

I N D E X
PORT COMMISSION
OF THE
PORT OF HOUSTON AUTHORITY
OF THE PORTS OF HARRIS COUNTY, TEXAS
October 22, 2019

<u>Minute No.</u>	<u>Event/Action</u>
	General
	Chairman Campo convened the Port Commission meeting and provided opening remarks
	Minutes
2019-1022-01	Approve the minutes of the September 16, 2019 and September 24, 2019 Port Commission meetings
	Appearances
2019-1022-02(a)	Chairman Campo introduced Toby Castro, Program Director - Galena Park Independent School District
2019-1022-02(b)	Chairman Campo introduced Rodney K. Strong, Chairman and CEO, Griffin & Strong, P.C.
2019-1022-02(c)	Chairman Campo recognized Joe Jennings, LaRouche PAC, who addressed the Port Commission
	F. Executive (no items)
2019-1022-03	Staff Report – summary of selected financial and operational matters – Roger Guenther, Executive Director
	G. Commercial
2019-1022-04	Staff Report – selected agenda items – John Moseley, Chief Commercial Officer
2019-1022-05	Approve a one-year advertising and sponsorship agreement with JOC Group Inc.
2019-1022-06	Approve a 3% lease rate increase together with a 10% premium increase for thirty-five applicable Port Authority month-to-month leases and new month-to-month leases, effective January 1, 2020
	H. Finance
2019-1022-07	Staff Report – selected agenda items – Tim Finley, Chief Financial Officer

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2019-1022-08	Authorize renewal of the agreement with AS&G Claims Administration, Inc. for third-party claim's administration services for the Port Authority's self-insured workers' compensation and liability program for an additional one-year period
2019-1022-09	Enter into a strategic alliance memorandum between BakerRipley and the Port Authority to collaborate in local business and community development activities
I. Infrastructure	
2019-1022-10	Staff Report – selected agenda items – Rich Byrnes, Chief Infrastructure Officer
2019-1022-11	Award a contract to SWA Group for stakeholder participation support services for the Comprehensive Long-Range Plan
2019-1022-12	Award a construction contract to AAA Asphalt Paving, Inc. for annual pavement drainage and dust control work at Industrial Park East in 2019
2019-1022-13	Authorize the Executive Director to (i) enter into final negotiations for the purchase of renewable electricity port-wide with the three short-listed retail electric providers, Constellation New Energy, Inc., MP2 Energy Texas LLC, and NRG Business Solutions; (ii) determine the provider whose proposal provides the best value to the Port Authority; and (iii) enter into a contract with such provider for the purchase of deregulated power for a period not to exceed 10 years
2019-1022-14	Amend the professional services contract with HDR Architecture, Inc. to design the Maintenance Complex at Barbours Cut Terminal
2019-1022-15	Approve a change order with Thyssen-Laughlin, Inc. to perform additional work associated with the replacement of water and sewer lines at Woodhouse Terminal
2019-1022-16	Approve the renewal of expiring Port Authority licenses for new ten-year terms: Air Liquide Large Industries U.S. LP, Chevron Phillips Chemical LP, Enterprise Products Operating, LLC, ExxonMobil Pipeline Company, Flint Hills Resources Houston Chemical, LLC, Houston Pipe Line Company LP, HSC Pipeline Partnership, LLC, Kinder Morgan Tejas Pipeline LLC, Kinder Morgan Texas Pipeline LLC, KM Liquids Terminals LLC, Lone Star NGL Mont Belvieu LP, Praxair, Inc., South Tex 66 Pipeline Company, LTD, Blanchard Pipe Line Company LLC, Dow Hydrocarbons and Resources LLC, Contanda Terminals LLC, Magellan Pipeline Company, LP, Magellan Terminals Holdings, LP, and Valero Refining-Texas, LP
2019-1022-17	Issue a marine construction permit to TPC Group, LLC for construction of a new commercial ship docking facility immediately south of the existing damaged dock and subsequent demolition of such dock located on premises leased from the Port Authority along the Houston Ship Channel near Sims Bayou
2019-1022-18	Issue a marine construction permit to GSD Trading USA Inc. for a 450-foot by 450-foot dredge area along Old River
2019-1022-19	Issue a marine construction permit to JSW Steel (USA) Inc. for replacement of an existing 909-foot sheet pile bulkhead at its barge dock on Cedar Bayou

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2019-1022-20	Issue a pipeline license to Greensport Ship Channel Partners, LP for a 10-inch water pipeline under and across the Industrial Road Lead railroad right-of-way
2019-1022-21	Issue a pipeline license to KM Liquid Terminals LLC for two 12-inch refined products pipelines under and across the Houston Ship Channel
2019-1022-22	Issue a pipeline license to KM Liquid Terminals LLC for a 20-inch petroleum pipeline under and across the Port Terminal Railroad Association Pasadena Cut-Off railroad right-of-way at two locations
2019-1022-23	Issue a pipeline license to Pasadena Performance Products, LP for a 16-inch water discharge pipeline under and across the Port Terminal Railroad Association Southside Mainline railroad right-of-way
2019-1022-24	Issue a pipeline license to Pasadena Performance Products, LP for an 8-inch natural gas liquids pipeline under and across the Port Terminal Railroad Association Southside Mainline railroad right-of-way, Cotton Patch Bayou, and Vince Bayou
2019-1022-25	Issue a pipeline license to Pasadena Performance Products, LP for a 16-inch refined petroleum pipeline under and across the Port Terminal Railroad Association Southside Mainline railroad right-of-way, Crown spur line, and Cotton Patch Bayou
2019-1022-26	Issue a pipeline license to Pasadena Performance Products, LP for a 16-inch refined petroleum pipeline under and across the Port Terminal Railroad Association Southside Mainline railroad right-of-way
2019-1022-27	Issue a pipeline license to Pasadena Performance Products, LP for a 16-inch water pipeline under and across the Port Terminal Railroad Association Pasadena Cut-Off railroad right-of-way
2019-1022-28	Issue a distribution/transmission line license to AT&T for one fiber optic line over and across the Northside Turning Basin Lower Level Port Terminal Railroad Association railroad right-of-way
2019-1022-29	Issue a distribution/transmission line license to CenterPoint Energy Houston Electric, LLC for one 35- kV transmission line over and across the San Jacinto River
2019-1022-30	Approve a barge fleeting lease with and issue a marine construction permit to Pelican Marine Services, LLC for approximately 18.37 acres of submerged lands in the Houston Ship Channel along the southern boundary of the Port Authority's Beltway 8 property for a five-year term at a monthly rate of \$27,000
2019-1022-31	Approve a private adjacency barge fleeting lease agreement with MARMAC LLC dba McDonough Marine Service for approximately 16.68 acres of submerged lands in Old River at a monthly rental amount of \$4,236 for a ten-year term
2019-1022-32	Authorize a Memorandum of Understanding with the U.S. Army Corps of Engineers regarding in-kind credit for work provided or performed prior to project

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authorization and/or execution of a Project Partnership Agreement for the Houston Ship Channel Expansion Channel Improvement Project and additionally authorize the Executive Director to enter into a letter agreement with the Army Corps of Engineers, in lieu of a Memorandum of Understanding, with regard to in-kind credits for the Houston Ship Channel Expansion Channel Improvement Project

J. Operations

2019-1022-33

Staff Report – selected agenda items – Jeff Davis, Chief Port Operations Officer

2019-1022-34

Approve staff's ranking of vendors and award a professional services contract to perform inspection services for three dockside electric container cranes for Wharf No. 5 at Bayport Container Terminal to the top-ranked proposer: staff ranking – first, APTIM Port Services International, LLC; second, Liftech Consultants, Inc.; and third, Paul Bridges & Associates, LLC

Port Commission adopted the staff-recommended ranking and authorized award

2019-1022-35

Issue a purchase order to Rush Bus Centers for the purchase of two twenty-six passenger buses for Barbours Cut Terminal and Bayport Container Terminal, using Houston-Galveston Area Council's cooperative purchase program

2019-1022-36

Issue a purchase order to MMLJ, Inc., the sole source provider, for the purchase of one DB800 Dual Dustless Blasting Mobile unit for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal

2019-1022-37

Chairman Campo introduced Commissioner Rodney Ellis, who addressed the Port Commission

K. People

2019-1022-38

Staff Report – selected agenda items – Jessica Shaver, Chief People Officer

2019-1022-39

Authorize an agreement with Aetna Life Insurance Company to provide stop-loss insurance coverage for calendar year 2020 for the Port Authority's self-funded group medical benefit program for active employees, retirees who are not Medicare-eligible, and dependents

2019-1022-40

Authorize an amended agreement with Aetna Life Insurance Company to provide professional third-party administration services for the Port Authority's self-funded group medical benefit program for active employees, retirees who are not Medicare-eligible, and dependents for calendar year 2020

2019-1022-41

Authorize funding for calendar year 2020 for the payment of claims from the Port Authority's self-funded group medical benefit program for active employees, retirees who are not Medicare-eligible, and dependents

2019-1022-42

Approve a contract with Houston Zoo, Inc. to provide the venue and customer event services for the 2020 Port Houston Employee and Retiree Appreciation Event

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L. Port Security and Emergency Operation

- 2019-1022-43 Staff Report – selected agenda items – Marcus Woodring, Chief Port Security and Emergency Operations Officer
- 2019-1022-44 Rescind the May 21, 2019 award and reject all bids for the purchase of a stand-by generator for Fire Station 1 at Turning Basin Terminal
- 2019-1022-45 Authorize an agreement with the Houston Ship Channel Security District for payment of the current year (2019-2020) contribution
- 2019-1022-46 Authorize the Port Authority to enter into a Contract for Governmental Services with the City of La Porte Emergency Medical Services to provide emergency medical services at Bayport Container Terminal facilities for fifteen months
- 2019-1022-47 Amend the Interlocal Agreement for use of Public Safety Communication Systems between the Port Authority and Harris County to include two Astro P25 Simulcast Radio Towers on the Harris County TXWARN Radio System for a one-year term, automatically renewing for successive one-year terms
- 2019-1022-48 Amend the existing reimbursable agreement with the United States Department of Commerce, National Oceanic and Atmospheric Administration (NOAA) to reduce the account surplus and install a current measurement meter

M. Technology

- 2019-1022-49 Staff Report – selected agenda items – Tom Heidt, Chief Operating Officer
- 2019-1022-50 Issue a purchase order to Solid Border, Inc for purchase of a one-year renewal of Palo Alto (firewall) hardware and software maintenance, using Local Government Purchasing Cooperative's BuyBoard, a cooperative purchase program

N. Recess Open Meeting and Convene Executive Session

O. Reconvene Open Meeting

P. Commercial

- 2019-1022-51 Adopt a resolution authorizing the Port Authority to acquire through its exercise of the power of eminent domain the fee simple interest in approximately 7.825 acres of land located at 9800 Clinton Drive, Houston, Harris County, Texas as described in Exhibit "A" to permit the property to be publicly used by the Port Authority for public port-related development and operations

Q. Adjourn Meeting

**Port of Houston Authority
Port Commission Public Meeting**

**Houston, Texas
October 22, 2019**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on October 22, 2019 at 9:01 a.m., at the Port of Houston Authority Executive Office, Fourth Floor Boardroom, at 111 East Loop North, Houston, Texas 77029. The following commissioners, staff, and counsel were present:

Ric Campo, Chairman
Theldon R. Branch, III, Commissioner
Wendy Cloonan, Commissioner
Dean E. Corgey, Commissioner
Stephen H. DonCarlos, Commissioner
Clyde E. Fitzgerald, Commissioner
Roy D. Mease, Commissioner, arrived at 9:34 a.m.
Roger Guenther, Executive Director
Erik Eriksson, Chief Legal Officer
Tom Heidt, Chief Operating Officer
J. Kent Friedman, outside counsel

Chairman Campo convened the meeting of the Port Commission and welcomed everyone. He observed there had been an advocacy push in the last two months for the deepening and widening of the ship channel, adding that he, Commissioners Corgey and Branch, and Mr. Guenther, had each been in Washington D.C. lately to push for the deepening and widening project. There had been a lot of positive responses about the timing of the Chief's Report and a potential Water Development Resources Act (WRDA) for next year. There had also been good meetings with the Coalition on financing. He concluded by observing that everyone was currently waiting on the Houston Pilots to complete their analysis of what its rules might be in a deeper and wider channel.

(2019-1022-01) Chairman Campo called for a motion to approve the minutes of the September 16, 2019 and September 24, 2019 Port Commission meetings. Commissioner Corgey moved for approval, seconded by Commissioner Branch. The minutes were approved as written.

Commissioner Corgey recognized Niels Aalund, who was in attendance, for recently being elected President of the International Propeller Club.

(2019-1022-02) Appearances

(a) Chairman Campo recognized Wayne Oquin, Foundation Director/Business Liaison and Toby Castro, Program Director - Galena Park Independent School District (ISD), who addressed the Port Commission.

Mr. Castro spoke on behalf of Dr. Angi Williams, Superintendent of Galena Park ISD. He commented that each year the Texas Association of School Boards allows

nominations of partners that help to serve students, and the Port Authority was nominated and chosen by Galena Park ISD to receive this award. He expressed appreciation of the phenomenal partnership with Gilda Ramirez, Senior Director, Small Business and Education Outreach, and the Port Authority's maritime education team. Galena Park's maritime academy helps support the pipeline of employment in the industry and provides the opportunity to tour different industries and the simulator at the academy. He thanked the Port Authority for all that it does to support Galena Park students.

(b) Chairman Campo recognized Rodney K. Strong, Chairman and CEO - Griffin & Strong, P.C., who addressed the Port Commission.

Mr. Strong remarked that his firm had been chosen to conduct the Port Authority's disparity study. He introduced Sterling Johnson, the Deputy Project Manager in charge of overseeing the study. Mr. Strong provided a brief description of his firm, noting that four lawyers, two economists, and a statistician comprised his team.

