

Port Commission Special Meeting  
November 17, 2025  
In Person & Videoconference

A Special Meeting of the Port Commission of Port Freeport was held November 17, 2025, beginning at 10:02 AM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

**Commissioners present in person:**

Mr. Rob Giesecke, Chairman  
Mr. Rudy Santos, Vice Chairman  
Mr. Kim Kincannon, Secretary  
Mr. Dan Croft, Asst. Secretary  
Ms. Barbara Fratila, Commissioner  
Mr. Ravi Singhania, Commissioner

**Staff Members Present:**

Mr. Grady Randle, Randle Law Firm  
Ms. Phyllis Saathoff, Executive Director/CEO  
Mr. Rob Lowe, Director of Administration/CFO  
Mr. Jason Hull, Director of Engineering  
Mr. Jason Miura, Director of Business & Economic Development  
Mr. Chris Hogan, Director of Protective Services  
Mr. Jesse Hibbetts, Director of Operations  
Mr. Brandon Robertson, Director of IT  
Ms. Missy Bevers, Executive Assistant  
Mr. Clinton Woodson, Sales Manager

**Also, present:**

Mr. Geoff Bowman, Van Scoyoc Associates (virtual)  
Capt. Billy Burns, Brazos Pilots Association  
Capt. Matt Krohn, Brazos Pilots Association  
Capt. Sean Kelly, Brazos Pilots Association  
Mr. Michael Schmidt, BCS (virtual)  
Mr. Will Bohlen, GHD (virtual)

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation – Rob Lowe, CFO
3. Pledge of Allegiance – U.S. Flag and Texas Flag
4. Roll Call - Commissioner Giesecke noted that all Commissioners were present in the Board Room.
5. Call to identify and discuss any conflicts of interest that may lead to a Commissioner abstaining from voting on any posted agenda item.

There were no conflicts noted by Commissioners.

6. Public Comment – There was no public comment.
7. Public Testimony – There was no public testimony.
8. Conduct a Planning Workshop for Port Freeport regarding the following:
  - A. Introductory Remarks.
  - B. Federal Affairs Update.
  - C. Local and Economic Update.
  - D. Operations Update.
  - E. Capital Projects Update.

#### ***Introductory Remarks***

Ms. Saathoff began the workshop by announcing that the conditional acceptance of the cranes was signed November 14, a few days ahead of schedule, and the cranes are already working. She then stated the workshop will begin with Geoff Bowman giving an update on everything happening in Washington including where Congress stands with the continuing resolution, everyone going back to work, what it means for the rest of the budget and what to expect moving into the new year. In addition, an update will be given on the legislative efforts underway with the two associations the port works with in DC, followed by a local and regional economic update. Staff will then provide updates on port operations and capital projects, assessing where the projects stand, discuss the channel and the need to do simulations to evaluate whether there are other modifications needed in the channel to get it to a state that gives the port the maximum return on the investment in the system. Executive session will follow with discussion regarding competitive business matters and strategies going forward.

#### ***Federal Affairs Update***

Mr. Geoff Bowman with Van Scoyoc Associates joined the workshop via Zoom to give an update on federal matters. Mr. Bowman stated that not much has changed since his last update in August with the shutdown which is now a record at more than 40 days. He stated the conditions on Capitol Hill are challenging with 219 Republican and 214 Democrats in the House. From a party line vote standpoint, there's a member from New Jersey that will have to resign because she'll be the new governor coming up here in a few weeks, so it will bring it back to about 2:19 to 2:13. The conditions are also challenging in the Senate with 53 Republicans and 45 Democrats and two independents that tend to caucus with the Democrat Party. As of last week, Congress has enacted a grand total of 37 laws but is still ahead of the previous congresses clip, and only four big legislative initiatives have been enacted. The government operated on a full year continuing resolution for fiscal year 2025 that was enacted back in March. There was a rescissions package enacted in July, rescinding funds to National Public Radio, the public broadcasting system and an agency within the State Department called USAID. Congress also enacted the One Big Beautiful Bill Act that addressed two of the president's three priorities related to tax reform and border security. So again, we had the longest government shutdown in history; it ended Wednesday night. The

president did sign that quickly into law. There's a big issue over insurance and the tax credits related to premium insurance plans under the Affordable Care Act. It looks like the Senate was able to strike a deal where they may separately vote on extending those subsidies sometime before the end of the year. In addition to passing the CR, they passed 3 appropriations bills for FY2026. They passed the agriculture spending bill, the military Construction Veterans Affairs bill, and the Legislative branch appropriations bill. So that means they have nine appropriation bills to go that need to be completed before the continuing resolution expires on January the 3rd. We learned a lot during the shutdown. For one, the Affordable Care Act is sort of a tricky law. We also learned that there are 41 million Americans that are dependent upon supplemental Nutrition Assistance. In terms of what's coming next. They have to complete the FY2026 appropriation bills. It looks like the Senate's going to try to tee up a bill package, maybe later this week, to include funding for FY2026 for the Defense Department, The Labor Department, Health and Human Services Department, and the Commerce Department and Justice Department. Of particular of importance to Port Freeport is the Department of Transportation funding which may be included in that bill package. The Port typically gets some surface transportation money out of DOT Port Infrastructure Development Program funds through administered by MARAD.

