PORT CORPUS CHRISTI

NOTICE OF PORT COMMISSION MEETING

The Port Commission ("Commission") of the Port of Corpus Christi Authority ("PCCA") of Nueces County, Texas, will hold a Regular Session Meeting on Tuesday, April 19, 2016, at 9:00 a.m., at the Congressman Solomon P. Ortiz International Center, 402 Harbor Drive, Corpus Christi, Texas**.**

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services are requested to contact Sherry DuBois at 885-6174 at least 48 hours in advance so that appropriate arrangements can be made.

Si usted se dirige a la junta y cree que su inglés es limitado, habrá un intéprete inglés español en la reunión de la junta para ayudarle.

Members of the audience will be provided an opportunity to address the Port Commission. Please speak into the microphone located at the podium and state your name and address. Your presentation will be limited to three minutes.

PUBLIC NOTICE is given that the Commission may go into executive session at any time during the meeting to discuss matters listed on the agenda when authorized to do so by the provisions of Section 418.183 or Chapter 551 of the Texas Government Code. In the event the Commission elects to go into executive session regarding any agenda item, the presiding officer will publicly announce the section or sections of the Texas Government Code authorizing the executive session.

The agenda for the meeting is as follows:

1. Call meeting to order:
   - A. Safety Briefing
   - B. Pledge of Allegiance
   - C. Invocation
   - D. Receive Conflict of Interest Affidavits.

2. Approve the minutes of the March 15 and March 29, 2016 Commission meetings.

3. Receive comments from the public. ***(Each speaker is limited to three minutes.)***

4. Receive committee reports from the following Commission committees:
   - A. Security
   - B. Audit
   - C. Long-Range Planning

5. Review and approve the PCCA's Comprehensive Annual Financial Report for the Years Ended December 31, 2015 and 2014 (CAFR), and accept the independent auditor's reports prepared by Collier, Johnson and Woods, P.C., which are contained in the CAFR.

6. Receive a presentation from Flatiron-Dragados on the status of the Corpus Christi Harbor Bridge Replacement Project.

7. Receive a progress report from Del Richardson & Associates Inc. on the Hillcrest/Washington-Coles Voluntary Real Estate Acquisition and Relocation Assistance Program.

8. Authorize staff to issue a Request for Proposals for the demolition and clearing of properties acquired by the PCCA under the Hillcrest/Washington-Coles Voluntary Real Estate Acquisition and Relocation Assistance Program.

9. Receive a presentation from staff on the status of rail movement through the port.

10. Receive a presentation from Cheniere on the status of the Corpus Christi LNG Liquefaction project.

11. Authorize staff to issue a Request for Proposals for a Dry Bulk Commodity Market Study for potential use in the development of a Master Plan for the Bulk Terminal.

12. Terminate existing Development Services Agreement with Robstown Area Development Commission (RADC) and approve a Development Services Agreement with Robstown Improvement Development Corporation (RIDC).

13. Award a contract to Division 16 Construction Company, the lowest and best bidder based on bids received March 24, 2016, in the amount of $647,399 for security improvements to Oil Dock 14 (Port Security Grant FY 2014).

14. Approve a Professional Services Agreement with Moffatt & Nichol in the amount of $337,000 for engineering services associated with Aids-to-Navigation improvements at the La Quinta Channel extension.

15. Authorize the purchase of approximately 72.5 acres of land in San Patricio County, Texas.

16. Consent Agenda. The Port Commissioners have been furnished with supporting documentation and staff's recommendation for each of the following items. All Consent Agenda items will be approved, in accordance with the respective staff recommendations, by one vote without being discussed separately unless a Port Commissioner requests otherwise.

    A. Award a contract to JE Construction Services, the lowest and best bidder, based on bids received on March 22, 2016, in the amount of $145,289 for repairs to the PCCA Bridge at Oil Dock 11.

B. Award a contract in the amount of $317,657.56 to J.M. Davidson, Ltd, the lowest and best bidder based on bids received on April 4, 2016, for fire line improvements and marine repairs at Oil Dock 2.

C. Award a contract in an amount not to exceed $150,000 and 24 months to J.M. Davidson, Ltd., the lowest and best bidder based on bids received on April 1, 2016, for corrosion protection of equipment and buildings at the Bulk Terminal.

D. Approve contracts with CyrusOne for data center colocation, Time Warner Cable for telecommunications, and Sigma for Network Operations Center relocation services at a total cost of $409,366.76.

17. Receive report from the Executive Director on upcoming community events, PCCA events and activities of the following PCCA departments during the preceding month—Safety, Community Relations, Communications, Government Affairs, Business Development, Foreign Trade Zone, Ortiz Center, Human Resources, Security, Operations, Engineering Services, Finance, Real Estate, and Environmental.

18. Receive comments from Port Commissioners on any of the agenda items for this meeting, the PCCA's activities during the preceding month, upcoming PCCA events, and suggestions for future agenda items.

19. The Commission will go into executive session pursuant to §551.072 and §551.087 of the Texas Government Code to deliberate leasing certain PCCA real property on the north side of the Inner Harbor to Martin Operating Partner, Ltd., and take action on this agenda item in open session.

20. The Commission will go into executive session pursuant to §551.071 and §551.072 of the Texas Government Code to deliberate the purchase and value of certain real property in the vicinity on the La Quinta Channel and to receive legal advice from PCCA counsel regarding the acquisition of this property. The Commission may authorize or approve the purchase agreement of this property and related personal property in open session.

21. The Commission will go into executive session pursuant to §551.087 of the Texas Government Code to deliberate offering financial or other incentives to a business prospect that PCCA seeks to have locate in San Patricio County and with which PCCA is conducting economic development negotiations.

22. The Commission will go into executive session pursuant to §551.072 and §551.087 of the Texas Government Code to deliberate (i) leasing certain PCCA real property on the north side of the Inner Harbor, and (ii) offering financial or

other incentives to a business prospect that PCCA seeks to have locate or expand on the north side of the Inner Harbor and with which PCCA is conducting economic development negotiations.

23. The Commission will go into executive session pursuant to §551.087 of the Texas Government Code to deliberate offering financial or other incentives to a business prospect that PCCA seeks to have locate or expand on the La Quinta Channel and with which PCCA is conducting economic development negotiations.

24. The Commission will go into executive session pursuant to §551.072 of the Texas Government Code to deliberate the purchase and value of certain real property located on the La Quinta Channel in San Patricio County, Texas.

25. The Commission will go into executive session pursuant to §551.071 of the Texas Government Code to receive legal advice regarding a breach of contract claim.

26. Adjourn.

AGENDA ITEM NO. 1

Call Meeting to Order

NO ATTACHMENT

OFFICIAL MINUTES OF PORT COMMISSION MEETING
MARCH 15, 2016

The Port Commissioners of the Port of Corpus Christi Authority convened at the Solomon P. Ortiz International Center, 402 Harbor Drive, Corpus Christi, Texas, on Tuesday, March 15, 2016, at 9:00 a.m., for the regular monthly meeting of the Port Commission.

Present:	Mr. Charles Zahn
	Mr. Wayne Squires
	Ms. Barbara Canales
	Mr. David P. Engel
	Mr. Richard Valls
Absent:	Mr. Richard L. Bowers
	Mr. Wes Hoskins
Present:	Mr. John P. LaRue
	Mr. Sean Strawbridge
	Mr. Jarl Pedersen
	Mr. Darrin Aldrich
	Ms. Patricia Cardenas
	Ms. Rosie Collin
	Mr. Dennis DeVries
	Ms. Sarah Garza
	Mr. David Krams
	Ms. Sandra Terrell-Davis
	Ms. Nelda Olivo
	Mr. John Pasch
	Mr. Tom Mylett
	Ms. Lynn Angerstein
	Ms. Audre Debler
	Ms. Sherry DuBois
	Mr. Brett Flint
	Ms. Donna James-Spruce
	Mr. Dan Koesema
	Ms. Angela Leyva
	Ms. Sonya Lopez
	Mr. Dave Michaelsen
	Ms. Maggie Turner
	Mr. Eddie Martinez
	Mr. Bennie Benavides
	Ms. Sonya Budilo
	Ms. Natasha Fudge
	Ms. Peggy Mettlen
	Mr. Jesse Samu

Others Present: Mr. Leo J. Welder, Jr.
Mr. Dane Bruun

Others Present: Mr. Gary Moore, Sr.
City of Portland
Mr. Scott Harris
LAN
Mr. David Hudgins
Mr. James Rizzo
TAMUCC
Mr. Bill Thomas
Thomas Engineering
Mr. Ruben Saenz
External Communications
Ms. Sylvia Ramirez
Mr. Veronica Martinez
Senator Hinojosa ofc
Mr. Noela Garza
Mr. Chris Garza
Bullseye Land Survey
Ms. Candy Spitzer
Spitzer & Associates
Ms. Carol Scott
Kailo Communications
Mayor Mandy Barrera
Mr. Herman Rodriguez
City of Robstown
Mr. Ronald Berglund
Robstown Improvement Development Corp.
Mr. Jon Sheridan
Martin Operating
Mr. Cary Campbell
SNW Fabrication
Capt. Louis Adams
Aransas/CC Pilots Assn.
Mr. David Cave
CITGO
Mr. Terry Arnold
Consultant
Mr. Roger TenNapel
Ms. Darcy Schroeder
Ms. Jill Cremer
Flint Hills Resources
Mr. Xavier Valverde
G&H Towing
Mayor Pete Perkins
City of Ingleside

Commissioner Fred Nardini
San Patricio County
Ms. Terri Longoria
Holy Cross Church
Mr. Del Richardson
Mr. Dionisio Marquez
Mr. Frank Jordan
DRH Inc.
Mr. Josh Canutesa
Cobb Fendley
Mr. Fred Dotts
Ms. Nancy Zuniga
MDR
Mr. Chris Ramirez
Caller-Times
Mr. Terry Mills
NAACP
Mr. Iain Vasey
CC Regional Economic Dev. Corp.
Mr. Joe Harrington
Valero
Ms. Nancy Allen
USO
Mr. Foster Edwards
San Patricio EDC
Mr. William Goldston
WFGCON
Mr. Jesus J. Jimenez
ICE
Mr. William McCord
WKMC Architects

I.

Chair Zahn called the meeting to order and asked for conflict of interest affidavits to be submitted. Mr. Valls submitted an affidavit for Agenda Item 19-J stating that a related company is a tenant in Cargo Dock 9 Transfer Facility.

II.

On motion made by Mr. Valls and seconded by Mr. Squires, the Commission approved the minutes of February 16, 2016, Commission meeting in the form presented to the meeting.

III.

The Chair asked for comments from the public. Mr. Ross McElwee, candidate for San Patricio County Commissioners Court, Precinct 4 introduced himself.

Ms. Terry Longoria thanked the Commission and staff on behalf of Holy Cross Church.

IV.

The Commission received committee reports from the following Commission committees: a) Security; b) Audit; and (c) Long-Range Planning.

V.

The Commission received a presentation from staff on implementation alternatives for widening the ship channel.

VI.

The Commission received a presentation from staff on the Physical Oceanic Real Time System (PORTS) initiative.

VII.

On motion made by Mr. Engel and seconded by Mr. Valls, the Commission approved, in the form presented to the meeting, the fourth quarter 2015 Investment Report.

VIII.

In connection with the renewal of the PCCA's Property, Terrorism and Equipment Breakdown Insurance program effective April 1, 2016, staff recommended that the Commission approve the purchase of a) Property – Primary & Excess insurance from Lexington for an annual premium of $1,193.506; b) Terrorism insurance from Loyds of London for an annual premium of $18,375; and c) Equipment Breakdown insurance from Hartford in an annual premium of $9,685. On motion made by Mr. Engel and seconded by Mr. Valls, the Commission approved staff's recommendation for renewal of the foregoing insurance for the 12-month period beginning April 1, 2016 for a total renewal premium of $1,221,566.

IX.

The Commission received a report on matters pertaining to the Harbor Bridge Replacement Project and the Hillcrest & Washington-Coles Voluntary Neighborhood Acquisition and Relocation Program.

X.

On motion made by Mr. Valls and seconded by Ms. Canales, the following Resolution was adopted:

RESOLUTION APPROVING
FIRST AMENDED AGREEMENT
BETWEEN
THE DEPARTMENT OF THE ARMY
AND
PORT OF CORPUS CHRISTI AUTHORITY (PCCA)
FOR DISPOSAL OF MATERIAL
IN
CONFINED DREDGED MATERIAL DISPOSAL FACILITY
INNER HARBOR (IH) PA-6 (TULE LAKE)
CORPUS CHRISTI SHIP CHANNEL
NUECES COUNTY, TEXAS

WHEREAS, Section 401(c) of Public Law 92-500 (33 U.S.C. §1341), authorizes the Secretary of the Army, acting through the Chief of Engineers, to permit the use of confined dredged material disposal facilities under the Secretary's jurisdiction by Federal licensees or permittees and to make an appropriate charge for such use, if such disposal is deemed to be in the public interest;

WHEREAS, the Port of Corpus Christi Authority of Nueces County, Texas (hereinafter referred to as "***PCCA***") applied for and was issued Permit #SWG-2013-00922 issued on December 5, 2014 to dredge in the vicinity of the Corpus Christi Ship Channel and to dispose of an estimated 460,000 cubic yards of dredged material from such work into Confined Dredged Material Disposal Facility – Inner Harbor (IH) PA 6 (Tule Lake); (hereinafter referred to as the
"***Tule Lake DMPA***"); and

WHEREAS, on the 1st day of May, 2015, the Director of Civil Works determined that allowing placement of not more than 460,000 cubic yards of material in the Tule Lake DMPA by PCCA would be in the public interest;

WHEREAS, the Department of the Army and PCCA entered into an Agreement dated May 15, 2015, for disposal of not more than 460,000 cubic yards of material in the Tule Lake
DMPA;

WHEREAS, PCCA intends to begin the dredging necessary for the Tule Lake Foundation Removal Project in the near future; and

WHEREAS, PCCA requested approval to dispose of an additional 150,000 cubic yards of dredge material in the Tule Lake DMPA in connection with the Tule Lake Foundation Removal Project; and

WHEREAS, on the 19th day of February, 2016, the Director of Civil Works determined that allowing an additional placement of not more than 150,000 cubic yards of dredge material in the Tule Lake DMPA by PCCA would be in the public interest; and

WHEREAS, the Department of the Army has submitted the following agreement to PCCA for consideration and approval: FIRST AMENDED AGREEMENT BETWEEN THE DEPARTMENT OF THE ARMY AND PCCA FOR DISPOSAL OF MATERIAL IN CONFINED DREDGED MATERIAL DISPOSAL FACILITY INNER HARBOR (IH) PA-6 (TULE LAKE) CORPUS CHRISTI SHIP CHANNEL NUECES COUNTY, TEXAS (hereinafter referred to as the "***First Amended Agreement***"); and

WHEREAS, the First Amended Agreement sets forth the terms and conditions on which
PCCA may place an additional 150,000 cubic yards of material the Tule Lake DMPA; and

WHEREAS, the First Amended Agreement provides for a "tipping fee" of $0.55 per cubic yard of dredge material; and

WHEREAS, the First Amended Agreement requires PCCA to make an advance payment to the Department of the Army in an amount equal to the tipping fee times the estimated number of cubic yards to be placed in the Tule Lake DMPA under the First Amended Agreement (the "***Advance Payment***"), currently estimated to be $82,500; and

WHEREAS, this preamble shall constitute an integral part of this Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION OF THE PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS, THAT:

Section 1. The Port Commission hereby finds and determines that it is necessary and advisable that PCCA enter into the First Amended Agreement in substantially the form presented to this meeting.

Section 2. The First Amended Agreement, in substantially the form presented to this meeting, is hereby approved, and the Executive Director is hereby authorized and directed, for and on behalf of PCCA, to execute the First Amended Agreement, with such changes therein as shall be approved by the Executive Director, his execution thereof to constitute conclusive evidence of such approval.

Section 3. The Port Commission hereby authorizes the advance payment of $82,500 to the Department of the Army for the tipping fees payable under the terms of the First Amended Agreement for placement of up to 150,000 cubic yards of additional dredged material in the Tule Lake DMPA.

Section 4. The Executive Director is hereby authorized and directed to execute, attest, seal and deliver any and all additional certificates, documents or other papers and to do any and all things deemed necessary to carry out the intent and purposes of this Resolution, including the preamble hereto.

Section 5. This Resolution shall take effect immediately.

XI.

Staff reported that PCCA had issued a Request for Proposals (RFP) for electrical services beginning on Augusts 1, 2017, the expiration date of PCCA's existing contract. Staff explained that now was a good time to issue the RFP because electrical prices are relatively low today due to historically low natural gas prices. Staff further explained that a selection committee had reviewed the responses to the RFP and short-listed three of the respondents. Staff asked for authorization to request executable pricing from the short-listed respondents at the appropriate time for final action by the Commission. On motion made by Mr. Valls and seconded by Mr. Squires, the Commission instructed staff and PCCA's counsel to obtain and review the electrical services contracts of the short-listed respondents, and authorized staff to request executable pricing from the short-listed respondents at the appropriate time for the Commission's consideration at the next Commission meeting.

XII.

On motion made by Mr. Valls and seconded by Mr. Squires, the Commission approved grant applications for the following projects under the Port Security Grant Program FY 2016:

Project 1 – Security Equipment Maintenance and Upkeep;
Project 2 – Expansion of Emergency Management Center;
Project 3 – Police/Fire Boat;
Project 4 – Cyber Security Project;
Project 5 – Lighting and Surveillance Cameras at Critical Docks and Rail Storage Yards.

XIII.

On motion made by Mr. Engel and seconded by Mr. Squires, the Commission authorized staff to submit a TIGER Grant application for the Joe Fulton International Trade Corridor truck queuing area project.

XIV.

On motion made by Mr. Valls and seconded by Mr. Squires, the Commission authorized staff to enter into one or more Professional Services Agreements, with a total cost not to exceed $80,000 to provide assistance in the development and submittal of applications for a Transportation Investment Generating Economic Recovery (TIGER) grant and a Fostering Advancements in Shipping and Transportation for the Long-term Achievement of National Efficiencies (FASTLANE) grant.

XV.

On motion made by Mr. Valls and seconded by Mr. Engel, the Commission approved, in the form presented to the meeting, a Cost-Sharing Agreement with CCI Corpus Christi Infrastructure, LLC, for design and construction of a new water main in the vicinity of the Joe Fulton International Trade Corridor enabling PCCA to recover up to 40 percent, approximately $480,000, of the waterline's design and construction cost.

XVI.

On motion made by Mr. Valls and seconded by Mr. Engel, the Commission approved, in the form presented to the meeting, a Cost-Sharing Agreement with M&G Resins USA, LLC, for design and construction of a new water main in the vicinity of the Joe Fulton International Trade Corridor enabling PCCA to recover up to 30 percent, approximately $360,000, of the waterline's design and construction cost.

XVII.

On motion made by Mr. Engel and seconded by Mr. Valls, the Commission approved, in the form presented to the meeting, an agreement with the City of Corpus Christi for construction and donation of a new water main in the vicinity of the Joe Fulton International Trade corridor.

XVIII.

On motion made by Mr. Valls and seconded by Mr. Squires, the Commission awarded a construction contract to Max Underground Construction, LLC, the lowest and best bidder based on bids received on January 29, 2016, in the amount of $1,170,155.50 for construction of the Joe Fulton International Trade Corridor water line extension project.

XIX.

Items **C, D, F, G, H, I, and J** were removed from the Consent Agenda to be acted upon separately. Then, on motion made by Mr. Valls and seconded by Mr. Squires, Items **A, B, E, K, L, and M** on the Consent Agenda were approved by one vote, in accordance with the respective staff recommendations furnished to the Commission at the meeting. These items were as follows:

A. Approve an Easement Agreement with Air Liquide Large Industries U.S., LP, for a 6-inch pipeline lateral nitrogen pipeline to serve the M&G facility.

B. Approve a First Amendment of Lease with Valero Refining Company – Texas to extend an existing lease agreement for a 16.116-acre pad site at the Bulk Terminal through December 31, 2016.

E. Award a purchase contract to Applied Industrial Technologies in the amount of $132,447.90, the lowest and best bidder based on bids received February 29, 2016, for the purchase of conveyor idlers for the Bulk Terminal.

K. Approve Professional Services Master Agreement No. 07-16 and Service Order No. 1 with TRICORD Consulting, LLC, for environmental services related to air permitting activities at the Bulk Terminal.

L. Approve a Service Order with CH2M Hill Engineers Inc. in the amount of $97,550.00, under Professional Services Master Agreement No. 13-05, for engineering services associated with site preparation for the La Quinta Gateway Terminal project.

M. Approve an agreement with Spitzer & Associates in an amount not to exceed $150,000 for professional services to assist staff in matters concerning the Hillcrest Neighborhood voluntary land acquisition and relation program.

After discussing Item **C** on the Consent Agenda, upon motion duly made and seconded, the Commission awarded, in accordance with staff's recommendation presented to the meeting, a contract to Susser Petroleum Operating Company, LLC, for the Purchase of Bulk Fuel in the Estimated Amount of $200,000. Mr. Engel abstained from voting on this item.

After discussing Item **D** on the Consent Agenda, upon motion duly made and seconded, the Commission authorized staff, in accordance with recommendations presented to the meeting, to receive bids to award a contract to remove a draft-restricting mound from the San Patricio Turning Basin.

After discussing Item **F** on the Consent Agenda, upon motion duly made and seconded, the Commission approved, in accordance with staff's recommendation presented to the meeting, a contract to Russell Marine, LLC, in the amount of $253,125.00, the lowest and best bidder based on bids received February 26, 2016, for the replacement of a damaged breasting structure at Oil Dock 9.

After discussing Item **G** on the Consent Agenda, upon motion duly made and seconded, the Commission awarded, in accordance with staff's recommendation presented to the meeting, a contract to Haeber Roofing Company in the amount of $157,260.00, the lowest and best bidder based on bids received February 26, 2016, for reroofing of the William D. Dodge III Security Command Center and the Annex Building eyebrows.

After discussing Item **H** on the Consent Agenda, upon motion duly made and seconded, the Commission approved, in accordance with staff's recommendation presented to the meeting, a Professional Services Contract with International Consulting Engineers, LLC, and Dannenbaum JV in the amount of $278,977 for engineering services associated with underwater inspections of 12 PCCA waterfront dock facilities.

After discussing Item **I** on the Consent Agenda, upon motion duly made and seconded, the Commission approved, in accordance with staff's recommendation presented to the meeting, a Professional Services Contract with Bath Engineering in the amount of $130,000.00 for engineering services to perform hazardous area inspections and electrical and ventilation compliance audits on ten public oil docks and design upgrades or new HVAC systems for seven public oil docks.

After discussing Item **J** on the Consent Agenda, upon motion duly made and seconded, the Commission tabled consideration of a Professional Services Contract with SolkaNavaTorno, LLC, in the amount of $150,000 for architectural and engineering services associated with the design of roof, wall, and overhead door replacement, upgrades, and repairs to the 162,000-square foot Cargo Dock 9 Transfer Facility and for engineering and windstorm inspection services during construction. Mr. Valls abstained from voting on this item.

XX.

The Executive Director reported on the following during his report: AAPA Public Relations & Environmental Committee meetings; Laredo MOU; Laredo EDC 100th Anniversary; START Meetings in Monterrey, Mexico; BNSF meetings; City of Portland Land Use Agreement; and Capt. John Pasch farewell.

XXI.

Mr. Zahn asked for comments from Port Commissioners.

At 11:43 a.m., Mr. Zahn announced that the Commission would go into executive session pursuant to §551.071, §551.072 and §551.087 of the Texas Government Code to deliberate agenda items 22, 23, 24, 25, 26, and 27.

At 12:17 p.m. the Commission reconvened into open session.

XXII.

This item was for executive session only: Receive legal advice from PCCA's counsel regarding tax lien notices from the Nueces County Appraisal District and related matters.

XXIII.

This item was for executive session only: Deliberate the purchase and value of certain real property in the vicinity of the La Quinta Channel.

XXIV.

This item was for executive session only: Deliberate ***(i)*** leasing certain PCCA real property on the north side of the inner Harbor, and ***(ii)*** offering financial or other incentives to a business prospect that PCCA seeks to have locate or expand on the north side of the Inner Harbor and with which PCCA is conducting economic development negotiations.

XXV.

This item was for executive session only: Deliberate offering financial or other incentives to a business prospect that PCCA seeks to have locate in San Patricio County and with which PCCA is conducting economic development negotiations.

XXVI.

This item was for executive session only: Receive legal advice from PCCA's counsel regarding PCCA's funding obligations under its Development Services Agreement with the Robstown Area Development Commission.

XXVII.

This item was for executive session only: Deliberate ***(i)*** leasing certain PCCA real property on the north side of the Inner Harbor, and ***(ii)*** offering financial or other incentives to a business prospect that PCCA seeks to have locate or expand on the north side of the inner Harbor and with which PCCA is conducting economic development negotiations.

XXVIII.

On motion made by Mr. Squires and seconded by Ms. Canales, the Commission authorized staff to submit a FASTLANE Grant application for $90 million for construction of the proposed La Quinta Dock and Terminal, which includes the multi-purpose cargo dock, storage yard, heavy haul road, and Class 1 railroad access..

XXIX.

There being no further business, the meeting adjourned at 12:18 p.m.

OFFICIAL MINUTES OF PORT COMMISSION MEETING
MARCH 29, 2016

The Port Commissioners of the Port of Corpus Christi Authority convened at the Ruben Bonilla Center for Global Trade, located at 222 Power Street, Corpus Christi, Texas, on Tuesday, March 29, 2016, at 7:30 a.m., for a special called meeting of the Port Commission.

Present:	Mr. Charles Zahn Mr. Wayne Squires Ms. Barbara Canales Mr. Richard Valls Mr. Wes Hoskins
Absent:	Mr. David Engel Mr. Richard Bowers
Present:	Mr. John P. LaRue Mr. Sean Strawbridge Mr. Jarl Pedersen Mr. Darrin Aldrich Ms. Patricia Cardenas Ms. Rosie Collin Mr. Dennis DeVries Ms. Sarah Garza Mr. David Krams Ms. Nelda Olivo Ms. Sherry DuBois Mr. Sam Esquivel Mr. Peggy Mettlen Ms. Jennifer Powell
Others Present:	Mr. Leo J. Welder, Jr. Mr. Dane Bruun
Others Present:	Mr. Chris Ramirez CC Caller-Times Mr. Rick DuPriest WL Bates Mr. Don Toner TxDot Mr. Richard Bullock CB Council of Governments

I.

Chair Zahn called the meeting to order and asked for conflict of interest affidavits. None were submitted.

II.

Chair Zahn asked for comments from the public. None were received.

III.

On motion made by Ms. Canales and seconded by Mr. Hoskins, the Commission approved the following resolution in the form presented to the meeting.

RESOLUTION

WHEREAS, The Coastal Bend Council of Governments is a volunteer association of local governments, including 32 cities and 11 counties, and other public and private entities; and

WHEREAS, the Coastal Bend Council of Governments is one of 24 regional COGs serving the State of Texas which were authorized by the Texas Regional Planning Act of 1965; and

WHEREAS, the Coastal Bend Council of Governments was formed in March 1966 to provide a cost-effective way to plan, coordinate and implement regional projects and provide technical assistance within the region; and

WHEREAS, the Coastal Bend Council of Governments is a designated Area Agency on Aging, an Economic Development District, a designated water quality management agency and provides regional solid waste management planning, coordination, and implementation of projects; and

WHEREAS, the Coastal Bend Council of Governments also delivers Criminal Justice services, Emergency Communications (9-1-1) planning and implementation, and Department of Homeland Security services; and

WHEREAS, numerous advisory committees are integral to the program work performed by the Coastal Bend Council of Governments; and

WHEREAS, the Coastal Bend Council of Governments is staffed by approximately 25 dedicated individuals, many of whom have devoted decades to the mission and goals of the Council of Governments, including four employees who have a combined 175 years of experience - John Buckner (45 years), Frank Garcia (43 years), Richard Bullock (43 years), and Betty Lamb (43 years).

NOW, THEREFORE, BE IT RESOLVED, that the Port of Corpus Christi hereby honor the Coastal Bend Council of Governments on its 50th anniversary and express its sincere appreciation to Coastal Bend Council of Governments and its dedicated employees for their years of public service and extend best wishes for continued success in their important work; and

BE IT FURTHER RESOLVED that an official copy of this resolution be prepared for the Coastal Bend Council of Governments as an expression of high regard by the Port of Corpus Christi and that this Resolution be made a part of the permanent minutes of this Port Commission and that a copy of the Resolution be furnished to the Coastal Bend Council of Governments.

IV.

Agenda Item 4 was to review and take action on an Agreement with Del Richardson & Associates, Inc. (DRA), for real property acquisition and relocation assistance services in connection with the Harbor Bridge Replacement Project. Staff advised the Commission that, although the supporting materials for this agenda item were not provided to the Commissioners by the close of business on March 24, 2016 (the supporting materials deadline), failure to act on this agenda item could cause harm to PCCA. Therefore, on motion made by Mr. Valls and seconded by Ms. Canales, the Commission voted to consider this agenda item.

During the discussion of this proposed contract, Ms. Canales asked Don Toner, Director of the Right of Way Section for the Strategic Projects Division of the Texas Department of Transportation (TxDOT), whether TxDot had approved the fee structure outlined in Attachment 4 (Attached to these minutes as Exhibit A) of the proposed agreement with DRA. Mr. Toner acknowledged that he had reviewed these fees and expressed no objection to them. A transcript of that discussion is attached to these minutes as Exhibit B.

Then on motion made by Mr. Squires and seconded by Ms. Canales, the Commission approved, if the form presented to the meeting, the Agreement between PCCA and DRA for Real Property Acquisition and Relocation Assistance Services in connection with the Harbor Bridge Replacement Project and authorized the Executive Director to execute the contract on behalf of PCCA.

V.

Agenda Item 5 was to approve an electrical services contract. Staff advised the Commission that, although the supporting materials for this agenda item were not provided to the Commissioners by the close of business on March 24, 2016 (the supporting materials deadline), failure to act on this agenda item could cause harm to PCCA. Therefore, on motion made by Mr. Hoskins and seconded by Mr. Squires, the Commission voted to consider this agenda item.

Staff and Bill Thomas, PCCA's long-time consultant regarding electrical services, advised the Commission that the electrical services proposal submitted by Reliant Energy Services, LLC ($0.03981 per kWh with 100% renewable energy credits), provided the best value to PCCA. Then, on motion made by Mr. Hoskins and seconded by Ms. Canales, the Commission (1) awarded to Reliant Energy Services, LLC, a three-year extension (beginning August 1, 2017) on Reliant's existing electrical services contract with the terms and conditions recommended by staff and Bill Thomas, and (2) authorized the Executive Director to execute an amendment to Reliant's existing contract with the new terms once the form of the form of the amendment had been approved by PCCA's counsel. Mr. Squires voted against this motion.

At 8:50 a.m. Chair Zahn announced that the Commission would go into executive session pursuant to §551.072 and §551.087 of the Texas Government Code to deliberate agenda items 6, 7, 8, and 9.

At 10:35 a.m. the Commission reconvened into open session.

VI.

This item was for executive session only. Deliberate the purchase and value of certain real property in the vicinity of the La Quinta Channel.

VII.

This item was for executive session only: Deliberate the purchase and value of certain real property accessible to the north side of the Inner Harbor.

VIII.

This item was for executive session only: Deliberate the purchase and value of certain real property on the north side of the Ship Channel.

IX.

The item was for executive session only: Deliberate *(i)* the purchase and value of certain real property in San Patricio County, Texas, and *(II)* offering financial or other incentives to a business prospect that PCCA seeks to have locate on or near PCCA's territory and with which PCCA is conducting economic development negotiations.

X.

No action was taken on this item: Authorize staff to submit a revised U.S. Department of Transportation FASTLANE Grant application for the La Quinta Gateway Terminal and access project.

XI.

There being no further business, the meeting adjourned at 10:35 a.m.

EXHIBIT A

ATTACHMENT FOUR

CONTRACT FEES

Service Area	Fee Schedule
Monthly Program Mgmt Fee	$60,500/Mo. Includes the following project personnel: Project Manager – Dionisio Marquez (100% then 85%) Acquisition Manager – Thurman Black (100%) Relocation Manager – Jeff Taylor (100%) 1 Admin Project Support & PFO Receptionist - TBD
Monthly Community Outreach Fee	$30,800/Mo* Includes the following project personnel: Program Manager – Del Richardson (100% then 65%) Community Outreach Manager – Frank Jordan (100%) Outreach Specialist - TBD
Acquisition Fee	$5,700 / per parcel (Includes title curative and closing)
Restrictive Covenant	$1,000 / per parcel**
Friendly Condemnation Support	$4,000 / per parcel
Relocation Case Res	$5,400 / per case
Relocation Case Bus	$8,300 / per case
Property Management Fee	$150 / unit set-up fee + $150 / month Management Fee until demo***
Pass Through Third-Party Expenses (*with proper supporting documentation*):	
Travel	At cost (Port pre-approved travel expenses only)
Appraisal Fees	At cost
Title Policy Fees	At cost
Surveying Fees (if any)	At cost
Property Maintenance Services	At cost
Recording Fees (if any)	At cost
Other Closing Costs (if any)	At cost
Program Field Office	At cost ****

*Does not include third party expenses.

** Assumes recording of the restrictive covenant will not be subject to receipt of "Consent or Release" from lienholder(s). Neither title curative nor escrow closing will be required.

*** Vacant properties will be managed by Program Manager until demolition.

**** Port will reimburse for actual Program Management Field Office and related expenses (rent, utilities, security, etc.).

EXHIBIT B

EXCERPT FROM MARCH 29, 2016
SPECIAL COMMISSION MEETING

BARBARA CANALES: I want to make sure I heard it correctly. With regards to this document, TxDOT… maybe this is a Jimmy Welder question…, needs to bless it in the sense of their John Hancock. They need to actually sign- off on this particular right-of-way provider. Is that accurate or not? Do they have to agree with the rate structure and have they agreed with the rate structure?

JIMMY WELDER: They're not required to, but they have.

BARBARA CANALES: OK. I'd like to hear them say.

JIMMY WELDER: Let me just say in advance that the question that Mr. Squires asked was where were the sticking points. They were all right here on what you call Attachment 4 Contract Fees, and that's where all the sticking points were in the end.

WAYNE SQUIRES: Well, we also had a commitment problem.

SEAN STRAWBRIDGE: There was a question of commitment, which we.… (*Interrupted by Squires)*

WAYNE SQUIRES: Well, the decision on this group was because the two groups were tied so close that we requested a commitment in this contract that they gave us. Then we found a conflict of commitment with another project.

SEAN STRAWBRIDGE: A potential conflict, which we believe has been resolved

WAYNE SQUIRES: OK, and we're going to get that in writing?

JIMMY WELDER: We have, in our contract.

DON TONER: Good morning, Commissioners. I'm Don Toner with Tx Dot. I'm with the Strategic Projects Delivery Section of the Right-of-Way Division for Tx Dot. We have been working diligently with port staff, specifically Sean and Jimmy, trying to help facilitate conversations on this particular contract. This is a big effort and the important thing here is we want to take care of the community. Being a voluntary effort, we don't have a lot of history on doing voluntary programs like this. So, the intent is to provide additional or sufficient staff to provide the neighborhood with that appropriate guidance and appropriate support and so this contract had a lot of nuances that were outside or a-typical of a normal TxDOT project on a condemnation action. In a condemnation action the contractor knows exactly how many parcels they are going to get. They know how exactly how many parcels they are going to get for each milestone and how that milestone is going to progress. In this particular issue and in this particular contract, they didn't have that assurance on the milestone basis. So, we don't know

how many people are going to participate and if all 500 participate, they are going to have to work their buns off to get it done, but in the meantime they are still going to have to support the day-to-day, the activities necessary to provide a contact phase, a person in the office. So, I think part of that deal was that they had the monthly support administrative fees, plus the milestone. So again, it's just a nuance that is a-typical, but I think all three of the vendors that are involved here, as a team, are well placed. They've got some experience. They can come in and be actively engaged on day one, which is a huge issue because we all understand that this is important to take action quickly. TxDOT is supportive of that action to move forward quickly and I think that although I don't think that you guys need mine or TxDOT's specific approval, we have been involved and engaged in the conversations all along and we are supportive of your port staff's recommendations.

BARBARA CANALES: And furthermore, you've had the opportunity to review the fee structure in Attachment 4 and you are comfortable representing TxDot in saying….because as a policy maker I want everyone to understand that none of us sit in negotiations. I don't get to have the bird's eye view that you do. So, in order for me to sit here, I rely, everything is about reliance upon professionals and that's why I put you a little bit on the spot so that never again in the future shall it be said that TxDot said…Whoa, wait a minute. I don't like that structure. I want to make sure you've had the opportunity. It sounds like you laid the predicate that you were involved, but forgive me that I'm just so insistent, but I do want to hear that you've had the opportunity to review Attachment 4, which is the one area that required the extra week and almost caused us another meeting and that you're comfortable representing TxDot that this structure is in keeping with the idea of what is reasonable for a fee structure.

DON TONER: We have worked with and have tried to provide the port staff with as much support as possible. We have not been involved in the specifics…. (*Interrupted by Mr. Zahn)*

CHARLES ZAHN: I will say that we've had a number of meetings that I have been involved in and Don and a large contingent from TxDot has been in every one of those meetings and participated in the discussions and I know that Don and Sean, as we've gone through the process, as Sean said, we've never done this before and so we've relied on TxDot to help us as we've proceeded and Don came down specifically because he knew the kind of questions that we had. I was at TxDot this last week talking to the Commissioners and they are well aware of what we're doing.

BARBARA CANALES: See, I didn't even know that you were doing that.

CHARLES ZAHN: I have been in most of the meetings and we have had a lot of support from TxDot. I know Jimmy's had a lot of support from Rich O'Connell who is a lawyer up in Austin at TxDot. I feel comfortable that TxDot is aware, number one, and I feel comfortable with the agreement that we have with TxDot that anything over $20 million AS Sean was talking, that they're a backstop to that.

BARBARA CANALES: OK, that is very helpful

DON TONER: To answer your question directly, we were not involved in the negotiations, but we were involved in the conversations internal to provide them with reasonableness as to some of the comparative analysis comparing this contract with other milestone type contracts. So, we had some of those type conversations in trying to provide additional information, but not involved in the specific negotiations.

BARBARA CANALES: Perfect. That's exactly what I was looking for. Thank you.