Mr. Strong noted that he began this work while a Contract Compliance Director for the City of Atlanta and involved in the *City of Richmond v. J.A. Croson* lawsuit, which found that a disparity study was necessary for programs that take race and gender into consideration. An agency must be able to demonstrate (i) there was a disparity between the availability and utilization of minority and women businesses in the marketplace, (ii) discrimination in the marketplace, and (iii) a compelling governmental interest in having a program. Mr. Strong referenced other cases and further defined the legal requirements for consulting with the Port Authority and conducting this study.

Mr. Strong provided a brief overview of the process for conducting the disparity study, which included legal analysis, policy review, data collection, and a relevant market analysis. The latter would be used to determine where the Port Authority buys its goods and services. A utilization and threshold analysis would look at how money was being spent and in what categories. An availability analysis would see what firms were available in the marketplace, based on race, ethnicity, and gender. A disparity analysis would then be performed whereby the availability and utilization are compared, along with a private sector analysis, leading to the final report with recommendations.

Mr. Strong stated that community engagement was a part of the study and detailed that segment of the process. A dedicated email and website would be set up for such engagement.

An internal draft study was estimated to be presented by the fall of 2020, with a final report within a year. Commissioner Branch asked for clarification on the timeline as to whether the study would be completed in a year or a year following the draft report. Mr. Strong confirmed the study would be completed in one year.

Commissioner DonCarlos remarked that many of the big-ticket items for the Port Authority are very specialized, such as dredging and building wharves. He wanted to know how a potential lack of minority companies in those specific fields would impact the study and if recommendations would be given on how to encourage minority companies to train to do these sorts of projects. Mr. Strong confirmed that, and used the work done on the Mercedes-Benz Stadium in Atlanta as an example of how his company was able to exclude certain opportunities due to a lack of diversity in the market. Breaking down the project into small pieces was a helpful way to engage small businesses.

Chairman Campo predicted that the Port Authority's Small Business Development Program, which has awarded over \$530 million to small businesses in the region, would show an amazingly diverse group of companies. He stated that some people may think the disparity study was a giveaway to minority programs that would cost more, but that was false. Small businesses must go through a bidding process just like any other company. He used the example of the work he did on the Marriot Marquis Houston Hotel in downtown, noting that he worked with money partially provided by the City of Houston and therefore had a 30% minority and women-owned business goal, which was achieved and not one dollar more was paid for such services. If done correctly, the study would supply the Port Authority with a statistical database that could lead to a larger small business program. Chairman Campo believed that the study would help the Port Authority in the future.

(c) Chairman Campo introduced Joe Jennings, LaRouche PAC, who addressed the Port Commission.

Mr. Jennings stressed the importance of a recent report issued by LaRouche entitled "Carbon Dioxide Reduction is a Mass Murder Policy." He recognized the "Green Movement" and expressed that behind such activism was a group of desperate bankers attempting to extort tribute out of carbon-based industries. Mr. Jennings explained how LaRouche was fighting such fraud and hoped the Port Authority would also help fight; he hoped to partner with the Port Authority in the future to help combat policies such as the Green New Deal, designed to cripple industrial production.

(2019-1022-03) Chairman Campo recognized Roger Guenther, Executive Director, to provide a report of selected agenda items.

- Cargo volume continues to remain strong overall, with total tonnage at 32.8 million tons (up 5% for the year).
- The main driver remains container volume, which was at 2.2 million twenty-foot equivalent units (TEU) through the third quarter (up 11% for the year).
- Steel was flat through September versus last year.

- He added that John Moseley, Chief Commercial Officer, would talk a bit more about this in his report.

Mr. Guenther noted that efforts were continuously ongoing toward ensuring everything remains on schedule for authorization of the channel deepening and widening, adding that he and Spencer Chambers, Director, Government Relations, were recently in Washington for a few days. Project 11 remains on track with the Chief's Report due in April or May of 2020.

Mr. Guenther remarked that he and Mr. Chambers met with both minority and majority staff of the Senate Committee on Environment and Public Works, and that it was indicated that a Project 11 placeholder would be present in the next WRDA bill. He added that he and Mr. Chambers met with Senator Cornyn's and Senator Cruz's staff, and also met with the staff of the House Transportation and Infrastructure Committee and received reassurance that the schedule for the Chief's Report was aligned with the committee bill.

Meetings were also held with Texas representatives and others involved in appropriations. Mr. Guenther emphasized that staff has been laser focused on ensuring proper deadlines were met to keep the project moving. Staff also meets weekly with a group known as the "Big 10," which comprises various stakeholders along the channel, along with the Houston Pilots, to make sure the joint advocacy message for the ship channel is continuing.

Commissioner DonCarlos asked if the Port Authority would be asking for money along with authorization in WRDA. Mr. Guenther stated that WRDA was strictly for authorization, and the funding aspect was being worked in parallel to the WRDA authorization.

Chairman Campo noted he had met with Congressman DeFazio, in a joint meeting with the Coalition, and they were told there would be around fifty Chief's Reports across the country. The political aspects of WRDA revolved around authorization, not money, and tended not to be partisan. Mr. Guenther concurred, also remarking that addressing the Harbor Maintenance Trust Fund was additionally part of the upcoming WRDA bill.

Commissioner DonCarlos asked about the funding effort for the deepening and widening project. Mr. Guenther explained that staff was working in parallel with the WRDA authorization to obtain funding from Washington, as well as being engaged in a local effort. The keys remain the Chief's Report, the WRDA bill, and receiving authorization.

Mr. Guenther commented on the “People” side of the Port Authority as staff continued to show great leadership and engagement across the organization, and highlighted two things:

- The Port Security and Emergency Operations (PSEO) Division would be hosting its open house on October 30 to show its capabilities and offer staff an inside look at how the Port Authority was kept safe.
- The strategic planning design team continued to lead the effort in developing a comprehensive Strategic Plan that would serve the Port Authority and all stakeholders. Through the process, valuable input has been received in internal meetings, and external community, ship channel stakeholder, and business partner feedback.

The Port Commission then considered each Request for Port Commission Action (“RCA”) attached to these minutes as Exhibit “A.”

(2019-1022-04) Chairman Campo recognized Mr. Moseley to provide a report of selected agenda items.

Mr. Moseley reported that the Breakbulk Americas Conference was held in Houston during the prior week, attracting approximately 5,000 industry professionals. He added that the revised marketing, branding, and external communication strategy was nearing completion with the goal of more effectively aligning communications with stakeholders, Houston Ship Channel users, industry, and community. It would consider the Port Authority’s organizational Strategic Plan and include cross-functional efforts and strong alignment and participation from all departments. He asked for support as this program was developed.

Mr. Moseley remarked that sales and real estate continued its focus on revenue generation through growth and targeted “verticals” and increasing utilization and diversification of the Port Authority’s customer base, to mitigate risk and sustain business for the long term.

Mr. Moseley continued, recognizing that the Port Authority leads the country in growth: through the first half of 2019, North American box growth was just under 3%, while the Port Authority was up 14%. This was due to robust market penetration, the polyethylene resins that were driving export box growth (up 68% year to date), West Coast diversions, and local organic growth of imports.

Mr. Moseley noted that through the end of September containers were leading the charge, with loaded import boxes up 7% and loaded export boxes up 17%. Steel was down by 1% through the end of September, which could indicate the start of a down cycle. The

Texas rig count was down approximately 20%, with 423 rigs currently in the state, down from 540 a year ago. Diversification was a cornerstone of the strategy as new sources of cargo were sought.

Mr. Moseley noted that a new 50-year lease had recently been signed with Vopak Moda Houston, a mid-stream liquid terminal operator. This lease replaced one from the 1960s that generated \$2,000 per year, converting to a \$2.5 million per year long-term lease with a net present value of nearly \$44 million. The Real Estate Department concluded these discussions the previous week, adding that these types of long-term deals did not come around often.

As of September 30, 2019, the Port Authority had approximately 155 active leases totaling approximately \$35 million in lease revenue on a year-to-date basis. The Real Estate group's efforts focused on rates that were market competitive with the highest levels of occupancy and a sustainable long-term portfolio.

Mr. Moseley discussed Item G2, a request to increase the month-to-month rates of nearly 35 leases that were currently in effect. It had been nearly a year and a half since the last rate increase, and the proposal was a 3% increase to cover operational costs and expenses and to adjust for market valuation. Approval was also being sought for an additional 10% premium on all month-to-month leases, to incentivize tenants to enter into long-term rather than month-to-month leases.

Commissioner Branch asked if the situation in Turkey was affecting the steel market, and Mr. Moseley explained that the entire global environment was affecting steel, and Turkish steel had been affected nationally. He added that it used to be a large part of the Port Authority's portfolio but no longer was.

Commissioner Fitzgerald noted that a few years ago leases were at 100% capacity with steel and wanted to know if steel leases were down. Mr. Moseley remarked that there was a considerable amount of property on the west side that had fragmented parcels, and some of the month-to-month leases were being canceled due in part to the decline in steel.

Commissioner DonCarlos observed that there was interest in east Harris County and west Chambers County for refrigerated storage geared toward produce, which he believed was a good sign for the Port Authority. Mr. Moseley agreed, highlighting how that could play into the Port Authority's diversification strategy.

(2019-1022-05) RCA G1 was presented, moved by Commissioner Branch, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G1 PASSED.

(2019-1022-06) RCA G2 was presented, moved by Commissioner Branch, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G2 PASSED.

(2019-1022-07) Chairman Campo recognized Tim Finley, Chief Financial Officer, to provide a report of selected agenda items.

Mr. Finley highlighted Item H1, a one-year contract extension of approximately \$123,000 with AS&G Claims Administration, Inc., the Port Authority's third-party claims administrator. The initial term of the contract was for five years with two one-year extensions, and this item would exercise the first of the two extensions. There will be no change in terms or fees.

Mr. Finley explained that Item H2 was a request to enter into a strategic alliance memorandum between BakerRipley to collaborate in local business and community development programs. BakerRipley was founded in 1907 as a Texas non-profit and provides several community-based programs benefiting youth, families, and seniors in Houston and the Texas Gulf Coast. The Port Authority's Small Business and Maritime Education Outreach departments have met with representatives from BakerRipley and recognized numerous opportunities for synergy and the sharing of events. The memorandum comes with no financial obligation.

Chairman Campo noted that he and Commissioner Fitzgerald were both on the board of BakerRipley and would be abstaining from the vote. He also stressed that neither of them was involved in any discussions between the Port Authority and BakerRipley related to this item.

(2019-1022-08) RCA H1 was presented, moved by Commissioner Branch, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald and Mease voted Aye. Nays none. RCA H1 PASSED.

(2019-10-22-09) RCA H2 was presented, moved by Commissioner Branch, seconded by Commissioner Cloonan. Commissioners Branch, Cloonan, Corgey, DonCarlos, and Mease voted Aye. Chairman Campo and Commissioner Fitzgerald abstained. Nays none. RCA H2 PASSED.

(2019-1022-10) Chairman Campo recognized Rich Byrnes, Chief Infrastructure Officer, to provide a report of selected agenda items.

Mr. Byrnes noted that there were 22 items on the agenda from his division. Setting aside the electricity contract, they represented a total of about \$3 million in requests.

Submerged land leases were worth about a half million dollars, and fourteen items had to do with pipeline licenses, electricity and fiber optic licenses, and marine construction permits – most of which supported continuing energy industry growth.

Mr. Byrnes highlighted Item I3, a renewal of the Port Authority's contract for electricity. The Port Authority's environmental leadership tagline reads, "we do things that are right for business and for the environment." Staff has typically contracted for electricity in a competitive manner, renewing every three years. The next renewal was at the end of the year, so over the past six months staff had scanned the market with a consultant, sought proposals, and were now seeking permission to negotiate with the top three providers.

Mr. Byrnes stressed that two key changes from previous contracts were planned. The first change would be moving from a three to a ten-year term for an approximately \$250,000 savings per year, roughly \$2.5 million over the ten-year term. The second change would be to source the electricity from 100% renewables, which would reduce the Port Authority's carbon footprint by about a quarter million tons over the contract life. Mr. Byrnes recognized there were questions about the terms and conditions of the pending contract, and noted that an escape clause, should rates go up or down, was being discussed with the Port Authority's consultant and would be addressed during the negotiations.

Commissioner Branch asked if Mr. Byrnes would bring the final negotiated price back to the Port Commission for approval or if the request was to authorize negotiations and enter into the contract. Mr. Byrnes clarified that it was the latter, that proposals had been received from multiple companies and staff was aware what the final prices would be. All that remained was to negotiate the final terms, and best and final prices, from the proposals received and then choose the contract with the best value to the Port Authority.

Mr. Eriksson added that staff in the past would come to the Port Commission with a final contract, but after engaging consultants on this matter found that bringing the final contract to the Port Commission for approval caused the Port Authority to overpay. He observed that as a result the Port Commission had in the past given Mr. Guenther the authority to make the final decision based on market price.

Chairman Campo noted that the escape clause in the contract was something that had been brought up during briefings as the question arose as to what could be done if prices went down during the term of the contract. Assurances were given that there would be mechanisms in the contract that would deal with price fluctuations. Mr. Byrnes commented that the mechanisms were called unwinds, which were options that had value and were priced into the contract.

Commissioner DonCarlos questioned agenda Item I8, asking what information was required from applicants for a marine construction permit or a barge fleeting lease. In response to his concern about the safety element, Mr. Byrnes explained that a project

description, operating plan, and safety plan were required before a license or permit could be issued. Mr. Eriksson added that he was not expressly familiar with the safety plan in this instance but knew that the permit included items such as mooring locations. Commissioner DonCarlos asked if it also included insurance and Mr. Eriksson noted that insurance would be part of a lease.

Mr. Eriksson remarked that the item in question was slightly out of the ordinary as the area was adjacent to the potential lessee's own property. The upland owner has certain rights to use of the water, but not as a permanent fleeting area; however, a lease of the submerged land would allow the owner to conduct barge fleeting. He further explained that permits issued by the Port Authority were akin to building permits while a lease provided for additional protections. Potential lessees would, however, have to plan for safety under a permit as well as under a lease.

