alan Johnson said. “Our rebranding and new look now accurately reflects the Port inside and out. As our size and mission changed over the years with meticulous strategic planning and work, our new brand elements now actually tell the story of what The Port of Harlingen is, a growing economic driver for our region.”

The new face of the Port of Harlingen, produced by Jaclyn Buelow, owner of Jaclyn Buelow Creative, features a seagull, a Port mainstay, that interweaves the legacy of the waves from the former logo. Pulling from the concept of our branding from the Port itself, the extended color palette includes six colors that are a part of life at the Port; POH Blue, Charcoal, Cadet Grey, Earth Yellow, Fire Brick, Olivine, Walnut and Black.

“The new logo concept was inspired by the seagulls that fly nice and high – day in and day out – overseeing the Port’s daily operations by constantly moving with purpose, curiosity and perseverance, serving as a symbol of opportunity and growth, and of course also inspired by the waves themselves,” Buelow said. “We named this concept the ‘Statement Piece’ in the initial round, and the new logo is just that – a statement. Less is more and this prestige abstract image is bold, modern and clean and definitely holds its own- just like the Port of Harlingen. It forms an interesting and powerful identity mark that is not only striking, but sparks curiosity through the mark’s interweaving of seagull and wave all in one illustration.”

“The symbol is accompanied with a brand name that has a bold typeface showing a strong and important presence much like the Port itself,” she said. “Our new extensive color palette was drawn from the colors we pulled directly from our surroundings. Each color is something you will find on-site and will offer complimentary colors to allow for more creativity in marketing and branding.”

Along with an extended palette, the campaign also includes six additional logo variations to fit any type of medium and purpose. For more information visit the Port branding guide at portofharlingen.com/port-brand-guide/.





Since the 1970s, the Rio Grande Valley Sugar Growers, Inc. (RGVSG) Sugar Mill near Santa Rosa has been a staple of the sugar industry and the only sugar producing region in the State of Texas.

Generations of farmers have grown sugar cane, which at its high point, generated more than 1.5 million tons each year on 40,000 acres (about twice the area of Manhattan) in three counties. From that, about 150,000 tons of raw sugar and 60,000 tons of blackstrap molasses were produced, annually. Historically, RGVSG produced enough sugar every year for nearly 10% of all Texans. By all accounts, an industry in South Texas that showed promise for continued success.

“In my 20 plus years with RGVSG I have had the opportunity to work throughout all facets of the sugar industry,” said RGVSG President and CEO Sean M. Brashear. “In that time, I have been a part of many capital improvements aimed at increasing productivity and boosting efficiency and worked with countless industry partners to become more technologically advanced, from the field to the factory.”

However, in early March, the last load of sugar from the Sam Sparks Sugar Warehouse pushed off Port docks headed to the Domino Sugar Refinery in Chalmette, LA, ending a nearly 40-year partnership with the Port of Harlingen to ship raw sugar, and an era of sugar growth in the area that has lasted more than 200 years. The Rio Grande Valley is a prime location to grow sugar cane productively. However, the one essential thing needed: water. Each year the area’s irrigation water shortage created an increasing impact for growers due to Mexico’s lack of cooperation in holding up its end of the 1944 Water Treaty.

“As (one) can imagine, with millions of dollars of value added each year, it was a huge economic driver for the local, state, and national economies. RGVSG relied on numerous vendors to make each year happen,” Brashear said. “I just pray that our elected and government officials take heed of what has happened and do everything

in their power to ensure Mexico lives up to their 1944 Water Treaty obligations. Agriculture is too important to all residents of the Rio Grande Valley to turn a blind eye to what is happening.”

The RGVSG directly employed 190 full-time workers and 300 employees during the harvest season, which ran from October through April, and had about 90 growers, with an annual payroll of more than \$14 million. However, the impact of RGVSG had a far greater reach. According to a recent study conducted by Texas AgriLife Extension Service, the Texas sugar cane industry contributed more than \$140 million annually to the economy, and employed another 500 people indirectly, statewide.