AGENDA ITEM NO. 3

Comments from the Public

NO ATTACHMENT

AGENDA ITEM NO. 4

Committee Reports

NO ATTACHMENT



PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Comprehensive Annual Financial Report
For the Years Ended December 31, 2015 and 2014

PORT CORPUS CHRISTI®

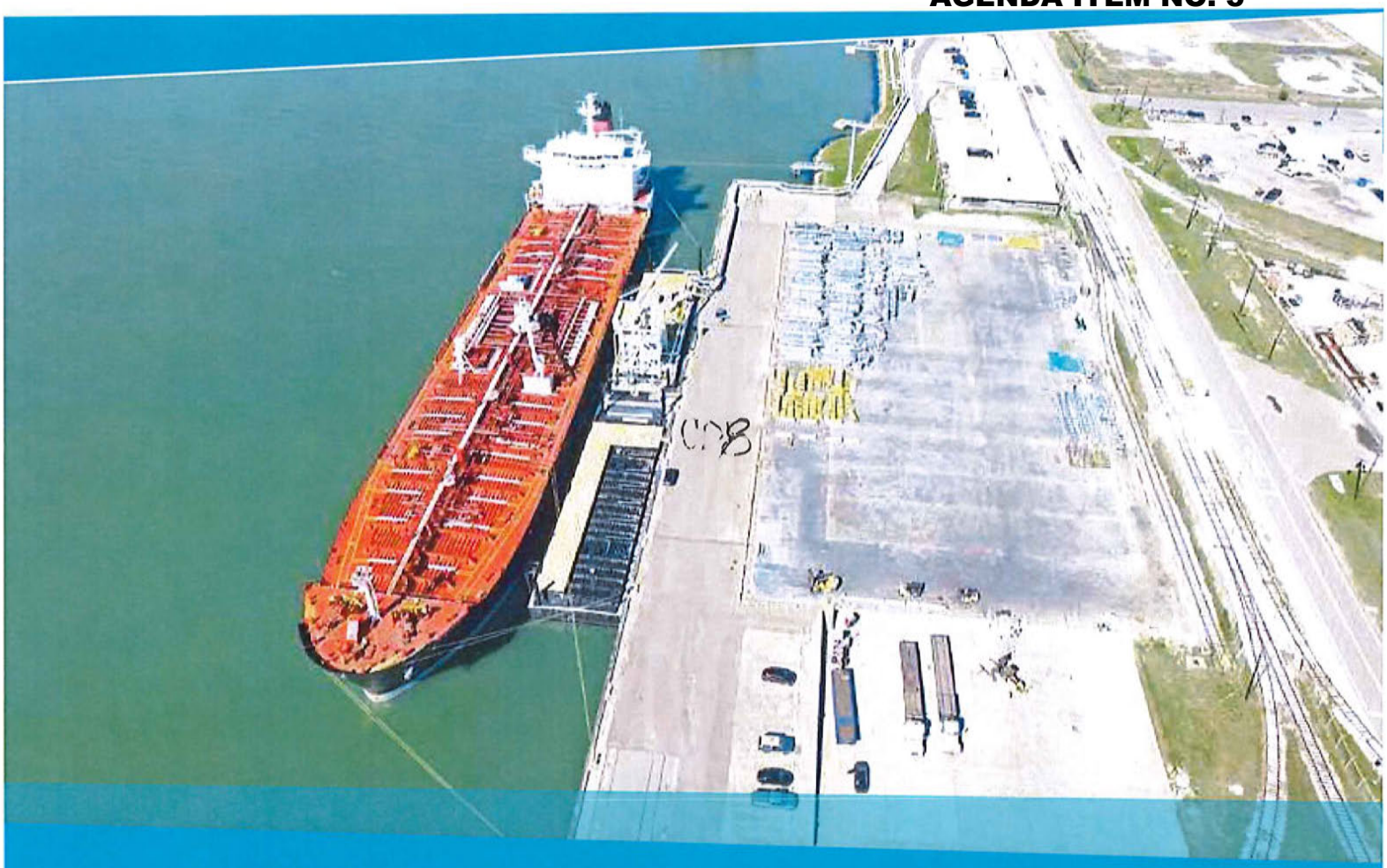
Comprehensive Annual Financial Report

Port of Corpus Christi Authority of Nueces County, Texas

For the Years Ended December 31, 2015 and 2014

Prepared by the Finance Department

Dennis J. DeVries
Director of Finance



INTRODUCTORY SECTION

PORT CORPUS CHRISTI®

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

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PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

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PORT CORPUS CHRISTI

April 8, 2016

Port Commission
Port of Corpus Christi Authority of Nueces
County, Texas
Corpus Christi, Texas

State law requires that every navigation district or port authority publish at the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the year ended December 31, 2015.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Collier, Johnson and Woods, P. C., Certified Public Accountants, have issued an unmodified ("clean") opinion on the Port of Corpus Christi Authority of Nueces County, Texas (Authority)'s financial statements for the year ended December 31, 2015. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follow the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A compliments this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The Authority is located along the southeastern coast of Texas on the Gulf of Mexico approximately 150 miles north of the Mexican border. The Authority maintains one of the deepest ports along the Gulf of Mexico coast with a channel depth of 45 feet. The Authority's port facilities are part of the Port of Corpus Christi complex. The Port of Corpus Christi has been a deep draft port since 1926. The channel is approximately 30 miles long and links the City of Corpus Christi with the Gulf of Mexico.

The Authority is a navigation district and political subdivision of the State of Texas, having boundaries co-extensive with those of Nueces and San Patricio Counties, Texas. The Authority operates under the provisions of Article XVI, Section 59, of the Texas Constitution and related laws of the State of Texas, particularly Sections 60 and 62 of the Texas Water Code, and all amendments thereto. The Authority, being a navigation district and political subdivision of the State of Texas, is a separate and distinct entity of Nueces and San Patricio Counties and operates independently with its own Port Commission as its governing body. The only relationship the Authority and Nueces County have is that in the event the Port Commission deems it necessary to issue tax-supported bonds, it must request the Commissioners Court to call an election. The Commissioners Court shall call the election, canvas the vote, and if the bond issue is approved, thereafter set the necessary tax rate to service the bonds.

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A Port Commission composed of seven commissioners, who serve without pay, governs the Authority. Each commissioner serves a staggered term of three years with appointments made to the Commission each year. Three commissioners are appointed by the Corpus Christi City Council, the governing body of the City of Corpus Christi; three commissioners are appointed by the Nueces County Commissioners Court, the governing body of Nueces County, and one commissioner is appointed by the San Patricio County Commissioners Court, the governing body of San Patricio County. The executive staff, under the leadership of the executive director, manages the operations of the Authority and assists the Commission in planning for the future. Port Commission efforts are directed toward encouraging industrial expansion, attracting new cargo, building and maintaining public terminals, setting operational policy and cooperating with the Federal Government as a local sponsor in maintaining and further improving vital navigation channels.

The Authority owns and operates public wharves, transit sheds, open storage facilities, freight handling facilities and equipment, warehouses, a bulk material handling terminal, and a conference center. The Authority also owns a grain elevator, and cotton warehouses that are leased to third parties. In addition, the Authority leases land, and buildings and improvements, along with maintaining areas for the placement of dredged materials.

The Port of Corpus Christi's docks consists of both Authority owned and privately owned facilities. The Authority owned docks consist of seven general cargo docks, thirteen liquid bulk cargo docks, two bulk material docks, several layberthing areas, two bagging facilities, a shipside grain elevator, cotton storage facilities, and a conference center. All of these facilities are operated for hire on a first-come, first-serve basis, with the exception to the shipside grain elevator, layberth areas, and cotton warehouses that are leased. Most of the privately owned facilities at the Port of Corpus Christi are owned by, and operated exclusively for, the various refineries, chemical plants, crude oil terminals, and other industries that line the Corpus Christi Ship Channel. Approximately fifty privately owned docks are located at the Port of Corpus Christi, and some of which compete directly with the Authority's docks.

The Port Commission adopts an annual budget each year, on a basis consistent with accounting principles generally accepted in the United States of America for proprietary funds, as a prudent management tool. Monthly budget reports are prepared for management to maintain proper budgetary control, and are reviewed by the Port Commission on a quarterly basis.

LOCAL ECONOMY

The Authority continues to remain financially strong and a primary driver of the local economy. The Authority's sound fiscal management has allowed the Authority to remain financially stable. The Authority is currently ranked as the 5th largest port in the United States in terms of tonnage. The Authority has served the local economy for eighty nine years, and is continually upgrading and expanding its' facilities to better serve South Texas industry and shippers. Local Port industries as well have made significant investments to upgrade and expand their facilities, to improve air and water quality, and improve process efficiencies, or supply utilities such as electricity and steam. Local refineries have made investments that permit them to provide clean burning gasoline during the ozone alert months and the port industries continue to support a voluntary program that has contributed to the local area's ability to maintain its "attainment" classification with environmental agencies.

The Authority has adopted a mission statement, which has become an integral part in the development of a strategic plan to guide the Authority. The mission statement is as follows: leverage commerce to drive prosperity and it is the vision of the Port of Corpus Christi to be the energy port of the Americas. In pursuit of this mission, the Authority shall be guided by the following basic principles: (1) conduct affairs in a positive, open, and cooperative manner; (2) the Authority shall be operate in a fiscally responsible manner; (3) the Authority shall be a positive and proactive force in the protection of the region's marine and water related resources; and (4) the Authority shall be committed to serving its customers, present and future.

Economic development means attracting industrial and commercial activity, private capital and waterborne cargo shipments that will create employment opportunities, sustaining and upgrading existing jobs, introducing new basic dollars to the area and broadening the tax base that supports all public services. The findings from a 2011 Port Economic Impact Study reinforce the Authority's mission statement to leverage commerce to drive prosperity. Martin Associates of Lancaster, Pennsylvania studied the economic impact of the Authority operations including the Ortiz Center. The previous economic impact study for the Authority was in 2008. Three years later, the 2011 report showed similar increases. In 2008, the Authority created 40,560 jobs, generated $282.2 million in state and local taxes, and provided $1.6 billion in business revenue. Today, the Authority creates approximately 66,502 jobs with 13,746 direct jobs generated from marine cargo and vessel activity. The Authority generates an additional 16,767 induced jobs that are the result of purchases by the direct jobs. The remainder of total jobs is comprised of 15,607 indirect jobs supported by the local purchases by businesses supplying services or dependent upon the Authority and 20,382 related user jobs from shippers and consignees. The 66,502 jobs provided $4.0 billion in personal income for families throughout the Coastal Bend. Authority operations generated $13.1 billion in revenue for businesses providing services to the Authority and port industries, and the Ortiz Center. More than $314.9 million was paid in state and local taxes due to the activity created by the Authority. The Authority remains an economic force via its ability to provide the commercial shippers with first class channels, docks and facilities for handling their cargo, and by providing public facilities designed to attract more tourist dollars to the area while maintaining financial stability. Ultimately, our goal is to raise the standard of living and enhance the quality of life for everyone in the local surrounding region. The Authority is currently engaged in updating the Port's Economic Impact Study. Since the last study, the Authority has experienced significant growth from the effects of Eagle Ford Shale activity and new industries coming on line. Accordingly, the Authority anticipates that this new study will reveal further increases in the impact the Authority has on the local region.

LONG-TERM FINANCIAL PLANNING

The Authority has a number of major projects that will require significant funding in the future. These projects will be funded from federal and state assistance, revenue bond proceeds, and the Authority's unrestricted net position of $109 million.

Channel Improvement Project

In 2003, the Authority completed the feasibility phase of the Channel Improvement Project, and in November 2007, the project was authorized by Congress in the Water Resources Development Act (WRDA) of 2007. The authorized project includes the following navigation and ecosystem restoration features: (1) deepening the Corpus Christi Ship Channel from 45 to 52 feet, (2) adding 200-foot barge shelves across Corpus Christi Bay, (3) widening the ship channel to 530 feet from Port Aransas to the Harbor Bridge, (4) extending the La Quinta Ship Channel approximately 1.4 miles at a depth of 39 feet, and (5) constructing ecosystem restoration features to protect endangered species, wetlands and sea grass. In December 2009, the U.S. Army Corps of Engineers (COE) awarded the first construction contract associated with the extension of the La Quinta Ship Channel. This contract was for $1.1 million and constructed a 126-acre dredge material placement area for containment of sands and clay excavated to create the La Quinta Channel extension. In 2011, the COE awarded two additional construction contracts, one for $33.5 million to dredge the extension of the La Quinta Ship Channel and another for $7.6 million to construct an ecosystem restoration project consisting of a rock breakwater and revetment adjacent to the La Quinta Channel near Ingleside-on-the-Bay, Texas. The ecosystem restoration project was completed in 2012, and the channel extension was completed in late 2013. In 2014, the Port deepened the extension to a depth of 45' deep and the COE agreed to assume the channel maintenance. The Channel Improvement Project was re-authorized in May 2014 by the Water

Resources Reform and Development Act of 2014 and a Limited Reevaluation Report was completed in December 2015 to update project costs and benefits of the remaining elements of the authorized project. Follow-on contracts to deepen and widen the Corpus Christi Ship Channel and to add barge shelves are pending appropriation of funding.

La Quinta Gateway Terminal

In early 2011, in conjunction with the planned extension of the La Quinta Ship Channel, the Authority completed preliminary engineering studies for the phasing of a multi-purpose dock and terminal project to be constructed on the Authority's 1,000-acre La Quinta property site. The envisioned multi-purpose dock and terminal facility will be able to handle a wide variety of general cargo such as containers, military equipment, wind turbines and steel pipe. The final designs for an initial phase of both the water and land-side infrastructure improvements for the multipurpose facility began in 2014 and are expected to be completed in summer 2016. Preliminary site preparation work is also scheduled to be initiated in the last half of 2016.

In mid-2013, the Authority secured an anchor tenant on a major portion of the La Quinta property site with the signing of a lease agreement with Austrian steelmaker, voestalpine Texas Holding, LLC, for approximately 475 acres. voestalpine's initial construction phase consists of a hot briquetted iron facility (HBI) which will include a 1,000-foot long dock facility along the recently constructed La Quinta Channel extension. The HBI plant is under construction and planned to be operational by summer 2016 and will employ approximately 150 people.

Nueces River Rail Yard

As part of the Authority's north side rail master plan, the Viola Channel site was identified as the best location to construct a new rail yard. This rail yard will become the main rail exchange for the three Class 1 railroads serving the Authority. The Authority purchased approximately 36 acres at the western end of the harbor for this purpose. This project consists of two phases. Phase I includes a 9,800-foot long unit train siding and four additional 4,000-foot parallel tracks providing storage for 200 railcars. Phase I of the project was completed in 2015 at a cost of $17.7 million. Funding was provided by a $10 million USDOT TIGER Grant and Authority cash reserves, with half of the Authority's funding being recovered from the railroads through a special surcharge. Phase II calls for extending four of the tracks under Phase I to full unit train sidings and constructing four additional unit train sidings, for a total of eight sidings averaging 8,500 feet long. The total cost of Phase II is approximately $28 million, with $22 million in funding from TXDOT and the remainder from revenue bond proceeds. Phase II of the project is under construction with completion scheduled in first quarter 2017. The new rail yard, once completed, will be capable of more efficiently handling the increased number of unit trains and cars loading and unloading cargoes at the Authority.

MAJOR INITIATIVES – 2015

Environmental Management System

Through the Authority's Environmental Management System (EMS), the Authority has remained proactive in its efforts to not only promote economic growth but at the same time be good stewards of the environment in its daily operations. The Authority's program is in its ninth year of ISO 14001 certification and its eleventh year of implementation. Each year, the program undergoes a detailed external audit to maintain its ISO 14001 certification. The EMS program is driven by a team of Authority employees from the various operational areas with the full support of management. During the past ten years, the program has identified numerous significant aspects impacting the environment such as spills, electrical consumption, storm water runoff, water consumption, and air emissions. Environmental Management Programs are established to reduce the environmental impact and to help reduce the Authority's environmental footprint. Targets for reductions or improvements

are also set. In 2015, the Authority continues to purchase 10% of its total electricity from green energy sources which resulted in the purchase of 894,000 kilowatt hours of electricity from green energy sources. In 2015, the Authority also began the design of two major storm water quality improvement projects at the Bulk Terminal and Maintenance Facility to meet the benchmark levels in the multi-sector general permit and construction is expected in 2016. The Authority has maintained a very successful recycling program that has recycled over 876,868 pounds of material that would have otherwise gone as waste to a landfill. Additionally, 59,181 gallons of liquids have been recycled. The ISO 14001 standard was updated in September 2015 and the Authority is scheduled to be certified to the revised standard in June 2016.

Wind Energy

American wind farms currently provide enough electrical power for more than 18 million typical homes. Wind Power installations in Texas led the way in 2015 with over 3,600 megawatt (MW) of new capacity and to-date installations of 17,713 (MW), while for the United States the new installations in 2015 comprised 8,598 MW and to-date installations of 74,472 MW. The Port of Corpus Christi Authority provides access to general cargo docks, close by staging areas, three class I rail roads and uncongested highway systems, which offers the necessary transportation modes to assure efficient and cost effective deliveries for all types of project cargo, including wind turbine components. In 2015, the wind turbine cargo volume moving through the Port increased by about 60% compared to the previous year and with the 5-year extension of the Production Tax Credit (PTC), it is expected to result in continued growth in the volume of wind energy cargo over the coming years. Wind-rich Texas leads the nation with over 5,000 MW of wind power capacity in advanced development or under construction. The Port is well located with easy access to major Wind Power project sites in the Great Plains and strives to maintain its established position within this renewable energy industry as the "Wind Energy Port of the Gulf", thus adhering to its vision to be THE energy port of the Americas.

Crude Oil - Eagle Ford and Permian Basin Shale Plays

The Eagle Ford Shale Play in South Texas continues to be a significant economic stimulator for the Region, State and the Nation. The startup in April 2015 of the Cactus Pipeline from West Texas to South Texas provides an efficient route for moving crude oil from the prolific Permian Basin to the Port of Corpus Christi. The lifting of the 40 year ban on crude oil export in December 2015 allows U.S. crude oil producers to export crude oil to global markets and on December 31, 2015, the Port of Corpus Christi made history as the tanker Theo T sailed to Europe with crude oil from the U.S. Although the price of crude oil has dropped and caused drilling exploration to slow down, the Port Authority continues to play a vital role as a major refinery hub, as well as logistical and distribution center for cargoes used in drilling, fracturing, and pipeline projects. Our proximity to the Gulf Coast and the deep draft ship channel allow us to be an ideal solution for oil and gas companies looking to build condensate splitters or create storage hubs to import heavy crude and export refined products or transport light crude oil and condensate to other refineries worldwide. Barite continues to come by dry bulk vessels from China, Morocco, India and Mexico, while frac-sand comes by rail and barge from the upper Midwest USA. The Authority continues to invest in new rail infrastructure and liquid docks to support the current needs and continued growth potential of the Eagle Ford and Permian Basin Shale.

On-going Construction Projects

Projects that carried over and were completed in 2015 include construction of phase I of the Nueces River Rail Yard, construction of the West Barge mooring site, development of and improvements at existing open storage yards, rail upgrades at the bulk terminal facility, and several security grant projects that added emergency power at the southside storage and intermodal yard, and upgrades and replacement of security cameras and surveillance equipment. All of the security improvements are integrated with a command and control system that ensures that the Authority and its customers are being properly safeguarded. Other projects completed in 2015 included the installation of new belt covers for the conveyors at the bulk dock facility, electrical upgrades and new roofing for the maintenance facility buildings, new roofing of the bulk terminal facility building, and roadway and parking lot improvements at various port facilities.

Additional projects carrying over and projected to be completed in 2016 are construction of a new oil dock including an access road, fencing, access control, and security surveillance, phase II of the Nueces River Rail Yard, improvements to the fire protection systems at the Avery oil docks, construction of a new dock house at Oil Dock 10, and Permian site yard and rail improvements.

Marketing and Business Development Focus

To continue the growth of the Authority's cargo tonnage, the strategy is on cargo diversification including three focus areas for the Business Development team: 1) wind energy/project cargo, 2) dry bulk/general cargo and 3) Latin American trade development. However, energy commodities will continue to be the major revenue source for the Authority and the energy reform in Mexico creates new opportunities for export of diesel, gasoline and propane via rail to major population centers in the inland of Mexico. The Port is located close to Monterrey, Mexico and is pursuing trade development opportunities and logistics solutions to support the automobile manufacturing sector. The Authority continues to implement a targeted marketing effort for pro-actively identifying new business development opportunities and seeking to attract new foreign direct investments. The abundance and secure supply of natural gas is a big driver for companies considering to build a manufacturing plant in the Corpus Christi region. Similarly, the excess production of ethane gas versus demand and the 500 mile ethane pipeline header system from Corpus Christi via Mont Belvieu's massive storage caverns to the Mississippi River, creates an opportunity to attract new ethane cracker facilities for production of ethylene and downstream plastics industries using ethylene as feedstock.

The South Texas Alliance for Regional Trade (START) continues to be a very important marketing resource for the Authority. START is a cooperative effort among three Texas Ports formed to strengthen the region's response to logistics and transportation needs, the driving forces of our diverse economy. The Alliance is anchored by Port San Antonio to the north, Port Corpus Christi on the waters of the Gulf of Mexico, and Port Laredo located on the United States – Mexico border. Our Ports have long-standing business relationships, bolstering the efforts and resources of our region.

AWARDS AND ACKNOWLEDGMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Port of Corpus Christi Authority of Nueces County, Texas, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2014. This was the thirty-second consecutive year that the Authority has received this prestigious award. In order to be awarded a Certificate of Achievement,

a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this comprehensive annual financial report would not have been possible without the efficient and dedicated services of the entire staff of the Authority's Accounting Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Port Commission for their unfailing support for maintaining the highest standards of professionalism in the management of the Authority.

Respectfully Submitted,



John P. LaRue
Executive Director

Dennis J. DeVries
Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Port of Corpus Christi Authority

of Nueces County, Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Organization Chart
December 31, 2015

PORT COMMISSION, PORT OF CORPUS CHRISTI AUTHORITY	
Executive Director	**John P. LaRue**
Chief Operating Officer	**Sean Strawbridge**
Director of Engineering Services	David Krams
Chief Engineer	David L. Michaelsen
Chief of Channel Development	Dan Koesema
Chief of Program Management/Plan Design	Brett Flint
Director of Environmental Planning and Compliance	Sarah Garza
Coastal Development Planning Manager	Paul Carangelo
Director of Finance	Dennis J. DeVries
Chief Accountant	Audre Debler
Accounting Manager	Lynn Angerstein
Director of Information Technology	Tyler Fuhrken
Director of Emergency Management	Anthony "Tony" Alejandro
Interim Director of Operations	John Pasch
Harbormaster	Ray Harrison
Manager of Bulk Terminal	Richard "Eric" Battersby
Manager of Dock and Rail Operations	John Slubar
Maintenance Manager	David Villarreal
Safety Manager	Angela Leyva
Chief of Port Security	Tom Mylett
Police Captain	Eric Giannamore
Director of Human Resources	Sandra Terrell-Davis
Manager of Human Resource	Monica Euresti
Chief Commercial Officer	**Jarl Pedersen**
Manager of Foreign Trade Zone	Sonya Lopez-Sosa
Manager of BD Wind Energy & Project Cargo	Maggie Iglesias-Turner
Director of Business Development	Ruben C. Medina
BD Representative Dry Bulk and General Cargo	Eddie Martinez
BD Coordinator for Latin America	Roxana Gomez
Director of Real Estate	Darrin Aldredge
Director of Communications	Patricia Cardenas
Media Specialist	Jesse Samu
PR/Communications Coordinator	Matthew Garcia
Director of Government Affairs	Nelda Olivo
Director of Community Relations	Rosie Gonzalez Collin
Community Relations Coordinator	Liz Cantu

PORT COMMISSIONERS

Judy Hawley, Chairman

Charles W. Zahn, Jr., Vice Chairman

Barbara Canales, Secretary

David Engel, Commissioner

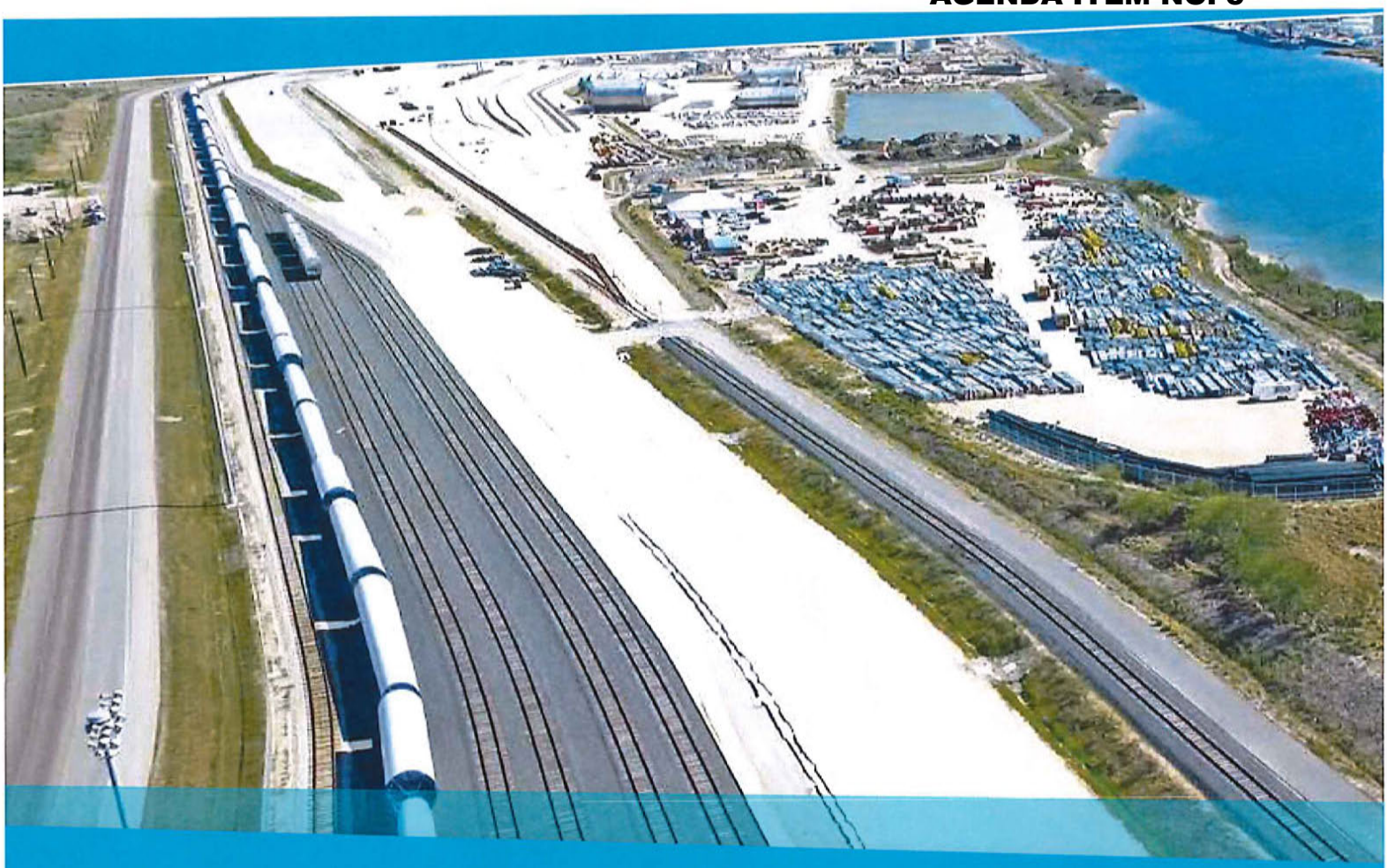
Richard R. Valls, Jr., Commissioner

Wayne Squires, Commissioner

Richard L. Bowers, Commissioner

EXECUTIVE STAFF

John P. LaRue, Executive Director
Sean Strawbridge, Chief Operating Officer
Jarl Pedersen, Chief Commercial Officer
Ruben C. Medina, Director of Business Development
Patricia Cardenas, Director of Communications
Rosie Gonzalez Collin, Director of Community Relations
Anthony "Tony" Alejandro, Director of Emergency Management
David Krams, Director of Engineering Services
Sarah Garza, Director of Environmental Planning & Compliance
Dennis J. DeVries, Director of Finance
Nelda Olivo, Director of Government Affairs
Sandra Terrell-Davis, Director of Human Resources
Tyler Fuhrken, Director of Information Technology
John Pasch, Interim Director of Operations
Tom Mylett, Chief of Port Security
Darrin Aldrich, Director of Real Estate



FINANCIAL SECTION

PORT CORPUS CHRISTI®

COLLIER, JOHNSON & WOODS, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

555 N. Carancahua Suite 1000
Corpus Christi, Texas 78401-0839
361-884-9347 · Fax 361-884-9422
www.cjw-cpa.com

INDEPENDENT AUDITOR'S REPORT

April 8, 2016

Port Commissioners
Port of Corpus Christi Authority
of Nueces County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the Port of Corpus Christi Authority as of for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Port of Corpus Christi Authority as of December 31, 2015 and 2014, and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, the Authority has implemented Governmental Accounting Standards board Statements No. 68 and 71 related to accounting for pensions effective January 1, 2015. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 16 and other required supplementary information on page 43 through 456 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Port of Corpus Christi Authority's basic financial statements. The introductory section, supplemental schedules, and the statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal financial awards, pages 92 and 93, is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the basic financial statements.

The supplemental schedules and the schedule of federal expenditures of awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules and the schedule of federal expenditures of awards are fairly stated in all material

respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2016 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

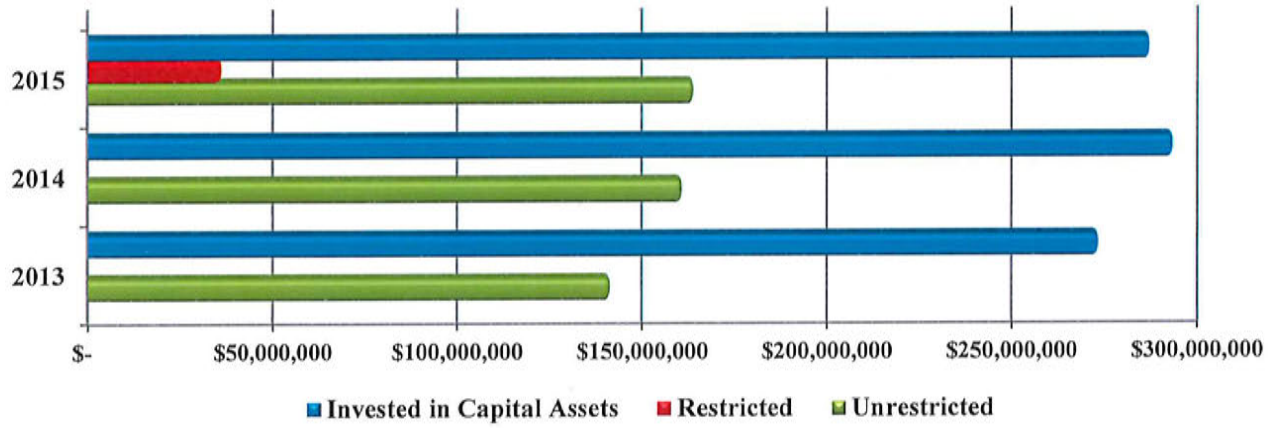
Collier, Johnson & Woods

PORTCORPUSCHRISTI

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
Management's Discussion and Analysis
December 31, 2015

As management of the Port of Corpus Christi of Nueces County, Texas (Authority), we offer readers as an introduction to the Authority's financial statements, this narrative overview and analysis of the Authority's activities and financial performance for the years ended December 31, 2015 and 2014. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with Authority's financial statements taken as a whole. All amounts, unless otherwise indicated, are expressed in whole dollars.

FINANCIAL HIGHLIGHTS



- The total net position of the Authority at December 31, 2015 was $487,110,145, increasing $32,818,963 or 7.2% over the prior year. Income before contributions produced an increase in net position of $27,408,991, capital contributions provided an increase of $7,245,620, and the cumulative effect of a change in accounting principle due the implementation of GASB Statement 68, as amended by GASB Statement 71 resulted in a decrease of $1,835,648 to net position.
- The net investment in capital assets (net of accumulated depreciation and related debt) decreased $6,314,343 from the prior year. The decrease is due to capital additions net of capital retirements of $67.2 million, depreciation expense of $13.8 million, and an increase in capital related debt of $59.7 million.
- Restricted net position increased $36,118,187 over the prior year mainly attributable to an increase of $16,116,847 restricted for debt service, and $20,000,000 restricted for a contractual obligation under the Neighborhood Acquisition Plan of the Harbor Bridge Replacement Project.
- Unrestricted net position may be used to meet the Authority's current ongoing obligations to employees and creditors and increased $3,015,119 over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority's basic financial statements are comprised of the financial statements and the notes to the financial statements. The basic financial statements can be found on pages 17 through 42 of this report. Since the Authority is comprised of a single enterprise fund, no fund level financial statements are shown. This report also contains other supplementary information in addition to the basic financial statements themselves.

Basic Financial Statements

The basic financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. These statements offer short and long-term financial information about its activities.

The Statement of Net Position includes all of the Authority's assets, liabilities, deferred inflows/outflows of resources, and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). The assets and liabilities are presented in a format, which distinguishes between current and long-term assets and liabilities. Net position increases when revenues exceed expenses. An increase in assets without a corresponding increase to liabilities, results in increased net position, which indicates an improved financial position.

The Statement of Revenues, Expenses, and Changes in Net Position accounts for all of the Authority's current year's revenues and expenses. All changes in net assets are reported as soon as the underlying event occurs, regardless of timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., earned but unused vacation leave).

The Statement of Cash Flows primary purpose is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain *required supplementary information* that further explains and supports the information in the financial statements found on pages 43-45 of this report.

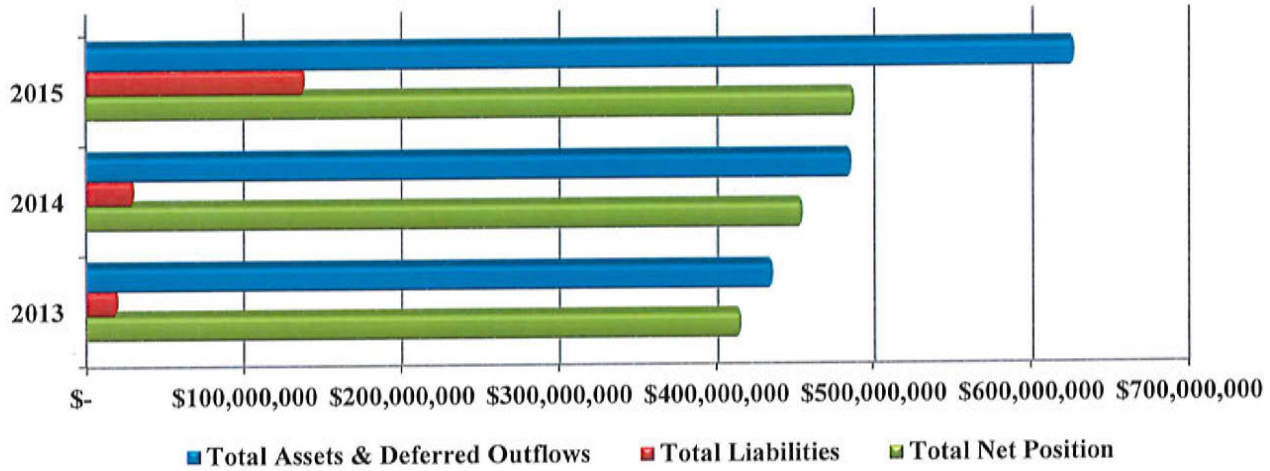
FINANCIAL ANALYSIS

The fundamental question that is most asked of business is, as a whole "Are you better off or worse off as a result of the year's activities?" The Statement of Net Position, and the Statements of Revenues, Expenses, and Changes in Net Position report information about the Authority's activities in a way that will help answer this question. These two statements report the net position of the Authority and changes in it. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating.

Statement of Net Position

The Statement of Net Position serves over time as a useful indicator of the Authority's financial health or position. It distinguishes assets and liabilities as to their expected use for operations, restricted purposes and capital investment.

The following condensed Statement of Net Position provides an overview of the Authority's net position as of December 31, 2015, 2014 and 2013:



	2015	2014	2013	2015-14 Change	2014-13 Change
Assets					
Current assets	$ 174,809,632	$ 175,018,994	$ 145,258,912	$ (209,362)	$ 29,760,082
Restricted assets	90,967,295	35,522	32,683	90,931,773	2,839
Capital assets	355,995,269	302,580,238	282,973,377	53,415,031	19,606,861
Other non-current assets	2,369,840	7,439,501	6,970,384	(5,069,661)	469,117
Total Assets	**624,142,036**	**485,074,255**	**435,235,356**	**139,067,781**	**49,838,899**
Deferred Outflows of Resources					
Deferred outflows related to pensions	1,958,889	-	-	1,958,889	-
Total Assets and Deferred Outflows	**626,100,925**	**485,074,255**	**435,235,356**	**141,026,670**	**49,838,899**
Liabilities					
Current liabilities	14,432,078	16,185,862	7,347,825	(1,753,784)	8,838,037
Long-term debt, net of current portion	110,640,000	-	-	110,640,000	-
Unearned revenue, net of current portion	10,755,796	11,424,330	10,395,824	(668,534)	1,028,506
Other liabilities	3,162,906	3,172,881	2,660,086	(9,975)	512,795
Total Liabilities	**138,990,780**	**30,783,073**	**20,403,735**	**108,207,707**	**10,379,338**
Net Position					
Net investment in capital assets	287,147,609	293,461,952	273,398,051	(6,314,343)	20,063,901
Restricted	36,153,709	35,522	32,683	36,118,187	2,839
Unrestricted	163,808,827	160,793,708	141,400,887	3,015,119	19,392,821
Total Net Position	**$ 487,110,145**	**$ 454,291,182**	**$ 414,831,621**	**$ 32,818,963**	**$ 39,459,561**

2015 – 2014

The Authority's net position of $487,110,145 at the close of 2015 increased by $32,818,963 over 2014. The largest portion of the Authority's net position (59.0%) reflects its net investment in capital assets. The Authority uses these capital assets to provide services to its customers and consequently, these assets are not available for future spending. Although the Authority's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position (33.6%) may be used to meet

the Authority's ongoing obligations to employees and creditors. The remainder of the Authority's net position (7.4%) represents resources that are subject to external legal restrictions on how they may be used.

The Authority's total assets and deferred outflows increased by $141,026,670 (29.1%) over 2014. The majority of this change is from an increase in restricted assets of $90,931,773 and an increase in capital assets of $53,415,031.