Commissioner DonCarlos asked if the Port Authority had received plans such as how deep the mooring dolphins would be driven into the ground and Mr. Byrnes answered in the affirmative. Mr. Heidt noted that the item in question was different as it would not be a typical fleeting area; rather this was issued to a dredge company which would dredge an area for its vessels.

Commissioner DonCarlos noted that he was not concerned about this project, adding that completion of repairs to the I-10 bridge had been pushed back to next year. The current traffic situation was horrendous and there was still a great deal of concern on the east side of the county that barges were allowed on the north side of the bridge, and barges were also an issue on the south side, with the concern that storm surges could damage the bridge. Commissioner DonCarlos expressed his strong desire to make sure the Port Authority was doing everything in its power as a lessor to assure these companies were mooring barges correctly and had a plan for bad weather.

Chairman Campo reported on a conversation he had with Captain Oditt, U.S. Coast Guard (Coast Guard) during which the I-10 bridge was discussed. It was the responsibility the Texas Department of Transportation (TxDOT) to protect I-10 and the columns, but Captain Oditt's position was that the Port Authority, the Coast Guard, and the Lone Star Safety Committee needed to push issues concerning the I-10 bridge. TxDOT's long range plan was to replace the bridge but has funding in its budget for emergency projects (which could include the bridge). Chairman Campo remarked that there was agreement between those parties to meet and he suggested also reaching out and getting input from affected communities such as Baytown.

Chairman Campo asked Marcus Woodring, Chief PSEO Officer, to elaborate on the issue. Mr. Woodring reported that the Coast Guard has a safety zone in effect, which granted it temporary authority to manage traffic going under the bridge. The next step would be a waterways action plan, i.e. a voluntary set of protocols agreed to by industry.

Step three would be a regulated navigation area, which would require codification and give the Coast Guard permanent regulatory authority.

Commissioner DonCarlos encouraged the Port Authority to get the information out to the public as it currently did not see any action being taken: intimate detail was not needed, but the public needed to know that the Port Authority was not inactive on the issue. He thanked those working on this issue.

Mr. Byrnes moved to Item I22, a Memorandum of Understanding (MOU) with the U.S Army Corps of Engineers (Corps), regarding design efforts for the Houston Ship Channel widening and deepening project. The MOU would establish that any investments the Port Authority made up-front on design efforts could become a credit on the back-end. Mr. Byrnes stressed that putting the MOU in place as soon as possible would mean accumulating credits from the beginning of the work.

Mr. Byrnes introduced Lori Brownell, the Port Authority's new Director, Channel Improvement who had twenty years of experience working with the Corps on dredging projects along the coast.

Mr. Byrnes mentioned that resolutions had been adopted by the Greater Houston Partnership, the Houston-Galveston Area Council, and the Transportation Advocacy Group in support of the deepening and widening project.

Mr. Byrnes added that additional language would be included in the MOU to broaden the scope, allowing the Port Authority to use any regulations available instead of just one.

Commissioner Branch asked to clarify that the Port Authority would not be receiving any credits until the MOU was in place, and Mr. Byrnes confirmed this and noted that the Port Authority had credits from previous work but wanted to accumulate as many as possible. Commissioner Branch asked if any funds had been spent for which credits would not be received, and Mr. Byrnes replied that the Port Authority was about to start work, which was why the MOU needed to be put into place.

Chairman Campo clarified that the credits acted as a check that could be cashed, adding that there was no reason to spend money if not getting any credit for it, and noting that ultimately this was about diverging from the standard model to the accelerated model in order to break ground in 2021.

Commissioner Mease asked about the process of leasing submerged land – pointing to agenda Items I20 and I21. Mr. Byrnes explained that the Port Commission previously approved a program to begin leasing submerged land. There were different kinds of submerged lands: one kind was submerged land directly adjacent to privately-owned

upland property, in which case the property would not be leased to a third party, and the lease had a fixed rate. Other examples were submerged lands adjacent to upland property owned by the Port Authority and submerged lands in open water; in those cases, the rental rates were negotiated and based on market rates. The Channel Development Operations and Real Estate departments work together to evaluate multiple proposals for these leases.

Mr. Byrnes added that there were future plans for the Port Authority's Beltway 8 property, including the deepening and widening project and development. Due to these plans, the leases for Beltway 8 have cancellation clauses that the Port Authority could exercise should it wish to develop that property.

Commissioner Mease asked for clarification on the value of the lease and wanted to know if the location was more valuable. Mr. Heidt explained that agenda Item I20 was for submerged lands adjacent to Port Authority-owned property whereas agenda Item I21 was a lease of submerged lands adjacent to privately-owned property. Submerged lands adjacent to Port Authority property would command a higher rate. Mr. Byrnes added that agenda Item I20 had been previously approved by the Port Commission, but the company leasing the submerged land had changed its name.

Commissioner Corgey moved to amend agenda Item I22 to additionally authorize the Executive Director to enter into a letter of agreement with the Corps in lieu of an MOU, with regard to in-kind credits for the Houston Ship Channel Expansion Channel Improvement Project.

(2019-1022-11) RCA I1 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I1 PASSED.

(2019-1022-12) RCA I2 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I2 PASSED.

(2019-1022-13) RCA I3 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I3 PASSED.

(2019-1022-14) RCA I4 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I4 PASSED.

(2019-1022-15) RCA I5 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgy, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I5 PASSED.

(2019-1022-16) RCA I6 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgy, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I6 PASSED.

(2019-1022-17) RCA I7 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgy, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I7 PASSED.

(2019-1022-18) RCA I8 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgy, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I8 PASSED.

(2019-1022-19) RCA I9 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgy, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I9 PASSED.

(2019-1022-20) RCA I10 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgy, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I10 PASSED.

(2019-1022-21) RCA I11 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgy, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I11 PASSED.

(2019-1022-22) RCA I12 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgy, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I12 PASSED.

(2019-1022-23) RCA I13 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch,

Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I13 PASSED.

(2019-1022-24) RCA I14 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I14 PASSED.

(2019-1022-25) RCA I15 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I15 PASSED.

(2019-1022-26) RCA I16 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I16 PASSED.

(2019-1022-27) RCA I17 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I17 PASSED.

(2019-1022-28) RCA I18 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I18 PASSED.

(2019-1022-29) RCA I19 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I19 PASSED.

(2019-1022-30) RCA I20 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I20 PASSED.

(2019-1022-31) RCA I21 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I21 PASSED.

(2019-1022-32) RCA I22 was presented *as amended*, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I22 PASSED.

(2019-1022-33) Chairman Campo recognized Jeff Davis, Chief Operations Officer, to provide a report of selected agenda items.

Mr. Davis discussed the tariff and rate increases for 2020. He noted that last year the Port Commission approved rates for the Marine Terminal Services Agreements entered into with the majority of the container carriers; contained in those agreements were automatic increases to all tariff rates occurring annually based on the Consumer Price Index (CPI) increase during the month of July. The applicable CPI for this year was 1.8% and that had already been applied to the container carriers. However, for the general cargo and other facilities no such agreements existed, and so staff was planning to recommend a 1.8% increase at the forthcoming November Port Commission budget meeting. The multipurpose facilities continued to age, and it was important that the Port Authority keep its rates on pace with inflation.

Mr. Davis observed that the harbor fee was a large contributor to tariff fees and was being looked at independently; the adjustment would most likely be slightly different from an 1.8% increase; the recommendation for this would also be presented at the upcoming budget meeting. Mr. Guenther added that the harbor fee was set so that the Port Authority broke even for fees collected versus services charged for the fireboats and the ship channel. Mr. Davis reiterated that any recommendations for changes to the tariffs would be brought at the December Port Commission meeting.

Mr. Davis stated that agenda Item J1 was for inspection services for the wharf cranes (the purchases were approved at the previous Port Commission meeting). All wharf cranes have independent inspection services. Item J2 was a request to purchase two new buses to ferry labor from non-restricted areas of the container facilities into the restricted areas and to the ships. The Port Authority currently has five buses in service and staff was recommending replacing two of them due to their age. Item J3 pertains to the issuance of a purchase order for a dustless blasting unit which would be heavily used in the facility inspection program to peel back concrete and metal to see what lies under the surface for further evaluation.

Commissioner Branch asked if the cost of the buses was \$100,000 each, which Mr. Davis confirmed, adding that each bus was akin to an airport shuttle bus, rather than a school bus. Commissioner Branch asked if the buses came with safety belts, and Paulo Soares, Senior Director, Maintenance, confirmed they did. Commissioner Corgey asked if the buses would be for both longshoreman and ship crews, and Mr. Davis explained the

buses would be for anybody who required a shuttle into restricted areas, including, from time to time, vessel crews.

(2019-1022-34) RCA J1 was presented. Commissioner Corgey moved for staff ranking – first, APTIM Port Services International, LLC; second, Liftech Consultants, Inc.; and third, Paul Bridges & Associates, LLC, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J1 PASSED.

(2019-1022-35) RCA J2 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J2 PASSED.

(2019-1022-36) RCA J3 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J3 PASSED.

(2019-1022-37) Chairman Campo welcomed Harris County Commissioner Rodney Ellis, who addressed the Port Commission. Commissioner Ellis thanked the Port Commission for agreeing to undertake the disparity study. He believed the Port Authority chose a great firm and was looking forward to seeing the results.

(2019-1022-38) Chairman Campo recognized Jessica Shaver, Chief People Officer, to provide a report of selected agenda items.

Ms. Shaver noted there were four items on the agenda from her division. Three of the items related to the Port Authority's self-funded medical program and were agreements for stop-loss insurance coverage, third-party administrator services, and claims funding. She noted that the Port Authority transitioned to a self-funded medical program in 2019 after analyzing cost projections, adding that if the medical plan had remained fully insured, the premiums through August would have been approximately \$400,000 higher than the self-funded cost.

Ms. Shaver explained that the stop-loss insurance coverage with Aetna covers any claims in excess of \$175,000 and would limit the Port Authority's liability.

The staff recommendation was to continue with Aetna as third-party administrator to minimize disruption to employees.

Finally, she noted that employees would expect to see a 6.7% increase to 2020 rates but there was a wellness program incentive in place to offset the increase.

Ms. Shaver reported that Item K4 related to the annual employee and retiree appreciation event to be held in April of 2020 at the Houston Zoo, aimed at recognizing employee contributions and enhancing culture and morale. A staff cross-functional advisory committee provided this recommendation based on prior years feedback. The budget was currently \$45,000, however, if participation is higher than expected, staff would like the authority of the Executive Director to approve a higher figure.

Chairman Campo asked that the exact date of the event be widely distributed so turnout could be as high as possible. He remarked that he had attended the previous employee appreciation event at Sylvan Beach and encouraged all the commissioners to attend the forthcoming one.

Commissioner Branch asked what the medical coverage dollar figure per employee was as related to the 6.7% increase for 2020. Ms. Shaver clarified that it equated to \$14 for an employee and \$24 for a family per pay period. However, the wellness credit was a \$600 per year credit per employee, which was enough to cover the family increase. Commissioner Fitzgerald thanked Ms. Shaver and her staff for the work done on the benefits program.

(2019-1022-39) RCA K1 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K1 PASSED.

(2019-1022-40) RCA K2 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K2 PASSED.

(2019-1022-41) RCA K3 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K3 PASSED.

(2019-1022-42) RCA K4 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K4 PASSED.

(2019-1022-43) Chairman Campo recognized Mr. Woodring to provide a report of selected agenda items.

Mr. Woodring reported that public safety officials represented the Port Authority at several events in the local community during National Night Out along the ship channel. The Port Authority's Police Department made seven arrests since September, all for open warrants. The PSEO Open House would include appearances by partner agencies such as Customs and Border Protection, the Coast Guard, and the Transportation and Security Administration, to show off some of their capabilities.

Mr. Woodring highlighted agenda Item L3, emergency medical service for the Bayport Container Terminal. The previous service provider gave its letter of termination, so staff was requesting permission to contract with the City of La Porte EMS for this service. The Port Authority already contracts with La Porte for EMS services for the Barbours Cut Terminal, which contract runs through the end of January 2021; the annual cost difference between the two contracts was about \$4,000. If approved today, the item would go before the La Porte City Council for approval next week.

Mr. Woodring explained that agenda Item L4 was an interlocal agreement with Harris County to use its radio system. The Port Authority's maintenance, police, fire, and emergency management are all on the Harris County system, and there was currently an agreement to that effect. Staff was now seeking to amend that agreement which would require the Port Authority to build two radio towers, make mobile cellular units available, and provide ten licenses to Harris County. In exchange, the Port Authority would continue to use the county radio system with no monthly user fees. Harris County would get the benefit of better coverage on its eastern end and the Port Authority would get permanent, reliable radio coverage. The agreement would automatically renew each year, with no term limit.

Commissioner DonCarlos asked if the City of Morgan's Point had been consulted on tower placement. Mr. Woodring noted that a second item, once the amendment was signed, would call for building the two towers. Staff was currently meeting with Morgan's Point to review their construction and would return to the Port Commission in December to seek approval for a contract to build the radio towers, for about \$5.5 million.

Commissioner Mease asked why the fire department generator was previously put on the agenda when a contract had not yet been negotiated. Mr. Woodring explained that staff could not reach an agreement on contract terms with the vendor. Commissioner Mease asked if the generator was put out for bids; Mr. Woodring confirmed that was correct. Mr. Eriksson added that Port Authority bid requirements state that the bidder accepted Port Authority contract terms but sometimes the vendor got "seller's remorse," which caused staff to occasionally ask for rescission of the award.

Mr. Woodring reported that Item L5 was an amendment to a reimbursement agreement with the National Oceanic and Atmospheric Association for the PORTS system. This would be for a weather station along the ship channel, paid for out of the harbor fee

on behalf of all channel users. The Port Authority currently pays about \$140,000 a year for maintenance costs and the amendment would adjust the fee down to approximately \$90,000 per year. Available surplus funds would be used to buy a current flow meter to go under the I-610 ship channel bridge, at a price of \$125,000. This meter would support two new Coast Guard meters located at the Magellan facility and the I-10 bridge. Finally, the Port Authority's current year payment would also be made from surplus funds, meaning that the Port Authority would not have to write a check.