“For the last 51 years, the Rio Grande Valley Sugar Growers employed all types of skillsets,” Brashear said. “Harvester and tractor operators, truck drivers, diesel and industrial mechanics, electrical and instrument technicians, heavy equipment operators, engineers, and accounting staff just to name a few. During peak operation, RGVSG employed over 500 regular and seasonal workers, of which many worked for decades. They had a work ethic that brought tremendous value added throughout the entire process.”

Sugar accounted for about 2.8% of the Port of Harlingen’s total tonnage. In the last few years, farmers were cultivating about 34,000 acres, a number that dwindled to only 14,000 acres last year due to the severity of the water situation. This current season, the mill expected about 10,000 acres, which would mean the mill would run at a loss and ultimately brought the board to the decision to shudder its doors.

“Any organization that closes its doors is a loss and we never want to lose anyone,” Port Director Walker Smith said. “Although sugar was not our main commodity, this is a huge loss for not just the Rio Grande Valley economy but the entire industry. We know how much they advocated with every federal outlet possible to push the issue for resolution and it is heartbreaking the ripple effect this will have on many Valley families and agriculture of all kinds.”

Last Sugar Operation in Texas Closes



Port Recognized as a Leading National Port

The Port of Harlingen Authority ranked 106th among the nation's top 150 leading U.S. Ports in 2021, according to U.S. Army Corps of Engineers (USACE) recently released "The U.S. Coastal and Inland Navigation System: 2021 Transportation Facts & Information." A resource compiled by the Waterborne Commerce Statistics Center (WCSC), the central collection agency for U.S. Foreign Waterborne Transportation for the USACE Institute for Water Resources.

"This is a significant milestone for the Port of Harlingen," Port Director Walker Smith said. "Not only in exhibiting our growth over the last few years, but also in giving our Port substantial leverage for federal funding and project viability."

Data captured for the report comes from 2020 vessels, tonnage, commodity, and origin and destination from vessels operating companies. The information is intended to assist USACE's navigation mission by providing statistics used to analyze the feasibility of new projects; and set priorities for new investments and for the operation, rehabilitation, and maintenance of existing projects, including the Port's main channel and turning basin operation and maintenance dredging funding, which was recently completed costing \$2.6 million, funded mostly by the USACE with \$1.7 million and a portion by the Port of Harlingen; \$845,000.

"Without this data, our Port would not have the strong basis for funding needs it currently does," Smith said. "As business grows, so does the demand for maintenance and physical growth. Without these reports, federal agencies and organizations would not have a basis of need for funding allocations. So reporting is so important to our Ports."

As published, the Port of Harlingen had more than 2.5 million tons of marine cargo moving along its docks and channel, a 48% increase over the previous year. Over the last five years, waterborne tonnage has increased by 195%; 880, 321 in FY 2018, and barge traffic has had a 95% increase; 325 FY 2018 versus 802 FY 2023. Similarly, overall tonnage rose to more than 3.2 million, from 1.4 million for the Port of Harlingen, a 113% increase over the same period.

The Port of Harlingen was one of 12 Texas ports included in the list. Texas ranked first in U.S. Waterborne Traffic by State with more than 600 million tons of cargo.

"Our outlook is only getting better, and we foresee us moving up on this list in the coming years," Smith said. "This is a testament to our Port's leadership and that of our community and region in promoting economic growth and success."

Port set for Infrastructure Improvements

The Port of Harlingen is set to undergo significant improvements thanks to more than \$7.2 million in federal and state grants, and funding programs. In 2022, the Port received its first Port Infrastructure Development Program (PIDP) grant consisting of \$3,937,500 for renovations and maintenance to its main dock. In 2023, the Port was awarded \$3,181,022 in funding through the Texas Department of Transportation Seaport Connectivity Program (SCP) for roadway illumination and drainage enhancements.

"Both projects are vital to maintaining our current business, and accommodate future growth," said Port Director Walker Smith. "Our main dock is the most critical. It has not been updated since the 90s. Thirty years can take its toll from everyday wear and tear, and barges and tugs mooring to our dock."

