

These are the minutes of the regular meeting of the Port Authority Advisory Committee (the committee) held on November 14, 2023, in Austin, Texas. The meeting was called to order at 9:00 A.M. by Chair Chris Fisher, with the following committee members present:

Port Authority Advisory Committee:

Chris Fisher, Chair	Port of Beaumont	Virtual
Sean Stibich, Vice Chair	Port of Victoria	Virtual
Roger Guenther	Port of Houston	In Person
Walker Smith	Port of Harlingen	Virtual
Charles Hausmann	Calhoun Port Authority	In Person
Phyllis Saathoff	Port Freeport	In Person
Rodger Rees	Port of Galveston	Virtual
Zach Johnson	Speaker of the House Appointee	Virtual
Aaron Kocian	Lt. Governor Appointee	In Person

A public notice of this meeting containing all items on the proposed agenda was filed in the Office of the Secretary of State at 10:53 A.M. on October 18, 2023, as required by Government Code, Chapter 551, referred to as "The Open Meetings Act."

ITEM 2. Introduction of committee members and TxDOT staff

Mr. Chris Fisher, Chair, performed a roll call of the PAAC Committee members then asked everyone to introduce themselves. All committee members are listed above.

ITEM 3. Opening Remarks

Mr. GeirEilif Kalhagen welcomes everyone here and online. We have a robust agenda to present today and looking forward to an active engagement.

Mr. Chris Fisher notes that the Minutes from the last meeting are in the packet. Please review and we will approve during the next meeting.

ITEM 4. Update on the Statewide Long Range Transportation Plan

Mr. Giacomo Yaquinto, Project Manager with Texas Planning and Programming (TPP) presented on the Statewide Long Range Transportation Plan (see the included powerpoint presentation).

ITEM 5. Update on Maritime Infrastructure Program and Seaport Connectivity Program projects

Mr. Milner stated that all projects are on track. Staff has been collecting the project information forms and SPAs. If you have not submitted this, please do so. We need them to put together the AFA's. We need to ensure to actively pursue environmental and railroad

work. Need to get these project to let by 8/31/2024. Our goal is to have all MIP projects AFAs executed by 3/31/24 and all SCP AFAs executed by 5/31/2024. We will give you an update during the February 2024 PAAC Meeting.

ITEM 6. Discuss and approve the scoring matrix for the Maritime Infrastructure Program (Action)

Mr. GeirEilif Kalhagen states as we went through the PMP last go around, towards the end we discovered there was not a consensus on what the intent of the scoring matrix and how it was weighted. We would like to have an open discussion with the PAAC today to see if there is any guidance to allow MRD to create something more in line with what their vision is moving forward.

Mr. Milner states that we are developing the 2026-2027 PMP and this is important because the narrative of this document is intended to be use to rank and score the projects.

Mr. Fisher discusses a different weighting of each category. We need more planning to approve this process. Economic impact needs to be taken into account. Any concerns on how this is presented and scored? Maybe a future discussion as we get to the projects.

Mr. Kalhagen feels we need to finalize the matrix.

Ms. Phyllis Saathoff would like a smaller port to weigh in on this. It is easier for the larger port to meet the ratings. Would like to hear from the other ports who may not be able to meet the rating on the matrix.

Mr. Roger Guenther wants to hear from smaller ports too. He will lean on the economic impact. It is important that the economic impact is scored higher. Scoring 15% for Other might be a disadvantage to the smaller ports. The scorer needs to define metrics for each category.

Mr. Kalhagen states the intent is to show impact and to distinguish between big and small ports. The number might be smaller but the impact might be greater for the community

Mr. Walker Smith feels it is hard for smaller ports to compete on economic impact level.

Mr. Kalhagen noted that it is going to fall on the responsibility of the scorer. Is it scalable, is it based on statistics? Maybe in defining who's doing the scoring that's the conversation.

Mr. Walker questions how we quantify large vs. small project? Small project is hard to compete on federal project. The qualification for economic impact needs to be equitable.

Mr. Rees questions if we can layer the matrix to consider port size?

Mr. Milner reminds everyone that PMP expresses the needs of ports. He recommends that ports ensure they are including all projects in the document. This PMP will differentiate near term vs. mid to long term. Focus on needs and things might play out naturally.

Mr. Kalhagen feels we can look at some of these suggestions upon scoring too. Under economic impact, maybe there could be quantitative/qualitative or leave as is and add regional impact.

Mr. Fisher states it would have to be legislatively addressed if we had different carve-outs.

Mr. Guenther feels that we don't restrict the ask, because we don't want to restrict the amount. What happens if there's more money to spend?

Mr. Fisher states if we have more money in the fund, then the 20% goes up.

Mr. Kalhagen questions if we leave it as is or add regional category.

Mr. Fisher feels we leave as is – then add project with % of regional impact

Ms. Saathoff questions if we can put regional impact in economic impact section.