(2019-1022-44) RCA L1 was presented, moved by Commissioner Cloonan, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L1 PASSED.

(2019-1022-45) RCA L2 was presented, moved by Commissioner Cloonan, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L2 PASSED.

(2019-1022-46) RCA L3 was presented, moved by Commissioner Cloonan, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L3 PASSED.

(2019-1022-47) RCA L4 was presented, moved by Commissioner Cloonan, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L4 PASSED.

(2019-1022-48) RCA L5 was presented, moved by Commissioner Cloonan, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L5 PASSED.

(2019-1022-49) Chairman Campo recognized Tom Heidt, Chief Operating Officer, to provide a report of selected agenda items.

Mr. Heidt spoke on behalf of Charles Thompson, Chief Information Officer, who was out for the day. Mr. Heidt reported that agenda Item M1 pertained to the annual firewall maintenance carried out by Solid Border, Inc. The firewall protected from internal and external threats, and the maintenance agreement gave the Port Authority new hardware and also provided automatic updates to protect against any threats found in other organizations throughout the country and world.

(2019-1022-50) RCA M1 was presented, moved by Commissioner Branch, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M1 PASSED.

At 10:23 a.m., Chairman Campo called for a brief recess and advised that the Executive Session would follow. At 10:32 a.m., Chairman Campo instructed Mr. Eriksson to make the following announcement:

It is now 10:32 a.m. The Port Commission of the Port of Houston Authority of Harris County, Texas will now convene in a closed meeting, as permitted by the Texas Open Meetings Act and Government Code (1) to conduct a private Consultation with Attorneys (*Section 551.071, Texas Open Meetings Act*), including consultation regarding Port Authority litigation and claims; deliberate regarding (2) Real Estate (*Section 551.072, Texas Open Meetings Act*), including disposition of Beltway 8, Barbours Cut Terminal and Turning Basin Terminal vicinity properties; (3) Economic Development Negotiations or Incentives (*Section 551.087, Texas Open Meetings Act*); (4) Employment and Evaluation of Public Employees (*Section 551.074, Texas Open Meetings Act*); and (5) Security-Related Matters (*Sections 418.175-418.183 of the Texas Government Code, and Section 551.076, Texas Open Meetings Act*). The Port Commission will reconvene in public session after the closed meeting is adjourned.

Immediately thereafter the Port Commission retired into closed session.

At 11:11 a.m., Chairman Campo reconvened the open meeting at the Port of Houston Authority Executive Office Boardroom, at 111 East Loop North, Houston, Texas 77029, with the following Commissioners, staff and counsel in attendance:


Ric Campo, Chairman
Theldon R. Branch, III, Commissioner
Wendy Cloonan, Commissioner
Dean E. Corgey, Commissioner
Stephen H. DonCarlos, Commissioner
Clyde E. Fitzgerald, Commissioner
Roy D. Mease, Commissioner
Roger Guenther, Executive Director
Erik Eriksson, Chief Legal Officer
Tom Heidt, Chief Operating Officer
J. Kent Friedman, outside counsel

(2019-1022-51) RCA P1 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA P1 PASSED.


Chairman Campo reminded everyone that the next Port Commission meeting would be the budget workshop on November 11, 2019.

At 11:12 a.m., Chairman Campo adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the October 22, 2019 meeting of the Port Commission of the Port of Houston Authority.

A handwritten signature in black ink, appearing to read 'Ric Campo', written over a horizontal line.

Ric Campo, Chairman

A handwritten signature in black ink, appearing to read 'Erik A. Eriksson', written over a horizontal line.

Erik A. Eriksson, Secretary

G. COMMERCIAL

Subject	1. Approve a one-year advertising and sponsorship agreement with JOC Group Inc. in an amount not to exceed \$160,000.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, authorize the Port Authority to enter into a one-year advertising and sponsorship agreement with JOC Group Inc. in an amount not to exceed \$160,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective 2c. - Develop a strong brand identity STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base)

Category:
Awards, Amendments & Change Orders

Department:
Trade Development

Staff Contact:
Christine Abbruscato

Background:
This proposed agreement is part of the Commercial group's business-to-business events, ad campaign, and promotion strategy.

The agreement with the Journal of Commerce would include advertising placement in printed publications and digital media as well as sponsorships of JOC Group Inc. conferences and events that target the Port Authority's customer base, including but not limited to beneficial cargo owners, ocean carriers, third party logistics providers, and various other freight service providers that directly or indirectly generate revenue for the Port Authority.

Staff Evaluation/Justification:
Staff recommends the Port Commission authorize the Port Authority to enter into a one-year advertising and sponsorship agreement with JOC Group Inc.

G. COMMERCIAL

Subject **2. Approve a 3% lease rate increase together with a 10% premium increase for thirty-five applicable Port Authority month-to-month leases and new month-to-month leases, effective January 1, 2020.**

Meeting Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 22, 2019 meeting, approve a 3% lease rate increase together with a 10% premium increase for thirty-five applicable Port Authority month-to-month leases and new month-to-month leases, effective January 1, 2020, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

The rental rates for the Port Authority's month-to-month leases are based on rates adopted by the Port Commission from time-to-time. There are currently thirty-five month-to-month leases in effect (one month-to-month terminal lease, which has a semi-annual rate increase currently in effect, will not be affected by this requested increase).

By Minute No 2018-0327-09, the Port Commission authorized a 3% increase effective May 1, 2018 for thirty month-to-month leases.

By Minute No. 2017-0321-09, the Port Commission authorized a 3% increase effective May 1, 2017 for thirty-four month-to-month leases.

Staff Evaluation/Justification:

Integra Realty Resources has prepared an appraisal of Port Authority properties dated August 23, 2019 on behalf of the Port Authority, which has been reviewed and approved by Real Estate staff.

Based on the valuations provided in the appraisal, staff recommends the Port Commission approve a lease rate increase of 3% over the May, 2018 lease rate and once set, recommends a 10% premium increase on thirty-five month-to-month leases and new month-to month leases, effective January 1, 2020.

H. FINANCE

Subject	1. Authorize renewal of the agreement with AS&G Claims Administration, Inc. for third-party claim's administration services for the Port Authority's self-insured workers' compensation and liability program for an additional one-year period in an amount not to exceed \$122,800.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, authorize the Port Authority to renew the agreement with AS&G Claims Administration, Inc. for third-party claim's administration (TPA) services for the Port Authority's self-insured workers' compensation and liability program for an additional one-year period in an amount not to exceed \$122,800, and further authorize the Executive Director to do any all things in his opinion reasonable and necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Risk Management

Staff Contact:

Bruce Birdwell

Background:

By Minute No. 2014-1216-24, the Port Commission awarded a contract to AS&G Claims Administration, Inc. (AS&G) to provide TPA services for the Port Authority's self-insured workers' compensation and liability program. Services provided under the contract include: (1) administration of workers' compensation, liability, and care/custody/control claims, (2) acting as the Port Authority's workers' compensation agent in Austin for purposes of complying with Chapter 406 of the Texas Labor Code, and (3) safety and risk management consulting services.

The initial term of the contract with AS&G was for a five-year period, beginning March 1, 2015. It provided for two one-year renewals, at the option of the Port Authority, subject to the same terms and conditions.

Staff Evaluation/Justification:

AS&G has continually met its obligations under the agreement and exceeded expectations as administrator since the start of the contract. Additionally, a December 2018 independent third-party audit found that claims had been adjusted by AS&G in accordance with Port Authority contractual requirements and industry best practices.

Staff recommends the Port Commission authorize a renewal agreement with AS&G Claims Administration, Inc. for TPA services under current contractual terms with no fee increase.

H. FINANCE

Subject	2. Enter into a strategic alliance memorandum between BakerRipley and the Port Authority to collaborate in local business and community development activities.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, authorize the Port Authority to enter into a strategic alliance memorandum with BakerRipley to collaborate in local business and community development activities, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term)

Category:
General

Department:
Small Business and Education Outreach

Staff Contact:
Gilda Ramirez

Background:

The Port Authority continually seeks ways to work collaboratively to develop small businesses and enhance the local community.

BakerRipley is a Texas non-profit company with business and community development objectives that overlap with those of the Port Authority. Representatives from the Port Authority's Small Business Development Department and BakerRipley have met and determined that partnering on events and matters of mutual interest would provide synergies to expand opportunities for small businesses.

As an example, the two entities could share in event costs, thus reducing each entity's overall costs. Other proposed partnering activities include mutually engaging vendors of each entity, and taking advantage of both entities' training opportunities.

The recommended strategic alliance memorandum outlines the objectives and deliverables from each party at no additional cost to either party. The agreement would be for a two-year term, automatically renewing each year, until either party desires to terminate it.

Staff Evaluation/Justification:

Staff recommends that the Port Commission authorize the strategic alliance memorandum. No additional financial resources are required from the Port Authority in connection with the above agreement.

I. INFRASTRUCTURE

Subject	1. Award a contract to SWA Group for stakeholder participation support services for the Comprehensive Long-Range Plan in the amount not to exceed \$325,000.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, award a contract to SWA Group for stakeholder participation support services for the Comprehensive Long-Range Plan in the amount not to exceed \$325,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term) Strategic Objective 4b. - Cultivate productive relationships with all stakeholders

Category:

Awards, Amendments & Change Orders

Department:

Facility Planning

Staff Contact:

Mark Griffin

Background:

The goal of this project is to inform stakeholders about the purpose and use of the Port Authority's Comprehensive Long-Range Plan (CLRP) by sharing information about developments and operations being planned by the Port Authority, discussing areas of mutual interest, and responding to comments or suggestions regarding the CLRP.

On August 14, 2019 the Port Authority advertised this request for proposals (RFP) and on August 28, 2019 held a Pre-Bid/Pre-Proposal Conference with six firms in attendance. The Port Authority notified vendors regarding its RFP using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Eight vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On September 11, 2019, one response to the RFP was received and opened. The response was reviewed and evaluated by staff in accordance with the published selection criteria.

Accordingly, following staff Executive Committee review, staff recommends that the Port Commission award a contract to SWA Group.

I. INFRASTRUCTURE

Subject	2. Award a construction contract to AAA Asphalt Paving, Inc. for annual pavement drainage and dust control work at Industrial Park East in 2019 in an amount not to exceed \$600,000.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, award a construction contract to AAA Asphalt Paving, Inc. for the annual pavement replacement and dust control work at Industrial Park East in 2019 in an amount not to exceed \$600,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

This work would consist of spraying emulsified asphalt to maintain Texas Commission on Environmental Quality (TCEQ) dust control compliance, asphalt paving of roadways and building entrances, and ditch irrigation improvements to increase drainage capabilities at Industrial Park East.

By Minute No. 2018-1030-11(a), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for the annual pavement drainage and dust control work at Industrial Park East in 2019. The Port Authority notified vendors regarding its request for CSBs using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Seven vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On September 26, 2019, two CSBs were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published selection criteria.

Staff recommends that the Port Authority award a contract to AAA Asphalt Paving, Inc., a responsible bidder submitting the lowest bid, for the annual pavement replacement and dust control work at Industrial Park East in 2019.

I. INFRASTRUCTURE

Subject	3. Authorize the Executive Director to (i) enter into final negotiations for the purchase of renewable electricity port-wide with the three short-listed retail electric providers, Constellation New Energy, Inc., MP2 Energy Texas LLC, and NRG Business Solutions; (ii) determine the provider whose proposal provides the best value to the Port Authority; and (iii) enter into a contract with such provider for the purchase of deregulated power for a period not to exceed 10 years in an amount not to exceed \$35,000,000.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, authorize the Executive Director to: (a) enter into final negotiations for the purchase of renewable electric power port-wide with the three short-listed retail electric providers, Constellation New Energy, Inc., MP2 Energy Texas LLC, and NRG Business Solutions; (b) determine the provider whose proposal provides the best value to the Port Authority; (c) enter into a contract with such provider for the purchase of deregulated, renewable electric power for a period not to exceed 120 months in an amount not to exceed \$35,000,000; and (d) do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term) Strategic Objective 4a. - Be an environmental leader

Category:

Awards, Amendments & Change Orders

Department:

Environmental Affairs and Technical and Business Analytics

Staff Contact:

Trae Camble/Adithya Dahagama

Background:

By Minute No. 2015-0929-39, the Port Commission authorized staff to enter into a contract amendment with the Texas General Land Office for the supply of electric power at all Port Authority facilities for a one-year period for an amount not to exceed \$3,600,000. That amended agreement expired by its terms on December 31, 2016.

By Minute No. 2016-0426-17, the Port Commission authorized staff to enter into final negotiations for the purchase of deregulated electric power port-wide with three short-listed proposers and to enter into a contract with the provider determined by staff to provide the best value proposal to the Port Authority. As a result of that determination, on May 25, 2016, the Port Authority amended its contract with the Texas General Land Office, extending the service period for an additional 36 months, in an amount not to exceed \$12,000,000. That contract expires at year-end.

Accordingly, on or about June 10, 2019, the Port Authority entered into a professional services contract with Mothership LLC D/B/A Mothership Energy Group to analyze market conditions and the Port Authority's

anticipated electrical usage and provide recommendations to staff regarding the procurement of electrical energy for upcoming years.

On August 21, 2019, the Port Authority advertised its request for proposals for electric power, and notified vendors regarding its RFP using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Five vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On September 18, 2019, four RFP responses were received, reviewed, and evaluated in accordance with the selection criteria published in the RFP. Staff determined that the following retail electric providers would offer the best value for the Port Authority: Constellation New Energy, Inc., MP2 Energy Texas LLC, and NRG Business Solutions.