PIDP is a discretionary grant program administered by the U.S. Maritime Administration. Funds are awarded on a competitive basis to projects that improve the safety, efficiency, or reliability of the movement of goods into, out of, around, or within a port. The Port of Harlingen is investing a 25% match of the project cost.

Formally the Rider Grant Program, SCP is a part of the State of Texas' historic funding set to increase the economic impact of Texas ports by supporting more than \$240 million in projects. During the 88th Legislative Session, state leaders allocated money to create two programs funded through the General Appropriations Act. SCP is for public roadway projects to improve connectivity to Texas Ports and the Maritime Infrastructure Program (MIP), for maritime port capital improvement projects.

The Port will utilize SCP funds to protect and maintain current infrastructure and increase safety along Port roadways. The project includes the construction of 76 light structures along Port RD, Cemetery RD, and roads leading to Port entrance/exits to FM106 and Robles

RD; and upgrades to drainage along the interior portion of Port RD to dissipate road erosion.

"After sundown, it is pitch dark at the Port," Smith said. "Some of our operations are around the clock, so it's essential for Port traffic safety, and other traffic that moves through and around the Port. We have millions of state dollars invested in our roads and improving drainage from the surrounding area that funnels into the Arroyo Colorado will help to keep them well maintained."

The Port is also seeking assistance from the U.S. Army Corps of Engineers (USACE) to expand its turning basin through the Continuing Authorities Program (CAP) Section 107. Section 107 of the River and Harbor Act of 1960 provides authority for USACE to improve navigation. The proposed expansion consists of widening the East Basin seven acres and the West Basin two acres allowing for an expanded pier and additional waterfront property.

Since 2017, the Port experienced waterborne tonnage growth of 177%, with more than 2.4 million tons coming through the Port via barge in FY 2023 compared to 880,321 tons in FY 2018. As well as increased traffic from FY 2018 to FY 2023, the Port of Harlingen experienced a 158% increase in vessels: 325 barges FY 2018 to 802 barges FY 2023.

"It's a safety issue for barges moving through the Port," Smith said. "Expansion of the turning basin would allow for better, more efficient, and safer maneuverability of traffic and also provide additional waterfront access and opportunities, and more dock access."

Currently, the Port is working with the USACE on the feasibility study portion of the project to determine project viability and possible operational impact on the waterway.



Longtime Commissioner Retires

For Bryan Duffy, leadership has nothing to do with title, position, power, or hierarchy, but one thing above all: heart. Since 2011, Duffy's philosophy as a Port Commissioner has been promoting growth, not just for Port operations but working toward the well-being of the communities around him. After 12 years of service, he announced his retirement from the Port of Harlingen Authority Board of Commission leaving behind a legacy of true servant leadership.

"What I most enjoyed working on were various projects with other commissioners and staff and getting things done," Duffy said. "With a small commission I really considered it to be a 'working board.' I am proud of how the Port has grown over the last several years, the amount of commerce that is done there, but I am most proud of what we have done for our region."

During his tenure at the Port, Duffy helped guide the commission and staff that led to substantial growth and development from when he started in 2011 to his last year in 2023. This includes a 239% increase in total tonnage, 565% increase in barge traffic, more than \$25 million in state and federal grant funding for Port Infrastructure growth and maintenance, and a 677% increase in Port revenue.

"I have had the pleasure of working with Bryan Duffy since I was hired," said Port Director Walker Smith. "He not only brought expertise from his profession to the board, but something bigger that pushed the Port to where it is

today. As a leader he sought to understand things and not make assumptions, as well as placing effective goals for staff, himself, and other board members to reach. He believed in transparency for both us and the board and I think that led to success as an organization fiscally and culturally."

Duffy said his call to become a Port Commissioner was out of a need to contribute to his community. In 2011, he ran for a vacant seat and won by 41 votes.

"I heard there was a vacancy and wanted to contribute to the community and it sounded like an interesting opportunity," Duffy said. "I felt like my experience in the real estate industry would be helpful to the Port. It has been an honor to serve the community and I will miss my time there."