Also in August, I alluded to Congress getting down to brass tacks on some sort of permitting reform legislation reforming some of the Clean Water Act provisions and Endangered Species Act provisions, as well as the National Environmental Policy Act. With NEPA provisions, the focus is encouraging with transparency, certainty, clarity, and acceleration in permit decisions expected. It doesn't mean that they're going to fast track permits themselves. It's just that they want to get the decisions more quickly. The highway bill that I mentioned back in August has been sidetracked with all that is happening at the moment. I expect that it will move sometime in the first quarter of 2026.

The next few weeks are going to look like the spillway of a dam opening. There's a lot of pent up legislation and a lot of pent up rule makings that are going to occur. You also have some nominations that have lagged. We're also hearing that there may be a Waters of the United States rulemaking that may be issued as early as today. Last week that the vessel and cargo handling equipment fees that were proposed on Chinese manufactured vessels and Chinese manufactured equipment will be postponed until on or about November the 10th, 2026.

Working through some of the slides that staff produced, the election results of mid-term elections are always a little tricky to parse through. On the existing administration, three big states, New York, New Jersey, Virginia, everybody paid attention to those. It was a clean sweep for the mayoral election in New York. We also have two Democrats winning the gubernatorial elections in New Jersey and Virginia, those are three pretty blue states.

In terms of the Water Resources Development Act, I think with the sliding of the highway reauthorization bill, that's probably going to push WRDA 2026 a little deeper into calendar year 2026. Member portals will probably not open in January. That process may get pushed into February, and that's going to hit at the exact same time that we'll be teeing up FY2027 appropriations request. In terms of the \$11 billion list of projects that was proposed to be paused by the administration, that occurred by tweet early in the month of October, we have seen no list of projects. In terms of what's on this list, I think folks have really been reading into this maybe more so than they should be. There were four cities that were mentioned in

that in that tweet, it was Baltimore, Boston, San Francisco, and New York. There are some projects in those states that drew some attention. We don't have any more information other than what was in the tweet. As soon as we see a list, we'll share it with you. I'd be surprised if there were navigation and flood control projects that were on that list. On the constitutionality question of the tariffs, there was a Supreme Court hearing within the last couple of weeks. The justices didn't seem too enthusiastic about the president's authority issued tariffs, but it is unclear where they're going to go with that rule. That ruling will take a couple of months before it gets developed. The President does have two separate laws under which he can issue tariffs. Should the Supreme Court rule against the ability of the President to issue tariffs, the obvious question is what would that mean for the funds that have been collected? So, with that I'll pause and answer any questions that you have for me.

Commissioner Singhania asked about the amount of Harbor Maintenance Trust Fund, noting the AIPA slide showed a request of \$3.48 billion and in President's budget \$1.7 billion. His recollection was that it's almost \$3 billion and asked about the annual amount of harbor maintenance tax collection. Mr. Bowman did not recall the specific number but would find it. Commissioner Singhania noted that even with all the work that AIPA and others have done, this shows that the money is still not going straight into the HMTF in the budget. He also asked if the pause on \$11 billion worth of projects mentioned impacted any projects in progress already. Mr. Bowman said he does expect that if this list comes out it will be impacting projects that are underway. The administration refers to the projects that are paused as low priority, and so because they are prioritizing navigation projects, it would be surprising if our project was on that list.

Commissioner Singhania asked when the SCOTUS verdict would come on the constitutionality of the tariffs. Mr. Bowman said we could be months away from getting a decision. He also reported that HMT collections are anywhere from 1.6 to 2 billion annually.

Commissioner Santos asked Mr. Bowman if he could give a quick update on who is actually off and on the Federal Maritime Commission. Geoff stated that he has lost track on the two nominees for the FMC positions vacated by Commissioners Benzel and Sola. They have not been before the committee for vote yet. The FMC also does not have a chair.

Ms. Saathoff noted the two FMC commissioner nominees are from the State of Florida. She noted on the summary page on the tariffs that the Biden 25% is not shown and wants to note that for the record. Earlier this Trump reached a tentative agreement with China and agreed to reduce the fentanyl portion of the tariff by 10%. So, the current Trump implemented tariffs is at 20%, but you still have the Biden imposed 25% making the total for China is 45%. We have been focused on the tariff's on our ship-to-shore cranes which are exempt from the Biden imposed 25% tariff. The tariffs on the

Mr. Bowman recapped that prior to November 10th, the Trump imposed tariffs had been a combined 30% on China, plus the previously imposed 25% by former President Biden. Trump agreed to reduce the fentanyl portion of it by 10%, so the total tariff right now on China is 45%.