Port Authority staff and consultant Mothership LLC have reviewed existing market conditions and the Port Authority's anticipated electrical usage requirements and determined that it is in the best interest of the Port Authority to move forward with the procurement of 100% renewable electrical power for a 10-year period beginning January 1, 2020. Due to the volatile nature of the energy market, Port Authority staff recommends that the typical procurement and award process not be utilized. Instead, a process with greater flexibility, which includes delegation of certain aspects of the process to the Executive Director, is necessary to obtain best value and ensure the optimum level of competition. This method has been successfully used by the Port Authority for previous electric service contracts.

Accordingly, staff recommends that the Port Commission authorize the Executive Director to conclude the renewable electricity procurement process by negotiating with and accepting the best and final offer from the three short-listed retail electric providers and enter into a contract with the provider that offers best value to the Port Authority.

I. INFRASTRUCTURE

Subject	4. Amend the professional services contract with HDR Architecture, Inc. to design the Maintenance Complex at Barbours Cut Terminal in an amount not to exceed \$1,867,017.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, approve an amendment to the professional services contract with HDR Architecture, Inc. to design the Maintenance Complex at Barbours Cut Terminal in an amount not to exceed \$1,867,017, and authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2019-0129-15, the Port Commission awarded a professional services contract to HDR Architecture, Inc. for building program development of the Maintenance and Administration Complex at Barbours Cut Terminal, with an option to provide additional professional services for the design phase of the buildings.

This proposed amendment would provide the additional professional services to design the Maintenance Complex at Barbours Cut Terminal, including an approximate 128,000 square foot Maintenance Building, equipment and vehicle parking, fuel and wash service areas, guard house for new POV gate entrance, and coordination of site utilities and infrastructure to support a future Administration Building.

Staff Evaluation/Justification:

Staff has reviewed HDR Architecture, Inc.'s proposal and found it to be fair and reasonable.

Staff recommends the Port Commission approve the amendment of the professional services contract with HDR Architecture, Inc.

I. INFRASTRUCTURE

Subject	5. Approve a change order with Thyssen-Laughlin, Inc. to perform additional work associated with the replacement of water and sewer lines at Woodhouse Terminal in an amount not to exceed \$87,155.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, approve a change order with Thyssen-Laughlin, Inc. to perform additional work associated with the replacement of water and sewer lines at Woodhouse Terminal in an amount not to exceed \$87,155, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2018-1030-20, the Port Commission awarded a construction contract to Thyssen-Laughlin, Inc. for the replacement of water and sewer lines at Woodhouse Terminal.

The change order proposed by the contractor includes the following items:

- Remove approximately 350 feet of additional deteriorated 8-inch cast iron water pipe originally installed prior to 1988.
- Replace this cast iron water pipe with PVC pipe designed for potable water use and strong enough to withstand present and future cargo loads.

Staff Evaluation/Justification:

Port Authority staff has reviewed the proposal submitted by Thyssen-Laughlin, Inc. and found it to be fair and reasonable. Staff recommends that the Port Commission authorize this change order.

I. INFRASTRUCTURE

Subject **6. Approve the renewal of expiring Port Authority licenses for new ten-year terms: Air Liquide Large Industries U.S. LP, Chevron Phillips Chemical LP, Enterprise Products Operating, LLC, ExxonMobil Pipeline Company, Flint Hills Resources Houston Chemical, LLC, Houston Pipe Line Company LP, HSC Pipeline Partnership, LLC, Kinder Morgan Tejas Pipeline LLC, Kinder Morgan Texas Pipeline LLC, KM Liquids Terminals LLC, Lone Star NGL Mont Belvieu LP, Praxair, Inc., South Tex 66 Pipeline Company, LTD, Blanchard Pipe Line Company LLC, Dow Hydrocarbons and Resources LLC, Contanda Terminals LLC, Magellan Pipeline Company, LP, Magellan Terminals Holdings, LP, and Valero Refining-Texas, LP.**

Meeting Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 22, 2019 meeting, authorize the Port Authority to approve the renewal of expiring licenses for new ten-year terms: Air Liquide Large Industries U.S. LP, Chevron Phillips Chemical LP, Enterprise Products Operating, LLC, ExxonMobil Pipeline Company, Flint Hills Resources Houston Chemical, LLC, Houston Pipe Line Company LP, HSC Pipeline Partnership, LLC, Kinder Morgan Tejas Pipeline LLC, Kinder Morgan Texas Pipeline LLC, KM Liquids Terminals LLC, Lone Star NGL Mont Belvieu LP, Praxair, Inc., South Tex 66 Pipeline Company, LTD, Blanchard Pipe Line Company LLC, Dow Hydrocarbons and Resources LLC, Contanda Terminals LLC, Magellan Pipeline Company, LP, Magellan Terminals Holdings, LP, and Valero Refining-Texas, LP, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base)

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Development Operations

Staff Contact:

Garry McMahan

Background:

The pipeline licensees listed below have applied to renew their licenses:

<u>Company</u>	<u>File No.</u>	<u>License Fee</u>
Air Liquide Large Industries U.S. LP	2009-0352	\$221,484
Chevron Phillips Chemical LP	1999-0170	\$57,201
Enterprise Products Operating, LLC	2009-0344	\$19,010
Enterprise Products Operating, LLC	2009-0294	\$5,302
ExxonMobil Pipeline Company	1989-0310	\$5,302
ExxonMobil Pipeline Company	1998-0281	\$81,410
ExxonMobil Pipeline Company	1989-0280	\$1,688
Flint Hills Resources Houston Chemical, LLC	2009-0291	\$10,604
Houston Pipe Line Company LP	1999-0092	\$35,011
HSC Pipeline Partnership, LLC	2015-0171	\$10,604
HSC Pipeline Partnership, LLC	1989-0313	\$10,604

Kinder Morgan Tejas Pipeline LLC	1999-0169	\$13,673
Kinder Morgan Texas Pipeline LLC	1999-0061	\$1,688
KM Liquids Terminals LLC	1999-0110	\$1,688
KM Liquids Terminals LLC	2010-0393	\$1,923
Lone Star NGL Mont Belvieu LP	1999-0230	\$3,376
Praxair, Inc.	1999-0082	\$13,998
Praxair, Inc.	2000-0023	\$58,660
South Tex 66 Pipeline Company, LTD	1998-0279	\$3,216
South Tex 66 Pipeline Company, LTD	1989-0003	\$7,692
South Tex 66 Pipeline Company, LTD	1989-0247	\$1,923
Blanchard Pipe Line Company LLC	2009-0334	\$291,988
Dow Hydrocarbons and Resources LLC	1996-0084	\$1,923
Contanda Terminals LLC	1989-0001	\$3,216
Magellan Pipeline Company, LP	2009-0200	\$3,737
Magellan Terminals Holdings, LP	1989-0279	\$7,390
Valero Refining-Texas, LP	1988-0199	\$3,439
Total		\$877,750

Staff Evaluation/Justification:

The applications were reviewed and approved by the Port Authority's Channel Development Operations department and the Port Terminal Railroad Association when applicable. The licenses are to be renewed subject to the Port Authority's usual terms and conditions.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	7. Issue a marine construction permit to TPC Group, LLC for construction of a new commercial ship docking facility immediately south of the existing damaged dock and subsequent demolition of such dock located on premises leased from the Port Authority along the Houston Ship Channel near Sims Bayou.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, authorize the Port Authority to issue a marine construction permit to TPC Group, LLC for construction of a new commercial ship docking facility immediately south of the existing damaged dock and subsequent demolition of such dock located on premises leased from the Port Authority along the Houston Ship Channel near Sims Bayou, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Development Operations

Staff Contact:

Garry McMahan

Background:

TPC Group, LLC (TPC), Port Authority File No. 2019-0200, has applied for a marine construction permit to construct a new commercial ship docking facility immediately south of the existing dock and then to demolish the existing damaged dock, located on premises leased from the Port Authority along the Houston Ship Channel near Sims Bayou, in the Callahan & Vince Survey, A-9, in Harris County, Texas.

TPC's new dock manifold would be located approximately 144 linear feet south of the existing dock's manifold. The proposed project would also excavate 0.35 acres of upland area above the Mean High Water line and dredge 1.67 acres (approximately 85,000 cubic yards) below the Mean High Water line. This project would also construct a proposed bulkhead in the southern portion of the project area.

TPC is a current tenant and has leased the property from the Port Authority since August 1966.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Development Operations department. TPC currently has a corresponding lease issued by the Port Authority's Real Estate department under Port Authority File No. 2007-0373. The permit is to be issued subject to the Port Authority's usual terms and conditions. The \$675 application fee and \$2,500 as-built deposit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	8. Issue a marine construction permit to GSD Trading USA Inc. for a 450-foot by 450-foot dredge area along Old River.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, authorize the Port Authority to issue a marine construction permit to GSD Trading USA Inc. for a 450-foot by 450-foot dredge area along Old River, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Development Operations

Staff Contact:

Garry McMahan

Background:

GSD Trading USA Inc., Port Authority File No. 2019-0262, has applied for a marine construction permit for a 450-foot by 450-foot dredge area (approximately 40,000 cubic yards) along Old River, in the Amy White Survey, A-81, in Harris County, Texas.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Development Operations department. The permit is to be issued subject to the Port Authority's usual terms and conditions. The \$675 application fee has been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	9. Issue a marine construction permit to JSW Steel (USA) Inc. for replacement of an existing 909-foot sheet pile bulkhead at its barge dock on Cedar Bayou.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, authorize the Port Authority to issue a marine construction permit to JSW Steel (USA) Inc. for replacement of an existing 909-foot sheet pile bulkhead at its barge dock on Cedar Bayou, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Development Operations

Staff Contact:

Garry McMahan

Background:

JSW Steel (USA) Inc., Port Authority File No. 2019-0257, has applied for a marine construction permit to replace an existing 909-foot sheet pile bulkhead at its owned property on Cedar Bayou, in the John Iams [Jiams] Survey, A-15, in Chambers County, Texas.

The current bulkhead would be removed and then replaced in the same location in one straight line for a full 909 feet. New barge guards would be installed along with a new fender system and cleats.

The current bulkhead was constructed in 1967 and is one straight line for the full 909 feet, without any wing walls. It is comprised of sheet piles that are 37 feet high, secured to an anchor wall located 50 feet back from the sheet pile bulkhead.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Development Operations department. The permit is to be issued subject to the Port Authority's usual terms and conditions. The \$675 application fee and \$2,500 as-built deposit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject **10. Issue a pipeline license to Greensport Ship Channel Partners, LP for a 10-inch water pipeline under and across the Industrial Road Lead railroad right-of-way.**

Meeting Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 22, 2019 meeting, authorize the Port Authority to issue a pipeline license to Greensport Ship Channel Partners, LP for a 10-inch water pipeline under and across the Industrial Road Lead railroad right-of-way, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base)

Category:
Permits/Licenses/Pipeline Easements

Department:
Channel Development Operations

Staff Contact:
Garry McMahan

Background:
Greensport Ship Channel Partners, LP, Port Authority File No. 2019-0277, has applied for a pipeline license for a 10-inch water pipeline under and across the Industrial Road Lead railroad right-of-way, in the William P Harris & Robert Wilson Survey, A-31, in Harris County, Texas.

Staff Evaluation/Justification:
The application was reviewed and approved by the Port Authority's Channel Development Operations department. The license is to be issued subject to the Port Authority's usual terms and conditions and at a fee of \$1,923. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	11. Issue a pipeline license to KM Liquid Terminals LLC for two 12-inch refined products pipelines under and across the Houston Ship Channel.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, authorize the Port Authority to issue a pipeline license to KM Liquid Terminals LLC for two 12-inch refined products pipelines under and across the Houston Ship Channel, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base)

Category:
Permits/Licenses/Pipeline Easements

Department:
Channel Development Operations

Staff Contact:
Garry McMahan

Background:
KM Liquid Terminals LLC, Port Authority File No. 2019-0269, has applied for a pipeline license for two 12-inch refined products pipelines under and across the Houston Ship Channel, in the William Vince Survey, A-78, in Harris County, Texas.

Staff Evaluation/Justification:
The application was reviewed and approved by the Port Authority's Channel Development Operations department. The license is subject to the Port Authority's usual terms and conditions and at a fee of \$19,840.40. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	12. Issue a pipeline license to KM Liquid Terminals LLC for a 20-inch petroleum pipeline under and across the Port Terminal Railroad Association Pasadena Cut-Off railroad right-of-way at two locations.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, authorize the Port Authority to issue a pipeline license to KM Liquid Terminals LLC for a 20-inch petroleum pipeline under and across the Port Terminal Railroad Association Pasadena Cut-Off railroad right-of-way at two locations, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base)

Category:
Permits/Licenses/Pipeline Easements

Department:
Channel Development Operations

Staff Contact:
Garry McMahan

Background:
KM Liquid Terminals LLC, Port Authority File No. 2019-0259, has applied for a pipeline license for a 20-inch petroleum pipeline under and across the Port Terminal Railroad Association Pasadena Cut-Off railroad right-of-way at two locations, in the James Seymour Survey, A-698 and the Thomas Earle Survey, A-18, in Harris County, Texas.

Staff Evaluation/Justification:
The application was reviewed and approved by the Port Authority's Channel Development Operations department. The license is subject to the Port Authority's usual terms and conditions and at a fee of \$17,674. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	13. Issue a pipeline license to Pasadena Performance Products, LP for a 16-inch water discharge pipeline under and across the Port Terminal Railroad Association Southside Mainline railroad right-of-way.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, authorize the Port Authority to issue a pipeline license to Pasadena Performance Products, LP for a 16-inch water discharge pipeline under and across the Port Terminal Railroad Association Southside Mainline railroad right-of-way, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base)

Category:
Permits/Licenses/Pipeline Easements

Department:
Channel Development Operations

Staff Contact:
Garry McMahan

Background:
Pasadena Performance Products, LP, Port Authority File No. 2019-0270, has applied for a pipeline license for a 16-inch water discharge pipeline under and across the Port Terminal Railroad Association Southside Mainline railroad right-of-way, in the Thomas Earle Survey, A-18, in Harris County, Texas.