Duffy's Bachelor of Science in Agricultural Economics and a master's degree in Land Economics and Real Estate from Texas A&M University, as well as his many years of experience as a partner for Robinson, Duffy & Barnard, L.L.P., a business centered around real estate appraisal, was a driving force for the Ports growth both in footprint and operationally.

"Mr. Duffy will be very missed by the board both personally and professionally," Board Chair Alan Johnson said. "He was always clear, concise and a very effective communicator. Things any successful leader should have. Most importantly, he listened, whether he agreed with you, or you were on the opposing side, he listened and would work for what was best for the Port."

Snell Takes New Leadership Role on Port Commission

Rose Haddad Snell was officially sworn in as a member of the Port of Harlingen Authority Board of Commission last June.

"As a new commissioner, it's very exciting to be a part of a board with this much expertise and experience," Snell said. "It's apparent that their guidance is a big reason the Port has grown to be the 106th largest port in the US and it will no doubt continue to grow in the years to come."

Snell was appointed to the Place 1 position after replacing Bryan Duffy's seat. She is also the first female to serve as a commissioner in the Port's history. Although new to the position, Snell is very familiar with the Harlingen community and the economic development of the region. In Fall 2023, Snell ran unopposed for re-election.

Since 1998, Snell has owned and operated FASTSIGNS in McAllen and Harlingen. After running both stores for 18 years, her husband, Rod Snell, joined her running the McAllen store the last 7 years. Both the Harlingen and McAllen stores are in the top 25 highest volume stores, out of 600 FASTSIGNS stores internationally. The Greater Chamber of Harlingen awarded both Rose and Rod the Small Business award in 2004 and 2022, and the Common Wealth Award for growth and development in Harlingen. This past year, Rose was honored with the Women Entrepreneurship Award at the Women's EmPOWERment night hosted by the Greater Chamber of Harlingen.

"I've always been involved in our community, and this is another opportunity to learn and grow individually," Snell said. "In turn, I hope that my experience being a multi-business owner will be of value to the board."

To learn more about Snell go to: portofharlingen.com/2023/06/06/rose-snell-swearing-in/



After 48 years of service, Port Attorney Jerry Stapleton announced his retirement from service. As a champion of the Port for more than half its years in operation, officially moving cargo since 1952, Stapleton has seen the Port through each turn of economic growth.

“The Port has changed so much thanks to everyone there and their efforts to make it how successful we have been. I can’t tell you what a great career its been. The Port has been my oldest client,” said Stapleton.

In July 1975, Stapleton was hired as the Port Attorney. Just a few years out of the University of Texas Law School (1972), he was most looking forward to learning about the industry and how his new client’s organization functioned, then known as Arroyo Colorado Navigation District of Cameron and Willacy Counties of Texas.

“I was eager to take on the responsibility, and to take over the duties of Karl Gibbon, a well-respected older attorney who was retiring as attorney for the Port,” Stapleton said. “At that point, the Port was in effect an adjunct of the Chamber of Commerce, although it was a legally an autonomous governmental body.”

Recruited by then Port Commissioners, Frank Boggus and Don Bodenhamer, Stapleton went to work as an essential part of creating the Port of Harlingen as it stands today. In the 70s, Port tonnage averaged about the 200,000-ton range with commodities similar to what the Port currently moves today: petroleum, refined and crude; fertilizer, insecticides, grain and building materials. In 2024, however, the Port has grown to a 3.2-million-ton operation with the biggest expansion in petroleum and refined fuels.

“In the early days of my experience with the Port, 70s and early 80s, the Port did not have the maritime traffic it has today, nor the levels of revenue it enjoys

Port Attorney Retires After Almost Half a Century of Service

at this time, Stapleton said. “In fact, not everyone in Harlingen was aware that there was a port associated with the city. Few people understood that the Arroyo Colorado was navigable eastward of the physical location of the Port near Rio Hondo.”

Although the success of the Port was the ultimate goal, Stapleton said his passion lay with working with Port staff in shaping the future economic success of the region.