Ms. Saathoff again noted the Port paid 30% on the new cranes because they were exempted from the Biden imposed tariff. She also noted there was additional information in their packet for reference and for the public, highlighting some of the Chinese commitments as a

result of the recent negotiations, and what the US had agreed to. The President lowered the Chinese import tariffs by 10% and then extended the certain section 301 tariff exclusions that were going to expire this month until November. 10th, 2026 and then also as he mentioned the fees imposed on Chinese connected vessels that were implemented in October, those have been paused as until till November 2026, but it still leaves uncertainty because nothing is final yet, and that's really what is needed in the market for importers, consumers, and others to gain confidence. The president's working aggressively to complete all of the tariff negotiations. As we move further into our workshop discussions and we're talking about our recent successes and about business development going forward, keep that in mind the uncertainty surrounding the tariffs and ship fees. That uncertainty does have an impact on decisions about where to deploy vessels and where is it most cost effective to bring vessels into the U.S. if those fees were to be reinstated. There would have been a lot of added cost if the ship fees had been left in place.

At the American Association of Port Authorities annual convention, we received updates on AAPA legislative priorities and efforts. Just to review them so all commissioners are aware of what they're focus has been and will continue to be. , they'll continue to weigh in and monitor USTR301 actions and the tariffs and advocating on behalf of ports with regard to port equipment and unintended consequences. The Port Crane Tax Incentive act was filed by Representative Azelle; the AAPA played a part in the crafting of that act. AAPA is advocating for donor and energy ports related to the Harbor Maintenance Trust fund. There was a long collaborative effort and agreement between the ports on the West Coast, the Great Lakes ports and then the east and the Gulf ports on the use of HMTF dollars. When Congress passed a full year continuing resolution in 2025 that allowed the US Army Corps of Engineers the ability to direct those funds where they wanted those funds to go because it wasn't under a full appropriation. So, the USACE reallocated those funds and didn't follow the agreement that was enacted. So, the AAPA is taking the position they want to see that the Act honored going forward. AAPA will be again pushing to make sure that a Water Resources Development Act gets passed 2026 keeping the consistent cycle of WRDA bills. AAPA is also supporting the highway reauthorization bill and continues to pursue legislative changes to make it the responsibility of the federal government to fund the facility needs of U.S. Customs and Border protection operations at ports including office space. A bill has been drafted, The Space Act, but has not been filed yet. They're looking for a bill sponsor. Commissioner Singhania noted that on the CBP space that you can have that requirement, but if they don't have funding for it and we need them at our port, it goes back to the same cycle again. Saathoff agreed. She then covered the National Waterways Conference legislative priorities and noted the conference was also held this fall and Jason Hall and Commissioner Singhania and Commissioner Kincannon attended that. The NWC focuses a lot on the on the WRDA bill and the Waters of the United States. Currently they are now focused on reinstatement of a water sub cabinet created during Presidents Trump's first term, which brings a lot of agencies to the table together to work on matters collectively instead of everybody sort of working independently. The subcabinet worked very effectively and NWC members would like to see that reinstated. Ms. Saathoff noted she currently sits on the board of the AAPA and will bring a resolution to the Port Commission that specifies the area she is authorized to represent the port.

Commissioner Croft commented that in his mind thinking through all of this, there are things that we can take from this information and consider it both either way, positive or negative. And what of this legislation gives us the most potential and what is the most damning and

what makes the most sense for us moving forward? Ms. Saathoff responded saying some of this conversation will occur as we talk about business opportunities and negotiations that have been ongoing, The most frustrating part about all of it right is the uncertainty that's created in the marketplace because of the tariffs and the ship fees. Bringing more manufacturing back to the United States and especially in the maritime sector and shipbuilding will take a lot of time and there will consequences and sometimes unintended consequences. And we're trying to navigate that and trying to mitigate that for the port, but we're not the ones that are actually importing the cargos. That's why everyone was asked to keep in mind the fact that we are in a one year holding pattern on some tariffs and fees. Until there's certainty in those areas, I think it's going to be challenging. Commissioner Croft agreed, stating that he thinks we're moving towards a port point in our history where uncertainty is the norm and the more unknowns that we have is going to be something that we have to deal with. And the more that it occurs, the more it's going to be routine, the more we'll be able to adapt to it, and that's where we really rely on staff to give us the insight on what's going. We appreciate the good work that staff's been doing and you as well.

Commissioner Giesecke commented that he was at a conference not too long ago and there was a discussion on the effects of uncertainty, and the speaker showed a picture of a stop sign. So unfortunately, that's where we are.