Staff Evaluation/Justification:
The application was reviewed and approved by the Port Authority's Channel Development Operations department. The license is subject to the Port Authority's usual terms and conditions and at a fee of \$1,923. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	14. Issue a pipeline license to Pasadena Performance Products, LP for an 8-inch natural gas liquids pipeline under and across the Port Terminal Railroad Association Southside Mainline railroad right-of-way, Cotton Patch Bayou, and Vince Bayou.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, authorize the Port Authority to issue a pipeline license to Pasadena Performance Products, LP for an 8-inch natural gas liquids pipeline under and across the Port Terminal Railroad Association Southside Mainline railroad right-of-way, Cotton Patch Bayou, and Vince Bayou, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base)

Category:
Permits/Licenses/Pipeline Easements

Department:
Channel Development Operations

Staff Contact:
Garry McMahan

Background:
Pasadena Performance Products, LP, Port Authority File No. 2019-0271, has applied for a pipeline license for an 8-inch natural gas liquids pipeline under and across the Port Terminal Railroad Association Southside Mainline railroad right-of-way, Cotton Patch Bayou, and Vince Bayou, in the William Vince Survey, A-78 and the James Seymour Survey, A-698, in Harris County, Texas.

Staff Evaluation/Justification:
The application was reviewed and approved by the Port Authority's Channel Development Operations department. The license is subject to the Port Authority's usual terms and conditions and at a fee of \$15,906. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	15. Issue a pipeline license to Pasadena Performance Products, LP for a 16-inch refined petroleum pipeline under and across the Port Terminal Railroad Association Southside Mainline railroad right-of-way, Crown spur line, and Cotton Patch Bayou.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, authorize the Port Authority to issue a pipeline license to Pasadena Performance Products, LP for a 16-inch refined petroleum pipeline under and across the Port Terminal Railroad Association Southside Mainline railroad right-of-way, Crown spur line, and Cotton Patch Bayou, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base)

Category:
Permits/Licenses/Pipeline Easements

Department:
Channel Development Operations

Staff Contact:
Garry McMahan

Background:
Pasadena Performance Products, LP, Port Authority File No. 2019-0272, has applied for a pipeline license for a 16-inch refined petroleum pipeline under and across the Port Terminal Railroad Association Southside Mainline railroad right-of-way, Crown spur line, and Cotton Patch Bayou, in the William Vince Survey, A-78 and the James Seymour Survey, A-698, in Harris County, Texas.

Staff Evaluation/Justification:
The application was reviewed and approved by the Port Authority's Channel Development Operations department. The license is subject to the Port Authority's usual terms and conditions and at a fee of \$19,089. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject **16. Issue a pipeline license to Pasadena Performance Products, LP for a 16-inch refined petroleum pipeline under and across the Port Terminal Railroad Association Southside Mainline railroad right-of-way.**

Meeting Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 22, 2019 meeting, authorize the Port Authority to issue a pipeline license to Pasadena Performance Products, LP for a 16-inch refined petroleum pipeline under and across the Port Terminal Railroad Association Southside Mainline railroad right-of-way, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base)

Category:
Permits/Licenses/Pipeline Easements

Department:
Channel Development Operations

Staff Contact:
Garry McMahan

Background:
Pasadena Performance Products, LP, Port Authority File No. 2019-0273, has applied for a pipeline license for a 16-inch refined petroleum pipeline under and across the Port Terminal Railroad Association Southside Mainline railroad right-of-way, in the Thomas Earle Survey, A-18, in Harris County, Texas.

Staff Evaluation/Justification:
The application was reviewed and approved by the Port Authority's Channel Development Operations department. The license is subject to the Port Authority's usual terms and conditions and at a fee of \$6,363. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	17. Issue a pipeline license to Pasadena Performance Products, LP for a 16-inch water pipeline under and across the Port Terminal Railroad Association Pasadena Cut-Off railroad right-of-way.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, authorize the Port Authority to issue a pipeline license to Pasadena Performance Products, LP for a 16-inch water pipeline under and across the Port Terminal Railroad Association Pasadena Cut-Off railroad right-of-way, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base)

Category:
Permits/Licenses/Pipeline Easements

Department:
Channel Development Operations

Staff Contact:
Garry McMahan

Background:
Pasadena Performance Products, LP, Port Authority File No. 2019-0274, has applied for a pipeline license for a 16-inch water pipeline under and across the Port Terminal Railroad Association Pasadena Cut-Off railroad right-of-way, in the Thomas Earle Survey, A-18, in Harris County, Texas.

Staff Evaluation/Justification:
The application was reviewed and approved by the Port Authority's Channel Development Operations department. The license is subject to the Port Authority's usual terms and conditions and at a fee of \$1,923. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	18. Issue a distribution/transmission line license to AT&T for one fiber optic line over and across the Northside Turning Basin Lower Level Port Terminal Railroad Association railroad right-of-way.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, authorize the Port Authority to issue a distribution/transmission line license to AT&T for one fiber optic line over and across the Northside Turning Basin Lower Level Port Terminal Railroad Association railroad right-of-way, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:
Permits/Licenses/Pipeline Easements

Department:
Channel Development Operations

Staff Contact:
Garry McMahan

Background:
AT&T, Port Authority File No. 2019-0279, has applied for a distribution/transmission line license for one fiber optic line over and across the Northside Turning Basin Lower Level Port Terminal Railroad Association railroad right-of-way, in the John Brown Survey, A-8, in Harris County, Texas.

The line provides service to Port Authority tenant Cooper/Ports America and is associated with Port Authority File No. 2007-0128.

Staff Evaluation/Justification:
The application was reviewed and approved by the Port Authority's Channel Development Operations department. Because the line provides service to a Port Authority tenant, the license fee has been waived. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject **19. Issue a distribution/transmission line license to CenterPoint Energy Houston Electric, LLC for one 35-kV transmission line over and across the San Jacinto River.**

Meeting Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 22, 2019 meeting, authorize the Port Authority to issue a distribution/transmission line license to CenterPoint Energy Houston Electric, LLC for one 35-kV transmission line over and across the San Jacinto River, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base)

Category:
Permits/Licenses/Pipeline Easements

Department:
Channel Development Operations

Staff Contact:
Garry McMahan

Background:
CenterPoint Energy Houston Electric, LLC (CenterPoint), Port Authority File No. 2019-0198, has applied for a distribution/transmission line license for one 35-kV transmission line over and across the San Jacinto River, in the John Dunman Survey, A-231 and Reuben White Survey, A-84, in Harris County, Texas.

The distribution line supplies electricity to the Sheldon/Crosby vicinity. CenterPoint estimates the line to date back to the late 1990's, but that line was not licensed by the Port Authority.

Staff Evaluation/Justification:
The application was reviewed and approved by the Port Authority's Channel Development Operations department. The license is to be issued subject to the Port Authority's usual terms and conditions. The \$675 application fee and \$2,500 as-built deposit have been paid.

Staff recommends a license fee be collected covering the past 10 years and then issue the license subject to the Port Authority's usual terms and conditions at a fee of \$7,745.76 for the 20-year term.

I. INFRASTRUCTURE

Subject	20. Approve a barge fleeting lease with and issue a marine construction permit to Pelican Marine Services, LLC for approximately 18.37 acres of submerged lands in the Houston Ship Channel along the southern boundary of the Port Authority's Beltway 8 property for a five-year term at a monthly rate of \$27,000.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, authorize the Port Authority to approve a barge fleeting lease with and issue a marine construction permit to Pelican Marine Services, LLC for approximately 18.37 acres of submerged lands in the Houston Ship Channel along the southern boundary of the Port Authority's Beltway 8 property for a five-year term at a monthly rate of \$27,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base)

Category:

Leases

Department:

Channel Development Operations

Staff Contact:

Garry McMahan

Background:

Pelican Marine Services, LLC (Pelican), Port Authority File No. 2019-0153 (lease) and 2019-0149 (permit), has applied for a submerged lands barge fleeting lease for approximately 18.37 acres of submerged lands in the Houston Ship Channel along the southern boundary of the Port Authority's Beltway 8 property, in the Richard and Robert Vince Survey, A-76, in Harris County, Texas.

This project was previously approved by the Port Commission: Minute No. 2019-0729-35 authorized Canal Barge Company, Inc. (Canal) as tenant and Minute No. 2019-0729-36 authorized Canal as permittee. Canal now has requested that Pelican, a wholly owned subsidiary of Canal, be substituted as tenant and permittee. Canal has agreed to guaranty the obligations of Pelican under the lease. Canal is a family owned, independent marine transportation company headquartered in New Orleans, Louisiana and was founded in 1933.

Staff Evaluation/Justification:

The request was reviewed and approved by the Port Authority's Channel Development Operations Department. The lease would be entered into pursuant to the Port Authority's submerged land lease terms and conditions for a rental amount of \$27,000 per month for a five-year term. The \$675 application fee for both the lease and permit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	21. Approve a private adjacency barge fleeting lease agreement with MARMAC LLC dba McDonough Marine Service for approximately 16.68 acres of submerged lands in Old River at a monthly rental amount of \$4,236 for a ten-year term.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, authorize the Port Authority to approve a private adjacency barge fleeting lease agreement with MARMAC LLC dba McDonough Marine Service for approximately 16.68 acres of submerged lands in Old River at a monthly rental amount of \$4,236 for a ten-year term, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base)

Category:

Leases

Department:

Channel Development Operations

Staff Contact:

Garry McMahan

Background:

MARMAC LLC dba McDonough Marine Service (MARMAC), Port Authority File No. 2019-0261, has applied for a private adjacency submerged lands lease agreement for 12.84 acres of barge fleeting and 3.84 acres of encumbered area in Old River, in the Amy White Survey, A-81, adjacent to 17500 Market Street, Channelview, in the Josiah T. Harrell Survey, A-330, in Harris County, Texas.

MARMAC has been in business for 74 years and operated a barge fleeting operation in this location since the mid 1970's.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Development Operations department. The lease would be entered into pursuant to the Port Authority's submerged land lease terms and conditions for a rental amount of \$4,236 per month for a ten-year term. The \$675 application fee has been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject **22. Authorize a Memorandum of Understanding with the U.S. Army Corps of Engineers regarding in-kind credit for work provided or performed prior to project authorization and/or execution of a Project Partnership Agreement for the Houston Ship Channel Expansion Channel Improvement Project.**

Meeting Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 22, 2019 meeting, authorize the Port Authority to enter into a Memorandum of Understanding with the U.S. Army Corps of Engineers regarding in-kind credit for work provided or performed prior to project authorization and/or execution of a Project Partnership Agreement for the Houston Ship Channel Expansion Channel Improvement Project, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term)
Strategic Objective 4b. - Cultivate productive relationships with all stakeholders

Category:
General

Department:
Channel Improvement

Staff Contact:
Lori Brownell

Background:
Section 221(a) of the Flood Control Act of 1970, as amended by Section 2003 of the Water Resources Development Act of 2007, provides that a cost-sharing partnership agreement may provide credit to the non-federal interest for the value of materials or services provided before the execution of such cost-sharing Project Partnership Agreement, if the Secretary of the Army and the non-federal interest enter into a prior agreement under which the non-federal interest carries out such work; only work carried out following the execution of such agreement would be eligible for credit.

Port Authority staff has submitted to the Army Corps of Engineers a proposed In-Kind Memorandum of Understanding (MOU) to provide for this credit, in connection with the Houston Ship Channel Expansion Channel Improvement Project. The proposed MOU follows its proscribed template and is currently under review by the Galveston District Engineer.

Staff Evaluation/Justification:
Upon approval by the District Engineer and execution of the MOU by the parties, work being performed in connection with this project should be immediately eligible for credit against future project liabilities.

In order to support the accelerated execution of the MOU following its approval by the District Engineer, staff recommends that the Port Commission authorize the Port Authority at this time to enter into this MOU following such approval.

J. OPERATIONS

Subject	1. Approve staff's ranking of vendors and award a professional services contract in an amount not to exceed \$497,020 to perform inspection services for three dockside electric container cranes for Wharf No. 5 at Bayport Container Terminal to the top-ranked proposer: staff ranking – first, APTIM Port Services International, LLC; second, Liftech Consultants, Inc.; and third, Paul Bridges & Associates, LLC.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting: (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, APTIM Port Services International, LLC; second, Liftech Consultants, Inc.; and third, Paul Bridges & Associates, LLC; (b) award a contract to the top-ranked proposer for inspection services for three dockside electric container cranes for Wharf No. 5 at Bayport Container Terminal in the amount not to exceed \$497,020; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor, and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2019-0924-43, the Port Commission awarded a contract for three dockside electric container cranes for Wharf No. 5 at Bayport Container Terminal to Shanghai ZhenHua Heavy Industries Co., Ltd (ZPMC). These cranes require manufacturing inspection on a full-time basis. Inspection of overseas fabrication of these cranes is beyond current manpower capabilities of Port Authority staff, and therefore staff believes an inspection services consultant is required.

The Port Authority notified vendors regarding its request for qualifications (RFQ) using the Port Authority's BuySpeed Eprocurement System, and the project was advertised on the Port Authority's website and in a local newspaper. Sixteen vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On August 07, 2019, five RFQ responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the RFQ. Staff identified the following vendors, listed in order of ranking, as most qualified to provide the required services:

- APTIM Port Services International, LLC
- Liftech Consultants, Inc.

- Paul Bridges & Associates, LLC

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to APTIM Port Services International, LLC and act as otherwise described above.

J. OPERATIONS

Subject	2. Issue a purchase order to Rush Bus Centers for the purchase of two twenty-six passenger buses for Barbours Cut Terminal and Bayport Container Terminal, using Houston-Galveston Area Council's cooperative purchase program, in an amount not to exceed \$200,000.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, issue a purchase order to Rush Bus Centers for the purchase of two twenty-six passenger buses for Barbours Cut Terminal and Bayport Container Terminal, using Houston-Galveston Area Council's cooperative purchase program, in an amount not to exceed \$200,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Port Authority currently owns two buses in operation at Barbours Cut Terminal and three at Bayport Container Terminal. These units are used daily for transportation of longshoremen to and from wharves. On December 17, 2018, one passenger bus at Barbours Cut Terminal was totally destroyed in a fire. One of the existing units at the Bayport Container Terminal is a 2006 year model which shows signs of wear due to years of operation; the performance of major mechanical components is no longer satisfactory and repairing them is not cost effective.