“Once the Port established its independence from the chamber of commerce and built its own headquarters and employed its own staff, a workplace came into existence wherein I had the pleasure of encountering and possibly mentoring, several young and up and coming professionals,” he said. “Working with these individuals and watching them mold the organization as they and I saw necessary was a pleasure. It soon became true that the Port was an independent, functioning organization, which was efficient and professional, and it was personal satisfaction that I had been a part of that organization and been able to watch it grow into what it is today.”

Since his first day, Stapleton has served alongside 13 commissioners, at varying length of service, and nine Port directors. He is proud of the work he, commissioners and staff over the years have done to enhance Harlingen and South Texas. Current chair and longest serving Commissioner in Port History, Alan Johnson, called it an end of an era and Stapleton’s legacy will forever be imprinted on the Port.

“I’m proud over the years to call Jerry not only a colleague but a friend, as well,” Johnson said. “What he has done for the Port and Harlingen is invaluable and with him leaves decades of knowledge. I think his service has made one of the biggest impacts thus far and he will certainly be missed professionally, and personally.”

Titan Fuel Expands Services

In February 2023, Titan Fuel expanded its services and economic impact with the opening of a new gasoline terminal. Located on the north side of the Port of Harlingen, spanning about 10 acres, the first of a three-phase build-out includes 12 loading racks and approximately 120,000 barrels of gasoline shore-tank storage capacity. The terminal’s capacity allows for loading 24 tanker trucks per hour, which equates to 3 million gallons per day; 90 million gallons per month, and the creation of 30 full-time jobs.

“The gasoline terminal has increased our throughput potential by 50%, meaning 50% more gallons can be exported to Mexico from the Port of Harlingen because of Titan’s new gasoline terminal,” said Steve Putegnath, Titan Fuel’s President of Fuel Operations. “Upon completion of all three phases, the gasoline terminal will have created 80 new full-time jobs. We anticipate further contribution to the local employment landscape as we progress through all phases.”

Since 2017, Titan Fuel established itself as an export company to help supply Mexico’s growing fuel demand. Mexico is a critical export market for US refiners and is Texas’ largest trading partner. Titan started with one diesel terminal with 10 loading racks along the Port’s main dock. Titan Fuel now consists of 225,000 barrels of diesel shore-tank storage capacity with a load capacity of 60 tanker trucks per hour, or 600 tanker trucks per 10-hour period: about 7.5 million gallons per day.

In 2021, Titan Fuel noticed that Mexico was experiencing a growing demand not only for diesel but gasoline, as well. Titan saw this as an additional opportunity to supply Mexico with more fuel while advancing economic growth in South Texas.



“Product diversification enabled Titan to increase its footprint and its economic impact locally and abroad,” Putegnath said. “We saw it was time to build a new terminal when statistics pointed to Mexico’s increasing gasoline shortages and the growing demand for gasoline. The terminal opened as soon as all construction, inspections, testing, commissioning, and reviews were completed, and the facility demonstrated the highest integrity from a safety and compliance standpoint.”

Although Titan Fuel is an export company, the business has had a significant impact locally. Since it started, Titan Fuel has made a \$36 million capital investment in development and infrastructure at the Port of Harlingen and delivered more than 2 billion gallons of fuel without a single safety incident, accumulating more than 3.2 million safe-man hours.

Through operations, Titan Fuel has injected more than \$4 million into the local community through the purchases of homes, vehicles, equipment, groceries, meals, materials, and other items, and donations to various non-profits. They employ nearly 300 full-time employees, with the average hourly employee earning about \$53,400; and the average annual earnings for all employees is \$74,841 and includes insurance benefits and incentives.

“Unlike selling locally, purveying our commodities internationally brings outside money into our local economy, further enriching our community and as an export company. Titan Fuel brings millions of dollars from Mexico into our community,” Putegnath said. “Titan Fuel is also 100 percent committed to helping fuel the community.”

Sen. Ted Cruz Hosts Agriculture Roundtable



The Port of Harlingen hosted United States Senator Ted Cruz (R-Texas) for a roundtable in August with members of the local agriculture industry leaders to discuss important issues and provide an update on matters in Washington, D.C. that affect our region.