### ***Local and Economic Update***

Ms. Saathoff shared a few slides from recent slides presented by Dr. Payne at the Economic Alliance meeting along with forecasts from HGAC (Houston-Galveston Area Council) that shows where Brazoria County is at and in what direction the County is headed. The first slide is an index of leading economic indicators through September 2025 and is designed to forecast the performance of the next 3-6 months. The forecast shows a .66% increase over the past month, however, over the past year, there's been a .24% decrease. She noted that you have to have a sustained period in which the leading index consistently exceeds the moving average before it signals that the local economy is growing or beginning a period of growth, adding that it looks favorable and heading in the right direction, but will need to be sustained. Looking at Brazoria County employment, almost 2100 jobs were added this year, which is a slower pace of growth compared to last year's over 4000 jobs gained. While construction and sales are up, the labor market has softened. The current economic index remained below the 6 month moving average since late 2024 and sits just under the threshold which signals the county is experiencing a slow or modest economic growth. Ms. Saathoff stated that Dr. Payne started monitoring the Brazoria County Stock Index some time ago, and it has declined 19.54% over the past year with 4 of the 5 companies (that are tracked), posting decreases in stock price. Ms. Saathoff noted it's reflected in the activity of the markets of some of the chemical companies, so it's not surprising to see the downward movement in the stock price. The next slide shows growth forecast from the Houston Galveston Area Council(HGAC), which indicates that Brazoria County's economy is expected to grow significantly between 2020 and 2050 with an increase in job employment by more than 124,000 and a rise in population by nearly 398,000 which is a 107% increase for both based on their forecast. Additionally, between 2020 and 2050, HGAC is forecasting about 47,000 new residential units and 1800 multi-family units. Overall, for the region, it's over 800,000 total new residential units and 161,000 multi-family units. The population growth in Brazoria County will occur down the 288 corridor and in the north end of the county with Angleton and areas in between also experiencing growth. Employment increases are forecasted for Lake Jackson, Angleton, and the northern end of the county. Ms. Saathoff stated that

sometimes Brazoria County doesn't react the same way as other parts of Texas, tending to be a little insulated and have more consistent trends, it's just in a window where area producers are being impacted, largely because of China tariffs and China undercutting pricing on some of the produced goods and flooding the market. She also noted the forecast for container containerized volumes of imported consumer goods primarily is not favorable for the next several months.

### ***Operations Update***

Mr. Hibbetts presented the update from operations beginning with the LNG sector stating the port handled 225 LNG vessels in 2025 and looking to do the same with LNG expecting a turnaround in the second quarter, which would be a difference of 6 to 8 vessels annually. Moving forward, LNG plans to have a turnaround scheduled every year for the one of the 3 liquefaction trains while the 4th year will be an off year and then they'll repeat the cycle. The steel sector has been very strong for the port over the last couple of years. All indications from Tenaris point to another strong year, moving more tonnage, more bars, by both vessel and barges. As previously reported, the container sector also had a good year. Mr. Hibbetts stated the port handled 152 container vessels with almost 93,000 containers moving through Velasco Terminal and just over 1,000 containers moved through the terminal from Ro/Ro carriers. He stated the port is expecting another great year in the container sector sharing a photo of the area behind Berth 8 on Velasco Terminal that will be utilized for future container business in addition to Area 5, if needed. The port's new Super Post Panamax cranes commissioning is wrapping up. The endurance testing started for both cranes on November 4 with the handover taking place November 14. The cranes are currently in production working the Del Monte vessel. Ms. Saathoff noted that the crane operators appeared to be well prepared because they were getting good productivity from what she could see when she drove through earlier. Mr. Hibbetts also noted that staff requested two of the best crane operators for the first vessel. Ms. Saathoff gave kudos to Mr. Hibbetts, Don Mullett, and others for supporting the team from ZPMC USA in getting the commissioning done and cranes delivered ahead of schedule. Mr. Hibbetts stated the ZPMC and ABB groups were phenomenal to work with, noting that after losing 20 days at sea coming around Africa to getting everything done and completed on time is well worth noting. Commissioner Santos echoed his thanks to Mr. Hibbetts and team, Al Durel, Paul Bridges, and everyone else involved. Mr. Hibbetts stated that the roll-on/roll-off sector saw 187 vessels in 2025 with nearly the same budgeted for 2026 and almost broke the 200,000 vehicle mark. The increased tonnage also includes the high and heavy cargo, and he noted that AMPORTS, APS, Ports America and Red Hook are all stevedore companies that handle the Ro/Ro sector. Mr. Hibbetts then shared a photo of Velasco Terminal Ro/Ro areas Area 5 is utilized for the high and heavy and rolling stock while Area 4 is where the track vehicles and the POV's (personally operated vehicles) are kept. He also noted the truck queuing area on Parcel 1 (outside of new Gate 12) that will be utilized as the Parcel 1 roadways are completed. Mr. Hibbetts shared a slide that includes the different sectors (Ro/Ro, containers, steel, rice) and shows the carriers, stevedores, and terminal operator for each. He then shared a slide with the current traffic flow coming from Velasco Terminal to either the cross dock or exiting the gate. He also shared slide showing the future traffic flow at Gate 12 with the new remote radiation portal monitor (RPM). Having another new remote RPM at Gate 12 will not only enhance efficiencies and safety on the terminal but will reduce the number of entries and exit out of Gate 8. Staff has not received the approval letter on the PRUA, but does have kick-off meeting set with CBP to lay out the timeline on the project and is completing as much work as possible so there will be no hold-ups once the approval comes in. Mr. Hibbetts stated that