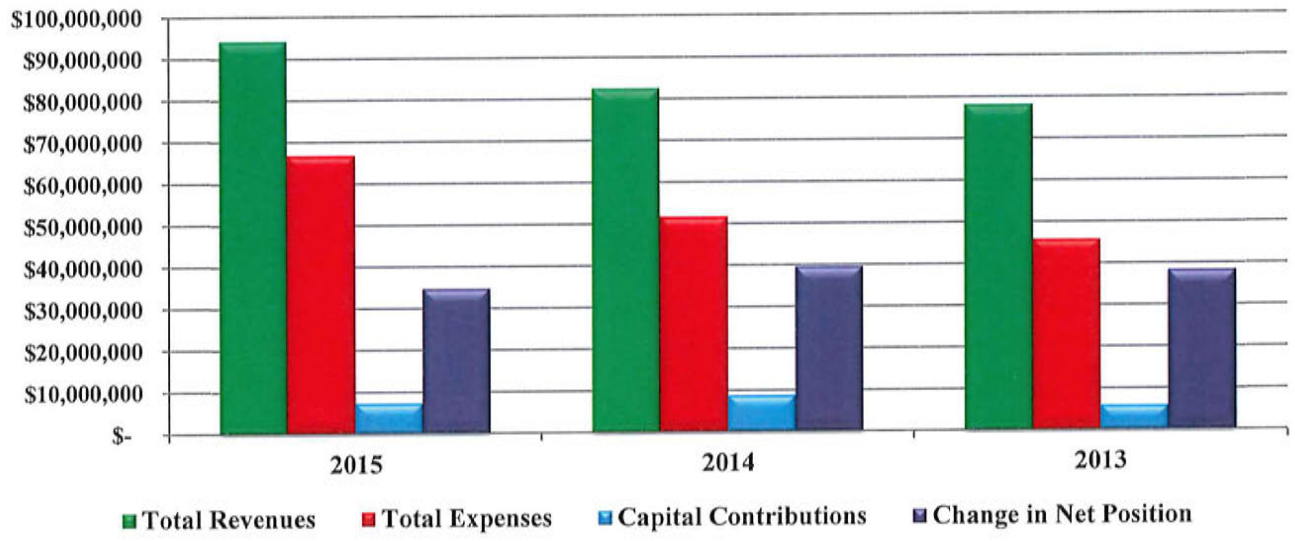
The Authority's total liabilities increased by $108,207,707 (451.5%) over 2014. An increase in long-term debt is the primary reason for the change.

2014 – 2013

The Authority's net position of $454,291,182 at the close of 2014 increased by $39,459,561 over 2013. By far, the largest portion of the Authority's net position (64.6%) reflects its net investment in capital assets. The Authority uses these capital assets to provide services to its customers and consequently, these assets are not available for future spending. Although the Authority's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position (35.4%) may be used to meet the Authority's ongoing obligations to employees and creditors. The remainder of the Authority's net position represents resources that are subject to external legal restrictions on how they may be used.

Statements of Revenues, Expenses, Change in Net Position

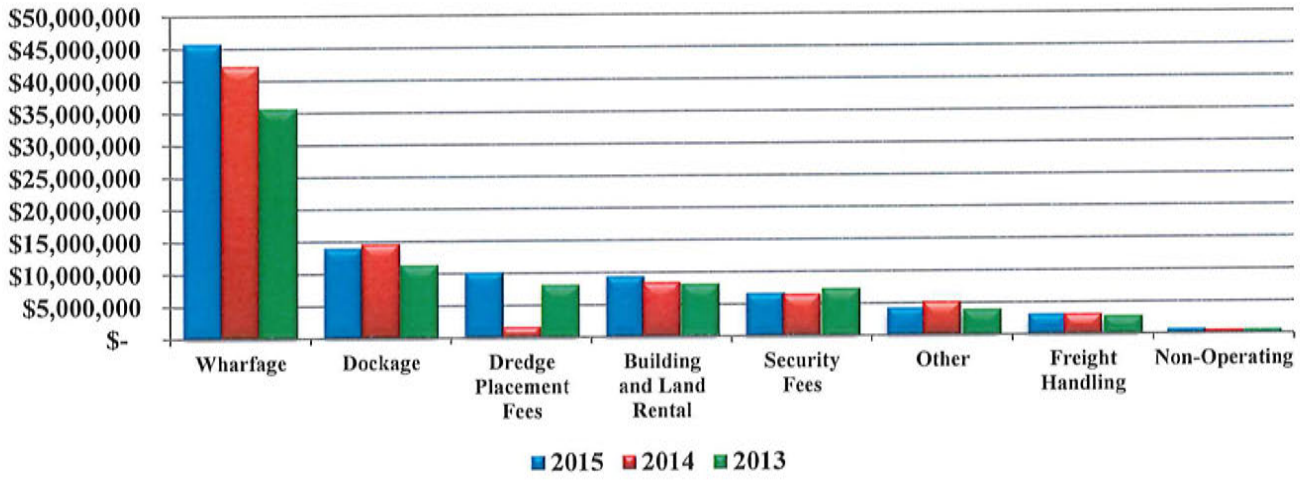
The Statements of Revenues, Expenses, and Change in Net Position serve as a measure to determine how successful the Authority was during the past year in recovering its costs through its user fees and other charges, as well as to its profitability and credit worthiness. The following Statements of Revenues, Expenses, and Change in Net Position summarize the operations of the Authority for the years ended December 31, 2015, 2014 and 2013:



PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
Management's Discussion and Analysis
December 31, 2015

	2015	2014	2013	2015-14 Variance	2014-13 Variance
Revenues					
Operating revenues:					
Wharfage	$ 45,779,919	$ 42,288,896	$ 35,688,217	$ 3,491,023	$ 6,600,679
Dockage	14,003,472	14,630,404	11,358,813	(626,932)	3,271,591
Security fees	6,673,782	6,460,860	7,325,584	212,922	(864,724)
Freight handling	3,153,285	3,133,303	2,815,582	19,982	317,721
Rail Charges	699,535	893,900	1,026,819	(194,365)	(132,919)
Building and land rentals	9,391,040	8,456,174	8,152,093	934,866	304,081
Conference center services	2,209,031	1,864,556	1,688,770	344,475	175,786
FTZ user fees	207,667	222,500	253,917	(14,833)	(31,417)
Dredge placement fees	10,151,880	1,669,714	8,153,771	8,482,166	(6,484,057)
Other	1,152,244	2,189,138	1,004,387	(1,036,894)	1,184,751
Total operating revenues	93,421,855	81,809,445	77,467,953	11,612,410	4,341,492
Investment income	518,374	341,754	283,544	176,620	58,210
Federal and other grant assistance	227,714	180,655	290,727	47,059	(110,072)
Gain on disposal of assets	-	40,596	-	(40,596)	40,596
Total Revenues	**94,167,943**	**82,372,450**	**78,042,224**	**11,795,493**	**4,330,226**
Expenses					
Operating expenses:					
Maintenance and operations	21,470,411	23,367,865	18,144,056	(1,897,454)	5,223,809
General and administrative	19,469,477	15,891,293	15,378,025	3,578,184	513,268
Depreciation	13,819,080	12,310,557	12,024,981	1,508,523	285,576
Total operating expenses	54,758,968	51,569,715	45,547,062	3,189,253	6,022,653
Interest expense and fiscal charges	2,030,505	535	16,986	2,029,970	(16,451)
Bond issuance costs	1,139,597	-	-	1,139,597	-
Contributions to other governments	3,000,000	-	-	3,000,000	-
Loss on disposal of assets	5,829,882	-	102,957	5,829,882	(102,957)
Total Expenses	**66,758,952**	**51,570,250**	**45,667,005**	**15,188,702**	**5,903,245**
Income Before Contributions	**27,408,991**	**30,802,200**	**32,375,219**	**(3,393,209)**	**(1,573,019)**
Capital Contributions	7,245,620	8,657,361	5,842,850	(1,411,741)	2,814,511
Changes in Net Position	34,654,611	39,459,561	38,218,069	(4,804,950)	1,241,492
Total Net Position, Beginning of Year	454,291,182	414,831,621	376,613,552	39,459,561	38,218,069
Cumulative Effect of Change in Accounting Principle	(1,835,648)	-	-	(1,835,648)	-
Total Net Position, as Restated	452,455,534	414,831,621	376,613,552	37,623,913	38,218,069
Total Net Position, End of Year	**$ 487,110,145**	**$ 454,291,182**	**$ 414,831,621**	**$ 32,818,963**	**$ 39,459,561**

Revenues



2015 – 2014

Operating revenues in 2015 increased by $11,612,410 or 14.2% over 2014. Dredge placement fees generated from depletion charges for the deposit of dredge materials into the Authority's dredge placement areas increased $8.5 million in 2015 and were the largest single component of the revenue increase. Wharfage revenues increased $3.5 million over 2014. The majority of the wharfage increase was at the private oil docks ($2.0 million) and the Authority's cargo docks ($1.6 million). Movements of petroleum products continue to increase at the private oil docks and in December, 2015 the United States crude oil ban on exports was lifted and the first vessel set sail from the Port of Corpus Christi with crude oil to be exported. Shipments of wind turbines and their components have been the main reason for the increase at the Authority's cargo docks in 2015. Building and land rentals of Authority properties have increased $935 thousand due to new tenants and rent escalations of existing leases.

Although wharfage revenues have increased, dockage revenues have seen a decline of $627 thousand, mainly at the bulk terminal facility. Other revenues have decreased $1.0 million from 2014. In 2014, revenues were recognized for the collection of previously unbilled charges for the movement by rail of pet coke by a customer at the Authority's bulk docks for the years of 2006 through 2013.

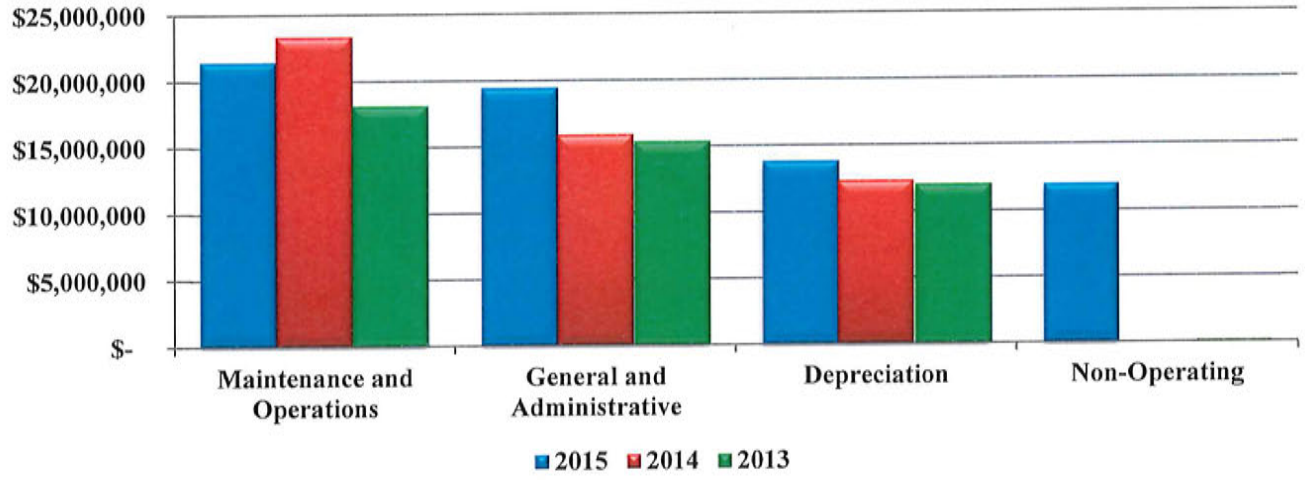
2014 – 2013

Operating revenues in 2014 increased by $4,341,492 or 5.6% over 2013. The largest single component of the increase was in wharfage revenues which increased $6.6 million in 2014. The majority of the increase was at the Authority's oil docks ($3.3 million) and the private oil docks ($2.3 million). The Authority constructed a new oil dock and converted an existing cargo dock to an oil dock in late 2013 to accommodate the increased movement of petroleum products from the Eagle Ford formation. In addition, two of the Authority's customers have converted existing docks in the inner harbor to accommodate their petroleum movements. Dockage revenues have increased $3.3 million over the prior year and the majority of this increase, $3.2 million, has also been at the Authority's oil docks.

Dredge placement fees generated from depletion charges for the deposit of dredge materials into the Authority's dredge placement areas decreased $6.5 million from 2013. Security fees are also reflecting a decrease of $865 thousand from the prior year. Although the wharfage and dockage surcharges for security are up $734 thousand from the increased movements in 2014, the fee charged for the Marine Patrol security unit was decreased 50% in 2014 and revenues fell by $1.6 million as a result.

Other revenues have increased $1.2 million over 2013 due to the collection of previously unbilled charges for the movement by rail of pet coke by a customer at the Authority's bulk docks for the years of 2006 through 2013.

Expenses



2015 – 2014

Operating expenses in 2015 increased $3,189,253 or 6.2% over 2014. The major variances in expenses from 2015 to 2014 are as follows:

• Employee services	$ 4,237,956
• Depreciation	1,508,523
• Maintenance	(2,344,987)
• Professional services	(1,064,518)

Of the increase in employee service costs over 2014, $1.7 million is attributable to wages and payroll taxes. The Authority has implemented several new divisions in 2015 including Chief Commercial Officer, Community Relations, and Risk Management which added seven employees. In addition, five positions were added to the Security division as recommended by the security study and three to the Engineering division to accommodate the increase in capital projects from the 2015 revenue bond sale. The largest component of the increase in employee services, however, has been in employee benefits. Retirement benefits increased $1.9 million, partly due to the addition of staff, but mainly in part to the implementation of GASB 68, as amended by GASB 71 which requires the Authority to recognize most changes in net pension liability in pension expense in the period of the change. The full effects of this change in accounting principle can be found in Note 6 to the financial statements on pages 32-38. In addition, the Authority is self-funded for medical and dental expenses of its employees. The cost of these benefits increased $608 thousand over 2014.

The Authority added over $75 million in new capital assets in 2015, and depreciation increased $1.5 million over 2014.

Maintenance project expenses have decreased $2 million from 2014. Major maintenance projects expenses were recorded in 2014 for structural repairs to a dock and rehabilitation of the fire systems at the Authority's oil docks in the amount of $1.2 million, repairs to the Authority's rail system in the amount of $682 thousand, repairs to the Authority's roads and parking lots in the amount of $469 thousand, and concrete repairs to the bulk dock in the amount of $407 thousand, and only minor maintenance projects were expensed in 2015.

Professional service expenses have decreased in 2015 mainly due to a non-reoccurring real estate transaction fee in the amount of $976 thousand for property leased to a tenant at the La Quinta site recorded in 2014.

2014 – 2013

Operating expenses in 2014 increased $6,022,653 or 13.2% over 2013. The major cost increases are as follows:

• Maintenance	$ 2,560,774
• Employee services	1,708,245
• Professional services	1,323,939

The Authority's staffing has increased by fifteen employees over 2013 leading to an increase in employee services expenses. Many of these positions were hired in late 2014, and the largest increases have been in the Engineering division to enable the Authority to implement an increase in its capital program due to the Eagle Ford shale oil and gas development, and in the Security division as recommended by the security study. In addition, four positions were added in late 2013, and one position in 2014, to the Bulk Materials division.

Expenses for maintenance have increased and major maintenance projects in 2014 include structural repairs to a dock and rehabilitation of the fire systems at the Authority's oil docks in the amount of $1.2 million, repairs to the Authority's rail system in the amount of $682 thousand, repairs to the Authority's roads and parking lots in the amount of $469 thousand, and concrete repairs to the bulk dock in the amount of $407 thousand.

The increase in professional services was due in part to a real estate transaction fee in the amount of $976 thousand for property leased to a tenant at the La Quinta site. As part of a Strategic Plan begun by the Authority in 2013, an organizational study was conducted in 2014 and $172 thousand has been incurred to date, and in addition, $203 thousand was spent on a security improvements study.

Capital Grants and Contributions

2015 – 2014

Capital grants and contributions decreased by $1,411,741 from 2014. The Authority is the recipient of a number of federal and state grants from a variety of programs. These grant funds are recorded on the basis of project expenditures made. As projects are advanced and expenditures incurred, grant funds are requested on a reimbursement basis and then recognized. Major capital grants and contributions at December 31, 2015 include the following:

• National Infrastructure Investments	$ 2,096,740
• Security Enhancements	1,269,912
• State Funded Rail Improvements	3,830,594
• State Funded Emmision Reductions	48,374

2014 – 2013

Capital grants and contributions increased by $2,814,511 over 2013. The Authority is the recipient of a number of federal and state grants from a variety of programs. These grant funds are recorded on the basis of project expenditures made. As projects are advanced and expenditures incurred, grant funds are requested on a reimbursement basis and then recognized. Major capital grants and contributions at December 31, 2014 include the following:

• National Infrastructure Investments	$ 7,173,277
• Security Enhancements	1,134,084
• Capital contributions from customers	350,000

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

2015 – 2014

The Authority's investment in capital assets as of December 31, 2015, amounts to $355,995,269 (net of accumulated depreciation). This investment in capital assets includes port facilities, elevator and bulk terminal facilities, machinery and equipment, property and buildings, furniture and equipment, intangibles and construction in progress. This amount represents a net increase (additions net of retirements and depreciation) of $53,415,031 or 17.7%. Additional information regarding the Authority's capital assets can be found in Note 3 to the financial statements on page 29.

Major capital asset additions during 2015 include the following:

• Land Purchases	$ 35,445,109
• Rail Interchange Yard	17,673,346
• Additional Barge Mooring Areas	6,754,218
• Improvements to La Quinta Channel	5,747,967

The increase in the investment in capital assets was net of the sale of the Refrigerated Warehouse facility and equipment in 2015, resulting in a decrease in capital assets net of depreciation of $6.3 million.

The Authority's investment in capital assets as of December 31, 2014, amounts to $302,580,238 (net of accumulated depreciation). This investment in capital assets includes port facilities, elevator and bulk terminal facilities, machinery and equipment, property and buildings, furniture and equipment, intangibles and construction in progress. This amount represents a net increase (additions net of retirements and depreciation) of $19,606,861 or 6.9%. Additional information regarding the Authority's capital assets can be found in Note 3 to the financial statements on page 29.

• Land & Infrastructure Improvements at La Quinta	$ 8,764,236
• Improvements at the Bulk Docks	2,151,422
• Shoreline Stabilization at Rincon Harbor	1,515,181
• Security Enhancements	1,112,759
• Improvements to the Oil Docks	1,078,217
• Improvements to Dredge Placement Areas	912,209

	2015	2014	2013	2015-14 Change	2014-13 Change
Capital assets, not being depreciated:					
Land	$ 84,786,396	$ 49,341,287	$ 46,663,231	$ 35,445,109	$ 2,678,056
Channel & waterfront improvements	25,056,737	19,308,770	19,308,770	5,747,967	-
Intangibles	387,429	377,429	377,429	10,000	-
Construction in progress	59,166,446	60,764,538	46,032,175	(1,598,092)	14,732,363
	169,397,008	129,792,024	112,381,605	39,604,984	17,410,419
Capital assets, being depreciated:					
Port facilities	121,246,739	100,377,792	98,437,095	20,868,947	1,940,697
Buildings & improvements	46,658,332	52,123,240	49,702,770	(5,464,908)	2,420,470
Machinery and equipment	18,289,683	19,739,027	21,800,243	(1,449,344)	(2,061,216)
Intangibles	403,507	548,155	651,664	(144,648)	(103,509)
	186,598,261	172,788,214	170,591,772	13,810,047	2,196,442
Net Capital Assets	**$ 355,995,269**	**$ 302,580,238**	**$ 282,973,377**	**$ 53,415,031**	**$ 19,606,861**

Long-Term Debt

On May 27, 2015, the Authority issued $115,000,000 in taxable revenue bonds for the purposes of acquiring land and acquiring, purchasing, constructing, enlarging, extending, repairing or developing facilities or aids incident to or useful or necessary in the operation or development of the Authority's ports and waterways or in aid of navigation and commerce thereon. Additional information regarding the Authority's long-term debt can be found in Note 5 to the financial statements on page 30. As of December 31, 2015, the Authority had long-term debt outstanding of $115,000,000. The following table summarizes the Authority's long-term debt outstanding as of December 31, 2015, 2014 and 2013.

	2015	2014	2013	2015-2014 Change	2014-2013 Change
General revenue bonds	$ 115,000,000	$ -	$ -	$ 115,000,000	$ -
Total Long-term Debt	**$ 115,000,000**	**$ -**	**$ -**	**$ 115,000,000**	**$ -**

The Authority maintains a A+ rating from Standard and Poor's Corporation and a A1 rating from Moody's Investor Service on its' general revenue bonds. In accordance with the Authority's general revenue bond covenants, the Authority is required to maintain a revenue bond coverage of at least 1.25 times the average annual debt service requirements. As of December 31, 2015, the Authority's revenue bond coverage was 5.91.

ECONOMIC OUTLOOK

The Authority along with the local region has experienced the positive effects from the Eagle Ford Shale oil and gas boom, and has felt this though significant growth in the movement of outbound crude oil over both its public and private oil docks, along with increases in both wharfage and dockage revenues over the past several years. In 2015, the Authority, while still experiencing an increase, saw only modest annual growth over the preceding year. This decline in annual growth was largely contributed to a decline in crude oil pricing during the latter part of the year that resulted in a slow-down in drilling exploration and crude oil production.

The Authority continues to play a vital role as a major refinery hub, and continues to be the gateway of choice for both Eagle Ford and Permian Basin oil plays, as well as a logistical and distribution center for cargoes used in drilling, fracturing and pipeline projects. With

the lifting of the 40 year ban on crude oil exports in December of 2015, United States crude oil producers for the first time are able to export crude oil to global markets. As a result, on December 31, 2015, the Port of Corpus Christi made history by becoming the first port to export crude oil outside of United States markets to Europe.

The Authority continues to invest in new rail infrastructure and liquid docks to support the current needs and continued growth potential of the Eagle Ford and Permian Basin Shale Plays, in addition to the significant private investment still being made in the form of storage tanks, pipelines and new dock infrastructure in and around the Authority to accommodate the increased movement of crude oil. This trend is anticipated to continue, with the nearby Eagle Ford shale formation holding estimated reserves of as much as 15 billion barrels of oil and natural gas liquids, plus some 150 trillion cubic feet of natural gas, in addition to reserves within the Permian Basin region.

These infrastructure improvements have placed our port in a unique position as a critical component in the export of U.S. crude and condensate. The Authorities deep draft ship channel and strategic location to some of the largest production areas in the U.S. provides a secure and competitive supply chain to markets worldwide.

In 2013, industry leading companies from throughout the world and United States committed to major investments at the Authority. Estimated total investment being made by these companies is now approaching in excess of $15 billion. Several of these projects are now completed or close to being completed and ready to begin production. Several are currently under construction, and are anticipated to come on line over the next several years. These investments include the following:

The Port awarded a contract in December, 2014 to begin construction of a new public oil ship and barge dock facility adjacent to the M&G facility in the Inner Harbor. The new dock is budgeted to cost $28 million and be complete in 2016. In 2015, the construction on a $7 million new barge mooring area was completed. Preliminary plans are underway to expand the barge capacity of an existing Port oil dock and preliminary design has been done on construction of another new public oil dock in the Inner Harbor for an additional investment of $36.3 million.

NuStar Energy completed construction in February, 2014 on a new dock project in the Inner Harbor including pipelines to move crude oil from incoming pipelines or tanks within its terminal to the new dock, a state-of-the-art metering system, vapor control system and a dock structure with three loading arms. These new upgrades has allowed NuStar to triple its marine loading capacity. The dock project was part of NuStar's $185 million, multi-phase build-out of the company's South Texas crude oil pipeline.

Trafigura Terminals LLC and Buckeye Texas Partners have begun construction on a $500 million terminal and associated oil storage facilities on the Inner Harbor to export and store Eagle Ford crude and condensate. Construction was completed in late 2014 on a second oil dock at the facility, and future phases are ongoing.

Magellan Midstream Partners LP is to begin a $250 million project at its terminal in the Inner Harbor to include construction of a condensate splitter, one million barrels of storage, dock improvements, truck rack bays, and connectivity between Magellan's terminal and Trafigura's nearby facility. The company has indicated it will consider multiple future phases which could more than double the facility size, if initial phase is successful.

The Port constructed a main rail interchange yard for the three Class I railroads serving the Port on the north side of the Inner Harbor. The rail project includes a 9,800 foot long unit train siding capable of storing a full 150 car unit train and four parallel ladder tracks for a total yard capacity of 15,400 feet and 223 rail cars. Phase 1 of the project was complete in April, 2015 at a cost of $17.7 million and was partially funded by a $10 million federal TIGER grant and revenues from the rail carriers. Phase II of the project will extend the four interchange yard tracks to full unit train siding length and construct four additional unit train sidings at a cost of $28 million which is partially funded by a $22 million grant from the Texas Department of Transportation. Phase II is scheduled to be complete in 2017.

M&G Resins USA has begun construction on a $1.1 billion dollar polyethylene terephthalate (PET) resin processing plant on the Inner Harbor adjacent to the Port's Nueces River Rail Yard. Construction of the M&G facility will generate over 3,000 construction jobs.

Once operational, the plant will create over 250 jobs with 700 indirect jobs and is anticipated to be the largest facility of its kind in the world. It is estimated that construction will be complete before 2017.

The Tianjin Pipe Company (TPCO) is China's largest producer of seamless steel pipe produced from recycling scrap steel in combination with pig iron. TPCO selected a 300 acre site across from the Port's La Quinta Trade Gateway to construct a $1.3 billion seamless pipe mill. This is the largest single green-field investment by a Chinese company in a United States manufacturing facility. Construction of Phase I was complete in 2014, and TPCO has begun construction of Phase II. Thousands of construction jobs were created and when the manufacturing comes online, the new facility will employ a workforce of 600-800 people. It is estimated that the economic impact within the first ten years of the project will be $3 billion for the South Texas Coastal Bend region.

Austria's voestalpine Group is investing $750 million in its 470 acre site at La Quinta to construct a plant that will convert iron oxide pellets into purer, easier-to-transport hot briquetted iron used in steel production. Construction began in 2014 and the facility is anticipated to be operational in the second quarter of 2016. Approximately 800 construction jobs were created, and the new plant will employ 150 full-time employees.

Corpus Christi Liquefaction, LLC, a subsidiary of Cheniere Energy, commenced construction in 2015 on the first phase of a $14.5 billion liquefied natural gas (LNG) export terminal on 337 acres at the La Quinta Ship Channel. The project has been designed to be constructed in phases, and operations are expected to commence on or before 2020.

Oxy Ingleside Energy Center, LLC purchased the former Naval Station Ingleside property from the Port in 2012. The company is investing $55 million in a propane and oil export facility at the site and will utilize the pier and wharf constructed by the United States Navy. Operations for the export of propane began in 2015 and with oil exports expected to begin in 2016.

OxyChem and MexiChem, in a joint venture, have begun construction of a $1 billion ethylene cracking plant located on the LaQuinta Ship Channel. Completion is anticipated in 2017 and the plant will employ around 150 people.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Authority's Director of Finance, 222 Power Street, Corpus Christi, TX 78401.

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Statement of Net Position
December 31, 2015 and 2014

	2015	2014
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents (Note 2)	$ 61,921,329	$ 81,306,322
Investments (Note 2)	93,697,394	74,795,835
Accounts receivable (net of allowance for doubtful accounts of $3,035 and $300 for 2015 and 2014, respectively)	14,479,257	13,992,857
Interest receivable	306,850	344,509
Intergovernmental receivable	2,806,655	3,004,378
Inventory	829,185	776,504
Prepaid expenses	768,962	798,589
Total Current Assets	174,809,632	175,018,994
NON-CURRENT ASSETS:		
RESTRICTED ASSETS:		
Cash and cash equivalents (Note 2)	90,967,295	35,522
Total Restricted Assets	90,967,295	35,522
CAPITAL ASSETS:		
Capital assets, not being depreciated (Note 3)	169,397,008	129,792,024
Capital assets, being depreciated, net (Note 3)	186,598,261	172,788,214
Capital Assets, Net	355,995,269	302,580,238
OTHER NON-CURRENT ASSETS:		
Purchase option deposit	100,000	-
Net pension asset (Note 6)	2,269,840	7,439,501
Total Non-Current Assets	2,369,840	7,439,501
TOTAL ASSETS	624,142,036	485,074,255
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow related to pensions (Note 6)	1,958,889	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	626,100,925	485,074,255
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	6,249,151	7,401,234
Accrued expenses	647,322	932,275
Accrued interest payable	344,996	-
Unearned revenue, current portion (Note 5)	1,188,606	6,407,560
Unearned capital lease, current portion (Note 5)	457,040	457,040
Current maturities of long-term debt (note 5)	4,360,000	-
Compensated absences, current portion (Note 5)	1,184,963	987,753
Total Current Liabilities	14,432,078	16,185,862
NON-CURRENT LIABILITIES:		
Unearned revenue, net of current portion (Note 5)	2,551,590	2,763,084
Unearned capital lease, net of current portion (Note 5)	8,204,206	8,661,246
Long-term debt, net of current maturities (Note 5)	110,640,000	-
Compensated absences, net of current portion (Note 5)	2,573,147	2,684,999
Net OPEB obligation (Note 7)	589,759	487,882
Total Non-Current Liabilities	124,558,702	14,597,211
TOTAL LIABILITIES	138,990,780	30,783,073
NET POSITION:		
Net investment in capital assets	287,147,609	293,461,952
Restricted:		
Bond interest and redemption	16,116,847	-
Harbor Bridge commitment	20,000,000	-
Law enforcement	36,862	35,522
Unrestricted	163,808,827	160,793,708
TOTAL NET POSITION	$ 487,110,145	$ 454,291,182

See accompanying notes to financial statements

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2015 and 2014

	2015	2014
OPERATING REVENUES:		
Wharfage	$ 45,779,919	$ 42,288,896
Dockage	14,003,472	14,630,404
Security fees	6,673,782	6,460,860
Freight handling	3,153,285	3,133,303
Rail Charges	699,535	893,900
Building and land rentals	9,391,040	8,456,174
Conference center services	2,209,031	1,864,556
FTZ user fees	207,667	222,500
Dredge placement fees	10,151,880	1,669,714
Other	1,152,244	2,189,138
Total Operating Revenues	93,421,855	81,809,445
OPERATING EXPENSES:		
Maintenance and operations	21,470,411	23,367,865
General and administrative	19,469,477	15,891,293
Depreciation	13,819,080	12,310,557
Total Operating Expenses	54,758,968	51,569,715
Operating Income	38,662,887	30,239,730
NON-OPERATING REVENUES (EXPENSES):		
Investment income	518,374	341,754
Federal and other grant assistance	227,714	180,655
Gain (loss) on disposal of assets	(5,829,882)	40,596
Bond issuance costs	(1,139,597)	-
Interest expense and fiscal charges	(2,030,505)	(535)
Contributions to other government agencies	(3,000,000)	-
Net Non-Operating Revenues (Expenses)	(11,253,896)	562,470
Income Before Capital Grants and Contributions	27,408,991	30,802,200
CAPITAL GRANTS AND CONTRIBUTIONS	7,245,620	8,657,361
Change in Net Position	34,654,611	39,459,561
Total Net Position , Beginning of Year	454,291,182	414,831,621
Cumulative Effect of Change in Accounting Principle (Note 1)	(1,835,648)	-
Total Net Position , Beginning of Year, as Restated	452,455,534	414,831,621
Total Net Position, End of Year	$ 487,110,145	$ 454,291,182

See accompanying notes to financial statements

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Statement of Cash Flows
For the Years Ended December 31, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 87,128,288	$ 85,605,345
Cash payments to suppliers for goods & services	(19,671,051)	(22,980,595)
Cash payments to employees for services	(19,253,420)	(16,125,514)
Cash payments to and received from other operating sources	1,835	4,268
Net Cash Provided by Operating Activities	48,205,652	46,503,504
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating grants received	185,468	184,677
Payments to other governments	(3,000,000)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(2,814,532)	184,677
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds on issuance of capital debt	113,860,403	-
Acquisition and construction of capital assets	(75,578,523)	(29,374,229)
Capital grants and contributions	7,485,865	6,148,827
Proceeds from sale of assets	518,950	72,004
Acquisition of purchase option deposit	(100,000)	-
Interest expense and fiscal charges	(1,685,509)	(518)
Net Cash Provided (Used) for Capital and Related Financing Activities	44,501,186	(23,153,916)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income	1,180,387	1,357,676
Proceeds from sale and maturities of investments	144,135,000	98,054,334
Purchase of investments	(163,660,913)	(90,097,474)
Net Cash Provided (Used) by Investing Activities	(18,345,526)	9,314,536
Net Increase (Decrease) in Cash and Cash Equivalents	71,546,780	32,848,801
Cash and Cash Equivalents at Beginning of Year, Including Restricted Accounts	81,341,844	48,493,043
Cash and Cash Equivalents at End of Year, Including Restricted Accounts	$ 152,888,624	$ 81,341,844
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	$ 38,662,887	$ 30,239,730
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	13,819,080	12,310,557
Interest expense (non-capital)	-	(17)
Changes in assets, deferred outlows of resources, and liabilities:		
Accounts receivable	(301,741)	(2,992,432)
Intergovernmental receivable	(276)	2,267
Inventories	(52,681)	(35,635)
Prepaid items	29,627	37,610
Net pension asset	2,506,866	(469,117)
Deferred outflows of resources	(1,131,742)	-
Accounts payable	658,838	(107,553)
Accrued expenses	(284,953)	244,446
Unearned revenue	(5,430,448)	7,333,341
Unearned capital lease revenue	(457,040)	(457,040)
Net OPEB obligation	101,877	88,156
Compensated absences	85,358	309,191
Total Adjustments	9,542,765	16,263,774
Net Cash Provided by Operating Activities	$ 48,205,652	$ 46,503,504
Noncash Investing, Capital, and Financing Activities:		
Amortization (accretion) of premium/discounts on investments	$ 485,852	$ 697,215
Change in fair value of investments	138,502	56,082
Change in accrued interest on investments	37,659	262,625
Change in noncapital/capital intergovernmental receivables	197,999	(2,504,512)
Gain (loss) on disposal of assets	(5,829,882)	40,596
Acquisition of capital assets accrued but not paid, net of reimbursements	(1,995,580)	2,574,597
Bond costs paid from bond proceeds	1,139,597	-

See accompanying notes to financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Port of Corpus Christi Authority of Nueces County, Texas (Authority) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

GENERAL HISTORY OF THE PORT OF CORPUS CHRISTI AUTHORITY

The Nueces County Navigation District No. 1 was created November 30, 1922, by an order of the Commissioners Court of Nueces County, Texas after an election duly held on October 31, 1922, at which time the establishment of said district was submitted to the qualified taxpaying voters of Nueces County, Texas. The territorial boundaries of the District were made co-extensive with those of Nueces County. In 2003, Senate Bill 1934 was passed that allowed for the annexation of San Patricio County into the territorial jurisdiction of the Authority. The District was organized under Article III, Section 52, of the Constitution of the State of Texas, but has since been transferred to and is operating under Article XVI, Section 59, of the Texas Constitution and related laws of the State of Texas, particularly Sections 60 and 62 of the Texas Water Code and all amendments thereto. The Authority being a navigation district and political subdivision of the State of Texas is a separate and distinct entity from Nueces County and operates independently with its own Port Commission as its governing body. The only relationship the Authority and Nueces County have is that in the event the Port Commission deems it necessary to issue tax supported bonds, it must request the Commissioners Court to call an election. The Commissioners Court shall call the election, canvas the vote, and if the bond issue is approved, thereafter set the necessary tax rate to service the bonds. The original property, plant and equipment of the Authority were acquired with funds from the sale of bonds, the interest and sinking funds being provided from ad valorem taxes levied on the property within Nueces County, Texas. Additions to the property, plant and equipment of the Authority have been made with surplus funds arising from the operations of the Authority facilities, grants from the Federal Government, proceeds of general revenue bonds, and improvement bonds supported by ad valorem tax levies.

On May 20, 1981, the Governor of the State of Texas signed into law a bill changing the legal name of the Nueces County Navigation District No. 1 to the Port of Corpus Christi Authority of Nueces County, Texas.

REPORTING ENTITY

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in the reporting entity was made by applying the criteria set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards. GASB defines the reporting entity as the primary government and those component units for which the primary government is financially accountable.

COMPONENT UNIT

The Industrial Development Corporation (IDC) was organized by the Authority under the State of Texas Development Corporation Act of 1979. The IDC is a non-profit corporation that issues industrial development revenue bonds to promote and develop commercial, industrial and manufacturing enterprises and to promote and encourage employment and public welfare. The issuance of any such bonds is adopted by the Board of Directors (Board) of the IDC, and approved by the Texas Economic Development Commission (TEDC) and the Port Commission. Net earnings of the IDC may be distributed to the Authority by action of the Board or upon dissolution of the IDC. The IDC is considered a blended component unit as the Authority has financial accountability. The Board of the IDC is appointed by the Port Commission and it is comprised of four members of the Port Commission and two members of the staff of the Authority, and the Authority is able to impose its will on the IDC. In addition, the Authority's management has operational responsibility of the IDC. The financial statements of the IDC are not material to the financial statements of the Authority, and have not

been included in the basic financial statements. The condensed financial statement information of the IDC follows:

	2015	2014
Total Net Position	$ 12,188	$ 10,423
Change in Net Position	$ 1,765	$ 682

The financial statements of the IDC may be obtained from the Authority's Director of Finance at 222 Power Street, Corpus Christi, Texas 78401.

BASIS OF ACCOUNTING

The Authority operates as an enterprise fund to report on its financial position and the results of its operations. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied. All enterprise funds are accounted for on a flow of economic resources measurement focus, whereby all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Proprietary fund equity is classified as net position. Enterprise fund operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to customers for the use of facilities and services provided. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

An annual budget for the Authority is adopted on a basis consistent with generally accepted accounting principles for proprietary funds, as a prudent management tool. Monthly budget reports are prepared for management to maintain proper budgetary control, and are reviewed by the Port Commission on a monthly basis.

CASH AND CASH EQUIVALENTS

The Authority's cash and cash equivalents consists of cash on hand, cash held on deposit with financial institutions in demand deposit accounts, and short-term investments with original maturities of three months or less from the date of acquisition. Cash and cash equivalents are included in both unrestricted and restricted assets.

