

June 21, 2022

These are the minutes of the regular meeting of the Port Authority Advisory Committee (the Committee) held on June 21, 2022, held at the Port of Port Arthur. The meeting was called to order at 9:01 a.m. by Chair Phyllis Saathoff, with the following committee members present:

Port Authority Advisory Committee:

Phyllis Saathoff	Chair, Port of Freeport
Rodger Rees	Port of Galveston
Roger Guenther	Port of Houston - Online
Walker Smith	Port of Harlingen - Online
Sean Strawbridge	Port of Corpus Christi – Online
Michael Plank	Lt. Governor Appointee - Absent
Allan Ritter	Speaker of the House Appointee - Absent
Ron Mills	Port of Mansfield - Absent

A public notice of this meeting containing all items on the proposed agenda was filed in the Office of the Secretary of State at 10:19 a.m. on May 31, 2022, as required by Government Code, Chapter 551, referred to as "The Open Meetings Act."

ITEM 2. Introduction of committee members and TxDOT staff

Ms. Phyllis Saathoff requested for Geir Kalhagen to introduce all TxDOT employees present.

ITEM 3. Open remarks

Mr. Larry Kelly, Director of the Port of Port Arthur, welcomed everyone and introduced John Comeaux, President of the Port of Commissioners, Randy Martin, Randy Johnson, and Linda Turner Spears, with Commissioner Office; Zach Johnson from Speaker Phelan's office; and Jennifer Harris with Senator Nichols office. Doreen Badeaux, Immediate Past President for the Port Arthur International Seafarer's Center, gave the history of the center where the PAAC meeting was held.

ITEM 4. Approval of the April 25, 2022 meeting minutes. (Action)

Mr. Chris Fisher made a motion to approve the meeting minutes with a second by Rodger Rees. The Committee approved the minutes from April 25, 2022, meeting by a vote of 5-0.

ITEM 5. Introduction of Caroline Mays, Director of Planning and Modal Programs, TxDOT.

Ms. Caroline Mays introduced changes to the TxDOT organizational chart and her new role. Ms. Mays mentioned the five divisions that will report to her: Aviation, Rail,

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Maritime, Public Transportation, and Transportation Planning and Programming. Ms. Mays informed the Committee that she and the five divisions are under Ms. Brandye Hendrickson, Deputy Executive Director over Planning and Administration.

Ms. Mays described her role as overseeing TxDOT planning and modal integration programs, grant activities, customer service, and strong engagement with Stakeholder activities. A big part of her duties is how to integrate other transportation modes into the modes she is currently coordinating.

There were no questions for Ms. Caroline Mays

ITEM 6. Introduction of Glenna K. Brunn, Executive Director and CEO, Texas Ports Association.

Ms. Saathoff introduced Ms. Glenna Brunn, the first Executive Director and CEO of the Texas Ports Association. Ms. Brunn expressed her excitement about the new position. She is working on setting up meetings with all of the ports and is looking forward to working with everyone.

Ms. Saathoff wanted to note Ms. Brunn's background in non-profit and public affairs, and she is working on a Ph.D.

ITEM 7. Update on federal funding programs.

Mr. Federico Rodriguez of Government Affairs Division provided a State of Play update. As of June 21, 2022, major grant deadlines have passed for Rebuilding American Infrastructure with Sustainability and Equity (RAISE), Multimodal Projects Discretionary Grant Program (MPDG), America's Marine Highway Program (AMHP), and Port Infrastructure Development Program (PIDP).

Mr. Rodriguez discussed the new grant programs awaiting guidance and notice of funding are Reducing Truck Emissions at Ports, Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) Program, and the Railroad Crossing Elimination Program. Other federal legislation includes the Water Resources Development Act of 2022, Maritime Administration Authorization Act for FY 2023, Ocean Shipping Reform Act of 2022, and Energy and Water Appropriations Act of 2023.

No questions were asked.

Please view presentation #1 for further information.

ITEM 8. Discussion on private entities applying for federal grants and TxDOT support.

Mr. Geir Kalhagen led a discussion on TxDOT supporting private entities applying for federal grants. Understanding that private entities can be competition for Ports,

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Can a private entity take the lead? No, it cannot. It has to be a public entity, port, or local government.

ITEM 9. Presentation on the Texas Ports wayfinding project

Ms. Kris Knoll presented the Port Wayfinding Implementation project. The overall project aims to identify preferred freight routes in and out of ports, standardize statewide port wayfinding signage, identify gaps, and coordinate with mapping companies. The project's planning phase began in 2019 and has produced an approved sign design, preferred in/out routes, and draft sign counts. The Maritime Division is negotiating a work authorization with AECOM to kick off the project's implementation phase within the next month. AECOM will reach out to ports and local governments to review previously identified truck routes and identify any changes necessary. AECOM will also work with private mapping companies with the goal of reflecting the preferred routes in their maps. Deliverables will be a PS&E package; no construction funding has been identified for the project, but MRD will be in a position to apply for funding once it's ready to let.

There were no questions for Ms. Kris Knoll.

Please see attachment 2 for additional details.

ITEM 10. Update on the 2024-2025 Texas Port Mission Plan.

Mr. Chris Levitz, AECOM- update on the continued work on Port Mission Plan.

Three main components of the PMP reports come together under this Port Mission Plan: Port Connectivity Report, Port Capital Investment Report (PCIR), and Ship Channel Improvement Report.