staff hopes to have the RPM in by the second quarter of 2026 noting there is a lengthy review process with about 6 different groups, all within CBP. Fiscal year 2025 results for container volumes, TEU's, container tonnage, steel tonnage and railroad tonnage were all up making it a phenomenal fiscal year. Looking at 2026 outlook, staff is budgeting more ships at 722 vessels and kicking off several projects including fenders for the inner harbor at Docks 1, 2 and 3, Gate 12 remote RPM and new traffic flows to/from Velasco Terminal and Area 5 project. The handover of the new ship-to-shore cranes will hopefully lead the port to more container business in the near future and as the roadways wrap up in Parcel 1, the truck queuing will be utilized and release some of the congestion Gate 8 and Gate 4. Finally, Mr. Hibbetts did note the FM 1495 project contractor has been pouring concrete and moving again. Captain Kelly with the Brazos Pilots noted that with the two docks and four cranes, weekends being heavy congested with the container vessels and quickly approaching fog season, wondering if the port sees working two container ships at the same time or will it still be two berths but only using one set of cranes. Mr. Hibbetts indicated that it almost happened earlier stating that the cranes are there to be utilized, and if need be, all four cranes adding that coming into fog season if there are delays in the schedule and have the opportunity, we'll put the cranes to work. Capt. Kelly then confirmed the 616 vessels was for fiscal year 2025 and 106 additional vessels was budgeted for 2026. Commissioner Fratila inquired about the projection for next year's 100+ railcars, noting that it's down. Mr. Hibbetts stated that when barges can be utilized the barges to move the steel, it's more efficient and a better way of moving it adding they handled a lot more barges than ever before this year so the actual vessels handled was down from previous year, but the barges went up, which is also due to the domestic sites in Pennsylvania and Tennessee area where a lot of the product is shipped here by barge. Mr. Hibbetts stated that cars are the port's largest commodity due to the newest customer, Volkswagen, but the port does still get unit trains of rock once a month.

### ***Capital Projects Update***

Mr. Hull began his presentation with a look at the capital projects beginning with Berths 1, 2 and 3 fenders. He stated that advertisement is anticipated in January 2026 and talked about the logistics of the project stating that the contractor will remove an existing fender (every 44 feet), build a template, mark new mounting holes and core drill them. The fenders will come in on truck and occupy the area on Dock 2 for a time while they assemble the fenders. Then, in an approved period of time Mr. Hull is given, the contractor will come in with a crew to install the new fenders within the window. No excuses. The streets on Parcel 1 are all but done. The only remaining item is for CenterPoint to hook up the electric streetlights and turn on the power and the project will be complete. Velasco Terminal Area 5 container yard is also all but done with the only remaining item being the high mass light poles and electric service. Staff anticipates that by mid-December, the poles will be turned on. The first half of 5th Street will be paved tomorrow (November 18), starting at Pine Street moving all the way to Terminal. They'll then tie the steel on the north half of the road and while other crews pour out an intersection with staff anticipating both halves of the street to be poured by this time next week. This will be followed by extruding the curb on the street and striping signage. Gate 4 Access demolition is expected to start very soon. Staff has coordinated with operations, security and tenants on the project and anticipate being finished early next year. Mr. Hull noted the FM 1495 TxDOT project is expected to be finished by Q3 and also pointed out TxDOT has not started on the areas near either railroad tracks, adding that traffic will have to be detoured when they do this. Ms. Saathoff mentioned that when she went to Transportation Commission, she was able to update them on the port's Seaport Connectivity project that was approved by the legislature and highlight how much difference it's made in