Mr. Guenther feels that could work because there are other things in there that aren't applicable. Regional economic impact can't be the whole thing.

After more discussion on how to approach accounting for economic impact, Mr. Walker Motions to table the discussion for a future workshop.

Mr. Rees Seconded.

Ms. Saathoff and Mr. Guenther opposed.

Mr. Aaron Kocian question if we will receive a draft of the changes prior to our next workshop?

Mr. Kalhagen will develop qualitative/quantitative and other "regional impact" category. Please send us any ideas.

Mr. Fisher amends Motion for the workshop to include the MIP and the SCP Matrix as well.

All in favor.

ITEM 7. Discuss and approve the scoring matrix for the Ship Channel Improvement Revolving Fund (Action)

Mr. Fisher would like any thoughts on this matrix for discussion.

Mr. Geir would like to get a sense from the PAAC and the ports if there are any desires to put constraints on this fund. Based on this, we can move forward to get some applications in because we can define the rules of the program.

Mr. Guether feels no need to put this in the workshop since no one has applied.

Ms. Saathoff has a technical question about qualification. At the end of the federal project, you have a 10% of total cost you have to pay back. Is that eligible?

Mr. Kalhagen now knows that there is no desire to put additional restriction to the program so we will start developing the rules more specifically. No one is currently using this fund because they do not know the terms or conditions of the program.

Mr. Fisher Motion to accept the current matrix as is.

Zach Johnson made a motion.

Phyllis Saathoff seconds.

All in favor.

ITEM 8. Discuss Ship Channel Improvement Revolving Fund terms and restrictions

Mr. Fisher knows we had some discussion on this already.

Mr. Kalhagen needs feedback from the ports to see if they would like to see any restriction on this funding. He understands there is no current desire to do this. He would like to open this to any of the ports if they have any comments.

Mr. Fisher understands this is a revolving fund so it is a little different from the MIP. No more to add to this discussion? Let's move to Item 9.

ITEM 9. Discuss future state appropriations

Mr. Kalhagen wants to take the PAAC's perspective on the funding needs for the state. Currently, we have projects container on barges, wayfinding, overheight/overweight corridors, MIP, SCP and the SCIRF. We have Aaron Kocian from the Lt. Governor's Office and Zach Johnson from the Speaker's office and we would like their perspective moving forward and the PAAC's recommendation for future legislation.

Mr. Kocian states during the current interim, we look at issues for the 2025 Session. It is important for the Legislature to see the progress of their investments in the Ports. During the interim charge, we look at the \$200 million for MIP and \$400 for the SCIRF – unfortunately it does not look like we are making much progress on the SCIRF. If Lt. Governor Patrick would

want to have a charge, it would be helpful to show the progress of the SCIRF funding. If the Legislature invests in the ports in the 2025 Legislature, they would like to see a return on their investment. They would want to see the positive impact locally and regionally.

Mr. Kalhagen questions if we should provide to the PAAC white paper describing where we are at for the SCP, MIP and the SCIRF?

Mr. Fisher says yes.

Mr. Kocian understands there has been a lot of work being done behind the scenes and is being done. If we can see this progress being made, it would put us in a better position moving forward into the next Legislative Session.

Ms. Saathoff spoke at the WEDA Conference last week, and took that opportunity to discuss how all the different projects and fundings from the federal government on our channel can work. Between TxDOT and all the state funded projects, it is over a billion dollars. We need to tell the collective story and report that to them and how that all works together and that is how we get the maximum dollar out of everything that is being invested.

Mr. Kalhagen needs to reach out to the ports and request a snapshot of what is being done and we can put together a presentation to the PAAC.

Mr. Kocian states when the special session is over, the Lt. Governor will send out a request to all the Senators requesting all their idea. It is open to all Texans. He suggest the PAAC at this time present a recommendation of how they would want the Senate Finance or Senate Transportation Committee to look at the money that was appropriated and to see how the projects are moving forward. He likes what Ms. Saathoff was saying and take this opportunity to tell the bigger story of what is going on at the Ports. For so many members and the staff, they do not know what is going on at the ports. This is the best opportunity to continue building on the momentum from the 2023 Session.

Mr. Johnson would add that we would visit with your delegation as well to keep inform on what is going on and where the projects are. It is important to keep the coastal members informed. The House and the Senate leans on them for guidance since they are the ones on the coast.

ITEM 10. Public comment

Ms. Glenna Brunn with Texas Ports Association thanked the PAAC and the Maritime Division for all their work. She is excited to continue working with everyone to keep telling the story to get the word out regarding Texas Ports

11. Adjourn (Action)

Mr. Roger Rees motioned to adjourn, with a second by Mr. Zach Johnson. The motion was carried with a vote of 8-0.

Mr. Chris Fisher adjourned the meeting at 10:47 A.M.

APPROVED:



Chris Fisher, Chair
Port Authority Advisory Committee