In order to satisfy the needs of the terminals' increased activity and continued growth, staff recommends that the totaled passenger bus at Barbours Cut Terminal and the 2006 year model unit at Bayport Container Terminal be replaced at this time in order to achieve appropriate levels of service to the industry.

The Local Government Purchasing Cooperative (Cooperative) is an administrative agency of cooperating local governments authorized by the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Cooperative is further authorized as a local purchasing cooperative organization as set forth in Section 271.101, et seq., of the Texas Local Government Code. The Port Commission, by Minute No. 2006-1023-43, entered into an interlocal agreement with the Cooperative to become a member participant, and since that time has used the Cooperative and its BuyBoard electronic purchasing application to facilitate compliance with state procurement requirements; to more efficiently identify qualified vendors of commodities, goods and services; to relieve the burdens of the governmental purchasing function; and to realize the various potential economies, including administrative cost savings.

Staff Evaluation/Justification:

The Director of Procurement Services has determined that procuring passenger buses through the purchasing program of Houston-Galveston Area Council (H-GAC) is the method that both satisfies

competitive purchase requirements and provides best value to the Port Authority.

Staff has determined that the best availability, price, and contract term for the items needed is provided by Rush Bus Centers under the pricing schedule obtained from that vendor's contract with H-GAC, and is therefore recommending this purchase.

Accordingly, staff recommends that the Port Commission approve this best value determination and contract.

J. OPERATIONS

Subject	3. Issue a purchase order to MMLJ, Inc., the sole source provider, for the purchase of one DB800 Dual Dustless Blasting Mobile unit for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$97,500.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, issue a purchase order to MMLJ, Inc., the sole source provider, for the purchase of one DB800 Dual Dustless Blasting Mobile unit for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$97,500, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Port Authority currently does not own or lease a blasting unit. This type of equipment expedites the completion of maintenance and inspection tasks including stripping of metal and concrete for corrosion mitigation and surface preparation for coating application, and it is expected to be useful for the execution of our Facility Inspection and Condition Assessment Program (FICAP).

Staff has evaluated several blasting units and believes the new patented blasting technology offered by MMLJ, Inc. would provide the best value to the Port Authority. The DB800 Dual Dustless Blasting Mobile technology and blasting media have been approved by the Environmental Protection Agency (EPA) for work in the marine environment.

Section 60.412 of the Water Code provides that a purchase for an item that can be obtained only from one source is exempt from certain procurement requirements of the Water Code. Port Authority staff has received a written statement from MMLJ, Inc. confirming that MMLJ, Inc. is the sole authorized provider for the Dual Dustless Blasting Mobile unit.

Staff Evaluation/Justification:

Staff recommends that the Port Commission approve a purchase order to MMLJ, Inc. for the purchase of one DB800 Dual Dustless Blasting Mobile unit for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal.

K. PEOPLE

Subject	1. Authorize an agreement with Aetna Life Insurance Company to provide stop-loss insurance coverage for calendar year 2020 for the Port Authority's self-funded group medical benefit program for active employees, retirees who are not Medicare-eligible, and dependents, in an amount not to exceed \$1,983,964.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting: (a) authorize an agreement with Aetna Life Insurance Company to provide stop-loss coverage for calendar year 2020 for the Port Authority's self-funded group medical benefit program for active employees, retirees who are not Medicare-eligible, and dependents, in an amount not to exceed \$1,983,964; (b) authorize renewal negotiations with the Aetna Life Insurance Company prior to contract expiration; and (c) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success)

Category:

Awards, Amendments & Change Orders

Department:

Human Resources

Staff Contact:

Roger Walter

Background:

By Minute No. 2018-0130-43, the Port Commission awarded a five-year contract to Lockton Companies LLC (Lockton), to serve as the Port Authority's Broker of Record for Health & Welfare Benefits.

Lockton's contractual responsibilities include providing employee benefits consulting services, including assisting in: development of requests for proposals (RFP) for group insurance coverages; evaluation of proposals; negotiation of renewal rates; and providing recommendations on provider selections.

In September 2018, after having reviewed proposals and analyzed the costs of a self-funded program compared to a fully-funded program, the Port Authority proceeded with the implementation of a self-funded group medical benefit program administered by Aetna for 2019. By Minute No. 2018-1030-44, the Port Commission approved the purchase of insurance from Aetna to provide stop-loss coverage for calendar year 2019 for the self-funded group medical plan. This approval also authorized contract renewal negotiations with the Aetna Life Insurance Company prior to contract expiration.

Staff Evaluation/Justification:

Lockton and Port Authority staff have negotiated an agreement with Aetna Life Insurance Company for stop-loss coverage for the 2020 self-funded group medical benefit program.

Staff recommends that the Port Commission authorize an agreement to Aetna Life Insurance Company for stop-loss coverage for the self-funded medical plan for 2020. The stop-loss coverage would (1) cover any claims in excess of \$175,000 per individual claimant and (2) cover any claims in excess of an aggregate amount of 120% of projected claims. As of this time, based on projected enrollment numbers,

claims are projected to total \$15,000,000. Thus, the aggregate stop-loss coverage would be estimated to provide funding if the aggregate amount of claims exceeds \$18,000,000.

Staff additionally recommends that the Port Commission authorize renewal negotiations with Aetna prior to contract expiration, to better ascertain in advance the need to solicit proposals for the next contract year.

K. PEOPLE

Subject	2. Authorize an amended agreement with Aetna Life Insurance Company to provide professional third-party administration services for the Port Authority's self-funded group medical benefit program for active employees, retirees who are not Medicare-eligible, and dependents for calendar year 2020, in an amount not to exceed \$62,832.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting: (a) authorize an amended agreement with Aetna Life Insurance Company to provide professional third-party administration (TPA) services for the Port Authority's self-funded group medical benefit program for active employees, retirees who are not Medicare-eligible, and dependents for calendar year 2020, in an amount not to exceed \$62,832; (b) authorize renewal negotiations with the Aetna Life Insurance Company prior to contract expiration; and (c) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success)

Category:

Awards, Amendments & Change Orders

Department:

Human Resources

Staff Contact:

Roger Walter

Background:

By Minute No. 2018-0130-43, the Port Commission awarded a contract to Lockton Companies LLC (Lockton), to provide employee benefits consulting services, including assisting in: development of requests for proposals (RFP) for group insurance coverages; evaluation of proposals; negotiation of renewal rates; and providing recommendations on provider selections.

In September 2018, after having reviewed proposals and analyzed the costs of a self-funded program compared to a fully-funded program, the Port Authority proceeded with the implementation of a self-funded group medical program administered by Aetna for 2019.

By Minute No. 2018-0925-04, the Port Commission awarded a contract to Aetna Life Insurance Company (Aetna) for third-party administrative services for a self-funded group medical benefit program for active employees, retirees who are not Medicare-eligible, and their dependents, for calendar year 2019. This action also authorized contract renewal negotiations with Aetna Life Insurance Company prior to contract expiration.

Accordingly, Lockton and staff began negotiations with Aetna for third-party administrative services for the 2020 self-funded group medical program.

Staff Evaluation/Justification:

Lockton and Port Authority staff have negotiated an amendment with Aetna Life Insurance Company for professional third-party administration services for the 2020 self-funded group medical benefit program.

The proposed agreement would allow the Port Authority to continue to offer access to the same medical plans as were offered in 2019, an Open Access Managed Choice \$250 Deductible plan and a KelseyCare Health Maintenance Organization (HMO) style plan.

Staff recommends that the Port Commission authorize an amended agreement with Aetna Life Insurance Company for TPA services. Staff additionally recommends that Port Commission authorize renewal negotiations with Aetna prior to contract expiration, to better ascertain in advance the need to solicit proposals for the next contract year.

K. PEOPLE

Subject	3. Authorize funding, in an amount not to exceed \$15,000,000, for calendar year 2020 for the payment of claims from the Port Authority's self-funded group medical benefit program for active employees, retirees who are not Medicare-eligible, and dependents.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, authorize funding, in an amount not to exceed \$15,000,000, for calendar year 2020 for the payment of claims from the Port Authority's self-funded group medical benefit program for active employees, retirees who are not Medicare-eligible, and dependents, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success)

Category:

Awards, Amendments & Change Orders

Department:

Human Resources

Staff Contact:

Roger Walter

Background:

By Minute No. 2018-0130-43, the Port Commission awarded a five-year contract to Lockton Companies LLC (Lockton), to serve as the Port Authority's broker of record and provide consulting services relating to the Port Authority's group health and welfare benefits.

In September 2018, after having reviewed proposals and analyzed the costs of a self-funded program compared to a fully-funded program, the Port Authority proceeded with the implementation of a self-funded group medical benefit program administered by Aetna for 2019. By Minute No. 2018-1212-37, the Port Commission authorized funding for the payment of claims from the Port Authority's self-funded group medical benefit program during calendar year 2019.

The Pension and Benefits Committee reviewed a report on the status of the 2019 self-funded medical program at its September 16, 2019 meeting. Lockton and staff recommended, and the Pension and Benefits Committee concurs, that the Port Authority continue with the self-funded program for calendar year 2020.

Staff Evaluation/Justification:

The Port Authority's open enrollment period for calendar year 2020 will occur in early November. Based upon the current and projected enrollment information, staff and Lockton recommend that \$15,000,000 be reserved for the self-insurance account to pay for all covered claims for calendar year 2020 from the Port Authority's self-funded group medical insurance program for active employees, retirees who are not Medicare-eligible, and dependents.

The payment of covered claims from the dedicated account is expected to be administered by Aetna pursuant to its third-party administration services agreement with the Port Authority.

Staff recommends the Port Commission approve the above funding.

K. PEOPLE

Subject	4. Approve a contract with Houston Zoo, Inc. to provide the venue and customer event services for the 2020 Port Houston Employee and Retiree Appreciation Event in amount not to exceed \$45,000.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, approve a contract with Houston Zoo, Inc. to provide the venue and customer event services for the 2020 Port Houston Employee and Retiree Appreciation Event in amount not to exceed \$45,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success)

Category:

Awards, Amendments & Change Orders

Department:

People

Staff Contact:

Jessica Shaver

Background:

As a result of statutory changes following the 2012-2013 Texas Sunset Review, the Port Authority discontinued its annual employee and retiree appreciation events, which staff has concluded led to a decrease in morale among employees. In 2017, further statutory changes allowed for the Port Authority to again fund meals and events for the purpose of employee recognition or building morale. Two events have been held since then, in 2018 and 2019.

Surveys were sent to employees after each event to gauge employee interest and how each event impacted employees' perception of workplace culture and morale. The results indicated that employees wanted more centrally-located venues and family-friendly, educational, and interactive experiences. Employees have also asked that the events better reflect appreciation for their colleagues' hard work.

An employee event advisory committee was formed to determine the venue for 2020 that would better reflect the results of the employee surveys and help serve the goal of boosting morale. The advisory committee determined the Houston Zoo would meet or exceed feedback requests from the employees in the survey and provide best value.

The current budget estimate assumes 900 attendees. Costs may change depending on employee and retiree responses, and will not be finalized until early March, when the estimated headcount is finalized. All efforts are being made to reduce the budget and comply with the Port Authority's Travel, Meals and Business Entertainment Authorization and Expense Reimbursement Policy, while keeping the event at a level to sufficiently recognize the hard work and contributions of employees and retirees.

Staff Evaluation/Justification:

The Port Houston Employee and Retiree Appreciation Event aligns with the Strategic Plan and provides the opportunity to thank and recognize the hard work of the Port Authority's most important asset - its people.

Therefore, staff recommends that the Port Commission authorize an event services contract with Houston Zoo, Inc.

L. PORT SECURITY AND EMERGENCY OPERATIONS

Subject **1. Rescind the May 21, 2019 award and reject all bids for the purchase of a stand-by generator for Fire Station 1 at Turning Basin Terminal in an amount not to exceed \$53,000.**

Meeting Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 22, 2019 meeting, rescind the May 21, 2019 award and reject all bids for the purchase of a stand-by generator for Fire Station 1 at Turning Basin Terminal in an amount not to exceed \$53,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals Strategic Objective 4c. - Operate safely and securely

Category:
Reject and Other Actions

Department:
Fire

Staff Contact:
William Buck

Background:
Staff seeks to purchase a generator to provide power to Fire Station 1 when commercial electrical services are unavailable, since Fire Station 1 is manned 24/7 365 days a year, including during hurricanes and other disaster situations, and power to this fire station is essential to be able to continue to operate for the safety and security of the Turning Basin Terminal and surrounding areas.

By Minute Number 2019-0521-32, the Port Commission authorized the award to National Oilwell Varco Portable Power to purchase such a generator.

Staff Evaluation/Justification:
Staff has been unable to reach an agreement with the selected vendor and requests the Port Commission rescind the award and reject all bids for the purchase of the stand-by generator for Fire Station 1.

The Fire Department intends to re-evaluate the project for potential future purchase.

L. PORT SECURITY AND EMERGENCY OPERATIONS

Subject	2. Authorize an agreement with the Houston Ship Channel Security District for payment of the current year (2019-2020) contribution in an amount not to exceed \$42,900.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, authorize an agreement with the Houston Ship Channel Security District for payment of the current year (2019-2020) contribution in an amount not to exceed \$42,900, and authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective 4c. - Operate safely and securely Strategic Objective 4b. - Cultivate productive relationships with all stakeholders

Category:
Awards, Amendments & Change Orders

Department:
Security

Staff Contact:
Jessica Thomas

Background:

In 2008, the Port Commission first authorized payments to the Houston Ship Channel Security District (HSCSD). These annual payments, along with the funds collected each year in assessments from the Security District's private industry members, allow the HSCSD to partner with many law enforcement entities to provide security enhancements in and around the Houston Ship Channel and the Port Authority's facilities. These water, land, and air enhancements include: (i) a security camera network monitored by the Harris County Sheriff's Office and linked to the U.S. Coast Guard and the Port Authority, (ii) additional boat patrols on the ship channel, (iii) additional landside law enforcement, and (iv) air patrols over the Houston Ship Channel.