the port's ability to accelerate projects to gain those efficiencies. Ms. Saathoff also stated that it would be good for staff to go back after the first of the year to show them the completed projects and again after Gate 4 is complete so they can hear that it makes a difference and continue to advocate for the port and include funding in the biannual appropriations request. With regard to Cross Dock 2, the survey is complete and geotechnical drilling has started. Next steps will be to give the design engineer all the particulars on the building, i.e., square feet, doors, etc. Ms. Saathoff noted the port has a good team assisting the port to achieve a maximum size building to deliver what is needed to give the port more opportunity to grow fresh fruit business through the port as well as other frozen commodities. Mr. Hull stated the off-site detention mitigation for Parcel 1 is in motion with the signing of an Interlocal Agreement with the Velasco Drainage District to build the necessary detention on Parcel 17. He noted the beneficial side effect is that it will help improve the existing drainage in the metropolis of Freeport. Mr. Hull then shared a photo of the wetlands delineation performed on Parcels 27 and 34 which was submitted to the Corps. He noted that roughly 25% of the highlighted area (blue on the drawing) is jurisdictional wetlands. The Corps has performed their site visit, and staff is waiting to hear whether or not they agree and approve of the port's jurisdictional determination. If they do agree with the areas being wet and jurisdictional under Waters of the U.S., the ruling will be good for five years. Mr. Hull explained that it is the preference of the Corps to avoid the areas for development. If the areas cannot be avoided, the port will have to mitigate for the losses, buy credits, and get a permit to fill in the area because they are Waters of the U.S. If you stay outside the area, you do not need a permit. He further clarified the areas highlighted in white are non-jurisdictional and can be built on without any permitting required. Mr. Hull briefly explained the process to obtain a permit, noting the timeframe for such depends on the amount of discussion (disagreement) that takes place with the Corps. He further explained that the Corps will want to see a plan/drawing for the area adding that if the plan changes during the process and the port decides to do something else, the process starts all over. Mitigation cost is determined on how the wetlands are classified and that determination will dictate the mitigation ratio. For example, a 15 to 1 ratio means if one acre is disturbed, the port will have to mitigate 15 credits somewhere else to create or enhance 15 acres. Commissioner Fratila commented that it also depends on what you choose as your mitigation adding that you can choose a specific area and what you're going to do with it, but you are still required to keep it preserved, a conservation easement or something along those lines. Mr. Hull was asked to look at Parcels 8 and 7 as well as Parcels 6 and 5 and shared the slides with the highlighted jurisdictional wetlands area. Commissioner Giesecke commented that the benefit to the port with these areas is knowing what we're faced with, especially in Parcels 5 and 6 but if something were to be done across the diversion channel, Parcel 8 would be looked at first. Mr. Hull noted that the field work has been complete and submitted to the Corps for all the parcels discussed. Staff is just waiting for the findings to be signed off. The Freeport Harbor Channel Improvement Project substantial completion is still slated for the end of the year with final acceptance soon after. The Ellis Island, the Liberty Island and Dredge 58 are currently working to finish it up. Ms. Saathoff commented that the pilots have been very cooperative and meeting with the dredgers to coordinate the work at the intersection of the Intercoastal and the entrance channel, which is a busy intersection, adding that she appreciates the advance coordination efforts and keeping safety at the forefront. Mr. Hull stated that staff has discussed doing some additional simulations. Mr. Hull reminded everyone that the Panamax vessel in the diagram was modeled in Florida and is the design vessel for the Freeport Harbor Channel Improvement Project that's being built. There's been discussion about doing additional simulations for two other vessels (Post Panamax I & II) that are longer, slightly

deeper and wider. Mr. Hull believes the biggest vessel that will be modeled is the Post Panamax II. Ms. Saathoff stated that this is something that's been discussed recently and wanted to get some consensus on the Post Panamax or the next vessels to be simulated and come to an agreement to get cost estimates and start putting it in motion. The pilots agreed, however Mr. Hull stated the simulation really should wait until the final surveys come back when the channel project is complete in order to get more value from the final surveys by modeling what is really in the channel. In the meantime, Commissioner Giesecke noted that staff should proceed with any preparatory work or approvals that can be done ahead of time to keep things moving so we aren't waiting on approvals once the final surveys are completed. Mr. Hull recommends that part of the scope should also include updating the graphics to remove the mobile harbor crane, add the two new cranes as well as the harbor lights that have been added since the last update. When asked about the timeframe for this to happen, Mr. Hull again suggested waiting until the actual survey data is available as it will be the best data to use and not, "this is what it's supposed to be" data. The channel will be surveyed as part of the closeout of the dredging project and NOAA will also update their ENC (Electronic Navigational Chart) chart which will match. Captain Matthew Krohn with the Brazos Pilots Association commented stating the simulations will take about four days (for both vessels), which is not the hard part, rather the issue will be collecting and processing the data, then coming to a final conclusion of what the result will be which can take a month to two months to get a final answer after simulations. Mr. Hull explained the live simulation will start offshore and work its way to Dock 8 noting that if it's an hour and a half transit, it will be an hour and a half transit in the simulator. Captain Krohn noted they have ways to speed the process up by establishing a section they are not concerned about. For example, if a pilot can make a transit with Post Panamax I from the sea buoy to the intersection one time, verify wind and currents getting inside the jetties and it works, then they can move on. They would then start the next run at what they have already completed as something they know they can repeat 100% of the time. Post Panamax II is handled the same way. Mr. Hull also commented the simulations will be transiting in and out of the harbor and will have a ship at every dock noting that if someone doesn't like a run, they can remove a ship off a dock and make another run, so it's a daily interactive process. Daily cost estimation is about \$25,000, totaling \$100,000 for the four days in the simulator and has to be done at San Jacinto because the simulator is much more realistic. Mr. Hull also noted there will be other costs associated with the simulations. Commissioner Giesecke asked how long it would take to get the charts updated. Captain Krohn stated that it's hard because NOAA moves kind of slow, but the port also has a couple of things working for it with the fly over of the land mass that's already been updated as well as the new cut out, they will just need to apply the new data file. Mr. Hull noted that process took six months to happen. Captain Krohn agrees with Mr. Hull but explained that the nuances of this spot being 59 feet, this spot being 58 feet versus the survey saying the whole area is 58 feet isn't as relevant as getting the chart updated to use in the simulator. The landmass and all the pilots' visuals updated are the most imperative things. He doesn't think you have to wait until the channel is completed and the charts are officially updated, rather, he thinks it can be done as soon as you get the information that you want this done to that simulator for them to start the work on updating the file. They can do it off of what is predicted as long as we're not expecting any more shallow areas in certain spots, and we can work with that on site as well. With that said, he feels the port could potentially be in a simulator by the end of first quarter, maybe in the second quarter of next year and have an answer before the end of second quarter next year. Mr. Hull stated that if that's the case and everybody in the room is in agreement, staff will not wait for the ENC charts to be updated but request the raw data file from the dredging