INVESTMENTS

In accordance with its Investment Policy and the Texas Public Funds Investment Act, Chapter 2256, Texas Government Code (PFIA), the Authority may invest in obligations of the US Government, its agencies and instrumentalities, fully collateralized or insured time deposits, local government investment pools having a rating not less than AAA, money market mutual funds registered with the SEC, fully collateralized repurchase agreements, general debt obligations of states, agencies, counties, cities and other subdivisions of the United States with a rating not less than AA, and fully insured brokered certificates of deposit, delivered versus payment to the Authority's safekeeping agent.

Investments that mature within one year of acquisition are stated at cost or amortized cost. Investments with the remaining maturity of more than one year at the time of purchase are carried at fair value. Any realized gains and losses in fair value are reported in the operations of the current period.

INVENTORY AND PREPAID ITEMS

Inventory is valued at cost utilizing the first in first out method. Inventory consists of expendable materials used in the operation and maintenance of port facilities.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

PROPERTY, PLANT AND EQUIPMENT

Property constructed or acquired by purchase is stated at cost. Authority policy has set the capitalization threshold for reporting capital assets at $5,000. Contributed assets are stated at cost, if available, or estimated fair market value on the date received. The Authority capitalizes, as a cost of its constructed assets, the weighted average interest expense applied to average cumulative expenditures. Capitalized interest increased the cost of assets constructed by the Authority by $432,946 for the year ended December 31, 2015 and no interest was capitalized for the year ended December 31, 2014.

Depreciation is computed using the straight-line method over the following useful lives:

Port facilities	10-50 Years
Buildings and improvements	5-50 Years
Machinery and equipment	3-50 Years
Intangibles	3-5 Years

RESTRICTED ASSETS

Certain resources set aside for the repayment of debt are classified as restricted assets on the Statement of Net Position because their use is limited by applicable bond covenants.

Certain assets are reclassified as restricted due to the restriction on the use of these funds for a particular purpose.

All revenues received from participating in Federal equitable sharing of forfeited properties are restricted for use by the *United States Department of Justice Guide to Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies* or the *United States Department of Treasury Guide of Equitable Sharing For Foreign Countries and Federal, State and Local Law Enforcement Agencies*. Revenues received from participating in the State sharing of forfeited properties are also restricted for use as defined by state statutes. The Authority receives an annual allocation payment from the Law Enforcement Officer Standards and Education (LEOSE) account and that cash is restricted until spent for qualified expenses related to the continuing education of law enforcement personnel.

When an expense is incurred for purposes for which restricted and unrestricted net assets are available, the Authority's policy is to apply restricted assets first.

DEFERRED OUTFLOWS

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. Deferred outflows related to pensions consist of amounts paid into the retirement system after the prescribed measurement date plus the net difference between projected and actual earnings.

PENSION PLAN

For purposes of measuring the net pension asset, deferred outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCDRS's fiduciary net position have been determined on the same basis as they are reported by TCDRS. For this purpose benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For more information on the Authority's pension plans, see Note 6 of the Notes to the Financial Statements.

COMPENSATED ABSENCES

Authority employees are granted vacation at rates of 10 to 25 days per year and may accumulate up to a maximum of 20 to 50 days, depending on their length of employment. Upon termination, employees are paid for any unused accumulated vacation. Sick leave accumulates at the rate of 12 days per year. Upon termination for any reason other than for cause, employees are paid for any unused sick leave up to a maximum of 60 days. Compensated absences are accrued when incurred.

UNEARNED REVENUE

Advance payments for the deposit of dredge materials into the Authority's dredge placement areas are recognized as the materials are deposited, and operating lease payments and foreign trade zone user fees are recognized as income over the term of related agreements. Amounts received but not yet earned are reflected as unearned revenue in the accompanying statement of net position.

NET POSITION

Net position represents the residual interest in the Authority's assets and deferred outflows after liabilities are deducted and consists of three sections: net investment in capital assets; restricted and unrestricted. Net investment in capital assets consists of capital assets net of accumulated depreciation and the outstanding balances of any borrowing spent for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position that does not meet the definition of net investment in capital assets or restricted is classified as unrestricted.

CONCENTRATION OF REVENUES

The Authority's operating revenues are subject to risk, because of their concentration in the petroleum industry. Six customers from the petroleum industry made up over 57 percent of the Authority's wharfage and dockage revenue base for 2015, as compared to seven customers that made up 60 percent in 2014. This risk is further enhanced by the fact that petroleum cargo continues to be the Authority's top commodity representing 85.9 percent of the total cargo tonnage moved through the Authority in 2015, compared to 84.3 percent in 2014.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could

differ from those estimates.

RECENT ACCOUNTING PRONOUNCEMENTS

GASB 68 – *Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No.27* – revises and establishes new financial reporting requirements for most state and local governments that provide their employees with pension benefits. Statement 68 changes the focus of pension accounting for employers from whether they are responsibly funding their plan over time to a point-in-time liability that is reflected in the employer's financial statements for any actuarially unfunded portion of pension benefits earned to date.

GASB 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date* – amends GASB Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the net beginning net pension liability. The provisions of GASB 71 are required to be applied simultaneously with the provisions of GASB 68. GASB 68, as amended by GASB 71, was implemented in the year ended December 31, 2015.

PRIOR PERIOD RESTATEMENTS

As a result of implementing GASB Statement 68, as amended by GASB Statement 71, net position was restated at January 1, 2015 to record the Authority's net pension liability. The effect of the change was to reduce beginning net position by the following amounts at January 1, 2015:

Beginning net position	$	454,291,182
Prior period adjustment-implementation of GASB 68:		
Net pension asset (measurement date of December 31, 2014)		4,776,706
Less: Net pension asset previously recorded at December 31, 2014		(7,439,501)
Deferred outflows - contributions made by the Authority during the year ended December 31, 2014		827,147
Beginning net position as restated	**$**	**452,455,534**

FUTURE ACCOUNTING PRONOUNCEMENTS

GASB 72 – *Fair Value Measurement and Application* –addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement will also enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. GASB 72 is effective for financial statements for fiscal years beginning after June 15, 2015. The Authority will implement this statement in fiscal year 2016.

2. DEPOSITS AND INVESTMENTS

At December 31, 2015 the carrying amount of the Authority's demand deposits and cash on hand was $1,217,098. The total bank deposits were covered by federal depository insurance (FDIC) or were secured by collateral held by the Authority's agent in the Authority's name.

At December 31, 2014 the carrying amount of the Authority's demand deposits and cash on hand was $2,521,567. The total bank deposits were covered by federal depository insurance (FDIC) or were secured by collateral held by the Authority's agent in the Authority's name.

The Authority's investments at December 31, 2015 and 2014 carried at fair value were:

	2015			2014		
Investment Type	Fair Value	Weighted Average Maturity (Days)	Credit Risk	Fair Value	Weighted Average Maturity (Days)	Credit Risk
Certificates of Deposit	$ 490,000	300		$ 490,000	299	
Money market funds	86,847,358	1		58,779,153	1	
Local government pool	64,824,168	1	AAA	20,041,124	1	AAA
United States agencies	78,333,942	669	AAA	36,072,219	537	AAA
Municipal bonds	14,873,452	108	AAA/AA	38,233,616	179	AAA/AA
Total	245,368,920			153,616,112		
Short-term investments included in cash and cash equivalents	151,671,526			78,820,277		
Equity in Total Investments	**$ 93,697,394**			**$ 74,795,835**		
Portfolio weighted average maturity		222			172	

INTEREST RATE RISK

Interest rate risk is the risk associated with declines or rises in interest rates, which cause an investment in a fixed-income security to increase or decrease in value. In order to limit interest and market rate risk from changes in interest rates, the Authority's adopted Investment Policy sets maximum maturity dates for authorized investment types and a maximum dollar-weighted average maturity limit for the portfolio. The maximum stated final maturity of any investment is three years. The dollar-weighted average maturity (WAM) of the total portfolio is restricted to a maximum of one year.

As of December 31, 2015, the portfolio contained ten structured callable notes which would be impacted by interest rate risk as listed in the following table:

Issuer	Par Value	Coupon Rate	Purchase Date	Maturity Date	Call Date	Call Structure	Book Value	Market Value
FHLMC	$ 5,000,000	0.80%	05/12/2015	5/12/2017	02/12/2016	Callable quarterly with 5 days notice	$ 5,000,000	$ 4,980,175
FHLMC	2,500,000	1.00%	09/08/2015	09/08/2017	03/08/2016	Callable quarterly with 5 days notice	2,500,000	2,501,638
FHLMC	1,000,000	1.25%	09/15/2015	06/15/2018	03/15/2016	Callable quarterly with 5 days notice	1,000,000	997,630
FHLMC	1,000,000	1.00%	09/28/2015	09/28/2017	03/28/2016	Callable quarterly with 5 days notice	1,000,000	997,134
FHLMC	7,000,000	1.16%	10/29/2015	10/29/2018	01/29/2016	Callable quarterly with 5 days notice	7,000,000	6,966,946
FHLMC	5,000,000	1.45%	12/28/2015	12/28/2018	03/28/2016	Callable quarterly with 5 days notice	5,000,000	4,982,885
FHLMC	5,000,000	1.05%	12/29/2015	12/29/2017	03/29/2016	Callable quarterly with 5 days notice	5,000,000	4,982,815
FHLMC	5,000,000	0.625%	09/29/2015	09/28/2018	03/28/2016	Callable quarterly with 5 days notice Coupon steps to 1.25% on 09/28/2016 Coupon steps to 2.50% on 09/28/2017	5,000,000	4,997,090
FNMA	5,000,000	0.75%	10/30/2015	10/29/2018	04/29/2016	Callable quarterly with 5 days notice Coupon steps to 1.00% on 10/29/2016 Coupon steps to 1.25% on 04/29/2017 Coupon steps to 1.50% on 10/29/2017 Coupon steps to 2.00% on 04/29/2018	5,000,000	4,976,185
FHLMC	3,000,000	0.90%	07/14/2015	07/14/2017	01/14/2016	Callable once with 5 days notice	3,000,000	3,000,093
					TOTAL		**$ 39,500,000**	**$ 39,382,591**

Abbreviations: FNMA Federal National Mortgage Association
FHLMC Federal Home Loan Mortgage Corporation

As of December 31, 2014, the portfolio contained seven structured callable notes which would be impacted by interest rate risk as listed in the following table:

Issuer	Par Value	Coupon Rate	Purchase Date	Maturity Date	Call Date	Call Structure	Book Value	Market Value
FHLMC	$ 1,000,000	0.35%	10/21/2014	12/31/2015	03/31/2015	Callable quarterly	$ 1,000,000	$ 994,960
FHLMC	5,000,000	0.50%	06/24/2014	06/24/2016	03/31/2015	Callable quarterly	5,000,000	4,984,465
FHLB	5,000,000	0.80%	10/14/2014	10/14/2016	01/14/2015	Callable quarterly	5,000,361	4,995,175
FFCB	5,000,000	0.43%	10/14/2014	04/14/2016	01/14/2015	Callable quarterly continuously	5,000,051	4,995,345
FHLB	5,000,000	0.80%	12/31/2014	12/30/2016	06/30/2015	Callable on call date	5,000,000	4,996,730
Nashua NH	550,000	1.14%	11/18/2013	01/15/2015	01/01/2015	Callable quarterly continuously	550,168	550,176
Derby KS	2,500,000	0.90%	06/02/2014	12/15/2015	01/31/2015	Callable quarterly continuously	2,500,762	2,500,450
						TOTAL	**$ 24,051,342**	**$ 24,017,301**

Abbreviations: FFCB Federal Farm Credit Bank
FHLB Federal Home Loan Bank
FHLMC Federal Home Loan Mortgage Corporation

CREDIT RISK

The primary stated objective of the Authority's adopted Investment Policy is the safety of principal and avoidance of principal loss. Credit risk within the Authority's approved investments authorized by the adopted Investment Policy occurs only in time and demand deposits, repurchase agreements, investment pools, commercial paper, and state and municipal obligations. All other investments are rated AAA, or equivalent, by at least one nationally recognized securities rating organization (NRSRO). State law and the adopted Investment Policy requires inclusion of a procedure to monitor and act as necessary to changes in credit rating on any investment which requires a rating. The adopted Investment Policy also requires a procedure to verify continued FDIC insurance weekly on brokered certificates of deposit.

State law and the Authority's adopted Investment Policy restricts both depository time and demand deposits, including certificates of deposit (CD), to those banks doing business in the State of Texas and further requires full FDIC insurance and/or 102% collateralization from these depositors (banks only). Certificates of deposit are limited to a stated maturity of one year. Collateral, with a 102% margin, is required and restricted to obligations of the U.S. Government, its agencies, and instrumentalities, including mortgage backed securities passing the bank test. Independent safekeeping of collateral is required outside the pledging bank's holding company with monthly reporting by the custodian. Securities are priced at market on a daily basis as a contractual responsibility of the bank. The depository/collateral agreement must be executed under the terms of the Financial Industry Resource and Recovery Enforcement Act (FIRREA).

By policy and state law repurchase agreements are limited to those with defined termination dates executed with a Texas bank or a primary dealer (as defined by the Federal Reserve). The agreements require an industry standard, written master repurchase agreement and minimum 102% margin on collateral as well as delivery versus payment settlement and independent safekeeping. The maximum stated maturity is ninety days, except for bond funds flex repurchase agreements, which will match the expenditure plans on the bond funds.

State law and the adopted Policy allow for investment in general obligations of any United States state or its agencies or sub-divisions not to exceed three years to stated maturity and rated not less than AA or its equivalent by one nationally

recognized rating agency.

Public funds investment pools in Texas are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (PFIA), Chapter 2256 of the Texas Government Code. In addition to other provisions of the PFIA designed to promote liquidity and safety of principal, the PFIA require pools to: (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; (2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; (3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares; (4) must make available to the entity an annual audited financial statement of the investment pool in which the entity has funds invested.

CONCENTRATION OF RISK

The Authority recognizes over-concentration of assets by market sector or maturity as a risk to the portfolio. The adopted Investment Policy establishes diversification as a major objective of the investment program and sets diversification limits for all authorized investment types which are monitored on at least a monthly basis. Diversification limits are established as:

Investment Policy		Percent of Portfolio 2015	2014
United States Treasury securities	100%	-	-
United States Agency securities	100%	31.92%	23.48%
Depository Certificates of Deposit	80%	0.20%	0.32%
Repurchase Agreements	100%	-	-
Flex Agreements by bond fund	100%	-	-
Local Government Investment Pools	100%	26.42%	13.04%
Percent of pool ownership	10%		
Money Market Mutual Funds	100%	35.39%	38.26%
Percent of fund ownership	10%		
Interest bearing accounts	100%	0.01%	0.02%
Brokered Certificates of Deposit	10%	-	-
State and Local Debt Obligations	80%	6.06%	24.88%

CUSTODIAL CREDIT RISK

To control custody and safekeeping risk, State law and the Authority's adopted Investment policy requires collateral for all time and demand deposits, as well as collateral for repurchase agreements, be transferred delivery versus payment and held by an independent party approved by the Authority. The custodian is required to provide original safekeeping receipts and monthly reporting of positions with position descriptions including market value for both type transactions. All repurchase agreements and deposits must be collateralized to 102% and be executed under written agreements. The counter-party of each type transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

The Authority's portfolio contained no repurchase agreements and all bank demand deposits were fully insured and collateralized. All pledged bank collateral for demand deposits and certificates of deposits were held by an independent institution outside the bank's holding company.

CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Transfers and Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	$ 49,341,287	$ 35,445,109	$ -	$ 84,786,396
Channel and waterfront improvements	19,308,770	5,747,967	-	25,056,737
Intangibles	377,429	10,000	-	387,429
Construction in progress	60,764,538	(1,598,092)	-	59,166,446
Total capital assets, not being depreciated	129,792,024	39,604,984	-	169,397,008
Capital assets, being depreciated:				
Port facilities	217,122,120	28,033,821	31,699	245,124,242
Buildings and improvements	91,029,778	3,596,236	9,578,552	85,047,462
Machinery and equipment	46,249,174	2,308,045	2,374,506	46,182,713
Intangibles	2,553,094	39,857	-	2,592,951
Total capital assets, being depreciated	356,954,166	33,977,959	11,984,757	378,947,368
Less: accumulated depreciation for				
Port facilities	116,744,328	7,156,011	22,836	123,877,503
Buildings and improvements	38,906,538	3,116,007	3,633,415	38,389,130
Machinery and equipment	26,510,147	3,362,557	1,979,674	27,893,030
Intangibles	2,004,939	184,505	-	2,189,444
Total accumulated depreciation	184,165,952	13,819,080	5,635,925	192,349,107
Total capital assets, being depreciated, net	172,788,214	20,158,879	6,348,832	186,598,261
Total capital assets, net	**$ 302,580,238**	**$ 59,763,863**	**$ 6,348,832**	**$ 355,995,269**

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Transfers and Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	$ 46,663,231	$ 2,678,056	$ -	$ 49,341,287
Channel and waterfront improvements	19,308,770	-	-	19,308,770
Intangibles	377,429	-	-	377,429
Construction in progress	46,032,175	14,732,363	-	60,764,538
Total capital assets, not being depreciated	112,381,605	17,410,419	-	129,792,024
Capital assets, being depreciated:				
Port facilities	209,905,223	7,592,657	375,760	217,122,120
Buildings and improvements	85,439,767	5,688,694	98,683	91,029,778
Machinery and equipment	45,409,980	1,191,661	352,467	46,249,174
Intangibles	2,516,939	65,395	29,240	2,553,094
Total capital assets, being depreciated	343,271,909	14,538,407	856,150	356,954,166
Less: accumulated depreciation for				
Port facilities	111,468,128	5,651,960	375,760	116,744,328
Buildings and improvements	35,736,997	3,268,224	98,683	38,906,538
Machinery and equipment	23,609,737	3,221,469	321,059	26,510,147
Intangibles	1,865,275	168,904	29,240	2,004,939
Total accumulated depreciation	172,680,137	12,310,557	824,742	184,165,952
Total capital assets, being depreciated, net	170,591,772	2,227,850	31,408	172,788,214
Total capital assets, net	**$ 282,973,377**	**$ 19,638,269**	**$ 31,408**	**$ 302,580,238**

4. LEASES

OPERATING LEASES

The Authority leases to others certain land and improvements, and these leases are classified as operating leases. As of December 31, 2015, minimum lease payments under these operating leases that have initial or remaining non-cancelable lease terms in excess of one year are as follows:

Years Ending		
2016	$	8,675,099
2017		6,130,725
2018		5,229,247
2019		4,641,751
2020		4,013,241
Thereafter		63,656,849
Total	**$**	**92,346,912**

As of December 31, 2015, $3,540,126 had been received in advance payments for operating leases and has been recorded as unearned revenue. As of December 31, 2014, $4,275,308 had been received in advance payments for operating leases and has been recorded as unearned revenue.

5. NON-CURRENT LIABILITIES

LONG-TERM DEBT

On May 27, 2015, the Authority issued revenue bonds, Series 2015 (Taxable), in the amount of $115,000,000 to pay costs of projects to acquire land and to acquire, purchase, construct, enlarge, extend, repair or develop facilities or aids incident to or useful or necessary in the operation or development of the Authority's ports and waterways or in aid or navigation and commerce thereon. Certain proceeds of the Bonds were used to pay the costs of issuing the Bonds. Interest is payable on June 1 and December 1 of each year. The source of repayment, as defined by the bond resolutions, includes pledged revenues from the operation of Port Facilities after the deduction of maintenance and operating expenses other than those related to depreciation or the interest expense on the bonds.

A statement of changes in long-term debt for the year ended December 31, 2015, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Revenue bonds	$ -	$ 115,000,000	$ -	$ 115,000,000	$ 4,360,000
Total	**$ -**	**$ 115,000,000**	**$ -**	**$ 115,000,000**	**$ 4,360,000**

Total debt service requirements as of December 31, 2015, are as follows:

Years Ending	Principal	Interest	Total
2016	$ 4,360,000	$ 4,139,948	$ 8,499,948
2017	4,395,000	4,105,722	8,500,722
2018	4,450,000	4,051,092	8,501,092
2019	4,530,000	3,968,589	8,498,589
2020	4,635,000	3,866,301	8,501,301
Thereafter	92,630,000	34,874,806	127,504,806
Total	**$ 115,000,000**	**$ 55,006,458**	**$ 170,006,458**

UNEARNED REVENUES

The Authority receives advance payments for dredge placement agreements, operating lease contracts, and Foreign Trade Zone agreements, and the revenues will be recorded over the terms of these agreements as follows:

Years Ending	Dredge Placement	Operating Leases	Foreign Trade Zone	Totals
2016	$ 5,070	$ 988,536	$ 195,000	$ 1,188,606
2017	-	769,518	-	$ 769,518
2018	-	440,362	-	$ 440,362
2019	-	267,691	-	$ 267,691
2020	-	243,877	-	$ 243,877
Thereafter	-	830,142	-	$ 830,142
Total	**$ 5,070**	**$ 3,540,126**	**$ 195,000**	**$ 3,740,196**

UNEARNED CAPITAL LEASE

The Authority entered into a lease agreement with Gulf Compress. Under the terms of the lease, Gulf Compress constructed 550,000 square feet of cotton warehouses on property owned by the Port at the proposed site of the La Quinta Container Terminal Facility. On January 21, 2005, the cotton warehouses were completed and ownership was transferred to the Authority in consideration of a thirty year prepaid lease. Prepaid lease rentals will be amortized over the lease term as follows:

Years Ending	
2016	$ 457,040
2017	457,040
2018	457,040
2019	457,040
2020	457,040
Thereafter	6,376,046
Total	**$ 8,661,246**

COMPENSATED ABSENCES

A statement of changes in compensated absences for the year ended December 31, 2015, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Vacation	$ 1,132,754	$ 769,737	$ 729,119	$ 1,173,372	$ 729,119
Sickleave	2,539,998	500,584	455,844	2,584,738	455,844
Total	**$ 3,672,752**	**$ 1,270,321**	**$ 1,184,963**	**$ 3,758,110**	**$ 1,184,963**

A statement of changes in compensated absences for the year ended December 31, 2014, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Vacation	$ 1,027,607	$ 731,342	$ 626,195	$ 1,132,754	$ 626,195
Sickleave	2,335,954	565,602	361,558	2,539,998	361,558
Total	**$ 3,363,561**	**$ 1,296,944**	**$ 987,753**	**$ 3,672,752**	**$ 987,753**

OPEB OBLIGATION

A statement of changes in OPEB Obligation for the year ended December 31, 2015, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
OPEB Obligation	$ 487,882	$ 112,021	$ 10,144	$ 589,759	$ -
Total	**$ 487,882**	**$ 112,021**	**$ 10,144**	**$ 589,759**	**$ -**

A statement of changes in OPEB Obligation for the year ended December 31, 2014, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
OPEB Obligation	$ 399,726	$ 108,495	$ 20,339	$ 487,882	$ -
Total	**$ 399,726**	**$ 108,495**	**$ 20,339**	**$ 487,882**	**$ -**

6. PENSION PLAN

For the year ended December 31, 2015, the Authority has implemented the provisions of GASB Statement 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date. These statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and pension expense. The implementation is based on the actuarial date of December 31, 2014 and measurement date of December 31, 2014.

Plan Description

The Authority provides pension, disability, and death benefits for all its full-time employees through a nontraditional defined benefit pension plan in the state-wide Texas County and District Retirement System (TCDRS). TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 677 defined benefit pension plans which function similarly to cash balance-account plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034 or is available on their website at www.tcdrs.org.

The plan provisions are adopted by the governing body of the Authority, within the options available in the state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 10 or more years of service or with 30 years regardless of age or when the sum of their age and years of service equals 80 or more. Members are vested after 10 years but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the Authority within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act. There are no automatic post-employment benefit changes, including automatic cost-of-living adjustments. Ad hoc post-employment benefit changes, including cost-of-living adjustments can be granted by the governing body of the Authority within guidelines of the TCDRS.

The Authority had 182 active and 51 former employees covered under the TCDRS pension plan, and 95 retirees receiving benefits for the calendar year 2014. The Authority had 166 active and 47 former employees covered under the TCDRS pension plan, and 93 retirees receiving benefits for the calendar year 2013.

Funding Policy

The Authority has elected the Annually Determined Contribution Rate plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the Authority is actuarially determined annually.

The actuarially determined rate for the calendar year 2015 was 5.63 percent and for the calendar year 2014 was 3.43 percent, however the governing body of the Authority adopted the rate of 7 percent for the calendar year 2015 and 7 percent for the calendar year 2014. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act. Employee and Authority contributions were $979,504 and $979,504, respectively for the year ended December 31, 2015, and $827,147 and $827,147, respectively for the year ended December 31, 2014.

Actuarial Assumptions

The actuarial assumptions that determined the total net pension asset as of December 31, 2014 were based on the results of an actuarial experience study for the period January 1, 2009 – December 31, 2012, except where required to be different by GASB Statement 68. The actuarial valuations were determined using the following actuarial assumptions:

Actuarial Valuation Date	**December 31, 2014**
Actuarial Cost Method	Individual Entry Age Normal
Long-term Investment Rate of Return	8.10%
Discount Rate	8.10%
Inflation Rate	3%
Projected Salary Increase Rates	4.9%
Cost-of-Living Adjustment	0%
Mortality (all Mortality tables use generational mortality with Projection Scale AA)	Among active members RP-2000 Active Mortality Table for Males + 2 years RP-2000 Active Mortality Table for Females – 4 years Among inactive vested members, service retirees & beneficiaries RP-2000 Combined Mortality Table for Males + 1 year RP-2000 Combined Mortality Table for Females + 0 years Among disability retirees RP-2000 Disabled Mortality Table for Males + 0 years RP-2000 Disabled Mortality Table for Females +2 year
Retirement Age	Experience-based table with rates of retirement ranging from 4.5% at ages 40-44 to 22% at age 74; for all eligible members ages 75 and older, retirement is assumed to occur immediately

Discount Rate

The discount rate used to determine the total pension liability was 8.10%. The discount rate was determined using an alternative method to determine the sufficiency of the fiduciary net position in all future years. This method reflects the

funding requirements under the Authority's funding policy and the legal requirements under the TCDRS Act as follows:

1) TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20 year closed layered periods.
2) Under the TCDRS Act, the Authority is legally required to make the contribution specified in the funding policy.
3) The Authority's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the Authority is still required to contribute at least the normal cost.
4) Any increased cost due to the adoption of a cost-of living adjustment is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position was determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system the fiduciary net position as a percentage of total pension liability is expected to increase from its current level in future years. Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the Authority is equal to the long-term assumed rate of return on investments of 8.10%.

Discount Rate Sensitivity Analysis

The following presents the net pension liability of the Authority, calculated using the discount rate of 8.10%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.10%) or one percentage point higher (9.10%) than the current rate.

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total pension liability	$ 48,411,000	$ 43,516,753	$ 39,394,391
Fiduciary net position	45,786,593	45,786,593	45,786,593
Net pension liability (asset)	**$ 2,624,407**	**$ (2,269,840)**	**$ (6,392,202)**

Long-Term Expected Rate of Return

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown on the following page are based on January, 2015 information for a seven to ten year time frame. The valuation assumption for long-term expected return is re-assessed a minimum of every four years, and is set based on a 30 year time horizon, the most recent analysis was performed in 2013.

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (Expected Minus Inflation) (2)
U.S. Equities	Dow Jones U.S. Total Stock Market Index	0.165	0.0535
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	0.120	0.0835
Global Equities	MSCI World (net) Index	0.015	0.0565
International Equities-Developed	50% MSCI World Ex USA (net) + 50% MSCI World ex USA 100% Hedged to USD (net) Index	0.110	0.0535
International Equities-Emerging	50% MSCI EM Standard (net) Index + 50% MSCI EM 100% Hedged to USD (net) Index	0.090	0.0635
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	0.030	0.0055
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	0.030	0.0375
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	0.050	0.0554
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	0.020	0.0580
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	0.030	0.0675
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	0.020	0.0400
Commodities	Bloomberg Commodities Index	0.020	-0.0020
Master Limited Partnerships	Alerian MLP Index	0.020	0.0530
Private Real Estate	Cambridge Associates Real Estate Index	0.030	0.0720
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	0.250	0.0515

(1) Target Asset Allocation was adopted at the April, 2015 TCDRS Board meeting
(2) Geometric Real Rates of Return in addition to assumed inflation of 1.7%

Net Pension Liability (Asset)

The changes in net pension asset for the measurement date of December 31, 2014 based on the actuarial date of December 31, 2014 is reflected below:

Changes in Net Pension Liability (Asset)	Increase (Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Position Liability (Asset)
Balances as of December 31, 2013	$ 38,336,862	$ 43,113,568	$ (4,776,706)
Changes for the Year:			
Service cost	1,020,446	-	1,020,446
Interest on total pension liability	3,162,730	-	3,162,730
Effect of plan changes	2,280,346	-	2,280,346
Effect of economic/demographic gains or losses	570,613	-	570,613
Refund of contributions	(51,827)	(51,827)	-
Benefit payments	(1,802,417)	(1,802,417)	-
Administrative expenses	-	(34,241)	34,241
Member contributions	-	827,147	(827,147)
Net investment income	-	2,888,058	(2,888,058)
Employer contributions	-	827,147	(827,147)
Other (allocated system-wide items)	-	19,158	(19,158)
Balances as of December 31, 2014	**$ 43,516,753**	**$ 45,786,593**	**$ (2,269,840)**

In December, 2014, the governing body of the Authority adopted an increase in the employer matching rate from 1:1 to 1.25:1 effective for the calendar year 2015. This change is reflected in the above table as a plan change of $2,280,346.

For the year ended December 31, 2015, the Authority recognized pension expense as follows:

	January 1, 2014 to December 31, 2014
Service cost	$ 1,020,446
Interest on total pension liability	3,162,730
Effect of plan changes	2,280,346
Administrative expenses	34,241
Member contributions	(827,147)
Expected investment return net of investment expenses	(3,517,901)
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	95,102
Recognition of investment gains or losses	125,969
Other (allocated system-wide items)	(19,158)
Pension expense	**$ 2,354,628**

For the year ended December 31, 2015, the Authority recorded deferred outflows of resources related to the pension as follows:

Differences between expected and actual experience	$	475,511
Net difference between projected and actual earnings		503,874
Contributions made subsequent to measurement date		979,504
Deferred Outflows of Resources	$	**1,958,889**

Amounts currently reported as deferred outflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year ended December 31:		
2015	$	221,071
2016		221,071
2017		221,071
2018		221,071
2019		-
Thereafter		95,220
Total	**$**	**979,504**

Pension Plan Prior to Implementation of GASB 68, as amended by GASB 71

GASB Statement 68, as amended by GASB Statement 71 was implemented by the Authority for calendar year 2015. For comparative purposes, the following information is presented to reflect the pension plan information prior to the implementation of those statements.

Net Pension Asset

The actuarially determined rate for the calendar year 2013 was 3.54 percent, however the governing body of the Authority adopted the rate of 7 percent. The contributions made by the Authority in excess of the actuarially determined rate was classified as net pension asset and reflected as other non-current assets.

A statement of changes in net pension asset for the year ended December 31, 2014 is as follows:

Annual required contribution	$	405,302
Interest on net pension asset		(557,631)
Adjustment to actuarially determined rate		510,359
Annual pension cost		358,030
Contributions made		827,147
Increase in net pension asset		469,117
Net pension asset - beginning of year		6,970,384
Net pension asset - end of year	**$**	**7,439,501**

Annual Pension Cost

For the Authority's year ended December 31, 2014, the annual pension cost for the TCDRS plan for is employees was $358,030 and the actual contributions for its employees were $827,147. Three year annual trend information on annual pension cost is a follows:

Years Ended December 31,	Annual Pension Cost	Contributions Made	Percentage of APC Contributed	Net Pension Asset
2014	$ 358,030	$ 827,147	231.03%	$ 7,439,501
2013	293,946	791,841	269.38%	6,970,384
2012	991,597	6,508,045	656.32%	6,472,489

The required contribution determined as part of the December 31, 2013 actuarial valuation was using the entry age actuarial cost method. The actuarial assumptions at December 31, 2013 included (a) 8 percent investment rate of retune (net of administrative expenses), and (b) projected salary increases of 4.9 percent. Both (a) and (b) included an inflation rate of 3 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the fair value of investments over a five year period. The overfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2013 was 30 years.

As of December 31, 2013, the most recent actuarial valuation date, the plan was 103.67 percent funded. The actuarial accrued liability for benefits was $30,786,850, and the actuarial value of assets was $31,917,556 resulting in an overfunded actuarial accrued liability (UAAL) of $1,130,706. The covered payroll (annual payroll of active employees covered by the plan) was $11,312,022, and the ratio of the UAAL to the covered payroll was (10.00) percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

7. POSTRETIREMENT BENEFITS

GASB Statement No. 45 *Accounting and Financial Reporting by Employers for Postretirement Benefits Other than Pensions* (OPEB), established accounting standards for postretirement benefits. The standard does not require funding of OPEB expense, but any differences between the annual required contribution (ARC) and the amount funded during the year is to be recorded in the employer's financial statements as an increase (or decrease) in the net OPEB obligation. The Authority is required to obtain an actuarial valuation at least once every three years in accordance with GASB 45 standards. The Authority's latest valuation is dated as of January 1, 2014.

Plan Description

The Authority provides postretirement healthcare benefits to eligible retired employees and their spouses through provisions enacted by the authority of the Port Commission. At December 31, 2015, one former employee was eligible for these benefits. The Authority funds a portion of the premiums for health insurance. Continuation of these benefits and the Authority's contributions are dependent on periodic authorization by the Port Commission. The health insurance benefits provided to retirees are the same as those offered to active employees. The supplied benefits include hospital, doctor, dental and prescription drug charges.

Employees, who have reached age 62, may continue coverage under the Authority's healthcare plan as a retiree until the age of 65.

The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to fund the plan. The plan does not issue a separate financial report.

Funding Policy

The required contribution is based on a projected pay-as-you-go basis, which is expected to continue. The cost of retiree health and life benefits, recorded on a pay-as-you-go basis was $10,144 for the year ended December 31, 2015 and $20,339 for the year ended December 31, 2014.

Annual OPEB Cost and Net OPEB Obligation

The annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) or funding excess over a period not to exceed thirty years. The following table shows the components of the Authority's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the Authority's net OPEB obligation. The end of year net OPEB Obligation is shown as a non-current liability on the Statement of Net Position.

A statement of the calculation of the annual OPEB contribution and the change in the net OPEB obligation for the years ended December 31, 2015 and 2014 is as follows:

	2015	2014
Determination of Annual Required Contribution		
Normal Cost at Year End	$ 68,857	$ 68,857
Amortization of UAAL	56,488	49,866
Annual Required Contribution (ARC)	125,345	118,723
Determination of Net OPEB Obligation		
Annual Required Contribution	125,345	118,723
Interest on Prior Year Net OPEB Obligation	19,515	15,989
Adjustment to ARC	(32,839)	(26,217)
Annual OPEB Cost	112,021	108,495
Contributions Made	(10,144)	(20,339)
Increase in Net OPEB Obligation	101,877	88,156
Net OPEB Obligation - Beginning of Year	487,882	399,726
Net OPEB Obligation - End of Year	**$ 589,759**	**$ 487,882**

The end of year net OPEB Obligation is shown as a non-current liability on the Statement of Net Position.

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and net OPEB obligation for the current and three preceding years were as follows:

Years Ended December 31,	Discount Rate	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2015	4.00%	$ 112,021	9.06%	$ 589,759
2014	4.00%	108,495	18.75%	487,882
2013	4.00%	153,655	18.61%	399,726
2012	4.00%	158,983	188.00%	274,672

Funding Status and Funding Progress

The schedule of funding progress for the current and three preceding years is as follows:

Actuarial Valuation Date, January 1	Actuarial Value of Assets	Discount Rate	Actuarial Accrued Liabilities (AAL) (1)	Unfunded Actuarial Accrued Liabilities (UAAL) (2)	Funded Ratio	Annual Covered Payroll	UAAL as % of Covered Payroll
2015	$ -	4.0%	$ 839,232	$ 839,232	0.0%	$ 13,992,927	6.0%
2014	-	4.0%	760,302	760,302	0.0%	11,816,387	6.4%
2013	-	4.0%	1,022,906	1,022,906	0.0%	11,312,022	9.0%
2012	-	4.0%	1,182,857	1,182,857	0.0%	10,982,221	10.8%

(1) Actuarial Accrued Liability determined under the projected unit credit cost method.
(2) Actuarial Accrued Liability less Actuarial Value of Assets.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the Authority are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used to determine the OPEB obligation is computed using the Projected Unit Credit Actuarial Cost Method which consists of the following cost components:

- The Normal Cost is the Actuarial Present Value of benefits allocated to the valuation year.
- The Actuarial Accrued Liability (AAL) is the actuarial present value of benefits accrued as of the valuation date.
- Valuation Assets are equal to the market value of assets as of the valuation date, if any.
- Unfunded Actuarial Accrued Liability (UAAL) is the difference between the Actuarial Accrued Liability and the Valuation Assets. The amortization of UAAL as of January 1, 2015 is calculated as a level dollar over 24 years on a closed basis.

The latest actuarial valuation for the Authority was completed as of January 1, 2014. The significant assumptions underlying the actuarial calculations are as follows:

Actuarial Cost Method	Projected Unit Credit
Discount Rate for Valuing Liabilities	Pay-as-you-go: 4.0%
Mortality Rates	RP2000 with Projection Scale AA
Healthcare Cost Trend	7.2% in the first year 7.0% in the second year 6.7% in the third year 6.9% in the fourth year Grade down to 4.5% by the sixty-first year
Dental Cost Trend	5.46% in the first year 5.32% in the second year 5.19% in the third year 5.06% in the fourth year Grade down to 3.86% by the thirteenth year
Healthcare Inflation Rate (Includes Administrative Expenses)	December 31, 2014 Medical 7.2% Dental 5.46% December 31, 2015 Medical 7.0% Dental 5.32% Range of Years 2016-2075: Medical 6.7% - 4.5% Dental 5.19% -3.86%
Withdrawal Rates*	Based on Years of Service
Disability Rates*	Based on Age
Retirement Rates *	Based on Age
Employee Coverage	100% eligible for benefits elect coverage
Spousal Coverage	85% eligible for benefits elect coverage
Spouse Age Difference	Same as employee
Medical Benefit Costs by Age	Varies based on projected average monthly cost for claims and administration based on experience

* Based on the 2013 pension valuation for the Texas County and District Retirement System

8. CONSTRUCTION AND IMPROVEMENT COMMITMENTS

At December 31, 2015, the Authority had remaining contractual construction and improvement commitments of approximately $30,766,103. These commitments are being financed through operating revenues, bond proceeds, and capital grants.

