

These are the minutes of the July Workshop of the Port Authority Advisory Committee (the Committee) held on July 28, 2023, in Austin, Texas. The meeting was called to order at 1:30 p.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	In Person
Roger Guenther	Port of Houston	Virtual
Walker Smith	Port of Harlingen	Virtual
Sean Strawbridge	Southern Coast Representative	Absent
Phyllis Saathoff	Port Freeport	Virtual
Rodger Rees	Port of Galveston	In Person
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 10:41 a.m. on July 14, 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, asked everyone to introduce themselves. All committee members are listed above; one member was absent.

ITEM 3. Opening Remarks

Mr. Fisher apologized to everyone for not being present at the meeting due to being stuck in traffic. Mr. Fisher expressed appreciation for everyone's participation in this workshop.

ITEM 4. Discuss projects recommended for funding for the 2024- 2025 Maritime Infrastructure Program.

Mr. Fisher acknowledged Ms. Kris Knoll for preparing a detailed spreadsheet laying out all the projects for the Maritime Infrastructure Program (MIP) and the Seaport Connectivity Program (SCP). He stated that this is an excellent place to start reviewing the project information, prioritizing projects, and ensuring no overlap between the MIP and SCP.

Mr. Roger Guenther stated that the spreadsheet has valuable information; however, the \$20 million cap spreadsheet did not spend all the funds. He stated that having all the projects shovel-ready and the money spent before the next session begins is vital. Mr. Guenther further noted that the \$35 million plan looks fair.

Ms. Knoll stated roughly \$5.4 million remained for distribution in the MIP.

Mr. Smith suggested considering other projects not currently on the list that meet the criteria.

Ms. Knoll explained that the list primarily contains projects that would be let in 2024, but some will be let in 2025.

Mr. Smith stated that shovel readiness is essential and asked whether the Committee could reallocate the funds to projects that paid more than their 25% cost share. SB (Senate Bill) 1499 creates potential issues with this approach, given the 20% max allocation per port.

Mr. Fisher is not sure if there are additional qualifying projects that could be included in the list. If there are no other projects, the Committee can:

1. Provide additional funds to projects, but keep in mind the 20% max per port limitation per SB 1499.
2. Spread remaining funds over several projects that have spent more than the 25% match.
3. Pro-rate the remaining funds over all the projects since they are over budget.

Mr. Guenther wants the process to be fair and suggested evenly dividing the remaining funds and giving them to everyone on the list.

Mr. Fisher stated that the smaller projects would run over the caps if we did that, so he suggested the pro-rate approach.

Mr. Travis Milner explained that the Committee will meet on August 2, 2023, to finalize the list. The Maritime Division will be presented to the TxDOT Commission seeking approval on September 28, 2023. Then, projects will be ready to start AFA (Advanced Funding Agreement) development.

Ms. Knoll explained that we can start working with everyone once the Committee approves the list of projects to complete the front-end things to make the AFA process easier.

ITEM 5. Discuss projects recommended for funding for the 2024- 2025 Seaport Connectivity Program.

Mr. Guenther questioned whether the 20% max per port under SB 1499 also applies to SCP.

Mr. Milner explained that the 1499 Bill affects both programs, but they will be treated independently: 20% of the \$200 million and 20% of the \$40 million.

Mr. Guenther stated they would not move forward on the Oates Road project given the 20% cap (\$8 million). He asked that the project be removed, which leaves \$4.6 million on the table.

Mr. Milner states there is no statutory requirement for the SCP 25% cost share. The Committee developed this policy.

Mr. Gunther suggested moving forward with the current list, given the little money left over. The Committee could open another call for projects at the end, or the cost share could be adjusted.

Mr. Milner stated there was a misunderstanding. The Commission approves projects with a specific dollar amount. The Committee cannot redistribute leftover funds. A funding request to the Commission must be made upfront.

Mr. Smith suggested adjusting the cost share.

Mr. Fisher suggests that Ms. Knoll run some scenarios at 80/20 or 75/25 percentages and see what happens. Then, ask the Committee to approve these projects at that percentage match. The same can be done with the MIP, and the Committee can also consider that.

Ms. Knoll will rework the spreadsheet and send it out for the meeting next Wednesday.

ITEM 6. Public comment

Mr. Kalhagen expressed his appreciation for Ms. Knoll putting all this together for the Committee to discuss today. He was glad that everyone got to hash this all out and that this provided a good foundation for the upcoming meeting on August 2, 2023.

ITEM 7. Adjourn

Mr. Chris Fisher adjourned the meeting at 2:57 p.m.

APPROVED:

A handwritten signature in blue ink, reading "Chris Fisher", is written over a horizontal line.

Chris Fisher, Chair

Port Authority Advisory Committee