company based on their surveys and not the official Corps surveys and direct the Marine Pilot Institute to use that data, no questions, just do it and make it happen. Captain Krohn confirmed that it's good enough for the pilots to be able to do this. Mr. Hull again stated that he is on board if everyone in the room is on board. Ms. Saathoff commented that as soon as all the work inside the jetties or near the end of the jetties is finished and they have good surveys would be the right time. Ideally, Captain Krohn stated the pilots can still work with what the port is planning to do as long as it stays the plan, they can use that data and it's fine. As long as it's not 5 feet off or 10 feet off in certain spots, then it's not going to be a thing and with the quality of the dredging, it's not expected. Lastly, Captain Krohn noted that whenever it's time to actually bring in the vessels, whatever that vessel might be, the chart has to be published as an ENC because none of the captains will want to come into a port where the charts are not updated. Ms. Saathoff commented that she's very optimistic about the outcome of the simulations, adding that the pilots will follow their standard procedures for new types and new sizes of vessels entering the harbor and that there's a transitional learning period with all pilots in the association becoming familiar with the new types of vessels.

Moving on, Mr. Hull stated that Berth 9 has permits, and current diagram shows a 750 foot Ro/Ro vessel with Moffatt and Nickel as the engineer with plans drawn. The permit is valid for 5 years and recently renewed. Berth 6 shows a 750 foot Ro/Ro vessel with a reduced estimate of 3 years to permit. Mr. Hull will have the PSA for approval at Thursday's board meeting at a cost of \$3.8 million for the design and permitting of this wharf. When asked if a 750 foot vessel would be the maximum size Berth 6 would accommodate, Captain Krohn stated there is another idea they can present at the appropriate time that shows how to get a longer vessel (900 foot) in the berth and not incur too much additional cost. Mr. Hull noted the port would still have the Ro/Ro capability on Velasco as well as the inner harbor in the event something massive comes in. Commissioner Santos commented that we really have to take advantage of the situation now that the pilots are here, adding that it's very difficult for them to see the future (long range future) but they've got to capitalize and make it right the first time and go through all the scenarios. Commissioner Santos then showed an idea to cut into an area giving the radius needed to be safer as the ships get bigger, adding that it's just a thought, going 50 years down the road asking if the port can benefit better in that design. Commissioner Croft agreed, stating we have an idea in mind now however there is some dead space that he feels could be utilized and doesn't want to restrict the port to just one line of thought reiterating that this isn't just for today but for long range. Mr. Hull stated that the PSA on the agenda for the board meeting is in reference to the current design being shown and is based on discussions from previous workshops but can be tabled and taken up at a future date. Commissioner Santos asked if the pilots could give a brief synopsis of what they have. Captain Billy Burns with the Brazos Pilots Association shared a drawing of their concept with Captain Burns stating that from the pilot's point of view, the most important thing is future growth and future size of the vessel. He noted that if you go to the Virginia ports or Savannah, Charleston, Miami, Barbers Cut or Bayport in Houston, not a single containerized port working Post Panamax container ships has less than a 1600 foot turning basin (the industry standard). Every carrier coming in with Post Panamax is going to want 1600 foot and right now, the port has 1200 foot which is why there is a size restriction on the vessels, and it gets harder and harder to squeeze a bigger vessel in a smaller spot. If the port wants to operate like all the other ports with this size ship, it needs a 1600 foot turning basin noting that he doesn't know of a single port doing Post Panamax that doesn't have a 1600 foot turning basin. Going forward, Captain Burns stated that if the port wants to work the