9. COMMITMENTS AND CONTINGENCIES

LITIGATION

From time to time, the Authority is subject to routine litigation incidental to its operations. Management believes that the results of any claims or litigation will not materially affect the Authority's financial position.

RISK MANAGEMENT

The Authority has a combined risk financing approach using both risk transfer and risk retention in order to appropriately manage risk in accordance with financial and operational goals. The Authority retains a maximum $4,000,000 retention on the property insurance program with primary limits of $25 million and excess limits of $75 million for a combined limit of $100 million. In order to manage liability loss exposures, various liability policies are purchased which include; employment practices liability, property damage and bodily injury, law enforcement, and foreign liability. The Authority has established a self-funded health and dental plan (plan) for its employees and dependents. A specific stop loss policy is in force for individual plan claims in excess of $100,000 annually, and an aggregate stop loss policy is in force for annual aggregate claims in excess of approximately $2,849,606. The Authority is covered for worker's compensation claims through the Texas Municipal League Risk Pool. Prior to 2005, the Authority was self-insured for worker's compensation and estimated remaining worker's compensation claims are reflected below. The Authority has made no significant changes in its insurance coverage from coverage in the prior year. In the past three years the Authority has had no settlements that exceeded insurance coverage.

A liability for unpaid claims is reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The Authority's liability is an estimate and includes an amount for claims that have been incurred but not reported (IBNR). The methodology used to determine the liability is based on recent claim settlement trends, including frequency and amount of payouts, and other factors such as inflation, changes in legal doctrines and damage awards. At December 31, 2015, the liability of $168,820 is comprised of estimated health claims of $160,252 and estimated worker's compensation claims of $8,568. At December 31, 2014, the liability of $173,348 is comprised of estimated health claims of $155,265 and estimated worker's compensation claims of $18,053.

Changes in the balances of claims liabilities as of December 31, 2015 and 2014 are as follows:

	2015	2014
Unpaid claims, beginning of fiscal year	$ 173,348	$ 113,920
Incurred claims (including IBNRs)	3,484,158	2,435,394
Claim payments	(3,488,686)	(2,375,966)
Unpaid claims, end of fiscal year	**$ 168,820**	**$ 173,348**

FACILITIES FINANCING BONDS

The Authority and IDC have entered into agreements with three unrelated entities to finance construction of pollution control, environmental, and solid waste disposal facilities. To accomplish this, the Authority and IDC acted as issuers of facilities financing revenue bonds in the original amount of $495,395,000. The bonds are secured solely by the facilities and installment sales agreements, and the Authority and IDC assumed no current or future obligation for repayment of the bonds. The installment sales agreements were entered into with the entities for an amount equal to the outstanding bonds to secure repayment. The proceeds of the bonds were received and used by the entities and are repaid when due directly by the entities. At December 31, 2015, facilities financing revenue bonds outstanding amounted to $475,495,000.

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
Texas County and District Retirement System

PENSION PLAN:

	Measurement Year 2014 *
TOTAL PENSION LIABILITY	
Service Cost	$ 1,020,446
Interest on Total Pension Liability	3,162,730
Effect of Plan Changes	2,280,346
Effect of Assumption Changes/Inputs	N/A
Effect of Economic/Demographic (Gains) or Losses	570,613
Benefit Payments/Contribution Refunds	(1,854,244)
Net Change in Total Pension Liability	5,179,891
Total Pension Liability, Beginning	38,336,862
Total Pension Liability, Ending	$ 43,516,753
FIDUCIARY NET POSITION	
Employer Contributions	$ 827,147
Member Contributions	827,147
Investment Income Net of Investment Expenses	2,888,058
Benefit Payments/Contribution Refunds	(1,854,244)
Administrative Expenses	(34,241)
Other	19,158
Net Change in Fiduciary Net Position	2,673,025
Fiduciary Net Position, Beginning	43,113,568
Fiduciary Net Position, Ending	$ 45,786,593
Net Pension Liability (Asset)	$ (2,269,840)
Fiduciary Net Position as a Percentage of Total Pension Asset	105.22%
Annual Covered Payroll	$ 11,816,386
Net Pension Asset as a Percentage of Covered Payroll	-(19.2%)

* This schedule is required to present information for ten years, however, prior years information is not available. Therefore, we have shown only the year for which GASB Statement 68, as amended by GASB Statement 71 was implemented.

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Required Supplementary Information (Unaudited)
Schedule of Employer Contributions
Texas County and District Retirement System

PENSION PLAN:	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015*
Actuarially Determined Contribution	$ 763,112	$ 784,733	$ 838,335	$ 935,773	$ 959,095	$ 771,971	$ 831,354	$ 400,446	$ 405,302	$ 787,802
Actual Employer Contributions	992,226	1,051,409	1,132,885	1,253,776	1,302,474	1,158,484	6,508,045	791,841	827,147	979,505
Contribution Deficiency (Excess)	(229,114)	(266,676)	(294,550)	(318,003)	(343,379)	(386,513)	(5,676,691)	(391,395)	(421,845)	(191,703)
Annual Covered Payroll	9,020,233	9,558,262	10,298,956	11,397,962	11,840,675	10,531,666	10,982,221	11,312,022	11,816,386	13,992,927
Contribution as a Percentage of Covered Payroll	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	59.26%	7.00%	7.00%	7.00%

* The rate used to calculate the actuarially determined contribution reflects plan changes efective January 1, 2015.

NOTES TO SCHEDULE:

Valuation date: 12/31/2014

Actuarial determined contribution rates are calculated as of December 31 each year, and become effective in January, 12 months and a day later.

Methods and Assumptions Used to Determine Contribution Rate for 2015:

Actuarial Cost Method	Entry age actuarial cost method
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	14 years for plan change *
	20 years for UAAL layer
Asset Valuation Method	Subdivision Accumulation Fund - 5 year smoothed value
	Employees Saving Fund - fund value
Inflation	3.00%
Salary Increases	4.90% (Includes inflation at the stated rate)
Investment Rate of Return	8.00% (Includes inflation at the stated rate)
Retirement Age	Experience-based table with rates of retirement ranging from 4.5% at ages 40-44 to 22% at age 74; for all eligible members ages 75 and older, retirement is assumed to occur immediately.
Mortality (all Mortality tables use generational mortality with Projection Scale AA)	Among active members
	RP-2000 Active Mortality Table for Males + 2 years
	RP-2000 Active Mortality Table for Females - 4 years
	Among inactive vested members, service retirees and beneficiaries
	RP-2000 Combined Mortality Table for Males + 1 year
	RP-2000 Combined Mortality Table for Females + 0 year
	Among disability retirees
	RP-2000 Disabled Mortality Table for Males + 0 years
	RP-2000 Disabled Mortality Table for Females + 2 years

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Required Supplementary Information (Unaudited)
Schedule of Funding Progress

OPEB OBLIGATION:

	2013	2014	2015
Actuarial Valuation Date	1/1/2011	1/1/2014	1/1/2014
Actuarial Value of Assets	$ -	$ -	$ -
Actuarial Accrued Liability (AAL)	$ 1,022,906	$ 760,302	$ 839,232
Funded Ratio	0.0%	0.0%	0.0%
Unfunded Actuarial Accrued Liability (UAAL)	$ 1,022,906	$ 760,302	$ 839,232
Annual covered Payroll	$ 11,312,022	$ 11,816,387	$ 13,992,927
UAAL as a Percentage of Covered Payroll	9.0%	6.4%	6.0%

PENSION PLAN:

	2012	2013	2014
Actuarial Valuation Date	12/31/2011	12/31/2012	12/31/2013
Actuarial Value of Assets	$ 28,148,929	$ 29,524,708	$ 31,917,556
Actuarial Accrued Liability (AAL)	$ 28,169,728	$ 29,044,854	$ 30,786,850
Funded Ratio	99.9%	101.7%	103.7%
Unfunded Actuarial Accrued Liability (UAAL)	$ 20,799	$ (479,854)	$ (1,130,706)
Annual covered Payroll	$ 10,531,666	$ 10,982,221	$ 11,312,022
UAAL as a Percentage of Covered Payroll	0.20%	-(4.4%)	-(10.0%)

PORTCORPUSCHRISTI



SUPPLEMENTAL SECTION

PORT CORPUS CHRISTI®

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Schedule of Revenues and Expenses Actual and Budget (GAAP Basis)

	Year Ended December 31, 2015		
	Actual	Budget	Variance (%)
OPERATING REVENUES:			
Wharfage	$ 45,779,919	$ 43,805,928	5
Dockage	14,003,472	14,877,025	(6)
Security fees	6,673,782	6,601,221	1
Freight handling	3,153,285	2,835,996	11
Rail Charges	699,535	891,050	(21)
Building and land rentals	9,391,040	8,715,780	8
Conference center services	2,209,031	2,098,289	5
FTZ user fees	207,667	216,000	(4)
Dredge placement fees	10,151,880	-	100
Other	1,152,244	992,911	16
Total Operating Revenues	93,421,855	81,034,200	15
OPERATING EXPENSES:			
Maintenance and operations	21,470,411	26,608,718	19
General and administrative	19,469,477	19,073,787	(2)
Depreciation	13,819,080	12,058,897	(15)
Total Operating Expenses	54,758,968	57,741,402	5
Operating Income	38,662,887	23,292,798	66
NON-OPERATING REVENUES (EXPENSES):			
Investment income	518,374	406,725	27
Federal and other grant assistance	227,714	-	100
Loss on disposal of assets	(5,829,882)	-	(100)
Bond issuance costs	(1,139,597)	-	(100)
Interest expense and fiscal charges	(2,030,505)	(400)	(507526)
Contributions to other governmental agencies	(3,000,000)	-	(100)
Net Non-Operating Revenues	(11,253,896)	406,325	(2870)
Income Before Capital Grants and Contributions	27,408,991	23,699,123	16
CAPITAL GRANTS AND CONTRIBUTIONS	7,245,620	16,693,639	(57)
Change in Net Position	$ 34,654,611	$ 40,392,762	(14)

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Schedules of Maintenance and Operations and General and Administrative Expenses
For the Years Ended December 31, 2015 and 2014

	2015	2014
MAINTENANCE AND OPERATIONS:		
Employee services	$ 9,993,556	$ 8,304,043
Maintenance	3,667,189	6,122,959
Utilities	1,073,706	1,004,905
Telephone	78,674	80,639
Insurance & claims	1,745,262	1,911,090
Professional services	864,991	2,422,320
Police expenses	31,320	16,461
Contracted services	1,334,780	1,277,137
Office and equipment rental	109,355	79,023
Operator and event expenses	1,624,343	1,547,155
Safety/Environmental	70,797	107,859
General	876,438	494,274
Total Maintenance and Operations	$ 21,470,411	$ 23,367,865
GENERAL AND ADMINISTRATIVE:		
Employee services	$ 10,549,722	$ 8,001,279
Maintenance	759,004	648,221
Utilities	160,630	159,148
Telephone	91,439	83,776
Insurance & claims	109,887	99,451
Professional services	4,363,193	3,870,383
Police expenses	1,227	1,616
Contracted services	49,477	26,167
Office and equipment rental	99,176	86,761
Administrative	2,667,808	2,309,972
Trade and sales development	165,955	209,900
Media advertising	311,184	232,608
Production	74,566	41,061
Safety/Environmental	43,037	28,007
General	23,172	92,943
Total General and Administrative	$ 19,469,477	$ 15,891,293

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Schedules of Facilities Financing Bonds
December 31, 2015

Description		Interest Rates	Issue Date	Series Maturity	Original Amount	Balance Outstanding
Pollution Control Revenue Bonds:						
Hoechst Celanese, Series 2002A		6.450%	05/01/2002	2030	$ 13,995,000	$ 13,995,000
Hoechst Celanese, Series 2002B		6.700%	05/01/2002	2030	39,000,000	39,000,000
Environmental Facilities Revenue Bonds:						
Citgo Petroleum, Series 2003	*	8.250%	05/01/2003	2031	39,200,000	19,300,000
Citgo Petroleum, Series 2006	*	Variable	10/01/2006	2036	50,000,000	50,000,000
Citgo Petroleum, Series 2007	*	Variable	05/01/2007	2037	45,000,000	45,000,000
Citgo Petroleum, Series 2008	*	Variable	04/01/2008	2043	50,000,000	50,000,000
Solid Waste Disposal Revenue Bonds:						
Flint Hills Res., Series 2002A		Variable	10/01/2002	2029	125,000,000	125,000,000
Flint Hills Res., Series 2002B		Variable	10/01/2002	2029	11,700,000	11,700,000
Flint Hills Res., Series 2003		Variable	04/01/2003	2028	19,500,000	19,500,000
Flint Hills Res., Series 2005		Variable	03/01/2005	2030	25,000,000	25,000,000
Flint Hills Res., Series 2006		Variable	04/01/2006	2030	42,000,000	42,000,000
Flint Hills Res., Series 2007		Variable	10/01/2007	2032	35,000,000	35,000,000
Total					$ 495,395,000	$ 475,495,000

* - Issued by the Industrial Development Corporation (IDC)

PORTCORPUSCHRISTI



STATISTICAL SECTION

PORT CORPUS CHRISTI®

Statistical Section
(Unaudited)

This part of the Port of Corpus Christi's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health.

Contents

	Page
Financial Trends These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.	53
Revenue Capacity These schedules contain information to help the reader access the factors affecting the Authority's ability to generate its most significant revenue sources.	57
Debt Capacity These schedules present information to help the reader assess the affordability of the Authority's current level of outstanding debt and the Authority's ability to issue additional debt in the future.	63
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment with which the Authority's financial activities take place and to help make comparisons over time and with other governments.	65
Operating Information These schedules contain information about the Authority's operations and resources to help the reader understand how the Authority's financial information relates to the services the Authority provides and the activities it performs.	67
Additional Information These schedules contain information as part of the Authority's effort to meet Continuing disclosure requirements related to outstanding bonds as permitted by SEC Rule 15c2-12.	73

Sources: Unless otherwise noted, the information in these schedules is derived from the Authority's comprehensive annual financial reports and business records for the relevant years.

PORTCORPUSCHRISTI

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Changes in Net Position
Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Operating revenues:										
Wharfage	$ 19,351,717	$ 27,219,535	$ 26,359,823	$ 24,826,670	$ 26,567,587	$ 27,410,252	$ 31,293,692	$ 35,688,217	$ 42,288,896	$ 45,779,919
Dockage	3,354,723	3,655,333	7,078,197	7,319,259	8,138,326	8,948,217	10,331,997	11,358,813	14,630,404	14,003,472
Security fees	2,158,237	2,351,695	3,474,748	3,412,485	6,170,288	6,319,747	6,528,526	7,325,584	6,460,860	6,673,782
Freight handling	2,065,511	2,166,118	2,178,423	2,428,621	2,316,667	2,387,583	2,191,682	2,815,582	3,133,303	3,153,285
Rail Charges	337,024	687,079	980,131	754,366	839,342	1,252,172	1,151,977	1,026,819	893,900	699,535
Building and land rentals	4,037,572	4,545,342	4,318,458	3,924,060	4,417,518	6,411,552	7,490,936	8,152,093	8,456,174	9,391,040
Conference center services	1,495,599	1,597,594	1,451,630	2,007,407	1,679,885	1,814,456	2,008,474	1,688,770	1,864,556	2,209,031
Warehouse handling charges	1,484,404	1,211,146	1,367,306	596,168	426,093	368,950	-	-	-	-
FTZ user fees	243,000	295,000	284,500	326,000	337,000	302,750	301,250	253,917	222,500	207,667
Dredge placement fees	501,690	251,554	2,477,710	28,405	(3,279)	1,375,619	(36,629)	8,153,771	1,669,714	10,151,880
Other	1,006,934	949,061	1,080,267	802,449	1,390,425	2,107,663	1,170,509	1,004,387	2,189,138	1,152,244
Total operating revenues	36,036,411	44,929,457	51,051,193	46,425,890	52,279,852	58,698,961	62,432,414	77,467,953	81,809,445	93,421,855
Investment income	1,269,697	1,230,324	932,447	584,849	478,291	467,494	163,804	283,544	341,754	518,374
Federal and other grant assistance	-	-	284,048	17,570	60,806	169,966	337,965	290,727	180,655	227,714
Donation of personal property	-	-	-	-	225,825	4,500	-	-	-	-
Gain on disposal of assets	-	-	-	7,266	-	3,727,517	-	-	40,596	-
Total Revenues	37,306,108	46,159,781	52,267,688	47,035,575	53,044,774	63,068,438	62,934,183	78,042,224	82,372,450	94,167,943
Expenses										
Operating expenses:										
Maintenance and operations	18,385,065	21,392,329	21,842,912	20,697,782	20,248,511	22,760,814	22,721,681	18,144,056	23,367,865	21,470,411
General and administrative	10,760,589	12,521,179	13,007,565	15,029,743	14,939,210	13,830,284	17,835,428	15,378,025	15,891,293	19,469,477
Depreciation	7,127,447	8,442,640	9,648,639	10,060,645	12,165,114	13,381,562	13,738,571	12,024,981	12,310,557	13,819,080
Total operating expenses	36,273,101	42,356,148	44,499,116	45,788,170	47,352,835	49,972,660	54,295,680	45,547,062	51,569,715	54,758,968
Interest expense and fiscal charges	689,611	620,495	562,442	504,030	450,602	392,699	(51,908)	16,986	535	2,030,505
Bond issuance costs	49,458	37,828	28,615	20,735	10,743	-	-	-	-	1,139,597
Fiscal payments to subrecipients	-	-	284,048	-	-	-	128,730	-	-	-
Contributions to other government agencies	-	-	-	-	-	-	-	-	-	3,000,000
Loss on disposal of assets	15,395	10,293	308,883	-	8,643	-	9,517,670	102,957	-	5,829,882
Total Expenses	37,027,565	43,024,764	45,683,104	46,312,935	47,822,823	50,365,359	63,890,172	45,667,005	51,570,250	66,758,952
Income(Loss) Before Contributions	278,543	3,135,017	6,584,584	722,640	5,221,951	12,703,079	(955,989)	32,375,219	30,802,200	27,408,991
Capital Contributions	12,261,584	4,633,770	2,510,746	2,090,573	111,670,700	5,402,273	5,663,315	5,842,850	8,657,361	7,245,620
Changes in Net Position	12,540,127	7,768,787	9,095,330	2,813,213	116,892,651	18,105,352	4,707,326	38,218,069	39,459,561	34,654,611
Total Net Position, Beginning of Year	204,690,766	217,230,893	224,999,680	234,095,010	236,908,223	353,800,874	371,906,226	376,613,552	414,831,621	454,291,182
Cumulative Effect of Change in Accounting Principle	-	-	-	-	-	-	-	-	-	1,835,648
Total Net Position, End of Year	$ 217,230,893	$ 224,999,680	$ 234,095,010	$ 236,908,223	$ 353,800,874	$371,906,226	$ 376,613,552	$ 414,831,621	$ 454,291,182	$ 487,110,145
Net Position at Year End										
Net investment in capital assets	$ 195,074,359	$ 204,800,725	$ 202,587,244	$ 211,984,713	$ 321,470,695	$334,092,868	$ 245,665,607	$ 273,398,051	$ 293,461,952	$ 287,147,609
Restricted	2,061,302	2,193,823	1,756,683	1,747,632	1,927,662	1,924,226	252,763	32,683	35,522	36,153,709
Unrestricted	20,095,232	18,005,132	29,751,083	23,175,878	30,402,517	35,889,132	130,695,182	141,400,887	160,793,708	163,808,827
Total Net Position	$ 217,230,893	$ 224,999,680	$ 234,095,010	$ 236,908,223	$ 353,800,874	$371,906,226	$ 376,613,552	$ 414,831,621	$ 454,291,182	$ 487,110,145

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Revenues by Source
Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Operating Revenues:										
Wharfage	$19,351,717	$27,219,535	$26,359,823	$24,826,670	$26,567,587	$27,410,252	$31,293,692	$35,688,217	$42,288,896	$45,779,919
Dockage	3,354,723	3,655,333	7,078,197	7,319,259	8,138,326	8,948,217	10,331,997	11,358,813	14,630,404	14,003,472
Security fees	2,158,237	2,351,695	3,474,748	3,412,485	6,170,288	6,319,747	6,528,526	7,325,584	6,460,860	6,673,782
Freight handling	2,065,511	2,166,118	2,178,423	2,428,621	2,316,667	2,387,583	2,191,682	2,815,582	3,133,303	3,153,285
Rail Charges	337,024	687,079	980,131	754,366	839,342	1,252,172	1,151,977	1,026,819	893,900	699,535
Building and land rentals	4,037,572	4,545,342	4,318,458	3,924,060	4,417,518	6,411,552	7,490,936	8,152,093	8,456,174	9,391,040
Conference center services	1,495,599	1,597,594	1,451,630	2,007,407	1,679,885	1,814,456	2,008,474	1,688,770	1,864,556	2,209,031
Warehouse handling charges	1,484,404	1,211,146	1,367,306	596,168	426,093	368,950	-	-	-	-
FTZ user fees	243,000	295,000	284,500	326,000	337,000	302,750	301,250	253,917	222,500	207,667
Dredge placement fees	501,690	251,554	2,477,710	28,405	(3,279)	1,375,619	(36,629)	8,153,771	1,669,714	10,151,880
Other	1,006,934	949,061	1,080,267	802,449	1,390,425	2,107,663	1,170,509	1,004,387	2,189,138	1,152,244
	$36,036,411	$44,929,457	$51,051,193	$46,425,890	$52,279,852	$58,698,961	$62,432,414	$77,467,953	$81,809,445	$93,421,855
Non-Operating Revenues:										
Other:										
Investment income	$ 1,269,697	$ 1,230,324	$ 932,447	$ 584,849	$ 478,291	$ 467,494	$ 163,804	$ 283,544	$ 341,754	$ 518,374
Other	-	-	284,048	24,836	286,631	3,901,983	337,965	290,727	221,251	227,714
	$ 1,269,697	$ 1,230,324	$ 1,216,495	$ 609,685	$ 764,922	$ 4,369,477	$ 501,769	$ 574,271	$ 563,005	$ 746,088

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Expenses by Type
Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Operating Expenses:										
Maintenance and Operation:										
Employee services	$ 6,768,333	$ 6,952,412	$ 8,255,443	$ 7,866,038	$ 8,374,106	$ 7,810,947	$ 8,258,807	$ 7,324,312	$ 8,304,043	$ 9,993,556
Maintenance	4,173,668	6,483,605	6,340,774	4,987,113	3,538,398	5,136,098	4,896,773	3,679,718	6,122,959	3,667,189
Utilities	1,399,011	1,383,059	1,357,364	1,631,307	1,702,868	2,327,822	1,735,122	902,342	1,004,905	1,073,706
Telephone	23,716	35,699	29,991	26,436	35,286	101,960	94,604	85,538	80,639	78,674
Insurance & claims	1,726,286	2,017,983	1,902,331	1,844,918	2,266,112	2,099,345	2,311,581	2,023,472	1,911,090	1,745,262
Professional services	400,085	344,073	424,975	900,742	691,191	1,415,731	1,771,323	974,998	2,422,320	864,991
Police expenses	53,276	39,442	74,106	55,218	66,434	14,233	24,006	14,435	16,461	31,320
Contracted services	2,110,723	2,166,855	1,834,442	1,426,265	1,876,695	1,897,144	1,633,668	1,336,574	1,277,137	1,334,780
Office and equipment rental	129,527	124,691	91,004	97,627	73,983	142,778	65,037	55,691	79,023	109,355
Operator and event expenses	1,311,334	1,523,025	1,280,002	1,550,059	1,415,417	1,538,092	1,678,367	1,427,944	1,547,155	1,624,343
Warehouse supplies	64,946	38,292	68,428	44,700	9,037	8,024	-	-	-	-
Safety/Environmental	50,970	62,693	90,947	71,246	69,075	83,442	77,086	98,478	107,859	70,797
General	173,190	220,500	93,105	196,113	129,909	185,198	175,307	220,554	494,274	876,438
	$18,385,065	$21,392,329	$21,842,912	$20,697,782	$20,248,511	$22,760,814	$22,721,681	$18,144,056	$23,367,865	$21,470,411
General and Administrative:										
Employee services	$ 6,150,455	$ 6,808,607	$ 7,349,030	$ 7,837,903	$ 7,692,080	$ 7,224,377	$ 7,423,777	$ 7,272,765	$ 8,001,279	$10,549,722
Maintenance	324,760	351,566	320,610	432,088	453,408	501,087	509,303	530,688	648,221	759,004
Utilities	218,586	222,481	196,865	224,245	172,703	194,864	171,122	149,405	159,148	160,630
Telephone	205,520	213,248	231,958	209,267	196,626	115,447	100,921	73,896	83,776	91,439
Insurance & claims	111,670	108,314	84,451	96,638	124,620	92,492	97,774	429,990	99,451	109,887
Professional services	1,864,026	2,290,016	2,419,843	3,322,950	3,526,850	3,046,566	7,092,409	3,993,766	3,870,383	4,363,193
Police expenses	654	216	314	174	82	82	-	190	1,616	1,227
Contracted services	134,754	198,260	88,262	64,213	151,445	100,952	59,756	23,431	26,167	49,477
Office and equipment rental	6,852	10,173	18,264	40,406	59,809	65,104	76,941	92,118	86,761	99,176
Administrative	1,647,031	1,925,958	1,873,318	2,392,822	2,108,277	2,035,746	1,869,480	2,140,507	2,309,972	2,667,808
Trade and sales development	123,054	146,161	148,946	204,427	157,237	184,528	188,894	200,500	209,900	165,955
Media advertising	73,557	157,725	109,262	108,425	206,557	195,766	190,661	225,363	232,608	311,184
Production	56,861	30,773	27,917	48,319	25,678	24,222	21,774	33,424	41,061	74,566
Safety/Environmental	36,047	26,992	38,206	22,681	21,544	23,299	23,651	26,732	28,007	43,037
General	(193,238)	30,689	100,319	25,185	42,294	25,752	8,965	185,250	92,943	23,172
	$10,760,589	$12,521,179	$13,007,565	$15,029,743	$14,939,210	$13,830,284	$17,835,428	$15,378,025	$15,891,293	$19,469,477
Depreciation	$ 7,127,447	$ 8,442,640	$ 9,648,639	$10,060,645	$12,165,114	$13,381,562	$13,738,571	$12,024,981	$12,310,557	$13,819,080
Non-Operating Expenses:										
Other:										
Interest	$ 739,069	$ 658,323	$ 591,057	$ 504,030	$ 450,602	$ 392,699	$ (51,908)	$ 16,986	$ 535	$ 2,030,505
Other	15,395	10,293	592,931	20,735	19,386	-	9,646,400	102,957	-	9,969,479
	$ 754,464	$ 668,616	$ 1,183,988	$ 524,765	$ 469,988	$ 392,699	$ 9,594,492	$ 119,943	$ 535	$11,999,984

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Financial Performance Indicators
Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2014
Operating Revenues (OR)	$ 36,036,411	$ 44,929,457	$ 51,051,193	$ 46,425,890	$ 52,279,852	$ 58,698,961	$ 62,432,414	$ 77,467,953	$ 81,809,445	$ 93,421,855
Operating Expenses (OE) *	(29,145,654)	(33,913,508)	(34,850,477)	(35,727,525)	(35,187,721)	(36,591,098)	(40,557,109)	(33,522,081)	(39,259,158)	(40,939,888)
Net Operating Income (NOI)	6,890,757	11,015,949	16,200,716	10,698,365	17,092,131	22,107,863	21,875,305	43,945,872	42,550,287	52,481,967
Non-Operating Revenues	1,269,697	1,230,324	1,216,495	609,685	764,922	4,369,477	501,769	574,271	563,005	746,088
Non-Operating Expenses	(754,464)	(668,616)	(1,183,988)	(524,765)	(469,988)	(392,699)	(9,594,492)	(119,943)	(535)	(11,999,984)
Net Income "A" (NI"A")	7,405,990	11,577,657	16,233,223	10,783,285	17,387,065	26,084,641	12,782,582	44,400,200	43,112,757	41,228,071
Depreciation	(7,127,447)	(8,442,640)	(9,648,639)	(10,060,645)	(12,165,114)	(13,381,562)	(13,738,571)	(12,024,981)	(12,310,557)	(13,819,080)
Net Income (Loss) "B" (NI"B")	$ 278,543	$ 3,135,017	$ 6,584,584	$ 722,640	$ 5,221,951	$ 12,703,079	$ (955,989)	$ 32,375,219	$ 30,802,200	$ 27,408,991
Net Capital Assets (NCA) **	$ 175,997,475	$ 173,486,988	$ 218,586,423	$ 216,324,078	$ 310,154,387	$ 308,029,828	$ 205,249,468	$ 236,941,202	$ 241,815,700	$ 296,828,823
Total Assets (TA)	$ 252,168,291	$ 258,145,439	$ 263,271,819	$ 265,643,291	$ 383,387,219	$ 399,959,365	$ 398,840,431	$ 435,235,356	$ 485,074,255	$ 624,142,036
Operating Indicators:										
Operating ROI (NOI/NCA)	3.92%	6.35%	7.41%	4.95%	5.51%	7.18%	10.66%	18.55%	17.60%	17.68%
Operating Margin (NOI/OR)	19.12%	24.52%	31.73%	23.04%	32.69%	37.66%	35.04%	56.73%	52.01%	56.18%
Operating Ratio (OE/OR)	80.88%	75.48%	68.27%	76.96%	67.31%	62.34%	64.96%	43.27%	47.99%	43.82%
Other ROI Indicators:										
ROI "A" (NI"A"/TA)	2.94%	4.48%	6.17%	4.06%	4.54%	6.52%	3.20%	10.20%	8.89%	6.61%
ROI "B" (NI"B"/TA)	0.11%	1.21%	2.50%	0.27%	1.36%	3.18%	-0.24%	7.44%	6.35%	4.39%

* - Excludes Depreciation
** - Excludes Construction in Progress

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AGENDA ITEM NO. 5

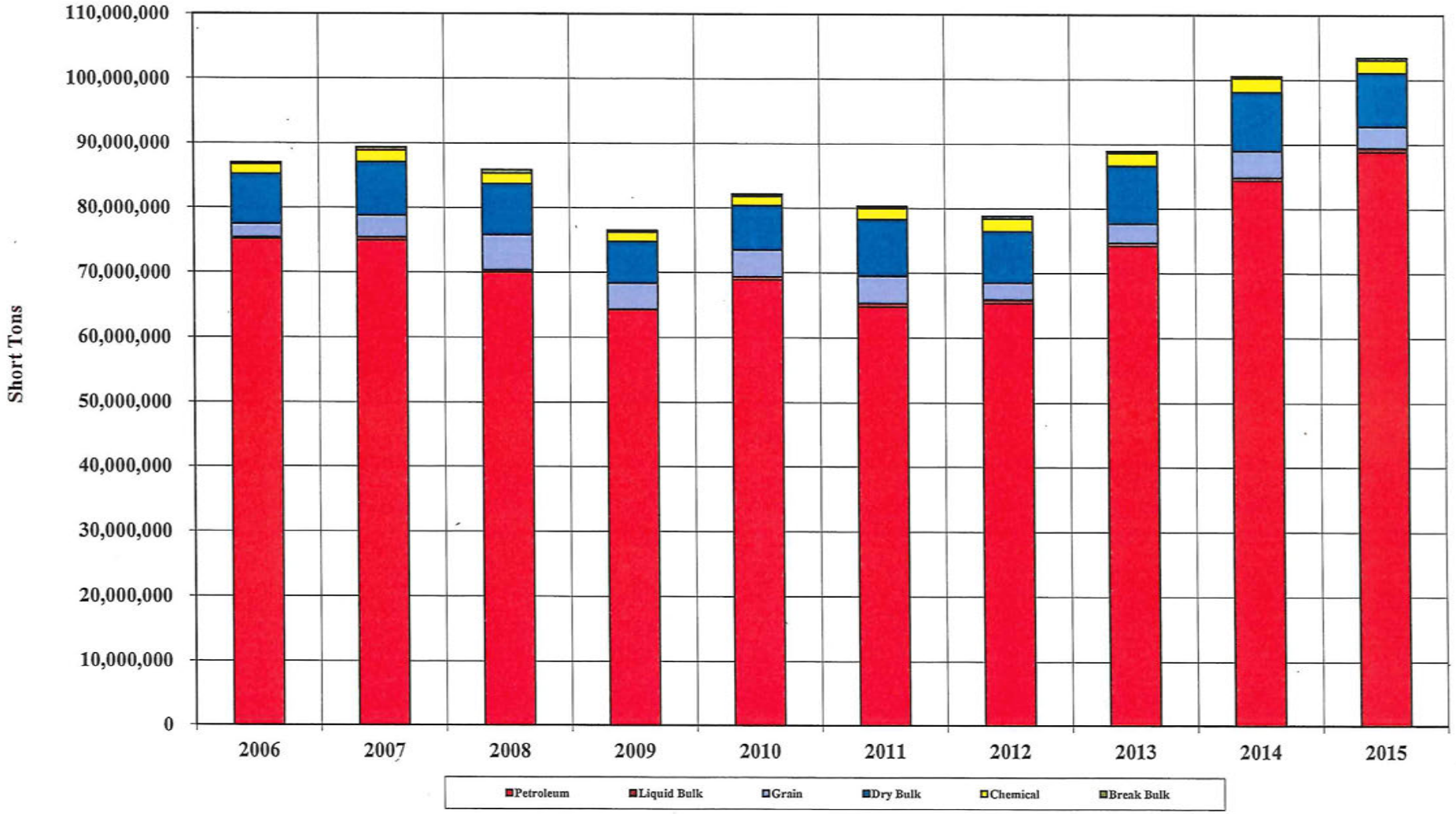
PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Port Commerce By Commodity Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Commodity By Port Division - *Short tons*										
Inner Harbor										
Break Bulk	183,544	215,964	256,612	133,037	157,781	122,055	214,010	62,310	133,938	238,695
Grain	2,025,864	3,367,057	5,409,827	3,951,347	4,100,774	4,183,095	2,563,535	2,972,973	4,068,716	3,396,829
Chemical	59,851	52,709	68,760	43,982	37,814	58,377	58,066	41,198	99,979	135,841
Dry Bulk	2,008,088	2,420,282	2,318,675	1,974,232	2,038,029	2,821,831	2,317,603	2,805,899	3,639,556	3,834,620
Liquid Bulk	248,355	513,036	301,007	131,100	506,211	533,543	554,336	475,785	493,850	580,055
Petroleum	68,242,433	67,124,801	62,558,169	56,586,340	61,163,028	59,446,567	60,393,806	67,817,495	78,273,324	83,327,585
Total	72,768,135	73,693,849	70,913,050	62,820,038	68,003,637	67,165,468	66,101,356	74,175,660	86,709,363	91,513,625
La Quinta										
Break Bulk	-	-	-	-	1,369	-	-	3,551	105,282	111,346
Chemical	1,510,142	1,796,165	1,561,258	1,366,046	1,430,429	1,685,331	1,907,946	1,910,564	2,105,444	1,822,132
Dry Bulk	5,690,335	5,780,257	5,572,667	4,467,692	4,809,114	5,817,275	5,585,549	6,078,632	5,518,508	4,448,951
Petroleum	24,030	26,925	26,607	18,766	22,404	41,750	25,319	14,228	23,906	17,370
Total	7,224,507	7,603,347	7,160,532	5,852,504	6,263,316	7,544,356	7,518,814	8,006,975	7,753,140	6,399,799
Harbor Island										
Break Bulk	6	6	2	-	-	-	-	-	-	-
Petroleum	-	-	-	-	-	-	-	-	-	-
Total	6	6	2	-	-	-	-	-	-	-
Ingleside										
Break Bulk	46,637	224,714	277,147	178,826	169,609	175,551	175,287	263,119	31,458	58,348
Dry Bulk	-	42,722	-	-	7,012	4,615	10,742	829	5,274	2,804
Petroleum	6,909,586	7,741,913	7,475,838	7,660,416	7,715,429	5,330,829	4,957,218	6,427,951	6,087,182	5,503,512
Total	6,956,223	8,009,349	7,752,985	7,839,242	7,892,050	5,510,995	5,143,247	6,691,899	6,123,914	5,564,664
Rincon Point										
Break Bulk	26,510	4,519	18,829	6,130	10,500	9,025	1,669	-	-	-
Grain	5,746	10,329	14,040	-	12,503	31,726	15,312	11,235	1,600	-
Dry Bulk	1,707	(1,707)	-	1,734	12,291	48,647	25,790	5,835	-	-
Total	33,963	13,141	32,869	7,864	35,294	89,398	42,771	17,070	1,600	-
Total	86,982,834	89,319,692	85,859,438	76,519,648	82,194,297	80,310,217	78,806,188	88,891,604	100,588,017	103,478,088
Commodity Totals - *Short tons*										
Break Bulk	256,697	445,203	552,590	317,993	339,259	306,631	390,966	328,980	270,678	408,389
Grain	2,031,610	3,377,386	5,423,867	3,951,347	4,113,277	4,214,821	2,578,847	2,984,208	4,070,316	3,396,829
Chemical	1,569,993	1,848,874	1,630,018	1,410,028	1,468,243	1,743,708	1,966,012	1,951,762	2,205,423	1,957,973
Dry Bulk	7,700,130	8,241,554	7,891,342	6,443,658	6,866,446	8,692,368	7,939,684	8,891,195	9,163,338	8,286,375
Liquid Bulk	248,355	513,036	301,007	131,100	506,211	533,543	554,336	475,785	493,850	580,055
Petroleum	75,176,049	74,893,639	70,060,614	64,265,522	68,900,861	64,819,146	65,376,343	74,259,674	84,384,412	88,848,467
Total	86,982,834	89,319,692	85,859,438	76,519,648	82,194,297	80,310,217	78,806,188	88,891,604	100,588,017	103,478,088

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Port Commerce By Commodity
Last Ten Years