By Sections 68.151-68.155 of the Water Code, the HSCSD is governed by eleven directors, eight from private industry and three from government agencies, including the Port Authority.

At this time, the HSCSD has preliminarily approved its budget for fiscal year 2020, and has determined that the assessment of its members will remain unchanged from 2019. Accordingly, in line with its budget requirements and consistent with the assessment of its private industry members, the HSCSD requests a contribution from the Port Authority of \$42,900 for fiscal year 2020 (payable in 2019). The 2020 assessments from the district's private industry members and the Port Authority would enable the continued operation and maintenance of the mutually beneficial security assets for the Houston Ship Channel.

Pursuant to Section 68.315 of the Texas Water Code, the HSCSD and the Port Authority may enter into a contract for payment of assessments under terms mutually agreeable.

Staff Evaluation/Justification:

Staff recommends the Port Commission authorize such an agreement for payment to the HSCSD.

L. PORT SECURITY AND EMERGENCY OPERATIONS

Subject	3. Authorize the Port Authority to enter into a Contract for Governmental Services with the City of La Porte Emergency Medical Services to provide emergency medical services at Bayport Container Terminal facilities for fifteen months in a total amount not to exceed \$24,607.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, authorize the Port Authority to enter into a Contract for Governmental Services with the City of La Porte Emergency Medical Services to provide emergency medical services at Bayport Container Terminal facilities for fifteen months in a total amount not to exceed \$24,607, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective 4c. - Operate safely and securely

Category:

Awards, Amendments & Change Orders

Department:

Fire Department

Staff Contact:

William Buck

Background:

The Port Authority's Fire Department provides first responder medical services at Barbours Cut, Bayport Container Terminal, and other nearby Port Authority properties. However, the Port Authority has entered into follow-on medical services as well.

Clear Lake Emergency Medical Corps (CLEMC) has requested termination of one such contract, its one-year contract for medical services at Bayport Container Terminal facilities, effective November 15, 2019.

The Port Commission has also authorized a three-year Contract for Governmental Services with the City of La Porte Emergency Medical Service (EMS) for emergency medical services at Barbours Cut, providing follow-on EMS services including ambulance response and transport of injured persons to appropriate medical facilities and/or hospitals.

Staff Evaluation/Justification:

The contract with La Porte EMS for services at Barbours Cut Terminal expires on January 31, 2021. Due to the ongoing need for follow-on emergency medical services at the Bayport Container Terminal, including ambulance services for injured personnel, staff recommends entering into a second concurrent contract with La Porte EMS to provide service to the Bayport Container Terminal beginning November 1, 2019 thru January 31, 2021.

The cost for the new service is \$19,685 annually, an increase over the previous contract with CLEMC at \$14,190 annually. The new contract would have a total cost of \$24,606.75 for the fifteen month term.

L. PORT SECURITY AND EMERGENCY OPERATIONS

Subject	4. Amend the Interlocal Agreement for use of Public Safety Communication Systems between the Port Authority and Harris County to include two Astro P25 Simulcast Radio Towers on the Harris County TXWARN Radio System for a one-year term, automatically renewing for successive one-year terms.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its meeting on October 22, 2019, amend the Interlocal Agreement for use of Public Safety Communication Systems between the Port Authority and Harris County to include two Astro P25 Simulcast Radio Towers on the Harris County TXWARN Radio System for a one-year term, automatically renewing for successive one-year terms, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective 4b. - Cultivate productive relationships with all stakeholders Strategic Objective 4c. - Operate safely and securely

Category:

Awards, Amendments, & Change Orders

Department:

Emergency Management

Staff Contact:

Colin Rizzo

Background:

In 2005, the Port Authority entered into an Interlocal Agreement with Harris County for use of the TXWARN Public Safety Radio System. The radio system is currently used by Port Authority maintenance, operations, police, security, and fire personnel. This amendment allows for the Port Authority to continue use of the Harris County TXWARN Radio System without any fees for access to the system, in exchange for becoming a Harris County TXWARN System Partner by constructing and maintaining two Astro P25 Simulcast Radio Tower Sites, and providing two Mobile Tower Trailer units previously known as Communications on Wheels (COWS), as needed to support the regional TXWARN Radio System.

Staff Evaluation/Justification:

Clear and reliable communications for Port Authority maintenance, operations, and public safety personnel are paramount for the safety of life. The addition of two radio towers to the Harris County TXWARN Radio System enhances coverage and capacity for all users of the system, especially in the eastern most portion of Harris County. This amendment stipulates automatically renewing one-year terms.

Staff recommends the Port Commission amend the current Interlocal Agreement for Use of Public Safety Communication Systems with Harris County as the most cost effective long-term solution to provide continued radio coverage for the Port Authority. If approved, this amendment requires approval by Harris County Commissioners Court following final Legal review.

L. PORT SECURITY AND EMERGENCY OPERATIONS

Subject	5. Amend the existing reimbursable agreement with the United States Department of Commerce, National Oceanic and Atmospheric Administration (NOAA) to reduce the account surplus and install a current measurement meter.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, amend the existing reimbursable agreement with the United States Department of Commerce, National Oceanic and Atmospheric Administration (NOAA) to reduce the account surplus and install a current measurement meter, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective 4c. - Operate safely and securely Strategic Objective 3c. - Leverage key partnerships to influence regional infrastructure investment

Category:
General

Department:
Fire Department

Staff Contact:
William Buck

Background:

The Port Commission previously approved reimbursable agreements with NOAA in 1999, 2012, and 2017 to support the Houston-Galveston Physical Oceanographic Real-Time System (PORTS), which provides important real-time oceanographic data to pilots, ship masters, and other navigators, improving the safety of navigation on the Houston Ship Channel (HSC). The agreement, funded from the Port Authority's Harbor Fee and paid for by ships and barges within the port-wide complex, supports the enhancement, management, operation, maintenance, and repair of the PORTS system in the Houston-Galveston region for all channel users. The current five-year agreement expires September 30, 2022.

PORTS presently consists of the following major components: current measurement stations at Galveston Bay Channel Lighted Buoy 11 and near the Fred Hartman Bridge; national water level observation stations at the Galveston Bay Entrance North Jetty and at Galveston Pier 21; and Texas Coastal Ocean Observation Network stations at Morgan's Point and Eagle Point. Most of these stations also provide barometric pressure, air/water temperature, and wind speed/direction. Additionally, four of the six stations are networked into existing national and State of Texas observation systems.

Following Hurricane Harvey, the National Weather Service (NWS) and NOAA have been working with the Lone Star Harbor Safety Committee (LSHSC) to install current measurement meters at various locations along the HSC to allow better forecasting of currents for safety of ship movements after heavy rain events. Additionally, following a recent Pilot Board Investigation and Recommendation Committee hearing and the barge allision with the I-10 Bridge, additional current meters have been determined by staff to be needed to enhance the safety of navigation. Other entities are moving forward concurrently to install current measurement meters at additional locations along the ship channel.

Staff Evaluation/Justification:

The PORTS system has proven to be beneficial for the safe navigation of ships and barges throughout the HSC, and is relied upon by pilots and ship masters. Based on several economic impact studies of the PORTS system, NOAA estimates an economic benefit of each PORTS system at between \$2.2 million and \$4.5 million annually.

Over the years, a surplus has been established in the account, due to maintenance costs being lower than predicted by NOAA. The current agreement had years 1 and 2 at no cost to the Port Authority, thereby reducing the surplus. Year 3 (beginning October 2019) was scheduled to be a payment of \$143,334, but the surplus has continued to increase. The most recent annual report, dated October 1st, 2018, showed the account surplus at \$561,950.

Exercising good fiscal stewardship and for the safety of navigation, the proposed amendment includes:

- Adjusting the annual maintenance costs downward for years 3, 4, and 5 to more closely reflect actual costs, lowering the yearly payments from approximately \$140,000 a year to approximately \$90,000 a year;
- Utilizing surplus funds to fulfill the year 3 payment obligations (adjusted downward to approximately \$90,000); and
- Utilizing surplus funds (approximately \$124,000) to install a current meter at the 610 Bridge, which is considered the highest priority location by the LSHSC working group, allowing the Port Authority to contribute to the overall safety efforts port-wide.

Staff recommends the Port Commission authorize amending the existing reimbursable agreement with NOAA as described above.

M. TECHNOLOGY

Subject	1. Issue a purchase order to Solid Border, Inc for purchase of a one-year renewal of Palo Alto (firewall) hardware and software maintenance, using Local Government Purchasing Cooperative's BuyBoard, a cooperative purchase program, in an amount not to exceed \$124,000.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 22, 2019 meeting, issue a purchase order to Solid Border, Inc for purchase of a one-year renewal of Palo Alto (firewall) hardware and software maintenance, using Local Government Purchasing Cooperative's BuyBoard, a cooperative purchase program, in an amount not to exceed \$124,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Ron Farrow

Background:

The Port Authority is seeking to obtain approval for the renewal of Palo Alto maintenance which provide the Port Authority with internet and firewall hardware and software security support.

Staff Evaluation/Justification:

The Director of Procurement Services has determined that procuring the renewal of Palo Alto maintenance, which provides the Port Authority with internet and firewall hardware and software security support, through the Local Government Purchasing Cooperative's (LGPC) BuyBoard, is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority. This cooperative is administered by the Texas Association of School Boards.

The Information Technology department has determined that the best availability, price, and contract term for the item needed is provided by Solid Border, Inc under the pricing schedule obtained from that vendor's contract with LGPC's BuyBoard, and is therefore recommending this vendor.

Accordingly, staff recommends that the Port Commission approve this best value determination and contract.

P. COMMERCIAL

Subject	1. Adopt a resolution authorizing the Port Authority to acquire through its exercise of the power of eminent domain the fee simple interest in approximately 7.825 acres of land located at 9800 Clinton Drive, Houston, Harris County, Texas as described in Exhibit "A" to permit the property to be publicly used by the Port Authority for public port-related development and operations.
Meeting	Oct 22, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	Adopt a resolution authorizing the Port Authority to acquire through its exercise of the power of eminent domain the fee simple interest in approximately 7.825 acres of land located at 9800 Clinton Drive, Houston, Harris County, Texas as described in Exhibit "A" to permit the property to be publicly used by the Port Authority for public port-related development and operations, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Real Estate

Staff Contact:

R.D. Tanner

Background:

Staff seeks to acquire the subject property for public use in connection with the development and operation of terminal facilities and other public port-related activities, including rail services, cargo related services, transportation, and related Port Authority uses and needs.

Staff Evaluation/Justification:

Staff has determined that the acquisition of the fee simple interest in the 9800 Clinton property is a public necessity for the public purposes of the Port Authority.

Accordingly, staff recommends that the Port Commission, at its October 22, 2019 meeting, adopt the attached resolution authorizing the Port Authority to acquire, as public necessities for the public purposes of the Port Authority, the real property interest described above, through its exercise of the power of eminent domain.

PORT COMMISSION RESOLUTION NO. _____**RESOLUTION DETERMINING THE PUBLIC NECESSITY FOR AND AUTHORIZING THE ACQUISITION OF THE FEE SIMPLE INTEREST IN AN APPROXIMATELY 7.825 ACRE TRACT OF LAND SITUATED IN THE EZEKIAL THOMAS SURVEY, ABSTRACT 73, LOCATED IN HARRIS COUNTY, TEXAS, BY PURCHASE OR BY THE EXERCISE OF THE POWER OF EMINENT DOMAIN, FOR PUBLIC USE IN CONNECTION WITH THE DEVELOPMENT AND OPERATION OF THE PORT OF HOUSTON AUTHORITY'S TURNING BASIN TERMINAL AND INDUSTRIAL PARK EAST FACILITIES AND OTHER PORT-RELATED ACTIVITIES.**

WHEREAS, the Port Commission of the Port of Houston Authority of Harris County, Texas has determined it is necessary in the public interest of the citizens of Harris County, Texas and in furtherance of the public purposes of the Port of Houston Authority of Harris County, Texas ("Port Authority") for public use to acquire by purchase or, if necessary, through the exercise of the power of eminent domain, fee simple interest in an approximately 7.825 acre tract of land, such property being more particularly described in Exhibit "A", which is attached hereto in connection with the development and operation of the Turning Basin Terminal and Industrial Park East facility and other port-related activities, including rail services, cargo related services, transportation and related Port Authority uses and needs.

NOW THEREFORE, be it resolved by the Port Commission of the Port of Houston Authority of Harris County, Texas as follows:

A public necessity exists for the acquisition of the fee simple interest in an approximately 7.825 acre tract of land, such property being more particularly described in Exhibit "A" ("the Property") located in Harris County, Texas, in furtherance of the public purposes of the Port Authority for the public use in connection with the development and operation of the Terminal Basin Terminal and Industrial Park East facility and other port-related activities, including rail services, cargo related services, transportation and other related Port Authority uses and needs.

The Executive Director and at his directive, the legal departments of the Port Authority and all associated legal counsel, are hereby authorized and directed to take such actions as are necessary to acquire the fee simple interest in the Property by purchase or, if necessary, to proceed to acquire through the exercise of the power of eminent domain, the Property as described in Exhibit "A", which is

attached hereto, from the owners and others having an interest in the Property.

PASSED AND ADOPTED this 22nd day of October, 2019.

Commissioner, Port Commission
Port of Houston Authority of Harris County, Texas

I, Erik Eriksson, Chief Legal Officer of the Port of Houston Authority of Harris County, Texas, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Board of Commissioners of the Port of Houston Authority of Harris County, Texas, at a meeting held on October 22, 2019, which meeting was duly called and convened and at which meeting a quorum of Commissioners was present and voting throughout.

IN WITNESS WHEREOF, I have hereunto subscribed my name as of this 22nd day of October, 2019.

Erik Eriksson
Chief Legal Officer and Secretary