Post Panamax vessels with the amount of investment in Dock 7, 8, 9, the container cranes and take full advantage of that to get those vessels in, the turning basin is the port's highest priority on the timeline. Captain Burns stated that right now the turning basin is 1200 feet with industry standard at 1.5 so it's 1.5 times the maximum vessel. 800 feet is the port's maximum length. A turning notch was put in so a 900 footer could get in. To get above that and meet all the safety standards and be the industry standard, 1600 foot is where the port needs to be if it wants to go to the very large vessels. Ms. Saathoff stated for the record, that staff has not seen the information previously adding that there are impacts to tenants and this is not a staff lead effort. Captain Burns stated it is a pilot's thing, and they do not have anything to do with the money or contracts and has no idea what's going on in the land base. He stated that if the port wants the biggest size vessel, it needs a 1600 foot turning basin and if you want to put a ship at Dock 3, it's going to have to be angled a little bit to give the pilots more room to get Dock 2 out. Ms. Saathoff commented that the Commission has discussed the combined beam rule before. Commissioner Santos noted that the information the pilots has presented is enlightening and as Ms. Saathoff noted, is going to affect tenants and then pointed to an area that is prime real estate asking if the port is utilizing it. Captain Burns showed on the pilot's drawing where a barge 4 dock could be to work rice barges whenever a ship isn't there, adding that none of it interferes with the fence line of the rice people, it's just moving the barge dock over to the side and possibly building out to be a Ro/Ro dock whenever the barges aren't there. Commissioner Giesecke commented that the Commission needs to think long term and looking at what's going to be important 50 years from now to give maximum flexibility. Commissioner Santos stated that he feels they are on the right track looking down the road but it's a decision they will have to make. Captain Burns stated the pilots will always put the biggest ship in that they can safely, no problem, whichever direction the port goes. Moving on, Mr. Hull stated the permit application for 408 removable floodwall has been submitted. He explained that there is an existing floodwall that is along the key of Docks 1, 2, 3 and 5 with an opening that is used regularly for a ramp. The proposal is to create two other openings and in lieu of the fixed flood wall, put in a precast movable flood wall that will sit in place that can be relocated with forklifts and other lifting equipment. MR. Hull noted the permit has been submitted to the Velasco Drainage District again and is on their agenda discussion, adding that with or without the permit, the fender project will proceed as previously discussed as they are not contingent on one another. Mr. Hull then share drawing of the build-out plan for Parcel 1 showing where the buffer zone and tribute will run as well as where the city lift station is located. He also pointed out Cross Dock 2, a potential parking/office area, cargo storage/empty chassis/CBP fumigation area and additional Gate 12 security pre-check infrastructure as well as asphalt car storage. Ms. Saathoff noted the exact location of the tribute has not been determined but will be easily accessible by the community. Mr. Hull also noted that super trees by Houston Wilderness is a non-profit organization with super trees as one of their programs. The port is currently on their schedule for the fall of 2026. Commissioner Santos asked if the port moves forward with the cut out for the new berth, could the dirt (excavation material) be used to raise any of the areas on Parcel 1 or used in other areas of development, if needed. Mr. Hull confirmed it could be used. Mr. Hull then shared a slide showing future rail on Parcel 19 and followed up with a slide showing the original area where the public parking for the grant was going and where the new approved location will be. Staff has an item on the upcoming agenda to approve the resolution with work beginning soon after. Ms. Saathoff stated the new location is better since the personal operated vehicles (POV) can access the area from 2nd Street, the area can be fenced, there can be a turnstile into the port, it's closer for shuttling over to work areas and segregates the POV traffic from the truck traffic going in and out of Gate 12.

At this time, the Commission confirmed January 12 as the date for the workshop continuation and agreed to start at 9:00 a.m.

9. RECONVENE 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):
    1. Consultation with attorney under Government Code Section 551.071(1) (to seek or receive attorney's advice on pending or contemplated litigation).
    2. Consultation with attorney under Government Code Section 551.071 (2) (to seek or receive attorney's advice on legal matters that are not related to litigation).
  - B. Under authority of Section 551.087 (Economic Development Negotiations or Incentives):
    1. To discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations.
  - C. Under authority of Section 551.072 (Deliberation of Real Property) for discussion regarding:
    1. The potential purchase, exchange, lease or value of real property located at Port Freeport, including but not limited to Parcel 1 and real property located at and contiguous to Berths 1, 2, 3, 5, 7 and 8.
  - D. Under authority of Section 551.076 (Deliberation of Security Matters) for discussion regarding:
    1. Discussion regarding issues related to the deployment, or specific occasions for implementation of security personnel or devices or security audit and services.

10. RECONVENE OPEN SESSION to review and consider the following:

11. Set Date & Time for Continuation of Workshop.

After reevaluating calendars, the Port Commission agreed the workshop continuation will be held on January 22, 2026, the same day as the regular board meeting beginning at 9:00 a.m.

12. Adjourn.

With no further business before the Commission, the meeting adjourned at 4:05 PM.