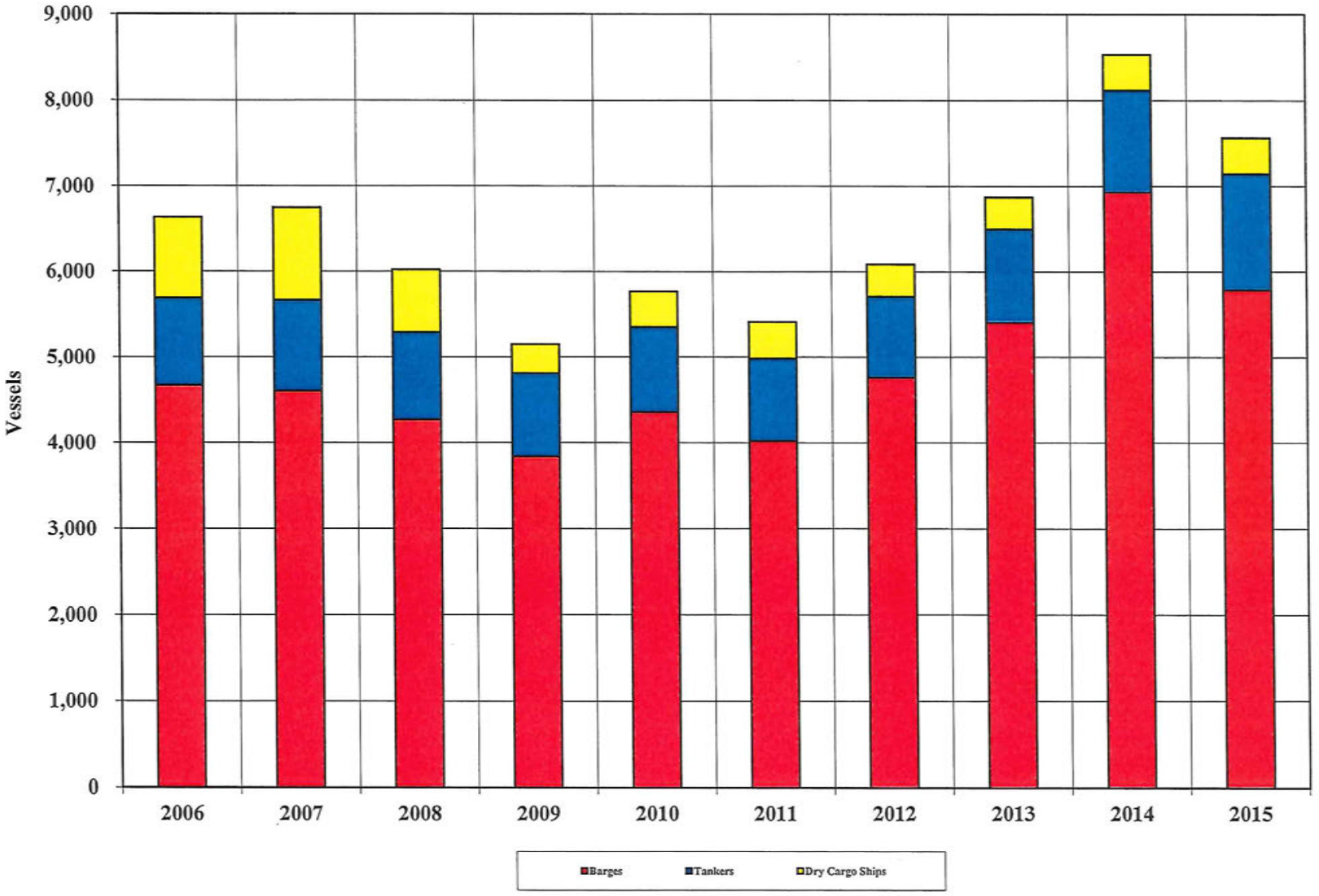
PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Vessel Traffic Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Inner Harbor										
Ships										
Dry Cargo	233	300	377	217	234	271	221	223	223	283
Tankers	817	825	819	779	816	789	765	874	986	1,143
Barges	4,440	4,393	4,112	3,691	4,168	3,878	4,579	5,085	6,475	5,479
Total Vessels	5,490	5,518	5,308	4,687	5,218	4,938	5,565	6,182	7,684	6,905
La Quinta Harbor										
Ships										
Dry Cargo	128	117	107	100	124	117	114	126	130	102
Tankers	110	135	104	85	69	101	116	113	130	124
Barges	175	166	102	80	123	89	59	88	101	118
Total Vessels	413	418	313	265	316	307	289	327	361	344
Harbor Island										
Ships										
Dry Cargo	566	632	227	-	-	-	-	-	-	-
Tankers	-	-	-	-	-	-	-	5	-	-
Barges	-	-	-	-	-	1	-	2	-	-
Total Vessels	566	632	227	-	-	1	-	7	-	-
Ingleside Harbor										
Ships										
Dry Cargo	15	28	19	22	58	42	37	29	60	31
Tankers	92	97	98	109	107	75	67	94	70	89
Barges	55	45	49	66	67	48	122	225	353	190
Total Vessels	162	170	166	197	232	165	226	348	483	310
Rincon Point										
Barges	2	6	8	2	3	2	2	6	-	-
Total Vessels	2	6	8	2	3	2	2	6	-	-
Total										
Ships										
Dry Cargo	942	1,077	730	339	416	430	372	378	413	416
Tankers	1,019	1,057	1,021	973	992	965	948	1,086	1,186	1,356
Barges	4,672	4,610	4,271	3,839	4,361	4,018	4,762	5,406	6,929	5,787
Total Vessels	6,633	6,744	6,022	5,151	5,769	5,413	6,082	6,872	8,528	7,559

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Vessel Traffic
Last Ten Years



PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Tariff Rates
Last Ten Years

	U/M	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Wharfage Rates											
All Cargo NOS	W/M	$2.5000	$2.5000	$2.7500	$2.8600	$2.8500	$2.8900	$3.0400	$3.1000	$3.2200	$3.3100
Dry Bulk	S/T	$0.6000	$0.6000	$0.6000	$0.6200	$0.9000	$1.0500	$1.2500	$1.2800	$1.3300	$1.3700
Liquid Bulk	BRL	$0.0600	$0.0800	$0.0800	$0.0831	$0.0828	$0.0839	$0.0883	$0.0901	$0.0937	$0.0965
Beans, Lentils & Peas	S/T	$0.5000	$0.5000	$0.5500	$0.5700	$0.5700	$0.5800	$0.6100	$0.6200	$0.6400	$0.6600
Cotton	Bale	$0.4800	$0.4800	$0.4800	$0.5000	$0.5000	$0.5100	$0.5400	$0.5500	$0.5700	$0.5900
Grain and Grain Products	S/T	$0.5000	$0.5000	$0.7000	$1.3000	$1.2900	$1.3100	$1.3800	$1.4100	$1.4700	$1.5100
Grain and Grain Products (bulk)	S/T	$0.1700	$0.1700	$0.2500	$0.2600	$0.2600	$0.2600	$0.2700	$0.2800	$0.2900	$0.3000
Iron and Steel Articles	S/T	$1.2000	$1.2000	$1.8000	$1.8700	$1.8600	$1.8800	$1.9800	$2.0200	$2.1000	$2.1600
Machinery, agricultural	S/T	$1.7600	$1.7600	$2.7500	$2.8600	$2.8500	$2.8900	$3.0400	$3.1000	$3.2200	$3.3310
Machinery, grading, earth moving	S/T	$2.0000	$2.0000	$2.7500	$2.8600	$2.8500	$2.8900	$3.0400	$3.1000	$3.2200	$3.3100
Military Cargo	S/T	$2.3000	$2.3000	$2.3000	$5.3800	$5.3600	$5.4300	$5.7200	$5.8400	$6.0700	$6.2500
Milk, dehydrated	S/T	$0.5000	$0.5000	$0.7000	$1.5200	$1.5100	$1.5300	$1.6100	$1.6400	$1.7100	$1.7600
Passengers	Person	$5.0000	$5.0000	$5.0000	$5.0000	$4.9800	$5.0500	$5.5300	$5.6400	$5.8600	$6.0300
Power Generation/Plant Equipment	S/T	$1.9000	$1.9000	$2.7500	$2.8500	$2.8400	$2.8800	$3.0300	$3.1000	$3.2200	$3.3000
Refrigerated Cargo	S/T	$1.3000	$1.3000	$1.3000	$1.3000	$1.2900	$1.3100	$1.3800	$1.4100	$1.4700	$1.5100
Rice and Rice Products	S/T	$0.5000	$0.5000	$0.7000	$1.3000	$1.2900	$1.3100	$1.3800	$1.4100	$1.4700	$1.5100
Sand, aggregates, caliche, limestone	S/T	$0.6000	$0.6000	$0.6000	$0.6200	$0.9000	$1.0500	$1.2500	$1.2800	$1.3300	$1.3700
Vegetable oil	S/T	$1.2000	$1.2000	$1.2000	$1.2500	$1.2500	$1.2700	$1.3400	$1.3700	$1.4200	$1.4600
Vehicles	S/T	$3.4000	$3.4000	$4.7500	$4.9400	$4.9200	$4.9800	$5.2400	$5.3500	$5.5600	$5.7200
Vessels, pressure	S/T	$3.4000	$3.4000	$3.4000	$3.5300	$3.5200	$3.5700	$3.7600	$3.8400	$3.9900	$4.1100
Dockage Rates											
General Cargo											
Vessels				Dry/Liquid							
0-199	Feet	$1.97	$1.97	$2.28/$1.62	$2.37	$2.36	$2.39	$2.52	$2.57	$2.67	$2.75
200-399	Feet	$2.55	$2.55	$2.99/$2.10	$3.11	$3.10	$3.14	$3.31	$3.38	$3.51	$3.61
400-499	Feet	$3.50	$3.50	$4.23/$2.88	$4.40	$4.38	$4.44	$4.67	$4.76	$4.95	$5.10
500-599	Feet	$4.67	$4.67	$5.69/$3.85	$5.91	$5.89	$5.97	$6.28	$6.41	$6.66	$6.86
600-699	Feet	$5.43	$5.43	$6.51/$4.47	$6.77	$6.74	$6.83	$7.19	$7.34	$7.63	$7.85
700-799	Feet	$6.89	$6.89	$8.39/$5.67	$8.72	$8.69	$8.80	$9.26	$9.45	$9.83	$10.12
800-899	Feet	$8.29	$8.29	$10.10/$6.83	$10.50	$10.46	$10.60	$11.16	$11.39	$11.84	$12.19
900 +	Feet	$9.92	$9.92	$12.08/$8.17	$12.55	$12.50	$12.66	$13.33	$13.60	$14.14	$14.56
Barges - Inland Waterway		$0.09 NRT	$0.09 NRT	$90.00 Flat	$95.00 Flat	$125.00	$126.64	$133.30	$136.01	$150.00	$154.41
Bulk Terminal	GRT	$0.13	$0.13	$0.49	$0.51	$0.41	$0.42	$0.44	$0.45	$0.47	$0.48
Liquid Bulk											
Vessels	DWT	$0.025	$0.025	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid
Barges											
0-360 Feet	Barge	$70.00	$70.00	$90.00	$95.00	$125.00	$126.64	$133.30	$136.01	$150.00	$154.41
360 +	Barge	$700.00	$700.00	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid
Harbor Safety Fee [2]											
Ships	Ship	$240.00	$240.00	$275.00	$275.00	$2,032.00	$2,032.00	$2,032.00	$2,032.00	$1,153.00	$1,153.00
Barges	Barge	$30.00	$30.00	$35.00	$35.00	$230.00	$230.00	$230.00	$230.00	$132.00	$132.00
Security Surcharge Fee [1]		11.0%	11.5%	12.0%	10.0%	10.0%	7.5%	7.5%	7.5%	7.5%	7.5%

1 Security surcharge fee is calculated on wharfage and dockage billings
2 Harbor Safety Fees include fireboat fees and a marine patrol fee implemented in 2010
Tariff rates reported on this schedule represent the most significant of the Authority's revenue sources, all rates may be obtained from the Authority's published tariff

S/T - short tons; BRL - barrel; DWT - dead weight tons; NRT - net registered tons; GRT - gross registered tons; W/M - weight or measure

TABLE 8 (Unaudited)

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Ten Largest Customers
December 31, 2015 and 2006

WHARFAGE and DOCKAGE REVENUE:

Customer	2015 Wharfage and Dockage Revenue	Rank	%	2006 Wharfage and Dockage Revenue	Rank	%
Valero	$ 8,723,274	1	14.56%	$ 8,588,469	1	35.29%
Citgo	6,644,057	2	11.09%	5,339,088	2	21.94%
Flint Hills	5,678,186	3	9.48%	3,497,141	3	14.37%
Martin Operating	5,648,267	4	9.43%			0.00%
Nu Star Logistics	4,740,670	5	7.91%	-		
Buckeye Texas Hub LLC	2,718,301	6	4.54%	-		
Moran-Gulf Shipping Agency	1,911,436	7	3.19%	-		
Max Shipping, Inc.	1,718,017	8	2.87%	-		
Biehl & Company	1,392,522	9	2.32%	-		
EF Terminals Corpus Christi LLC	1,328,578	10	2.22%	-		
Equistar	-			918,776	4	3.78%
Boyd-Campbell Co. Inc	-			666,333	5	2.74%
Port Corpus Terminal	-			419,146	6	1.72%
Jim E. Docking, Inc.	-			312,322	7	
Dix-Fairway Terminals	-			259,033	8	1.06%
Marsulex Refinery Services	-			250,881	9	1.03%
Valls Shipping Co.	-			235,251	10	0.97%
Other	-			3,848,895		15.82%
Subtotal (10 largest)	40,503,308		67.62%	24,335,335		100.00%
Other	19,393,286		32.38%			0.00%
Total	$ **59,896,594**		**100.00%**	$ **24,335,335**		**100.00%**

TONNAGE:

Customer	2015 Tonnage	Rank	%	2006 Tonnage	Rank	%
Citgo	24,372,147	1	23.55%	24,383,058	2	28.03%
Valero	22,032,866	2	21.29%	28,271,054	1	32.50%
Flint Hills	12,727,226	3	12.30%	11,356,199	3	13.06%
Nu Star Logistics	9,030,131	4	8.73%			0.00%
Martin Operating Partners	8,153,150	5	7.88%	-		
Buckeye Texas Hub LLC	7,596,630	6	7.34%	-		
Sherwin Alumina Company LP	4,447,763	7	4.30%	5,690,335	5	
ADM/Gromark River System, Inc.	2,329,368	8	2.25%	1,041,330	9	1.20%
Occidental Chemical Corp.	1,822,132	9	1.76%	1,510,142	7	1.74%
EF Terminals Corpus Christi LLC	1,758,015	10	1.70%			0.00%
Koch	-			* 7,046,356	4	8.10%
Equistar	-			1,947,833	6	2.24%
Interstate Grain Port Terminal	-			990,799	10	1.14%
Bay, Ltd	-			1,080,973	8	1.24%
Subtotal (10 largest)	94,269,428		91.10%	83,318,079		95.79%
Other	9,208,661		8.90%	3,664,755		4.21%
Total	**103,478,089**		**100.00%**	**86,982,834**		**100.00%**

* Flint Hills was formerly Koch Petroleum

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Ratios of Outstanding Debt
Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenue Bonds	$ 13,080,000	$ 12,005,000	$ 10,885,000	$ 9,725,000	$ 8,515,000	$ 7,250,000	$ -	$ -	$ -	$ 115,000,000
Capital Leases	-	47,622	46,215	27,384	10,285	521	-	-	-	-
Total Outstanding Debt	$ 13,080,000	$ 12,052,622	$ 10,931,215	$ 9,752,384	$ 8,525,285	$ 7,250,521	$ -	$ -	$ -	$ 115,000,000
Per Capita	$427	$374	$316	$290	$238	$188	$ -	$ -	$ -	$ 2,674
Percent of Personal Income	0.10%	0.09%	0.07%	0.07%	0.06%	0.04%	-	-	-	0.6%

Details regarding the Authority's outstanding debt can be found in Note 5 of the Notes to the Financial Statements. See Table 11, schedule of Demographic and Economic Statistics for personal income and population data.

AGENDA ITEM NO. 5

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Pledged Revenue Bond Coverage Last Ten Years

Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (A) Principal	Interest	Total	Coverage
2006	$ 37,306,108	$ 29,145,654	$ 8,160,454	$ 1,308,000	$ 363,385	$ 1,671,385	4.88
2007	46,159,781	33,913,508	12,246,273	1,333,889	337,589	1,671,478	7.33
2008	51,983,640	34,850,477	17,133,163	1,360,625	310,516	1,671,141	10.25
2009	47,035,575	35,727,525	11,308,050	1,389,286	282,198	1,671,484	6.77
2010	53,044,774	35,187,721	17,857,053	1,419,167	252,450	1,671,617	10.68
2011	63,068,438	36,591,098	26,477,340	1,450,000	221,259	1,671,259	15.84
2012	62,805,453	40,557,109	22,248,344	-	-	-	-
2013	78,042,224	33,522,081	44,520,143	-	-	-	-
2014	82,372,450	39,259,158	43,113,292	-	-	-	-
2015	94,167,943	43,942,020	50,225,923	5,750,000	2,750,323	8,500,323	5.91

(1) Gross revenues represent all revenues, income and receipts, including interest income, and any other revenues

(2) Operating expenses represent maintenance and operating, and general and administrative expenses and interest on retainage and other non-operating expenses paid in cash, excluding depreciation and gain (loss) on disposal of capital assets

(A) Debt service requirements represent average annual debt service

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Demographic and Economic Statistics
Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015(E)
Population (1)	419,530	420,407	423,168	427,262	428,026	431,051	437,012	443,448	448,108	449,323
Personal Income-(in thousands) (1)	$ 12,847,269	$ 13,558,105	$ 14,647,211	$ 14,375,529	$ 15,329,854	$ 16,581,718	$ 17,615,056	$ 17,923,570	$ 18,803,037	$ 19,325,282
Per Capita Personal Income (1)	$ 30,623	$ 32,250	$ 34,613	$ 33,646	$ 35,815	$ 38,468	$ 40,308	$ 40,419	$ 41,961	$ 43,010
Unemployment rate (2)	4.90%	4.40%	4.70%	6.90%	8.10%	8.00%	6.50%	6.00%	5.05%	4.95%

Source:
(1) Bureau of Economic Analysis (updated November 19, 2015 with revised estimates for 2006-2014)
(2) Bureau of Labor Statistics

(E) Estimate of 2015 population from the Texas Department of State Health Services

Unemployment % 2015	
Jan	5.00%
Feb	4.70%
Mar	4.60%
Apr	4.50%
May	4.70%
Jun	5.00%
Jul	5.10%
Aug	5.00%
Sep	5.00%
Oct	5.20%
Nov	5.40%
Dec	5.20%
Avg	4.95%

TABLE 12 (Unaudited)

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Principal Employers
December 31, 2015 and 2006

	2015			2006		
Employer	Number of Employees	Rank	Percent of Total MSA Employment	Number of Employees	Rank	Percent of Total MSA Employment
Corpus Christi Army Depot	5,800	1	2.23%	5,404	2	2.30%
Corpus Christi ISD	5,178	2	1.99%	5,500	1	2.34%
Christus Spohn Health System	5,144	3	1.98%	4,500	3	1.92%
HEB Grocery Co.	5,000	4	1.92%	2,200	6/7	0.94%
City of Corpus Christi	3,171	5	1.22%	2,007	8	0.86%
Naval Air Station Corpus Christi	2,822	6	1.08%	2,654	5	1.13%
Bay, Ltd.	2,100	7	0.81%	2,200	6/7	0.94%
Driscoll Children's Hospital	1,800	8	0.69%	-	-	
Del Mar College	1,542	9	0.59%	1,680	9	0.72%
Corpus Christi Medical Center	1,300	10	0.50%	-	-	
Columbia Healthcare Corp.				2882	4	1.23%
APAC Teleservices				1200	10	0.51%
Total	33,857		13.01%	30,227		11.15%

Source:
Employers and Number of Employees provided by Corpus Christi Regional Economic and Development Corporation
Corpus Christi, Texas MSA Employment provided by Bureau of Economic Analysis

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Employees by Function
Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Operations:										
Cold Storage Facility	13	12	9	-	-	-	-	-	-	-
Bulk Terminal Facility	17	16	17	17	14	17	18	22	23	22
Harbormaster's Office	11	10	10	10	9	9	9	9	8	9
Lift Bridge	8	5	-	-	-	-	-	-	-	-
Maintenance	39	43	43	48	46	45	45	38	40	43
Police Department	22	40	44	49	51	46	44	43	48	48
	110	126	123	124	120	117	116	112	119	122
Administration:										
Executive Director	2	2	5	4	6	2	2	2	3	2
Chief Operating Officer	-	-	-	-	-	-	2	2	2	2
Deputy Port Director	-	-	3	4	4	4	2	-	-	-
Chief Commercial Officer	-	-	-	-	-	-	-	-	-	2
Government Affairs	1	1	1	1	1	1	1	1	1	1
Human Resources	4	5	5	5	5	5	5	5	5	6
Business Development	7	7	5	7	3	3	3	4	4	5
Communications	-	-	-	-	2	3	3	3	4	4
Community Relations	-	-	-	-	-	-	-	-	-	3
Property & Industrial Development	1	1	1	1	1	3	3	3	3	3
Finance and Administration	2	2	2	2	2	2	2	2	2	2
Accounting	8	8	9	9	7	8	8	10	9	10
Risk Management	-	-	-	-	-	-	-	-	-	2
Safety Management	-	-	-	-	-	-	-	-	1	2
Information Technology	7	9	9	7	7	6	7	6	8	13
Engineering	11	10	8	10	9	8	8	10	13	16
Environmental Planning & Compliance	2	3	2	4	3	4	4	4	6	5
Operations	7	7	5	7	4	4	4	5	4	4
	52	55	55	61	54	53	54	57	65	82
	162	181	178	185	174	170	170	169	184	204

TABLE 14 (Unaudited)

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Capital Asset Statistics Last Five Years

	2011	2012	2013	2014	2015
Harbor divisions	6	6	6	7	7
Turning basins	5	5	5	6	6
Corpus Christi Ship Channel (miles)	35	35	35	37	37
Authorized channel draft (feet)	45	45	45	45	45
General cargo docks	8	7	7	6	7
Covered docks	3	3	3	3	3
Open docks	2	2	2	2	4
Special public use dock	1	1	1	1	1
Covered storage (square feet)	295,000	295,000	295,000	295,000	295,000
Dockside rail access (docks)	4	4	4	4	4
Roll-on/ Roll-off ramps	1	1	1	1	1
Liquid bulk docks	11	11	12	13	13
Ship	6	6	6	7	7
Barge	5	5	6	6	6
Bulk material docks	2	2	2	2	2
Gantry cranes	1	1	1	1	1
Unloading rate per hour (short tons)	600	600	600	600	600
Radial ship loaders	1	1	1	1	1
Loading rate per hour (short tons)	1,500	1,500	1,500	1,500	1,500
Layberth facilities/docks	3	3	3	3	3
Intermodal terminal	1	1	1	1	1
Open storage (acres)	30	30	30	35	35
Container handling machines	2	0	0	0	0
Bagging facilities	2	2	2	2	2
Grain	1	1	1	1	1
General purpose	1	1	1	1	1
Grain elevator	1	1	1	1	1
Bushel capacity (bushels)	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Ship loading capacity per hour (bushels)	120,000	120,000	120,000	120,000	120,000
Truck unloading capacity per hour (bushels)	40,000	40,000	40,000	40,000	40,000
Railcar unloading capacity per hour (bushels)	80,000	80,000	80,000	80,000	80,000
Cotton warehouses	1	1	1	1	1
Covered storage (square feet)	575,000	575,000	575,000	575,000	575,000
Multi-purpose cruise terminal/meeting banquet center	1	1	1	1	1
Meeting rooms	5	5	5	5	5
Banquet hall	1	1	1	1	1
Outdoor plaza	1	1	1	1	1
Indoor square feet (approximate)	24,000	24,000	24,000	24,000	24,000
Outdoor square feet (approximate)	50,000	50,000	50,000	50,000	50,000
Industrial parks	1	1	1	1	1
Acreage	318	318	285	285	285
Barge canals	2	2	2	2	2
Land					
Submerged (acres)	18,750	18,750	17,770	17,770	18,062
Emerged (acres)	6,256	5,822	7,286	7,296	7,301
Dredge Placement Areas	4,688	4,688	4,974	4,974	4,974
Open storage/development (acres)	2,400	2,400	2,312	2,322	2,327
Railroads					
Railway (miles)	42	42	43	45	48
Security Command Center	1	1	1	1	1
Naval Station Ingleside					
Land-emerged (acres)	480	-	-	-	-
Land-submerged (acres)	429	-	-	-	-
Wharfs and piers (linear feet)	3450	-	-	-	-
Buildings-office/classrooms,barracks,warehouse (sq ft)	113,472	-	-	-	-

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Analysis of Funding Progress - Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded (Overfunded) Actuarial Accrued Liability (UAAL)	Annual Covered Payroll	UAAL As a Percentage of Covered Payroll
2004	$ 12,187,288.00	$ 16,966,500.00	$ 0.72	$ 4,779,212.00	$ 7,918,506.00	60.4%
2005	13,572,671	18,177,881	74.7%	4,605,210	8,544,001	53.9%
2006	15,800,903	19,925,412	79.3%	4,124,509	9,020,233	45.7%
2007	17,772,707	22,044,720	80.6%	4,272,013	9,558,262	44.7%
2008	18,097,936	23,421,983	77.3%	5,324,047	10,298,956	51.7%
2009	20,143,863	24,899,158	80.9%	4,755,295	11,397,962	41.7%
2010	21,744,295	26,372,629	82.5%	4,628,334	11,840,675	39.1%
2011	28,148,929	28,169,728	99.9%	20,799	10,531,666	0.2%
2012	29,524,708	29,044,854	101.7%	(479,854)	10,982,221	(4.4%)
2013	31,917,556	30,786,850	103.7%	(1,130,706)	11,312,022	(10.0%)
2014	34,405,338	34,812,267	98.8%	406,929	11,816,386	3.4%

TABLE 16 (Unaudited)

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Schedule of Insurance in Force December 31, 2015

Details of Coverage	Policy Period	Deductible	Liability Limits
All Risk Property	04/01/15-16	$4,000,000/$100,000	$ 100,000,000
Federal Flood Insurance	Varies	1,250	Varies
Boiler and Machinery	04/01/15-16	5,000	23,575,270
Business Auto Liability	10/01/15-16	5,000/10,000	10,000,000
Group Travel Accident	01/11/14-17	-	750,000
Foreign Liability	10/01/15-16	-	1,000,000
Marine Liability and Primary P&I	10/01/15-16	50,000	20,000,000
Firebarge Hull & Machinery	10/01/15-16	25,000	3,500,000
29' Safeboat Hull & Machinery	10/01/15-16	25,000	159,065
31' Safeboat Hull & Machinery			350,000
Other boats & motors			224,895
Firebarge and Excess P&I	10/01/15-16	-	40,000,000 excess of 20,000,000
Errors and Omissions Liability	10/01/15-16	10,000	5,000,000/10,000,000
Law Enforcement Liability	10/01/15-16	10,000	5,000,000/10,000,000
Kidnap and Ransom	12/21/15-16	-	250,000/500,000
Customs Bond - FTZ Operator	09/28/15-16	-	250,000
Marine Terminal Operator Bond	02/15/15-16	-	100,000
Employee Fidelity (Crime) Bond	10/01/15-16	25,000	1,000,000
Public Officials Bonds (8)	Varies	-	5,000
Workers' Compensation	01/01/15-16	-	Statutory
Terrorism	04/01/15-16	25,000	100,000,000

TABLE 17 (Unaudited)

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Miscellaneous Statistical Data
December 31, 2015

Date of Incorporation:	1922
Form of Government:	A public corporation and political subdivision of the State of Texas
Number of Employees:	204
Geographic Location:	Southeastern coast of Texas on the Gulf of Mexico approximately 150 miles north of the Mexican Border
Area:	7,286 - Emergent acres 18,062 - Submerged acres

Population:

Year	City of Corpus Christi	Nueces County	San Patricio County
1920	10,522	22,807	11,386
1930	27,741	51,779	23,836
1940	57,301	92,661	28,871
1950	108,053	165,471	35,842
1960	167,690	221,573	45,021
1970	204,525	237,544	47,288
1980	232,119	268,215	58,013
1990	256,632	296,527	58,749
2000	277,454	313,645	67,138
2010	305,215	340,223	64,804

Elevation:	Sea level to 85 feet, average 35 feet
Tidal Data:	
Average Water Level:	
Inner Harbor	2.08 feet above Mean Low Tide (MLT)
Tidal Range:	
Inner Harbor	Insignificant
Aransas Pass	1.5 feet
Aerial Clearance:	
Harbor Bridge	138 feet
Temperature:	Annual Average - 72.15° Average Low- 62.8° Average High- 81.5°
Average Seasonal Rainfall:	31.7

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Miscellaneous Statistical Data December 31, 2015

Public Docks:		
Bulk liquid		13 - Main Harbor
Dry cargo		6 - Main Harbor
Dry cargo		1 - Rincon
Bulk materials		2 - Main Harbor
		22
Private Docks:		
Bulk liquid	- Citgo	7 - Main Harbor
	- Equistar	1 - Main Harbor
	- Flint Hills	3 - Main Harbor
	- Flint Hills	1 - Ingleside
	- NuStar	1 - Main Harbor
	- Trafigura	5 - Main Harbor
	- Valero	6 - Main Harbor
	- Occidental Energy (NSI)	6 - Ingleside
	- Koch Gathering	1 - Ingleside
Dry cargo	- Bay Inc.	1 - Main Harbor
	- Heldenfels	1 - Main Harbor
	- Texas Lehigh Cement	1 - Main Harbor
	- Fordyce	1 - Main Harbor
	- Tor Minerals International, Inc.	1 - Rincon
	- McDermott	1 - Harbor Island
	- Gulf Marine Fabricators	2 - Ingleside
	- Kiewit Offshore Services, Inc.	1 - LaQuinta
	- EMAS AMC	1 - LaQuinta
	- voestalpine	1 - LaQuinta
	- Occidental Chemical	3 - LaQuinta
	- Signet Maritime	1 - Jewell Fulton
Bulk materials	- ADM/Growmark	1 - Main Harbor
	- Interstate Grain	1 - Main Harbor
	- Vulcan Materials	1 - Main Harbor
	- Sherwin Alumina	1 - La Quinta
		50



CONTINUING BOND DISCLOSURES

PORT CORPUS CHRISTI®

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Port Commerce By Commodity Last Ten Years

Table 1:

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Commodity By Port Division - *Short tons*										
Inner Harbor										
Break Bulk	183,544	215,964	256,612	133,037	157,781	122,055	214,010	62,310	133,938	238,695
Grain	2,025,864	3,367,057	5,409,827	3,951,347	4,100,774	4,183,095	2,563,535	2,972,973	4,068,716	3,396,829
Chemical	59,851	52,709	68,760	43,982	37,814	58,377	58,066	41,198	99,979	135,841
Dry Bulk	2,008,088	2,420,282	2,318,675	1,974,232	2,038,029	2,821,831	2,317,603	2,805,899	3,639,556	3,834,620
Liquid Bulk	248,355	513,036	301,007	131,100	506,211	533,543	554,336	475,785	493,850	580,055
Petroleum	68,242,433	67,124,801	62,558,169	56,586,340	61,163,028	59,446,567	60,393,806	67,817,495	78,273,324	83,327,585
Total	72,768,135	73,693,849	70,913,050	62,820,038	68,003,637	67,165,468	66,101,356	74,175,660	86,709,363	91,513,625
La Quinta										
Break Bulk	-	-	-	-	1,369	-	-	3,551	105,282	111,346
Chemical	1,510,142	1,796,165	1,561,258	1,366,046	1,430,429	1,685,331	1,907,946	1,910,564	2,105,444	1,822,132
Dry Bulk	5,690,335	5,780,257	5,572,667	4,467,692	4,809,114	5,817,275	5,585,549	6,078,632	5,518,508	4,448,951
Petroleum	24,030	26,925	26,607	18,766	22,404	41,750	25,319	14,228	23,906	17,370
Total	7,224,507	7,603,347	7,160,532	5,852,504	6,263,316	7,544,356	7,518,814	8,006,975	7,753,140	6,399,799
Harbor Island										
Break Bulk	6	6	2	-	-	-	-	-	-	-
Petroleum	-	-	-	-	-	-	-	-	-	-
Total	6	6	2	-	-	-	-	-	-	-
Ingleside										
Break Bulk	46,637	224,714	277,147	178,826	169,609	175,551	175,287	263,119	31,458	58,348
Dry Bulk	-	42,722	-	-	7,012	4,615	10,742	829	5,274	2,804
Petroleum	6,909,586	7,741,913	7,475,838	7,660,416	7,715,429	5,330,829	4,957,218	6,427,951	6,087,182	5,503,512
Total	6,956,223	8,009,349	7,752,985	7,839,242	7,892,050	5,510,995	5,143,247	6,691,899	6,123,914	5,564,664
Rincon Point										
Break Bulk	26,510	4,519	18,829	6,130	10,500	9,025	1,669	-	-	-
Grain	5,746	10,329	14,040	-	12,503	31,726	15,312	11,235	1,600	-
Dry Bulk	1,707	(1,707)	-	1,734	12,291	48,647	25,790	5,835	-	-
Total	33,963	13,141	32,869	7,864	35,294	89,398	42,771	17,070	1,600	-
Total	86,982,834	89,319,692	85,859,438	76,519,648	82,194,297	80,310,217	78,806,188	88,891,604	100,588,017	103,478,088
Commodity Totals - *Short tons*										
Break Bulk	256,697	445,203	552,590	317,993	339,259	306,631	390,966	328,980	270,678	408,389
Grain	2,031,610	3,377,386	5,423,867	3,951,347	4,113,277	4,214,821	2,578,847	2,984,208	4,070,316	3,396,829
Chemical	1,569,993	1,848,874	1,630,018	1,410,028	1,468,243	1,743,708	1,966,012	1,951,762	2,205,423	1,957,973
Dry Bulk	7,700,130	8,241,554	7,891,342	6,443,658	6,866,446	8,692,368	7,939,684	8,891,195	9,163,338	8,286,375
Liquid Bulk	248,355	513,036	301,007	131,100	506,211	533,543	554,336	475,785	493,850	580,055
Petroleum	75,176,049	74,893,639	70,060,614	64,265,522	68,900,861	64,819,146	65,376,343	74,259,674	84,384,412	88,848,467
Total	86,982,834	89,319,692	85,859,438	76,519,648	82,194,297	80,310,217	78,806,188	88,891,604	100,588,017	103,478,088

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Revenues by Source
Last Ten Years

Table 2:

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Operating Revenues:										
Wharfage	$19,351,717	$27,219,535	$26,359,823	$24,826,670	$26,567,587	$27,410,252	$31,293,692	$35,688,217	$42,288,896	$45,779,919
Dockage	3,354,723	3,655,333	7,078,197	7,319,259	8,138,326	8,948,217	10,331,997	11,358,813	14,630,404	14,003,472
Security fees	2,158,237	2,351,695	3,474,748	3,412,485	6,170,288	6,319,747	6,528,526	7,325,584	6,460,860	6,673,782
Freight handling	2,065,511	2,166,118	2,178,423	2,428,621	2,316,667	2,387,583	2,191,682	2,815,582	3,133,303	3,153,285
Rail Charges	337,024	687,079	980,131	754,366	839,342	1,252,172	1,151,977	1,026,819	893,900	699,535
Building and land rentals	4,037,572	4,545,342	4,318,458	3,924,060	4,417,518	6,411,552	7,490,936	8,152,093	8,456,174	9,391,040
Conference center services	1,495,599	1,597,594	1,451,630	2,007,407	1,679,885	1,814,456	2,008,474	1,688,770	1,864,556	2,209,031
Warehouse handling charges	1,484,404	1,211,146	1,367,306	596,168	426,093	368,950	-	-	-	-
FTZ user fees	243,000	295,000	284,500	326,000	337,000	302,750	301,250	253,917	222,500	207,667
Dredge placement fees	501,690	251,554	2,477,710	28,405	(3,279)	1,375,619	(36,629)	8,153,771	1,669,714	10,151,880
Other	1,006,934	949,061	1,080,267	802,449	1,390,425	2,107,663	1,170,509	1,004,387	2,189,138	1,152,244
	$36,036,411	$44,929,457	$51,051,193	$46,425,890	$52,279,852	$58,698,961	$62,432,414	$77,467,953	$81,809,445	$93,421,855
Non-Operating Revenues:										
Other:										
Investment income	$ 1,269,697	$ 1,230,324	$ 932,447	$ 584,849	$ 478,291	$ 467,494	$ 163,804	$ 283,544	$ 341,754	$ 518,374
Other	-	-	284,048	24,836	286,631	3,901,983	337,965	290,727	221,251	227,714
	$ 1,269,697	$ 1,230,324	$ 1,216,495	$ 609,685	$ 764,922	$ 4,369,477	$ 501,769	$ 574,271	$ 563,005	$ 746,088

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Expenses by Type
Last Ten Years

Table 3:

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Operating Expenses:										
Maintenance and Operation:										
Employee services	$ 6,768,333	$ 6,952,412	$ 8,255,443	$ 7,866,038	$ 8,374,106	$ 7,810,947	$ 8,258,807	$ 7,324,312	$ 8,304,043	$ 9,993,556
Maintenance	4,173,668	6,483,605	6,340,774	4,987,113	3,538,398	5,136,098	4,896,773	3,679,718	6,122,959	3,667,189
Utilities	1,399,011	1,383,059	1,357,364	1,631,307	1,702,868	2,327,822	1,735,122	902,342	1,004,905	1,073,706
Telephone	23,716	35,699	29,991	26,436	35,286	101,960	94,604	85,538	80,639	78,674
Insurance & claims	1,726,286	2,017,983	1,902,331	1,844,918	2,266,112	2,099,345	2,311,581	2,023,472	1,911,090	1,745,262
Professional services	400,085	344,073	424,975	900,742	691,191	1,415,731	1,771,323	974,998	2,422,320	864,991
Police expenses	53,276	39,442	74,106	55,218	66,434	14,233	24,006	14,435	16,461	31,320
Contracted services	2,110,723	2,166,855	1,834,442	1,426,265	1,876,695	1,897,144	1,633,668	1,336,574	1,277,137	1,334,780
Office and equipment rental	129,527	124,691	91,004	97,627	73,983	142,778	65,037	55,691	79,023	109,355
Operator and event expenses	1,311,334	1,523,025	1,280,002	1,550,059	1,415,417	1,538,092	1,678,367	1,427,944	1,547,155	1,624,343
Warehouse supplies	64,946	38,292	68,428	44,700	9,037	8,024	-	-	-	-
Safety/Environmental	50,970	62,693	90,947	71,246	69,075	83,442	77,086	98,478	107,859	70,797
General	173,190	220,500	93,105	196,113	129,909	185,198	175,307	220,554	494,274	876,438
	$18,385,065	$21,392,329	$21,842,912	$20,697,782	$20,248,511	$22,760,814	$22,721,681	$18,144,056	$23,367,865	$21,470,411
General and Administrative:										
Employee services	$ 6,150,455	$ 6,808,607	$ 7,349,030	$ 7,837,903	$ 7,692,080	$ 7,224,377	$ 7,423,777	$ 7,272,765	$ 8,001,279	$10,549,722
Maintenance	324,760	351,566	320,610	432,088	453,408	501,087	509,303	530,688	648,221	759,004
Utilities	218,586	222,481	196,865	224,245	172,703	194,864	171,122	149,405	159,148	160,630
Telephone	205,520	213,248	231,958	209,267	196,626	115,447	100,921	73,896	83,776	91,439
Insurance & claims	111,670	108,314	84,451	96,638	124,620	92,492	97,774	429,990	99,451	109,887
Professional services	1,864,026	2,290,016	2,419,843	3,322,950	3,526,850	3,046,566	7,092,409	3,993,766	3,870,383	4,363,193
Police expenses	654	216	314	174	82	82	-	190	1,616	1,227
Contracted services	134,754	198,260	88,262	64,213	151,445	100,952	59,756	23,431	26,167	49,477
Office and equipment rental	6,852	10,173	18,264	40,406	59,809	65,104	76,941	92,118	86,761	99,176
Administrative	1,647,031	1,925,958	1,873,318	2,392,822	2,108,277	2,035,746	1,869,480	2,140,507	2,309,972	2,667,808
Trade and sales development	123,054	146,161	148,946	204,427	157,237	184,528	188,894	200,500	209,900	165,955
Media advertising	73,557	157,725	109,262	108,425	206,557	195,766	190,661	225,363	232,608	311,184
Production	56,861	30,773	27,917	48,319	25,678	24,222	21,774	33,424	41,061	74,566
Safety/Environmental	36,047	26,992	38,206	22,681	21,544	23,299	23,651	26,732	28,007	43,037
General	(193,238)	30,689	100,319	25,185	42,294	25,752	8,965	185,250	92,943	23,172
	$10,760,589	$12,521,179	$13,007,565	$15,029,743	$14,939,210	$13,830,284	$17,835,428	$15,378,025	$15,891,293	$19,469,477
Depreciation	$ 7,127,447	$ 8,442,640	$ 9,648,639	$10,060,645	$12,165,114	$13,381,562	$13,738,571	$12,024,981	$12,310,557	$13,819,080
Non-Operating Expenses:										
Other:										
Interest	$ 739,069	$ 658,323	$ 591,057	$ 504,030	$ 450,602	$ 392,699	$ (51,908)	$ 16,986	$ 535	$ 2,030,505
Other	15,395	10,293	592,931	20,735	19,386	-	9,646,400	102,957	-	9,969,479
	$ 754,464	$ 668,616	$ 1,183,988	$ 524,765	$ 469,988	$ 392,699	$ 9,594,492	$ 119,943	$ 535	$11,999,984

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Leases
December 31, 2015

Table 4:

OPERATING LEASES

The Authority leases to others certain land and improvements, and these leases are classified as operating leases. As of December 31, 2015, minimum lease payments under these operating leases that have initial or remaining non-cancelable lease terms in excess of one year are as follows:

Years Ending		
2016	$	8,675,099
2017		6,130,725
2018		5,229,247
2019		4,641,751
2020		4,013,241
Thereafter		63,656,849
Total	**$**	**92,346,912**

As of December 31, 2015, $3,540,126 had been received in advance payments for operating leases and has been recorded as unearned revenue. As of December 31, 2014, $4,275,308 had been received in advance payments for operating leases and has been recorded as unearned revenue.