As part of a three-day tour focusing on the needs of agriculture, Cruz invited industry leaders and stakeholders from cotton, sugar, Texas Department of Agriculture, citrus, produce, grain, and local farmers organizations to shed light on major issues of the South Texas and the Rio Grande Valley.

“The ag community represents who we are as Texas. Aside from the fact that you feed and clothe us, and keep us alive, you do more than that in terms of just the culture of who we are,” Cruz said. “It is an on-going priority to be fighting for the betterment of South Texas.”

Although on-going legislation including The Farm Bill, a complex bill that builds on the 2018 Farm Bill, which passed May 2024, was a center of discussion, a hot button issue was the area's lack of water and the U.S./Mexico Water Treaty. The bi-national treaty set in 1944 between Mexico and the United States for the utilization of waters of the Colorado and Tijuana Rivers and of the Rio Grande, has been an escalating issue with lack of rain and disputes between the bordering countries.

The treaty states Mexico was supposed to have provided

the United States with all of the water from the Rio Grande it owes the United States every five years. Currently, Mexico owes 1.75 million acre-feet of water to deliver to the United States for this five-year cycle, which began in 2020. And as of last August, the country has only paid 359,907-acre feet of water, according to data from the International Boundary and Water Commission, the agency that oversees the treaty.

Agriculture leaders stressed the impact is not only on farmers and ranchers but creates a ripple effect of consequences throughout the region. Low water levels mean rising cost of water, which drastically impacts area colonias that may not be able to afford the cost. Low river levels can also be impactful to the environment and wildlife that depend on area water for survival, including endangered species.

Beyond direct impact, less agriculture means less jobs not only for regional workers that rely on agricultural jobs, but also any industry that utilizes agriculture products, including the Port of Harlingen.

“There are hundreds of direct jobs that will be affected by those who utilize the Port. If we don't get water, if we don't get rain, those jobs are not just affected by that one organization, its down the chain, all the way across, everyone here at the Port of Harlingen will be affected,” said Port Director Walker Smith. “Regionally, jobs are going to be lost because money is not being pumped into the economy because of the agriculture jobs lost as we have already experienced with the closure of the Rio Grande Valley Sugar Mill.”

Port Director Tapped for Maritime Leadership

The Texas Department of Transportation (TxDOT) Commission appointed Walker Smith, Port Director of the Port of Harlingen Authority, as a member to Port Authority Advisory Committee (PAAC).

The PAAC is a nine-member committee that provides a forum for the exchange of information between the Commission, TxDOT, and committee members representing the port industry in Texas. The PAAC's advice and recommendations provide the Commission and TxDOT with a broad perspective regarding ports and transportation-related matters to be considered in formulating department policies concerning the Texas maritime system.

Smith, who previously served on the PAAC from 2019-2022, is one of three lower coast representatives. His current term is set to expire in February 2026.

In addition to his appointment to the PAAC, Smith was also recently installed as the new president of the Gulf Ports



Association (GPA). The Association is a trade organization dedicated to enhancing economic development and encouraging commerce for deep-water and shallow-draft public ports in the Gulf Coast area.

“Ports are critical economic drivers throughout our Nation,” Smith said. “I am both honored and humbled to be able to lead the Gulf Ports Association and work with many partners who represent ports large and small.”

GPA has been in existence since 1945, created in New Orleans, LA. At the time of its inception, there were 13 public port members in the five gulf states of Alabama, Florida, Louisiana, Mississippi, and Texas. Today, there are 36 member ports. The purpose of the organization remains the same from its creation, specifically, to promote waterborne commerce through gulf ports. The organization meets bi-annually for conferences and as needed throughout the year at various port locations.