An inland connectivity needs assessment has been completed. The AECOM team reached out to all the ports and summarized their connectivity needs. The potential solutions and evaluations have been identified and developed, with additional implementation factors for the TxDOT MRD team. MRD will be sending out a draft of the Connectivity Report to all ports; comments and feedback are encouraged

The PCIR experienced a significant increase from previous years, with roughly forty-nine projects identified by fifteen different ports totaling over \$1.6 billion. The PAAC recommended during their April 2022 meeting that TxDOT include \$150 million to fund the PCIR in the Department's 2024-2025 Legislative Appropriation Request (LAR). A couple of projects are still trying to obtain a final cost or approval; any lingering items will cause delays. Please reach out and provide that information to AECOM.

Every project submitted will be presented similarly, with all information outside the scoring process worth noting. The scoring process is based on the two desired (out of five available) factors identified by the ports, and that process is ongoing and will be shared later with the PAAC.

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The Ship Channel report has progressed furthest as it's in the final draft stage. The new initiatives are to highlight the local port side, local funding, maintenance, federal portions of the project, and work to better understand how ports work with federal and other entities to operate and maintain these channels. Summary of the Ship Channel projects is eight federal projects worth \$3.66 billion, and the authorized feasibility study is \$220 million. Noted within this report are several non-federal projects that totaled just under \$1 billion. There are a lot of other funding needs going on along the coast when it comes to channels. Similar to the PCIR, the PAAC requested TxDOT include \$400 million for the Ship Channel Improvement Revolving Fund (SCIRF) in their 2024-2025 LAR at their April 2022 meeting.

The remainder of June will be spent completing the PCIR, and the Port Connectivity Report will be completed in July. In August, the full report will be wrapped up with the completion of the Port Mission Plan Executive Summary and Stakeholder Engagement Summary Report. The final document will be presented for approval at the September PAAC meeting.

There were no questions for Mr. Levitz

Please see attachment 3 for additional details.

ITEM 11. Discussion on the scoring matrix to be used for port capital projects in 2026-2027 Texas Port Mission Plan.

Mr. Geir Kalhagen explained that the criteria set up previously included economic impact, operational impact, enhancing connectivity, and improving safety, security, and measures of other benefits. The PAAC decided that the ports could pick the two best criteria to represent the highest value in each project put forth. Most utilized economic impact and operational impact. Now that funding appears to be more real, Maritime Division wanted to have an open conversation with the PAAC on scoring.

Scoring criteria discussed included: economic impact, operational impact, enhanced connectivity, improved safe and secure operations, and other benefits, environmental, sustainability, air quality, or other factors pertinent to the community where the project is being presented. It's important to consider how resiliency can be built into the Texas Port System, with full engagement and communication with communities to understand this movement better. The current evaluation matrix aligns with the previous PAAC approval and utilizes critical priorities of the Texas Transportation Commission. Based on recent feedback, the scoring matrix should be reevaluated to ensure the process captures the project's full benefit.

Mr. Roger Guenther commented that we need to continue to revisit and evaluate all criteria with an emphasis on economic impact. If the State of Texas is providing funding, a project's economic impact must be a part of the selection criteria. There should be an economic return for the money that the State contributes.

Mr. Sean Strawbridge suggested a full rubric where the applications could be judged holistically and objectively, including the impact on the surrounding communities for district ports as well as the State and the nation.

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Mr. Walker Smith agreed with Mr. Guenther's comment that economic impact should be a criterion. There needs to be a process to compare small and larger ports, as they will not look the same when compared on paper.

Mr. Strawbridge recommended moving forward with a more holistic approach, including economic impact, and ensuring an equalizer for all the Texas ports to participate.

Mr. Rodger Rees asked if the economic impact would have a higher weight than the other categories. Mr. Kalhagen said this is something that we can look at. We would use a rubric, as Sean Strawbridge mentioned. We have been referring to it as a matrix. We would use this tool and change the criteria values as the PAAC seems fit. This is the PAACs tool to come up with it.

Mr. Chris Levitz, AECOM, stated that these adjustments are possible and are dedicated by the PAAC. It would be beneficial for it to be done within the next year.

ITEM 12. Public Comment.

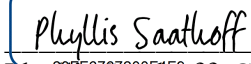
Victor Martinez-Has a question on ITEM 8. Discussion on private entities applying for federal grants and TxDOT support. If TxDOT is getting a request for a private entity, would that be brought back to the local port? Is TxDOT able to support that themselves without the port's blessings? This is a concern. Mr. Kalhagen informed Mr. Martinez that TxDOT would not do anything without speaking to the ports. The Maritime Division takes any recommendations from the ports very seriously and will communicate with transparency and intention of benefitting the port system.

Mr. Sean Strawbridge- suggested an agenda item-discussion on the passage of ocean shipping reform and its implication for Texas Ports. It is focused on container ports but maybe some implications for non-container ports. Roger Guenther agreed with this suggestion.

Mr. Geir Kalhagen thanked the Port of Port Arthur and informed everyone that Thursday's Texas Transportation Commission will be revisiting the rules on the SCIRF-Ship Channel Improvement Revolving Fund. Mr. Kalhagen congratulated Roger Guenther for his nomination to the International Maritime Hall of Fame. It says a lot about Texas and the Port of Houston regarding all their accomplishments.

Phyllis Saathoff adjourned the meeting, the meeting at 10:41 a.m.

APPROVED:

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Phyllis Saathoff, Chair
Port Authority Advisory Committee