Table 5:

CAPITAL LEASES

The Authority entered into a lease agreement with Gulf Compress. Under the terms of the lease, Gulf Compress constructed 550,000 square feet of cotton warehouses on property owned by the Port at the proposed site of the La Quinta Container Terminal Facility. On January 21, 2005, the cotton warehouses were completed and ownership was transferred to the Authority in consideration of a thirty year prepaid lease. Prepaid lease rentals will be amortized over the lease term as follows:

Years Ending		
2016	$	457,040
2017		457,040
2018		457,040
2019		457,040
2020		457,040
Thereafter		6,376,046
Total	**$**	**8,661,246**

TABLE 22 (Unaudited)

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Changes in Net Position
Last Ten Years

Table 6:

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Operating revenues:										
Wharfage	$ 19,351,717	$ 27,219,535	$ 26,359,823	$ 24,826,670	$ 26,567,587	$ 27,410,252	$ 31,293,692	$ 35,688,217	$ 42,288,896	$ 45,779,919
Dockage	3,354,723	3,655,333	7,078,197	7,319,259	8,138,326	8,948,217	10,331,997	11,358,813	14,630,404	14,003,472
Security fees	2,158,237	2,351,695	3,474,748	3,412,485	6,170,288	6,319,747	6,528,526	7,325,584	6,460,860	6,673,782
Freight handling	2,065,511	2,166,118	2,178,423	2,428,621	2,316,667	2,387,583	2,191,682	2,815,582	3,133,303	3,153,285
Rail Charges	337,024	687,079	980,131	754,366	839,342	1,252,172	1,151,977	1,026,819	893,900	699,535
Building and land rentals	4,037,572	4,545,342	4,318,458	3,924,060	4,417,518	6,411,552	7,490,936	8,152,093	8,456,174	9,391,040
Conference center services	1,495,599	1,597,594	1,451,630	2,007,407	1,679,885	1,814,456	2,008,474	1,688,770	1,864,556	2,209,031
Warehouse handling charges	1,484,404	1,211,146	1,367,306	596,168	426,093	368,950	-	-	-	-
FTZ user fees	243,000	295,000	284,500	326,000	337,000	302,750	301,250	253,917	222,500	207,667
Dredge placement fees	501,690	251,554	2,477,710	28,405	(3,279)	1,375,619	(36,629)	8,153,771	1,669,714	10,151,880
Other	1,006,934	949,061	1,080,267	802,449	1,390,425	2,107,663	1,170,509	1,004,387	2,189,138	1,152,244
Total operating revenues	36,036,411	44,929,457	51,051,193	46,425,890	52,279,852	58,698,961	62,432,414	77,467,953	81,809,445	93,421,855
Investment income	1,269,697	1,230,324	932,447	584,849	478,291	467,494	163,804	283,544	341,754	518,374
Federal and other grant assistance	-	-	284,048	17,570	60,806	169,966	337,965	290,727	180,655	227,714
Donation of personal property	-	-	-	-	225,825	4,500	-	-	-	-
Gain on disposal of assets	-	-	-	7,266	-	3,727,517	-	-	40,596	-
Total Revenues	37,306,108	46,159,781	52,267,688	47,035,575	53,044,774	63,068,438	62,934,183	78,042,224	82,372,450	94,167,943
Expenses										
Operating expenses:										
Maintenance and operations	18,385,065	21,392,329	21,842,912	20,697,782	20,248,511	22,760,814	22,721,681	18,144,056	23,367,865	21,470,411
General and administrative	10,760,589	12,521,179	13,007,565	15,029,743	14,939,210	13,830,284	17,835,428	15,378,025	15,891,293	19,469,477
Depreciation	7,127,447	8,442,640	9,648,639	10,060,645	12,165,114	13,381,562	13,738,571	12,024,981	12,310,557	13,819,080
Total operating expenses	36,273,101	42,356,148	44,499,116	45,788,170	47,352,835	49,972,660	54,295,680	45,547,062	51,569,715	54,758,968
Interest expense and fiscal charges	689,611	620,495	562,442	504,030	450,602	392,699	(51,908)	16,986	535	2,030,505
Bond issuance costs	49,458	37,828	28,615	20,735	10,743	-	-	-	-	1,139,597
Fiscal payments to subrecipients	-	-	284,048	-	-	-	128,730	-	-	-
Contributions to other government agencies	-	-	-	-	-	-	-	-	-	3,000,000
Loss on disposal of assets	15,395	10,293	308,883	-	8,643	-	9,517,670	102,957	-	5,829,882
Total Expenses	37,027,565	43,024,764	45,683,104	46,312,935	47,822,823	50,365,359	63,890,172	45,667,005	51,570,250	66,758,952
Income(Loss) Before Contributions	278,543	3,135,017	6,584,584	722,640	5,221,951	12,703,079	(955,989)	32,375,219	30,802,200	27,408,991
Capital Contributions	12,261,584	4,633,770	2,510,746	2,090,573	111,670,700	5,402,273	5,663,315	5,842,850	8,657,361	7,245,620
Changes in Net Position	12,540,127	7,768,787	9,095,330	2,813,213	116,892,651	18,105,352	4,707,326	38,218,069	39,459,561	34,654,611
Total Net Position, Beginning of Year	204,690,766	217,230,893	224,999,680	234,095,010	236,908,223	353,800,874	371,906,226	376,613,552	414,831,621	454,291,182
Cumulative Effect of Change in Accounting Principle	-	-	-	-	-	-	-	-	-	1,835,648
Total Net Position, End of Year	$ 217,230,893	$ 224,999,680	$ 234,095,010	$ 236,908,223	$ 353,800,874	$371,906,226	$ 376,613,552	$ 414,831,621	$ 454,291,182	$ 487,110,145
Net Position at Year End										
Net investment in capital assets	$ 195,074,359	$ 204,800,725	$ 202,587,244	$ 211,984,713	$ 321,470,695	$334,092,868	$ 245,665,607	$ 273,398,051	$ 293,461,952	$ 287,147,609
Restricted	2,061,302	2,193,823	1,756,683	1,747,632	1,927,662	1,924,226	252,763	32,683	35,522	36,153,709
Unrestricted	20,095,232	18,005,132	29,751,083	23,175,878	30,402,517	35,889,132	130,695,182	141,400,887	160,793,708	163,808,827
Total Net Position	$ 217,230,893	$ 224,999,680	$ 234,095,010	$ 236,908,223	$ 353,800,874	$371,906,226	$ 376,613,552	$ 414,831,621	$ 454,291,182	$ 487,110,145

TABLE 23 (Unaudited)

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Projected Operating Results and Debt Service Coverage Next Five Years

Table 7:

	2015	2016	2017	2018	2019
Operating Revenues:					
Wharfage	$ 45,779,919	$ 49,579,073	$ 56,334,528	$ 59,607,843	$ 66,880,289
Dockage	14,003,472	16,188,060	16,959,586	17,298,778	16,578,541
Security	6,673,782	7,132,535	7,697,058	7,967,996	7,848,883
Freight Handling	2,371,616	2,362,061	2,573,012	2,624,472	2,804,041
Storage	781,669	475,000	484,500	494,190	439,463
Rail Charges	699,535	686,200	1,264,698	1,854,766	2,151,435
Other Revenue	11,304,124	3,842,402	1,063,250	1,084,515	790,725
Conference Center Services	2,209,031	2,194,901	2,238,799	2,283,575	2,271,255
Building and Land Rentals	9,391,040	9,470,652	9,660,065	9,853,266	10,578,658
Foreign Trade User Fees	207,667	246,000	246,000	246,000	224,726
Total Operating Revenues	93,421,855	92,176,884	98,521,496	103,315,401	110,568,016
Operating Expenses:					
Direct Expenses	21,470,411	23,788,897	20,939,442	20,822,730	21,461,965
Indirect Expenses	19,469,477	21,243,797	21,668,673	22,102,046	21,734,294
Total Operating Expenses	40,939,888	45,032,694	42,608,115	42,924,776	43,196,259
Other Revenues (Expenses):					
Investment Income	518,374	713,925	728,204	742,768	440,252
Other Income	227,714	228,925	37,650	37,650	284,033
Interest Expense	(2,132)	(2,175)	(2,218)	(2,262)	(2,308)
Contributions to other government agencies	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
Total Other Revenues (Expenses)	(2,256,044)	(2,059,325)	(2,236,364)	(2,221,844)	(2,278,023)
Net Operating Revenues Available for Debt Service	$ 50,225,923	$ 45,084,865	$ 53,677,017	$ 58,168,781	$ 65,093,734
Debt Service	2,115,973	8,499,948	8,500,722	8,501,092	8,498,589
Total Debt Service	$ 2,115,973	$ 8,499,948	$ 8,500,722	$ 8,501,092	$ 8,498,589
Average Annual Debt Service Coverage	5.91	5.30	6.31	6.84	7.66
Maximum Debt Service Coverage	5.91	5.30	6.31	6.84	7.66

See Table 8-Debt Service Requirements, for the debt service requirements on the bonds.

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Debt Service Requirements
December 31, 2015

At December 31, 2015, total debt service requirements are as follows:

Table 8:

	Principal	Interest	Total
2016	$ 4,360,000	$ 4,139,948	$ 8,499,948
2017	4,395,000	4,105,722	8,500,722
2018	4,450,000	4,051,092	8,501,092
2019	4,530,000	3,968,589	8,498,589
2020	4,635,000	3,866,301	8,501,301
2021	4,755,000	3,745,421	8,500,421
2022	4,895,000	3,608,096	8,503,096
2023	5,045,000	3,454,491	8,499,491
2024	5,210,000	3,288,662	8,498,662
2025	5,390,000	3,112,199	8,502,199
2026	5,575,000	2,924,250	8,499,250
2027	5,785,000	2,715,912	8,500,912
2028	6,010,000	2,491,049	8,501,049
2029	6,250,000	2,248,426	8,498,426
2030	6,510,000	1,989,863	8,499,863
2031	6,785,000	1,714,034	8,499,034
2032	7,100,000	1,401,449	8,501,449
2033	7,425,000	1,074,352	8,499,352
2034	7,770,000	732,283	8,502,283
2035	8,125,000	374,319	8,499,319
Total	**$ 115,000,000**	**$ 55,006,458**	**$ 170,006,458**

Table 9:

PENSION PLAN

For the year ended December 31, 2015, the Authority has implemented the provisions of GASB Statement 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date. These statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and pension expense. The implementation is based on the actuarial date of December 31, 2014 and measurement date of December 31, 2014.

Plan Description

The Authority provides pension, disability, and death benefits for all its full-time employees through a nontraditional defined benefit pension plan in the state-wide Texas County and District Retirement System (TCDRS). TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 677 defined benefit pension plans which function similarly to cash balance-account plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034 or is available on their website at www.tcdrs.org.

The plan provisions are adopted by the governing body of the Authority, within the options available in the state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 10 or more years of service or with 30 years regardless of age or when the sum of their age and years of service equals 80 or more. Members are vested after 10 years but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the Authority within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act. There are no automatic post-employment benefit changes, including automatic cost-of-living adjustments. Ad hoc post-employment benefit changes, including cost-of-living adjustments can be granted by the governing body of the Authority within guidelines of the TCDRS.

The Authority had 182 active and 51 former employees covered under the TCDRS pension plan, and 95 retirees receiving benefits for the calendar year 2014. The Authority had 166 active and 47 former employees covered under the TCDRS pension plan, and 93 retirees receiving benefits for the calendar year 2013.

Funding Policy

The Authority has elected the Annually Determined Contribution Rate plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the Authority is actuarially determined annually.

The actuarially determined rate for the calendar year 2015 was 5.63 percent and for the calendar year 2014 was 3.43 percent, however the governing body of the Authority adopted the rate of 7 percent for the calendar year 2015 and 7 percent for the calendar year 2014. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act. Employee and Authority contributions were $979,504 and $979,504, respectively for the year ended December 31, 2015, and $827,147 and $827,147, respectively for the year ended December 31, 2014.

Actuarial Assumptions

The actuarial assumptions that determined the total net pension asset as of December 31, 2014 were based on the results of an actuarial experience study for the period January 1, 2009 – December 31, 2012, except where required to be different by GASB Statement 68. The actuarial valuations were determined using the following actuarial assumptions:

Actuarial Valuation Date	**December 31, 2014**
Actuarial Cost Method	Individual Entry Age Normal
Long-term Investment Rate of Return	8.10%
Discount Rate	8.10%
Inflation Rate	3%
Projected Salary Increase Rates	4.9%
Cost-of-Living Adjustment	0%
Mortality (all Mortality tables use generational mortality with Projection Scale AA)	Among active members RP-2000 Active Mortality Table for Males + 2 years RP-2000 Active Mortality Table for Females – 4 years Among inactive vested members, service retirees & beneficiaries RP-2000 Combined Mortality Table for Males + 1 year RP-2000 Combined Mortality Table for Females + 0 years Among disability retirees RP-2000 Disabled Mortality Table for Males + 0 years RP-2000 Disabled Mortality Table for Females +2 year
Retirement Age	Experience-based table with rates of retirement ranging from 4.5% at ages 40-44 to 22% at age 74; for all eligible members ages 75 and older, retirement is assumed to occur immediately

Discount Rate

The discount rate used to determine the total pension liability was 8.10%. The discount rate was determined using an alternative method to determine the sufficiency of the fiduciary net position in all future years. This method reflects the funding requirements under the Authority's funding policy and the legal requirements under the TCDRS Act as follows:

1) TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20 year closed layered periods.
2) Under the TCDRS Act, the Authority is legally required to make the contribution specified in the funding policy.
3) The Authority's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the Authority is still required to contribute at least the normal cost.
4) Any increased cost due to the adoption of a cost-of living adjustment is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position was determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system the fiduciary net position as a percentage of total pension liability is expected to increase from its current level in future years. Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the Authority is equal to the long-term assumed rate of return on investments of 8.10%.

TABLE 25 (continued) (Unaudited)

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Pension Plan
December 31, 2015

Discount Rate Sensitivity Analysis

The following presents the net pension liability of the Authority, calculated using the discount rate of 8.10%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.10%) or one percentage point higher (9.10%) than the current rate.

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total pension liability	$ 48,411,000	$ 43,516,753	$ 39,394,391
Fiduciary net position	45,786,593	45,786,593	45,786,593
Net pension liability (asset)	**$ 2,624,407**	**$ (2,269,840)**	**$ (6,392,202)**

Long-Term Expected Rate of Return

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown on the following page are based on January, 2015 information for a seven to ten year time frame. The valuation assumption for long-term expected return is re-assessed a minimum of every four years, and is set based on a 30 year time horizon, the most recent analysis was performed in 2013.

TABLE 25 (continued) (Unaudited)

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Pension Plan
December 31, 2015

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (Expected Minus Inflation) (2)
U.S. Equities	Dow Jones U.S. Total Stock Market Index	0.165	0.0535
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	0.120	0.0835
Global Equities	MSCI World (net) Index	0.015	0.0565
International Equities-Developed	50% MSCI World Ex USA (net) + 50% MSCI World ex USA 100% Hedged to USD (net) Index	0.110	0.0535
International Equities-Emerging	50% MSCI EM Standard (net) Index + 50% MSCI EM 100% Hedged to USD (net) Index	0.090	0.0635
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	0.030	0.0055
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	0.030	0.0375
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	0.050	0.0554
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	0.020	0.0580
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	0.030	0.0675
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	0.020	0.0400
Commodities	Bloomberg Commodities Index	0.020	-0.0020
Master Limited Partnerships	Alerian MLP Index	0.020	0.0530
Private Real Estate	Cambridge Associates Real Estate Index	0.030	0.0720
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	0.250	0.0515

(1) Target Asset Allocation was adopted at the April, 2015 TCDRS Board meeting

(2) Geometric Real Rates of Return in addition to assumed inflation of 1.7%

Net Pension Liability (Asset)

The changes in net pension asset for the measurement date of December 31, 2014 based on the actuarial date of December 31, 2014 is reflected below:

Changes in Net Pension Liability (Asset)	Increase (Decrease) Total Pension Liability	Fiduciary Net Position	Net Position Liability (Asset)
Balances as of December 31, 2013	$ 38,336,862	$ 43,113,568	$ (4,776,706)
Changes for the Year:			
Service cost	1,020,446	-	1,020,446
Interest on total pension liability	3,162,730	-	3,162,730
Effect of plan changes	2,280,346	-	2,280,346
Effect of economic/demographic gains or losses	570,613	-	570,613
Refund of contributions	(51,827)	(51,827)	-
Benefit payments	(1,802,417)	(1,802,417)	-
Administrative expenses	-	(34,241)	34,241
Member contributions	-	827,147	(827,147)
Net investment income	-	2,888,058	(2,888,058)
Employer contributions	-	827,147	(827,147)
Other (allocated system-wide items)	-	19,158	(19,158)
Balances as of December 31, 2014	**$ 43,516,753**	**$ 45,786,593**	**$ (2,269,840)**

In December, 2014, the governing body of the Authority adopted an increase in the employer matching rate from 1:1 to 1.25:1 effective for the calendar year 2015. This change is reflected in the above table as a plan change of $2,280,346.

For the year ended December 31, 2015, the Authority recognized pension expense as follows:

	January 1, 2014 to December 31, 2014
Service cost	$ 1,020,446
Interest on total pension liability	3,162,730
Effect of plan changes	2,280,346
Administrative expenses	34,241
Member contributions	(827,147)
Expected investment return net of investment expenses	(3,517,901)
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	95,102
Recognition of assumption changes or inputs	-
Recognition of investment gains or losses	125,969
Other (allocated system-wide items)	(19,158)
Pension expense	**$ 2,354,628**

TABLE 25 (continued) (Unaudited)

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Pension Plan
December 31, 2015

For the year ended December 31, 2015, the Authority recorded deferred outflows of resources related to the pension as follows:

Differences between expected and actual experience	$	475,511
Net difference between projected and actual earnings		503,874
Contributions made subsequent to measurement date		979,504
Deferred Outflows of Resources	$	**1,958,889**

Amounts currently reported as deferred outflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year ended December 31:		
2015	$	221,071
2016		221,071
2017		221,071
2018		221,071
2019		95,220
Thereafter		-
Total	**$**	**979,504**

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Current Investments
December 31, 2015

Table 10:

The Authority's investments at December 31, 2015 are shown below:

	2015	
Investment Type	**Carrying Value**	**Fair Value**
Certificates of Deposit	$ 490,000	$ 490,000
Money market funds	86,847,358	86,847,358
Local government pool	64,824,168	64,824,168
United States agencies	78,333,942	78,333,942
Municipal bonds	14,871,708	14,873,452
Total	245,367,176	245,368,920
Short-term investments included in cash and cash equivalents	151,671,526	151,671,526
Equity in Total Investments	**$ 93,695,650**	**$ 93,697,394**



SINGLE AUDIT SECTION

PORT CORPUS CHRISTI®

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

April 8, 2016

Port Commissioners
Port of Corpus Christi Authority
of Nueces County, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State of Texas, *Single Audit Circular*, the financial statements of the Port of Corpus Christi Authority as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 8, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Collins, Johnson & Woods

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

April 8, 2016

Port Commissioners
Port of Corpus Christi Authority
of Nueces County, Texas

Report on Compliance for Each Major Federal Program

We have audited the Port of Corpus Christi Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2015. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Collins, Johnson & Woods

PORT OF CORPUS CHRISTI AUTHORITY

FEDERAL SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2015

I. Summary of Audit Results:

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Port of Corpus Christi Authority.

2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the "Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*."

3. No instances of noncompliance material to the financial statements of the Port of Corpus Christi Authority which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.

4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the "Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance."

5. The auditor's report on compliance for major Federal award programs for the Port of Corpus Christi Authority expresses an unmodified opinion on all major programs.

6. No audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this schedule.

7. The programs tested as major programs included:

   U.S. Department of Transportation
   National Infrastructure Investments Discretionary Grant (CFDA – 20.933)

8. The dollar threshold used to distinguish between Type A and Type B programs was $750,000.

9. The Authority was determined to be a low-risk auditee.

II. Findings related to the financial statements – None

III. Findings and questioned costs for Federal awards – None

IV. Prior year audit findings requiring corrective action – None

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

April 8, 2016

Port Commissioners
Port of Corpus Christi Authority
of Nueces County, Texas

Report on Compliance for Each Major State Program

We have audited the Port of Corpus Christi Authority's compliance with the types of compliance requirements described in *the State of Texas Single Audit Circular* that could have a direct and material effect on each of the Authority's major state programs for the year ended December 31, 2015. The Authority's major state programs are identified in the summary of auditor's results section of the accompanying state schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State of Texas Single Audit Circular* issued by the Governor's Office of Budget and Planning. Those standards and the Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination on the Authority's compliance.

Opinion on Each Major State Program

In our opinion, the Port of Corpus Christi Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2015.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *State of Texas Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State of Texas Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

Collier, Johnson & Woods

PORT OF CORPUS CHRISTI AUTHORITY

STATE SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2015

I. Summary of Audit Results:

a. The auditor's report expresses an unmodified opinion on the basic financial statements of the Port of Corpus Christi Authority.

b. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the "Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*."

c. No instances of noncompliance material to the financial statements of the Port of Corpus Christi Authority which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.

d. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the "Independent Auditor's Report on Compliance with Each Major State Program and on Internal Control over Compliance in Accordance with State of Texas Single Audit Circular."

e. The auditor's report on compliance for major State award programs for the Port of Corpus Christi Authority expresses an unmodified opinion on all major programs.

f. There are no audit findings that are required to be reported in accordance with Section 510(a) of State of Texas Single Audit Circular.

g. The programs tested as major programs included:

Texas Department of Transportation
Construction of Nueces River Rail Yard Phase II

h. The dollar threshold used to distinguish between Type A and Type B programs was $750,000.

i. The Authority was determined to be a low-risk auditee.

II. Findings related to the financial statements – None

III. Findings and questioned costs for Federal awards – None

IV. Prior year audit findings requiring corrective action – None

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS
SCHEDULE OF FEDERAL/STATE EXPENDITURES OF AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

Program Title	CFDA Number	Grant Number	Expenditures
Federal Assistance			
U.S. Department of Homeland Security			
Direct Programs			
Port Security Grant #13	97.056	EMW-2013-PU-00309	$ 1,370,950
Port Security Grant #14	97.056	EMW-2014-PU-00478	$ 124,411
Port Security Grant #15	97.056	EMW-2015-PU-00228	$ 2,264
Total Direct Programs			1,497,626
Total U.S. Department of Homeland Security			1,497,626
U.S. Department of Transportation			
Direct Programs			
Maritime Administration			
National Infrastructure Investments Discretionary Grant	20.933	DTMA-91-G-2012-0004	2,096,740
Total U.S. Department of Transportation			2,096,740
Total Federal and Passed through assistance			3,594,366
State Assistance			
Texas Commission on Environmental Quality			
Texas Emmisions Reduction Plan Rebate Grant		582-15-55967-0978	17,906
Texas Emmisions Reduction Plan Rebate Grant		582-15-55965-0978	4,839
Texas Emmisions Reduction Plan Rebate Grant		582-15-55964-0978	25,629
Total Texas Commission on Environmental Quality			48,374
Texas Department of Transportation			
Construction of Nueces River Rail Yard Phase II		CSJ0916-35-172	3,830,594
Total Texas Department of Transportation			3,830,594
Total State Asisstance			3,878,968
Total Federal, State, and passed through assistance			$ 7,473,334

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL/STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

1. General

The accompanying Schedule of Expenditures of Federal/State Awards presents the activity of all Federal and State financial assistance programs of Port of Corpus Christi Authority of Nueces County, Texas (Authority). The Authority's reporting entity is defined in the Notes to the Authority's financial statements. All Federal financial assistance received directly from Federal agencies and passed through other governmental agencies is included on the schedule, as well as all State assistance.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal/State Awards is presented using the accrual basis of accounting, which is described in the Notes to the Authority's financial statements.

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AGENDA ITEM NO. 6

New Harbor Bridge Update

MEDIA PRESENTATION

AGENDA ITEM NO. 7

Hillcrest Update

NO ATTACHMENT

PORT CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for the Port Commission Meeting of April 19, 2016

DATE: April 19, 2016

TO: Port Commission

FROM: David L. Krams, P.E.
Krams@pocca.com
(361) 885-6134

AGENDA ITEM NO. 8

Authorize Staff to Issue a Request for Proposals for the Demolition and Clearing of Properties Acquired by PCCA under the Hillcrest/Washington-Coles Voluntary Real Estate Acquisition and Relocation Assistance Program for the New Harbor Bridge

SUMMARY: Authorize staff to issue a Request for Proposals from construction and demolition contractors for inspection, abatement, demolition and site clearing services.

BACKGROUND: As part of the Harbor Bridge replacement project and under the terms of the Four-Party Agreement (between the PCCA, Texas Department of Transportation, City of Corpus Christi and the Corpus Christi Housing Authority) approved by the Commission in December 2015 which includes the voluntary buy-out program, the PCCA has agreed to purchase, demolish and remove improvements from tracts within the Hillcrest and Washington-Coles neighborhoods generally located north of I-37 and just west of the proposed route of the new Harbor Bridge (the "Neighborhood") that are eligible, owner-occupied property, residential rental property, church-owned property, and neighborhood business-owned property.

As demolition services will be required on an intermittent basis for purchases made within the three-year offer period of the voluntary neighborhood buy-out program, staff believes that an issuing an RFP for the demolition services and pre-qualifying several contractors to be able to bid on properties as they are purchased provides the best value for PCCA.

ALTERNATIVES: Receive responses to Request for Proposals and establish unit rate pricing with one or more pre-qualified contractors under an indefinite delivery indefinite quantity (IDIQ) contract.

CONFORMITY TO PORT POLICY: Consent with the PCCA's procurement policy.

EMERGENCY: This is a fast-track project in order to meet the Port's Commitment per the Four Party Agreement.

FINANCIAL IMPACT: The financial obligation related to demolition and clearing of properties is unknown at this time and will depend on the number, type, and condition of properties acquired.

STAFF RECOMMENDATION: Staff recommends Commission authorization for staff to issue a Request for Proposals to demolish improvements and clear properties acquired under the terms of the Four Party Agreement and to pre-qualify contractors able to bid on properties as they are purchased.

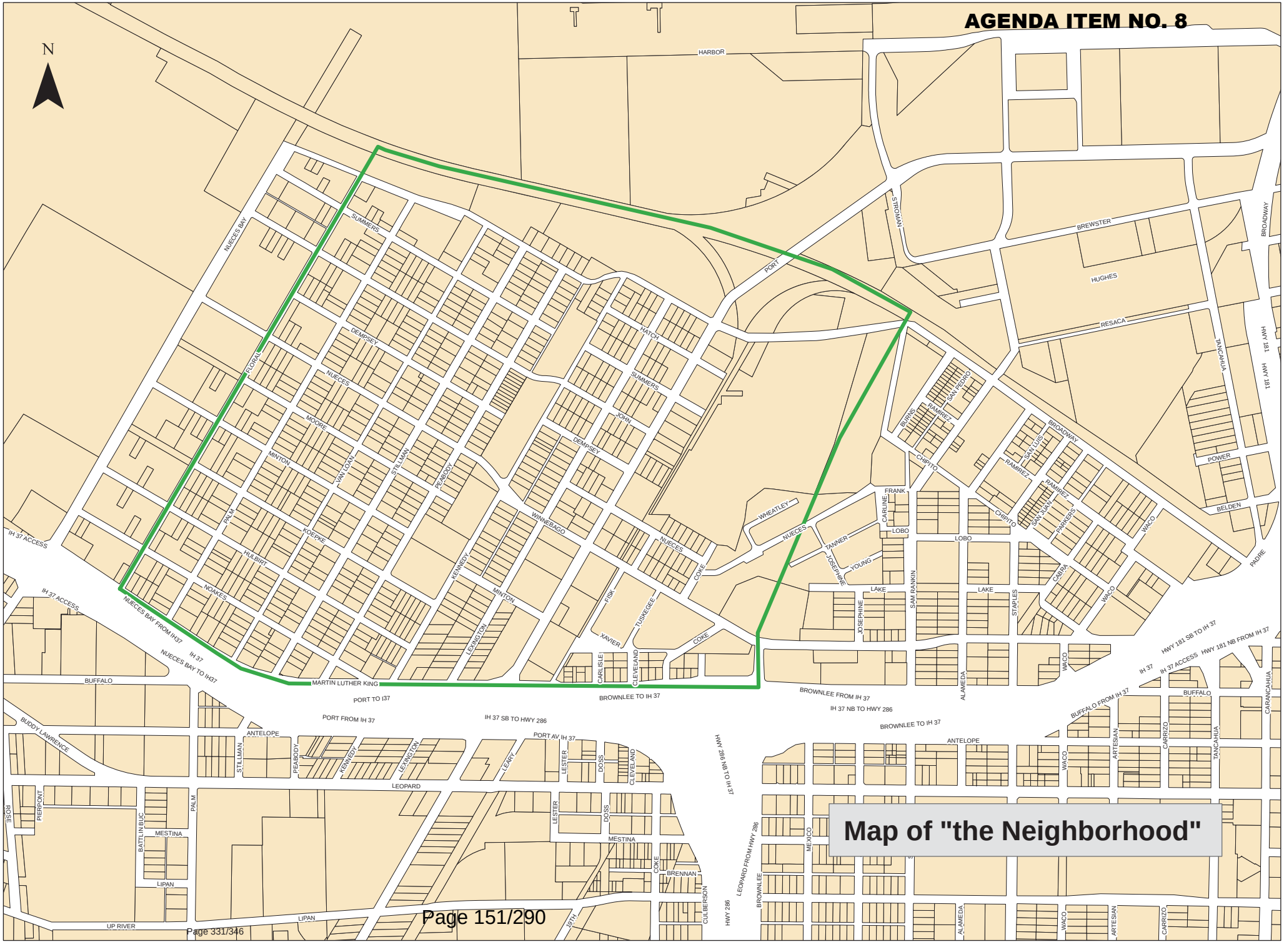
DEPARTMENTAL CLEARANCES:

Originating Department	Engineering Services
Reviewed & Approved	David Krams
	Brett Flint
Legal	Jimmy Welder
Senior Staff	Sean Strawbridge

LIST OF SUPPORTING DOCUMENTS:

Map Exhibit of Project Location

MISCELLANEOUS: The sole purpose of this memorandum is to convey staff's recommendation to the Port Commission on the best value method of selecting a contractor or contractors to carry out obligations under the Four Party Agreement and minimize ongoing maintenance costs associated with properties acquired under the voluntary buy-out program. No person may rely on this memorandum except the Port Commissioners for the purposes described herein.



Map of "the Neighborhood"



1926-2016
90 YEARS OF RELATIONSHIPS

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Moving America's Energy



STRATEGIC RAIL PLAN UPDATE

APRIL 2016

John Slubar, Manager of Docks & Railroad

1926-2016 90 YEARS OF RELATIONSHIPS

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MODERNIZING PORT-AREA RAIL INFRASTRUCTURE



RAIL OPERATIONS

PCC averages 12,000 non-Unit Train carloads annually since 1993

Rail Carload is loaded move or one round trip into and out of PCC

Rail Car is on average 60' long

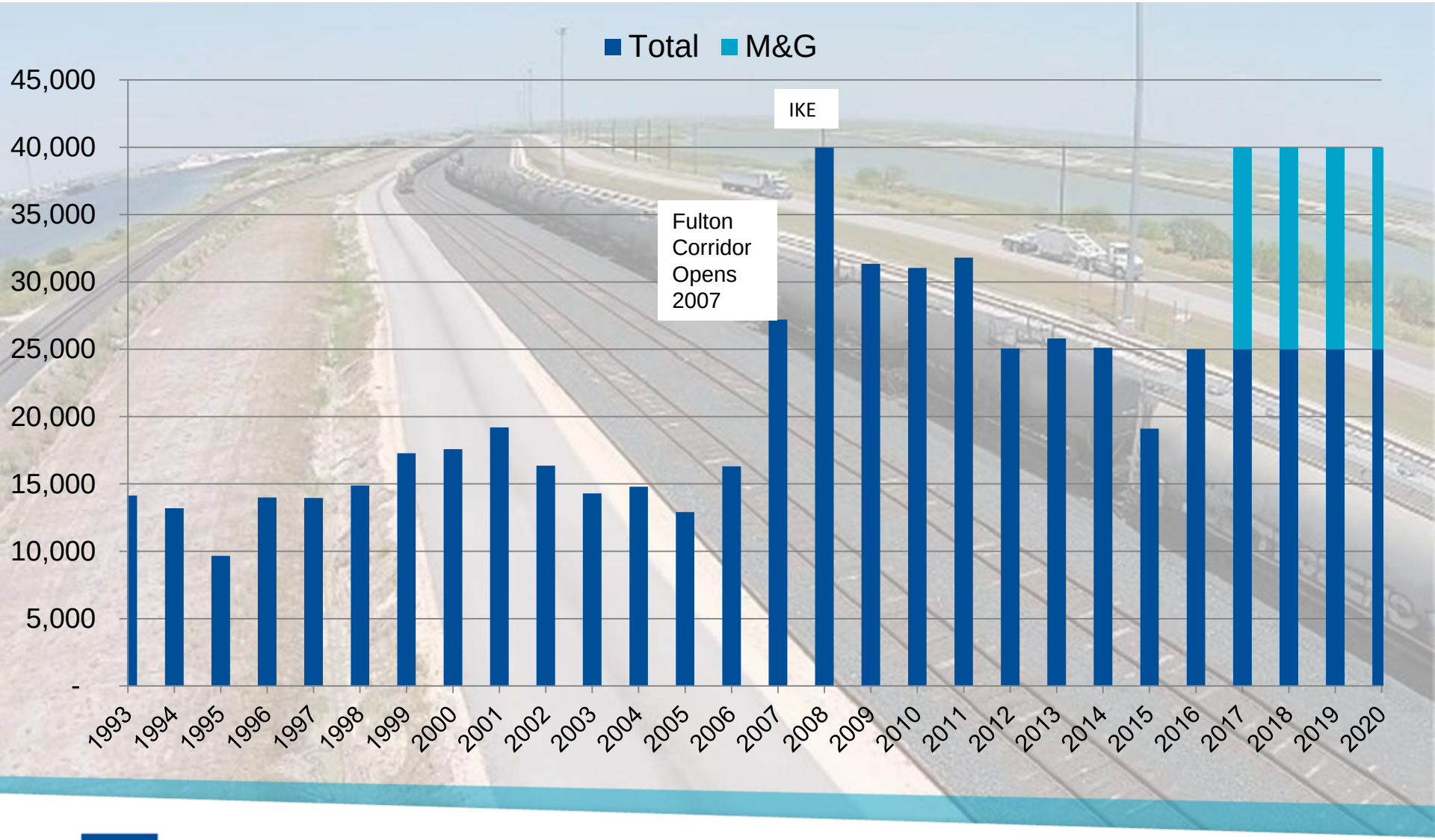
Expect to increase about 15,000 with M&G in 2017

Peak volume of 40,000 in 2008 due to Ike closing Galveston

- 28,000 grain to ADM or 280 unit trains
- No Siding or NRRY back then
- ADM can now hold three trains on their expanded yard
- Unit trains today with Siding, do not impact yard capacity

2017 should be 40,000 carloads with Track capacity increase of 870 rail cars, not counting the new 9,000' Siding

RAIL HISTORY/PROJECTION BY TRAFFIC



RAILCAR SPOT CAPACITY



SUMMARY

2015 CCPN has 1,278 car spots

2016 NRRY I adds 320 totaling 1,598

Late 2016 M&G uses 400 for SIT, net 1,198 car spots available

Early 2017 NRRY II adds 650 car spots, net 1,648 car spots available

2017 PCC will have a 9,000’ siding and an additional 370 car spot after using 600 for DAK (200) and M&G (400) and will move the same volume as 2008 without the additional capacity







THANK YOU

QUESTIONS • COMMENTS?