Giving Back

As an entity that thrives because of its community, the Port of Harlingen makes it a priority to support local organizations, programs and initiatives that improve the quality of life in our area. Last year, we were proudly sponsored events that benefitted our community through: Boys and Girls Club of Harlingen, The Literacy Center of Harlingen, Riofest, Greater Chamber of Harlingen, Algodon Club First Bale of Cotton Scholarship, Cotton and Grain Producers of the Rio Grande Valley, Children's Advocacy Centers of Cameron and Willacy Counties, Young Life, The Rio Grande Valley Partnership, and the City of Harlingen.

For more information on how to apply for support for fiscal year 2024-25 from the Port of Harlingen, or information on how to book a tour of the Port, go to portofharlingen.com/community-outreach/.



FINANCIALS

Condensed Statement of Net Position	FY2023	FY2022	FY2021
Assets			
Current assets	13,299,695	12,264,044	10,770,146
Capital assets	39,632,061	38,388,043	23,022,012
Total assets	52,931,756	50,652,087	33,792,158
Liabilities			
Current liabilities	213,800	243,184	893,144
Non-current liabilities	14,269,037	14,285,033	1,371,148
Total liabilities	14,482,837	14,528,217	2,264,292
Net position			
Investment capital in assets	27,119,409	26,030,243	21,604,512
Unrestricted	11,329,510	10,093,627	9,923,354
Total net position	38,448,919	36,123,870	31,527,866
Condensed Statements of Revenues, Expenses and Changes in Net Position			
Operating Revenues	2,702,620	2,910,328	2,535,289
Operating Expenses	2,720,364	2,419,614	1,872,931
Operating Income	(17,744)	490,714	662,358
Nonoperating revenue	2,421,026	4,105,290	4,898,273
Changes in Net Position	2,403,282	4,596,004	5,560,631
Condensed Statements of Cash Flows			
Net cash provided by operating activities	811,287	14,396,237	1,022,729
Net cash provided by noncapital financing activities	1,631,300	1,805,988	1,463,339
Net cash used in capital and related financing activities	(2,197,600)	(14,451,840)	(1,546,827)
Net cash provided by investing activities	901,829	(8,239,651)	290,131
Net increase in cash and cash equivalents	1,146,816	(6,489,266)	1,229,372
Cash and cash equivalents, beginning	2,146,229	8,635,495	7,406,123
Cash and cash equivalents, ending	3,293,045	2,146,229	8,635,495

The Port of Harlingen is an important economic hub of South Texas. Sitting on the Southern tip of Texas on the Arroyo Colorado River, the Port is a shallow draft, inland port for barge and multimodal transport.

Our unique location provides direct access to economical and efficient transportation that includes rail, air, interstate highways and ports of entry.

The Port of Harlingen is located 25 miles inland of the Gulf Intracoastal Waterway. The Port connects our region with the entire Gulf of Mexico coast, and has access to several major markets through our connection with the Mississippi River.

As part of the Foreign Trade Zone No. 62, one of the largest in the U.S., and an overweight corridor, the Port is a gateway for international commerce.

Primary Import Cargo

- Refined Petroleum Products (Gasoline, Ultra Low Sulfur Diesel & Ethanol)
- Aggregates (Sand & Cement)
- Liquid Fertilizer
- Dry Fertilizer
- Agricultural Products (Grains, Cotton & DDGs)

Primary Export Cargo

- Ultra Low Sulfur Diesel & Gasoline
- Agricultural Products (Grains, Cotton Bales & Cottonseed)
- Liquid Fertilizer
- Sugar

Tons Per Commodity Type

- Refined Petroleum: **2,850,059**
- Aggregates: **234,700**
- Sugar: **91,223**
- Fertilizer: **59,864**
- Agricultural Products: **37,028**

Total
Annual Tonnage
3,239,805

Waterborne
Tonnage
2,447,291

Vessel Calls
802

- 72 Years of Operation
- 5 Commissioner Board
- 650 Ft. General Cargo Wharf
- 100 Ft. Dry Bulk Wharf 5
- Docks: 3 Liquid, 2 Dry Bulk
- 50,000 Sq.-Ft. Dry Bulk Handling Facility
- 3,700 Ft. Rail
- 2,800 Acres of Land,
- >800 acres of Available Land
- Concrete Roads

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