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PORT CORPUS CHRISTI™

AGENDA ITEM NO. 10

Cheniere LNG Update

MEDIA PRESENTATION

PORT CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for Port Commission Meeting of April 19, 2016

DATE: April 19, 2016

TO: Port Commission

FROM: Sarah L. Garza, Director of Environmental Planning & Compliance
sarah@pocca.com
(361) 885-6163

AGENDA ITEM NO. 11

Authorize Staff to Issue a Request for Proposals for a Dry Bulk Commodity Market Study for Use in the Development of a Master Plan for the Bulk Terminal

SUMMARY: Included in the 2016 Budget is the development of a Master Plan for the Bulk Terminal. Ongoing developments at the Bulk Terminal warrant an evaluation of future cargo growth and available opportunities for expansion that would allow increased utilization of the Bulk Terminal. Staff believes that development of a Master Plan is best phased with, first, the development of a market study to identify short- and long-term forecasted cargo projections, followed by development of infrastructure expansion needs. The expansion component would include such detail as evaluating existing equipment, infrastructure, access points, roads, and rail and proposing necessary modifications in support of future cargo projections.

This will be Professional Services contract, and Engineering has estimated $450,000 will be necessary to complete the evaluation. Staff believes that breaking it up into two phases as described above would be the most efficient route. The Market Study would still be a Professional Services contract and it is staff's belief that a Request for Proposals that requests both a demonstration of qualifications and a fee to provide such study is the most prudent approach for this first part. The second part of the Master Plan identifying the facility and infrastructure expansion needs would also be Professional Services and should be solicited through a routine Request for Qualifications process as well.

BACKGROUND: A Master Plan for the Bulk Terminal is necessary for long-term planning. The existing Master Plans for the Bulk Terminal have expired and given the current utilization of the Bulk Terminal and recent development of the Port's Strategic Plan, having a long-term comprehensive strategy would be beneficial. Staff anticipates that the master planning effort would include, among other things, a strategy to transfer operations from Bulk Dock 1 to the proposed Bulk Dock 3, incorporation of plans for utilizing Bulk Dock 1 for heavy-lift cargo, and a review of rail operations to determine the highest and best use of all the areas of the Bulk Terminal.

ALTERNATIVES: An alternative to this process would be to combine the Market Study and Expansion Plan into a single Request for Qualifications process. However, this would limit the PCCA's ability to get fair and reasonable pricing.

CONFORMITY TO PORT POLICY: Consideration for future environmental regulations would be a part of the Master Planning process and therefore, this would conform to the recently approved Environmental Policy. Additionally, this item will also support the PCCA's current Strategic Plan and the Land-Use Plan.

EMERGENCY: None.

FINANCIAL IMPACT: Long-term this project could result in revenue increases by assisting in development of a marketing strategy for the Bulk Terminal.

STAFF RECOMMENDATION: Staff recommends the Port Commission determine that, of the methods available to PCCA for acquiring this type of professional services, the request for proposals method provides the selection of the most qualified firm at the most fair and reasonable price. Staff further recommends that staff be authorized to issue a Request for Proposals for a Market Study of the Bulk Terminal.

DEPARTMENTAL CLEARANCES:

Originating Department	Sarah Garza
Supporting Departments	Eric Battersby Natasha Fudge Dave Michaelson

LIST OF SUPPORTING DOCUMENTS: There are no supporting documents needed for this memo.

PORT CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for Port Commission Meeting of April 19, 2016

DATE: April 19, 2016

TO: Port Commission

FROM: Rosie Collin
rosie@pocca.com
(361) 885-6115

AGENDA ITEM NO. 12

Terminate Existing Development Services Agreement with Robstown Area Development Commission (RADC) and Approve a Development Services Agreement with Robstown Improvement Development Corporation (RIDC)

SUMMARY: Terminate the 2016 Development Services Agreement with Robstown Area Development Commission (RADC) and enter into a Development Services Agreement with Robstown Improvement Development Corporation (RIDC).

BACKGROUND: At the December 15, 2015 Commission meeting, the Commission approved a $35,000 Development Services Agreement with the RADC for 2016 to promote the development of the Port Authority and its waters and facilities, and sponsor activities that advertise and promote the Port Authority.

The Robstown Area Development Commission (RADC) is a non-profit corporation aimed at promoting economic development efforts in the Robstown area. It is governed by a Board of Directors, consisting of 14 directors elected from the organization's general membership and five public directors.

Since the approval of the agreement with RADC, Port staff has come to realize that the best fit for the Port's dollars would be to terminate the existing agreement with RADC and redirect the funds into an agreement with the Robstown Improvement Development Corporation (RIDC) for the remainder of 2016.

The RIDC is a non-profit corporation aimed at providing economic development efforts in the City of Robstown. The corporation manages the 4B Sales Tax and is governed by a Board of Directors consisting of 7 members and an Executive Director.

CONFORMITY TO PORT POLICY: Section 60.203 of the Water Code provides that money in the Development Fund shall be spent by the Port Commission (*i.e.*, the governing body of the Port) or as the Port Commission may direct to pay any expenses connected with *(1)* any activity or matter incidental to the advertising, development, or promotion of the district or its ports, waterways, harbors, or terminals; *(2)* furthering the general welfare of the district and its facilities; or *(3)* the betterment of the district's relations with steamship and rail lines, shippers, consignees of freight, governmental

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officials, or others interested or sought to be interested in [its] ports, waterways, harbors, or terminals.

EMERGENCY: N/A

FINANCIAL IMPACT: N/A

STAFF RECOMMENDATION: Staff recommends termination of the existing Development Services Agreement with RADC and enter into a Development Services Agreement with RIDC for the remainder of 2016.

DEPARTMENTAL CLEARANCES:

Originating Department: Community Relations

Reviewed & Approved: Rosie Collin
Senior Staff: John LaRue
Sean Strawbridge

LIST OF SUPPORTING DOCUMENTS: Development Services Agreement with the Robstown Improvement Development Corporation (RIDC)

Robstown

ROBSTOWN IMPROVEMENT DEVELOPMENT CORPORATION

April 13, 2016

To Whom It May Concern:

Seven board positions exists on the Robstown Improvement Development Corporation(RIDC) Board. The board positions are appointed by the Mayor of the City of Robstown. The current board members are:

- Marcos Alaniz – Board President
- Rodney Flores – Vice-President
- Elias R Vasquez – Treasurer
- Roland Ramos – Secretary
- Councilman Larry Cantu Jr. – Member
- Mayor Mandy Barrera – Member
- Armando B. Gonzalez Jr. – Member

The Mayor and Board President have agreed to appoint a selection from the Port of Corpus Christi on the RIDC Board as part of any partnership that may exist between the Port of Corpus Christi and the RIDC. The RIDC would see a continued partnership with the Port of Corpus Christi, as a value for the City of Robstown and potential business growth and development for the area as a whole.

Regards,

Herman Rodriguez
Executive Director

PORT DEVELOPMENT SERVICES AGREEMENT
2016

This Port Development Services Agreement ("Agreement") is made and entered into effective as of July 19, 2016 (the "Effective Date"), by and between the PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS (the "Port"), and the ROBSTOWN IMPROVEMENT DEVELOPMENT CORPORATION (the "Provider").

RECITALS:

Whereas, the Port is a political subdivision of the State of Texas, operating as a navigation district pursuant to Article XVI, Section 59 of the Texas Constitution and the laws of the State of Texas, particularly, Chapters 60 and 62 of the Texas Water Code (the "Water Code"); and

Whereas, under Section 60.202 of the Water Code, the Port may set aside out of current income from its operations a promotion and development fund ("Development Fund") of not more than five percent (5%) of its gross income from operations in each calendar year; and

Whereas, Section 60.203 of the Water Code provides that money in the Development Fund shall be spent by the Port Commission (*i.e.*, the governing body of the Port) or as the Port Commission may direct to pay any expenses connected with *(1)* any activity or matter incidental to the advertising, development, or promotion of the district or its ports, waterways, harbors, or terminals; *(2)* furthering the general welfare of the district and its facilities; or *(3)* the betterment of the district's relations with steamship and rail lines, shippers, consignees of freight, governmental officials, or others interested or sought to be interested in [its] ports, waterways, harbors, or terminals; and

Whereas, Section 60.003 of the Water Code provides that a district may contract with any person necessary or convenient to the operation or development of the district's ports and waterways; and

Whereas, the Port wishes to engage the Provider to provide the professional services and related items described in Exhibit A attached to this Agreement ("Exhibit A") and incorporated herein; and

Whereas, the Port Commission believes that the expenditure of Port funds pursuant to this Agreement is consistent with the authority granted to the Port Commission in Section 60.203 of the Water Code; and

Whereas, the Provider wishes to provide the professional services and related items described in Exhibit A on the terms and for the consideration described in this Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants, rights, and obligations set forth herein and the benefits to be derived therefrom, the receipt and sufficiency of which each party acknowledges, the parties agree as follows:

1. Term. The term of this Agreement shall commence on the Effective Date and shall continue until the following December 31, 2016, unless sooner terminated as provided in this Agreement.

2. Development Services. During the term of this Agreement, the Provider agrees to provide to or on behalf of the Port the professional services and related items described in Exhibit A (collectively, the "Development Services") in accordance with the terms and conditions of this Agreement. The Provider specifically agrees to include at least one Port representative in any economic development negotiations or discussions in which the Provider is involved concerning *(i)* a port-related business prospect or *(ii)* a business transaction which will ultimately require Port involvement, financial or otherwise.

3. Consideration. In consideration of the Development Services to be provided hereunder, the Port agrees to pay the Provider the total sum of Fifteen Thousand Seven Hundred Twenty-Six and 11/100 Dollars ($15,726.11) (the "Contract Amount") as follows: *(i)* One-third of the Contract Amount shall be payable to Provider within ten (10) days after the execution of this Agreement by both parties; and *(ii)* the balance of the Contract Amount shall be payable to Provider in 2 equal quarterly installments of one-third of the Contact Amount, each on or before the last days of September and December during the term of this Agreement. The Provider agrees that any funds paid to it pursuant to this Agreement will be utilized solely for the purpose of providing Development Services.

4. Place for Payment. The funding required under this Agreement shall be mailed to the Provider at its address specified in Section 9 below, unless the Provider makes other arrangements for payment that are satisfactory to the Port.

5. Quarterly Reports. On a quarterly basis, the Provider shall submit to the Port a written activity report (the "Activity Report") of its Development Services and accomplishments for that particular quarter. Except as otherwise provided in this Section, the form of the Activity Report shall include, at a minimum, a narrative summary of the Development Services rendered during the quarter, a summary of year-to-date expenditures incurred by the Provider in providing the Development Services, information regarding the current status of any prospective new port-related business generated by the Provider, information regarding the current status of any prospective expansion of any existing port-related business generated by the Provider, and any other information which is reasonably requested by the Port pertaining to the Development Services. Notwithstanding anything to the contrary contained in this Section 5, the Provider may exclude Confidential Information from an Activity Report if the Provider gives an oral report of the Confidential Information to the Port's Executive Director or his designee contemporaneously with the delivery of the Activity Report from which such Confidential Information was excluded. For purposes of the preceding sentence, "Confidential Information" means *(i)* information regarding the current status of any prospective new port-related business generated by the Provider, if disclosure of such information to the public would, in the opinion of the Provider, jeopardize the realization of such business or *(ii)* information regarding the current status of any prospective expansion of any existing port-related business generated by the Provider, if disclosure of such information to the public would, in the opinion of the Provider, jeopardize the realization of such expansion.

6. Records. The Provider shall maintain fiscal records and supporting documentation in the form of cancelled checks, payroll records, and invoices evidencing the expenditure of all funds received by the Provider pursuant to this Agreement. The Provider agrees to maintain proper accounting records reflecting the receipt and expenditure of funds paid to it by the Port pursuant to this Agreement in sufficient detail that a reasonable person could from a review of such records determine how all such funds were expended. Upon written request to do so, the Provider shall give the Port or its duly authorized representatives, at any reasonable time or times, access to all books, accounts, records, files or other papers belonging to or used by the Provider in connection with its performance of the Development Services. Failure to provide access to the foregoing documents shall constitute a breach of this Agreement by the Provider. The Provider agrees to keep in its possession for at least three (3) years after the termination of this Agreement all of the records described in this Section.

7. Performance Review. The Port may conduct a performance review on a semi-annual basis to evaluate the Provider's compliance with the provisions of this Agreement.

8. Early Termination. The Port shall have the right to terminate this Agreement any time prior to the expiration of the term specified in Section 1 if the Port determines that the Provider has breached or otherwise failed to comply with any terms of this Agreement. The Port shall give the Provider written notice of such termination at least thirty (30) days prior to the date of such termination. The notice shall include the reasons for such termination and the effective date of the termination. Furthermore, either party may terminate this Agreement at any time for any reason by giving written notice to the other party at least ninety (90) days prior to the termination date specified in such notice. Upon termination of this Agreement, the Port shall be liable to the Provider only for sums earned by the Provider prior to the date of termination.

9. Notices. All notices given pursuant to this Agreement shall be in writing, and if sent by mail shall be sent by certified mail, return receipt requested, postage prepaid, or by overnight delivery service, or by facsimile or electronic transmission as addressed below:

If to the Port:

Executive Director
Port of Corpus Christi Authority
P.O. Box 1541
Corpus Christi, Texas 78403
Ph: (361) 882-5633
Fax: (361) 882-7110

If to the Provider:

Executive Director
Robstown Improvement Development Corporation
P. O. Box 872
Robstown, Texas 78380
Ph: (361) 387-4589

or to such other address as may be designated in writing from time to time. All notices sent by certified mail are deemed received on the third business day after mailing. All notices sent by overnight delivery are deemed received on the next business day after being sent. All notices sent by facsimile or electronic transmission are deemed received on the day sent. Any party may change its address by giving notice to all other parties as set out herein.

10. Source of Funds. Any payments made to the Provider by the Port pursuant to this Agreement shall be made with funds in the Port's Development Fund.

11. Appropriations. Notwithstanding anything to the contrary contained in this Agreement, the parties acknowledge and understand that this Agreement is contingent upon the appropriation of funding by the Port Commission.

12. No Conflict of Interest. The Port and Provider each state independently that to the best of its knowledge no member of the Port Commission nor any officer, employee, or agent of the Port who will exercise any function or responsibility in connection with the carrying out of the provisions of this Agreement has any personal financial interest, direct or indirect, in this Agreement.

13. No Joint Enterprise or Liability. The parties do not intend, by entering into this Agreement, to create a partnership or joint enterprise with each other, and the Port shall at no time be responsible or liable for the acts of the Provider or the Provider's agents or employees. In no event shall the Port be liable *(i)* for the performance of any contracts made by the Provider with any other person or entity or *(ii)* for any damages, injuries, or losses charged to or adjudged against the Provider arising from its operations or the use or maintenance of its facilities. The Provider will be responsible for all costs and expenses incurred by it in providing the Development Services hereunder, and the Port shall be under no obligation to provide any additional funding or incur any other costs or expenses in connection with the Development Services beyond the Contract Amount.

14. Indemnity. The Provider agrees to defend, indemnify and hold harmless the Port, its Port Commissioners, employees and representatives for any claims or losses of any kind incurred by any of them because of or arising out of the Development Services performed by the Provider pursuant to this Agreement.

15. Confidential Information. The Provider agrees that any information given to the Provider by the Port concerning the financial or other affairs of the Port while in pursuit of the Provider's obligations under this Agreement will be held by the Provider in confidence and will not be revealed to any other person, entity or governmental body without the express written consent of the Port.

16. Severability. If any provision of this Agreement is held to be invalid, unconstitutional, or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held to be invalid, unconstitutional, or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid, unconstitutional, or unenforceable.

17. No Waiver of Rights. It is understood and agreed that no failure or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege under this Agreement.

18. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Venue for any action brought under this Agreement lies in Nueces County, Texas, exclusively.

19. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

20. Assignments and Successors. No party may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other party. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects on and inure to the benefit of the successors and permitted assigns of the parties.

21. Headings. The titles and headings in this Agreement are used only for reference, and in no way define or limit the scope or intent of a provision of this Agreement.

22. Compliance with Applicable Laws. The Provider agrees to comply with all applicable federal, state and local laws and regulations while performing the Development Services.

23. Special Terms and Conditions. Any special terms and conditions pertaining to the subject matter of this Agreement are set forth in Exhibit B attached hereto, which is incorporated herein.

24. Entire Agreement and Modification. This Agreement supersedes all prior agreements between the parties with respect to its subject matter. This Agreement constitutes a complete and exclusive statement of the terms of the agreement between the parties with respect to the subject matter of this Agreement. There are no written or oral representations or understandings that are not fully expressed in this Agreement. This Agreement may not be amended, supplemented, or otherwise modified except by written agreement executed by the party to be charged with the change.

[*The signature page follows this page*]

IN WITNESS WHEREOF, the Port and Provider, acting under the authority of their respective governing bodies, have caused this Agreement to be executed by their duly authorized representatives on the dates set forth below, but effective for all purposes as of the Effective Date.

PORT:

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

By:_____
John P. LaRue
Executive Director

Date:_____

PROVIDER:

ROBSTOWN IMPROVEMENT DEVELOPMENT CORPORATION

By:_____
Herman Rodriguez

Name:_____

Title:_____

Date:_____

EXHIBIT A

DEVELOPMENT SERVICES AND RELATED ITEMS

The Development Services to be provided to the Port by the Provider shall include the following:

1. ensure the Port has knowledge of and participates in all contacts, conversations and meetings with persons or entities inquiring about, interested in, or requiring Port of Corpus Christi land, facilities or services;

2. include specifically in the Provider's quarterly Activity Reports information regarding all contacts, conversations and meetings with persons or entities inquiring about, interested in, or requiring Port of Corpus Christi land, facilities or services;

3. research and develop information regarding area economics, finance, education and training, housing, human relations, planning and development, and other similar matters of public concern to further the goal of the future growth of the Port of Corpus Christi and to assist the Port in the establishment and location of new industries and commercial and public enterprises on Port property;

4. disseminate information described in item 3 above to the public through various and diverse educational processes such as the publication of the results of such research and development, conducting seminars, forums, discussion groups and participating in expositions, trade shows, conventions and other meetings;

5. aggressively promote the retention of all military facilities in the Corpus Christi Bay area, as well as the addition of new military facilities through contact with public officials, disseminating information, and any other appropriate activities;

6. promote Nueces County to prospects for new port-related industries and enterprises, especially those that would substantially increase employment;

7. create and implement strategies and programs to keep and expand existing port-related industries and enterprises; and

8 participate in a local International Trade Conference for the South Texas community with the Port's involvement that focuses on export/import regulations, permit requirements, and business opportunities for local businesses.

EXHIBIT B

SPECIAL TERMS AND CONDITIONS

The Provider also agrees that the Port will receive the following advertising services and benefits without any additional cost to the Port:

1. The Port shall be a member of the Provider during the term of this Agreement without having to pay any dues. The Port shall be entitled to appoint two representatives to the Provider's Board of Directors.

2. The Port shall have the status of an annual meeting sponsor at no additional cost to the Port.

3. The Provider shall prepare newsletter articles on community involvement, support, and initiatives in collaboration with Port staff.

4. The Port shall be recognized as a Provider member on the Provider's website, the Port's logo shall be displayed on the Provider's website, and the Provider's website shall contain a hyperlink to the Port's website under the Port's logo.

PORT CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for Port Commission Meeting of April 19, 2016

DATE: April 19, 2016

TO: Port Commission

FROM: David L. Krams, P.E.
Krams@pocca.com
(361) 885-6134

AGENDA ITEM NO. 13

Award a Contract to Division 16 Construction Company, the Lowest and Best Bidder Based on Bids Received March 24, 2016, in the Amount of $647,399 for Security Improvements to Oil Dock 14 (Port Security Grant FY 2014)

SUMMARY: Staff requests award of a construction contract to Division 16 Construction Company for the security improvements to Oil Dock 14 under Security Grant 14. On March 24, 2016, we received four responses to our Notice to Bidders (see attached Bid Tabulation Sheet). Division 16 Construction Corporation submitted the apparent lowest bid in the amount of $647,399.01. This projects is included in the 2016 budget.

BACKGROUND: In 2014, the Port of Corpus Christi Authority received a U.S. Department of Homeland Security grant for various security projects, which included security improvements to Oil Dock 14. These improvements are required by the U.S. Coast Guard prior to beginning facility operations. The scope of work for the project includes installation of a guard inspection station with canopy, access control TWIC card readers with gate arms, fencing, and surveillance cameras at Oil Dock 14, which is currently under construction. The cameras, servers, and network equipment will be purchased under separate contracts. The total amount for this project—Access Control at Oil Dock 14—is $838,383 with a 25% PCCA share and the other 75% reimbursable by the federal government.

ALTERNATIVES: None.

CONFORMITY TO PORT POLICY: This project supports Goal 2 of the Strategic Plan to provide facilities and services to meet customer needs.

EMERGENCY: This is a time sensitive project that needs to be completed no later than August 15, 2016.

FINANCIAL IMPACT: The 2016 budget includes $778,283 for this capital project; approximately $60,000 has been spent for engineering services.

The recommended award includes the Base Bid in the amount of $466,312.76, Additive Bid Item 1 in the amount of $19,622.23 to provide concrete curb barrier at the base on the facility's perimeter security fencing, and Additive Bid Item 2 in the amount of $161,464.02 to provide an inspection canopy and lighting, for a total amount of $647,399.01. This Security Grant project will be reimbursed 75% (approximately $485,549.26 in federal funds). Construction costs to the PCCA will be approximately $161,849.75.

STAFF RECOMMENDATION: Staff recommends a contract be awarded to Division 16 Construction Corporation for the Base Bid, Additive Bid Item 1, and Additive Bid Item 2, for a total contract amount of $647,399.01. Staff further recommends that the Director of Engineering Services be granted a 4% contingency in accordance with the PCCA's standard contingency guidelines for general construction projects.

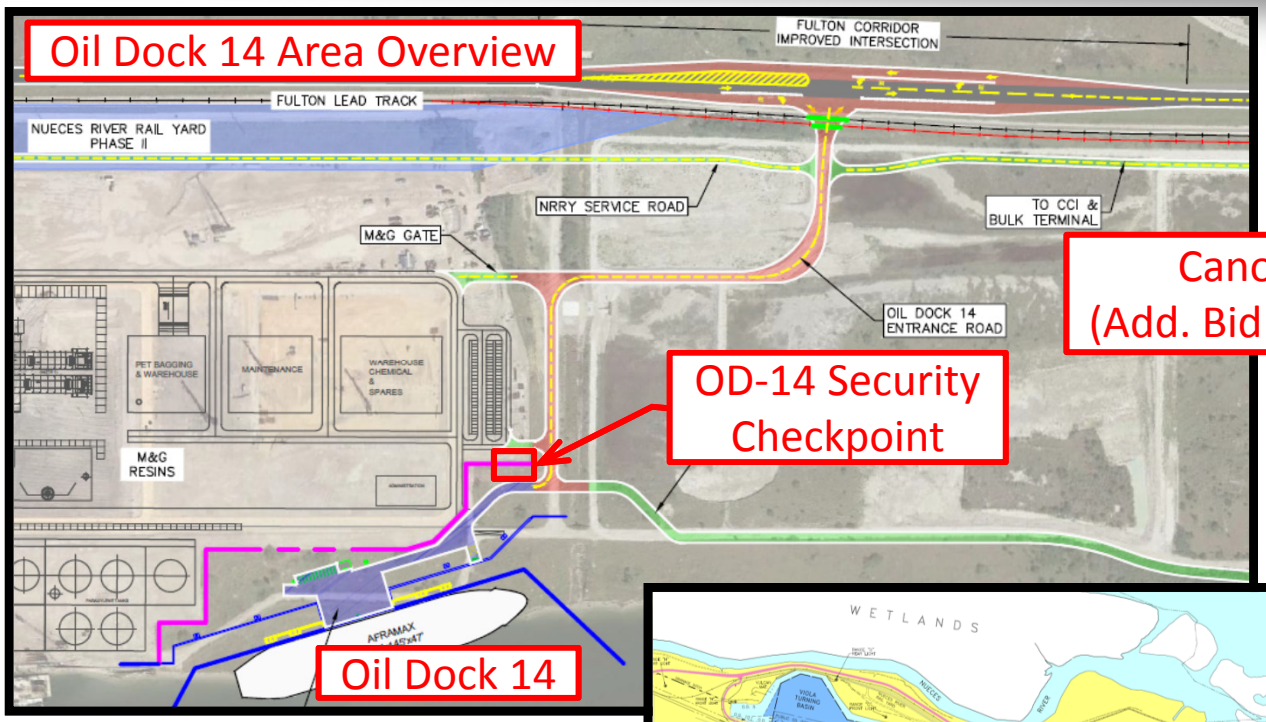
DEPARTMENTAL CLEARANCES:

Originating Department	Engineering Services
Reviewed & Approved	David Krams
	Dave Michaelsen
Senior Staff	John LaRue
	Sean Strawbridge
	Jarl Pederson

LIST OF SUPPORTING DOCUMENTS:

Map and Photo Exhibit
Bid Tabulation Sheet

Security Grant 14 - Oil Dock 14 Security Improvements

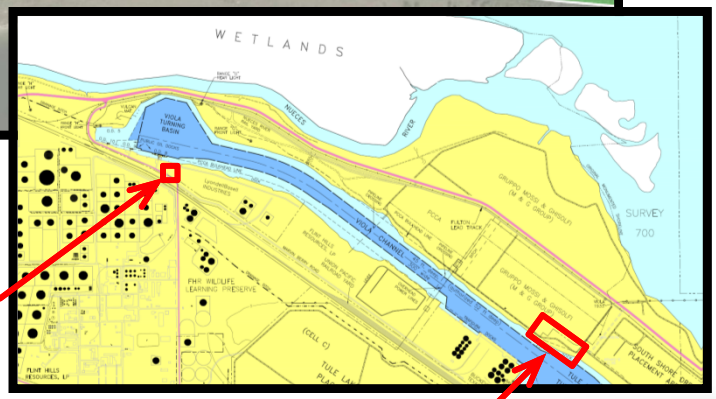




Canopy
(Add. Bid Item 2)

Security Checkpoint
@ Viola Oil Docks

OD-14 Security
Checkpoint





Security Checkpoint
@ Viola Oil Docks
(Similar to be
Constructed at OD-14)

Oil Dock 14

Base Bid

PORT CORPUS CHRISTI™

90 1926-2016 YEARS OF RELATIONSHIPS

PORTCORPUSCHRISTI

BID TABULATION
FOR SECURITY GRANT 14
OIL DOCK 14 SECURITY IMPROVEMENTS
PROJECT NO. 14-060C
Bid Opening: March 24, 2016 at 2:00 PM

Company Name	Bid Bond or Check	Base Bid[A]	Additive Bid Item 1[B]	Additive Bid Item 2[C]	Addendum No. 1	Staff's Recommended Award: Base Bid + Add Bid Item 1 + Add Bid Item 2
Division 16 Construction Corporatio	**Bid Bond 5%**	**$466,312.76**	**$19,622.23**	**$161,464.02**	**Acknowledged**	**$647,399.01**
DMB Construction LLC	Bid Bond 5%	$582,612.53	$66,433.46	No Bid	Acknowledged	$649,045.99
Russell Marine LLC	Bid Bond 5%	$680,797.00	$40,554.00	$215,000.00	Acknowledged	$936,351.00
B.E. Beecroft Co., Inc.	Bid Bond 5%	$683,285.00	$23,445.00	$197,897.00	Acknowledged	$904,627.00

[A] Base Bid: The scope of work consists of installing a security gate access control and surveillance at Oil Dock 14; complete with modular guard house, fencing, and utility service. Security work consisists of installing gate swing arms with card readers, new surveillance cameras and camera pole, power, underground fiber-optic cable and communication to and from the Security Command Center, as specified in the project drawings. This is a Lump Sum bid item.

[B] Additive Bid Item No. 1: Concrete Fence Curb. The scope of work consists of installing a concrete curb at the base of the existing fencing, as specified in the project drawings. This is a Lump Sum bid item.

[C] Additive Bid Item No. 2: Inspection Canopy with Lighting. The scope of work consists of installing drilled concrete pier foundations, pre-engineering metal building, and lighting. This is a Lump Sum bid item.

NOTE: Time of completion is 90 calendar days but not later than August 15, 2016 as stated in Bid.

Read By: David Krams, P.E.
Tabulated By: Carlos Martinez, P.E.
Checked & Prepared By: Melinda Maldonado
Date: March 24, 2016

PORT CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for Port Commission Meeting of April 19, 2016

DATE: April 19, 2016

TO: Port Commission

FROM: David L. Krams, P.E.
Krams@pocca.com
(361) 885-6134

AGENDA ITEM NO. 14

Approve a Professional Services Contract with Moffatt & Nichol for an amount of $337,000 for Engineering Services Associated with the Aids-to Navigation Improvements at the La Quinta Channel Extension

SUMMARY: Staff recommends approval of a Professional Engineering Services Agreement with Moffatt & Nichol for engineering services associated with Aids-to-Navigation at the La Quinta Ship Channel extension for an amount of $337,000. Design of this strategic capital project was included in the 2016 budget.

BACKGROUND: Construction of the La Quinta Channel extension was completed by the U.S. Army Corps of Engineers (USACE) in 2013. At that time, the USACE did not coordinate installation of Aids-to-Navigation (ATONs) with the U.S. Coast Guard (USCG) and there now is an urgent need to install ATONs for the safe operation of large vessels that new industrial development along the La Quinta Ship Channel has brought. Since the USCG process for designing and installing ATONs is lengthy and the PCCA's customer needs imminent, staff recommends moving forward with design and installation of the ATONs and then transfer ownership to the USCG for operation and maintenance.

Design of ATON improvements in the La Quinta Channel extension was one of 12 engineering services projects included in the PCCA's Request for Qualifications for the 2016 consultant selection process. Staff selected Moffat and Nichol as the firm most suitable for this project. The scope of work for this agreement includes design plans and contract documents to install front and rear range lights, to be located on PCCA-owned submerged lands in Corpus Christi Bay west of the San Patricio Turning Basin and a sector light to be located on the La Quinta Gateway Terminal site.

CONFORMITY TO PORT POLICY: This project is consistent with the PCCA's Strategic Plan Goal 2 to provide facilities and services to meet customer needs and support maritime and industrial development.

EMERGENCY: Although not an emergency, this project will serve the immediate needs of our customers, particularly voestalpine Texas Holding, LLC. Their first vessel is expected to arrive at their facility at the La Quinta Channel later this month. The

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proposed ATON improvements will allow them to move vessels both day and night instead of daylight only movement as the current situation stands

FINANCIAL IMPACT: The 2016 budget includes $1,000,000 for this capital project.

STAFF RECOMMENDATION: Staff recommends approval of a Professional Engineering Services Agreement with Moffatt & Nichol in an amount of $337,000 for engineering services associated with Aids-to-Navigation at the La Quinta Ship Channel extension.

DEPARTMENTAL CLEARANCES:

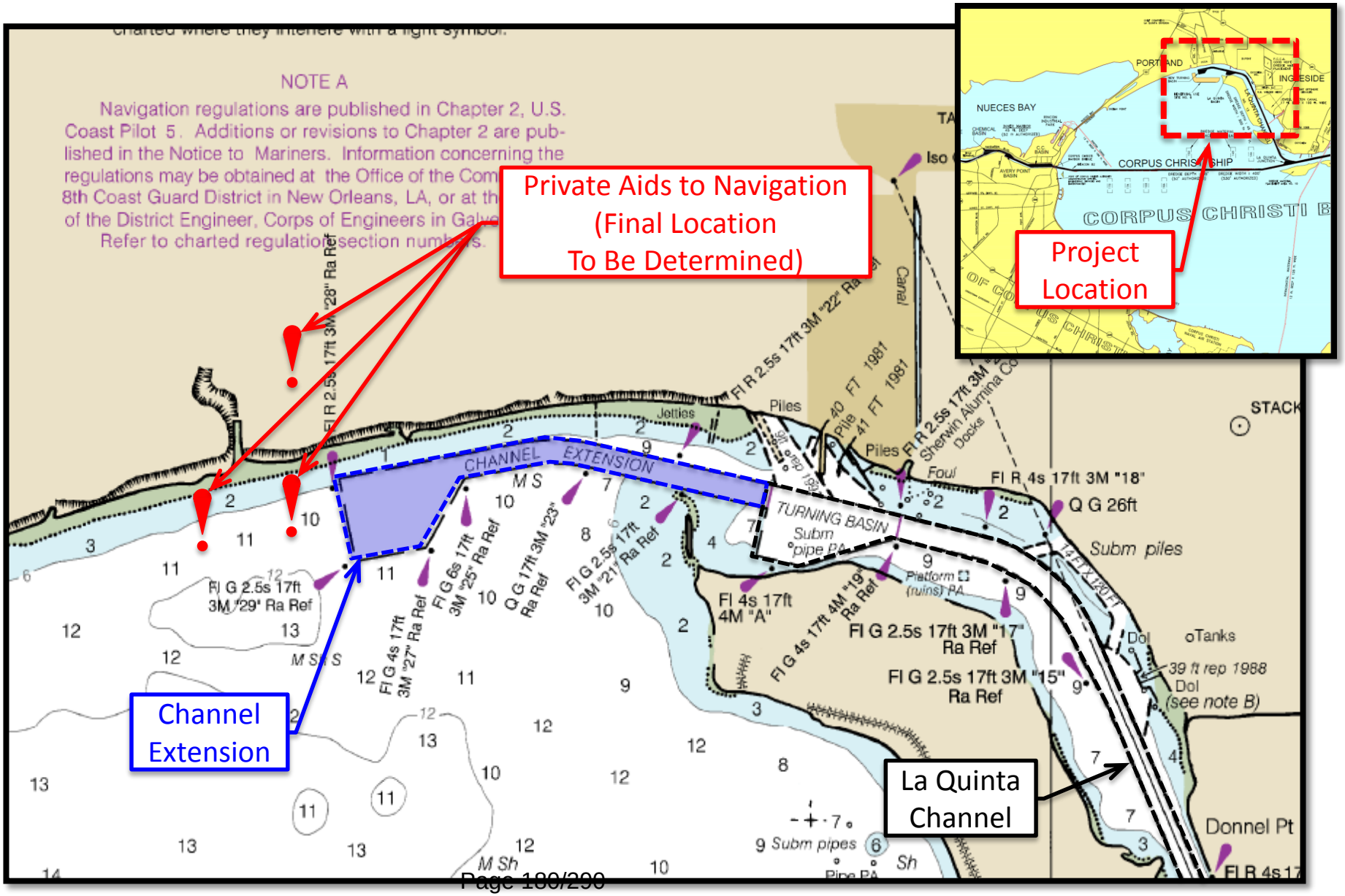
Originating Department	Engineering Services
Reviewed & Approved	David Krams
	Dan Koesema
Senior Staff	John LaRue
	Sean Strawbridge
	Jarl Pederson

LIST OF SUPPORTING DOCUMENTS:

Map Exhibit

Port of Corpus Christi - La Quinta Channel Extension

Proposed Private Aids to Navigation



PROFESSIONAL ENGINEERING SERVICES CONTRACT

THIS CONTRACT (the "Contract") is made and entered into effective as of the ___ day of _____, 20__ ("Effective Date") by and between the Port of Corpus Christi Authority of Nueces County, Texas ("Authority"), and Moffatt & Nichol ("Engineer"), each a "Party" and collectively as "Parties".

NOW THEREFORE, in consideration of the promises and mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. CONTRACT: Authority hereby engages the Engineer and the Engineer hereby accepts its engagement for the purpose of providing to Authority the engineering services ("Services") as are generally described in the "Scope of Services" set forth in Attachment A to this Contract which is incorporated herein by reference"

2. DESCRIPTION OF PROFESSIONAL SERVICES TO BE PROVIDED BY ENGINEER: Engineer will perform the Services described in Attachment A hereto, or as described in the referenced RFP and Proposal. Engineering designs, reports, drawings and specifications prepared hereunder will be Sealed by a Registered Professional Engineer licensed to practice in the State of Texas and in accordance with applicable provisions of the Texas Engineering Practice Act and Rules of the Texas Board of Professional Engineers.

3. PERIOD OF SERVICE: The Engineer shall complete the Services on or before _____, 201___(the "Deadline"), unless the Authority agrees to extend the Deadline for good reason; provided, however, that the Authority may terminate this Contract at any time in accordance with Section 13. Time is of the essence in performance of this Contract. There will be no obligation established between Authority and the Engineer for performance of the Services until Authority provides the Engineer with a written notice to proceed which shall be issued upon execution of this Contract and receipt by the Authority of appropriate Certificates of Insurance and other documentation as may be required herein. The term of this Contract ("Term of this Contract") shall begin on the Effective Date and shall end on the first to occur of the following: (1) the Deadline, as the same may have been extended by the Authority, (2) the date on which all of the Services have been rendered, (3) the date on which this Contract is terminated by the Authority pursuant to Section 13, or (4) the date on which this Contract is terminated by the Engineer pursuant to Section 13.

4. COORDINATION OF SERVICES BY AUTHORITY: Authority shall designate a Project Representative who will, on behalf of Authority, coordinate with the Engineer and administer this Contract. It shall be the responsibility of the Engineer to coordinate all assignment-related activities with the Project Representative.

For the purposes of this Contract, the Project Representative shall be:

Dan J. Koesema, P.E., CFM
Port of Corpus Christi Authority
P. O. Box 1541
Corpus Christi, Texas 78403
(361) 885-6138
dan@pocca.com

Authority may change the Project Representative at any time by giving the Engineer written notice of such change.

5. NOTICES: Notices, demands, requests or other formal communication related to the Contract shall be deemed to have been given when received, whether delivered personally or mailed. E-mail communications may be considered as formal notification provided the e-mail message states the message is intended as a formal notice and the receiving Party acknowledges receipt of the message as a formal notification. Notices shall be addressed as follows:

If to the Authority:
David L. Krams, P.E.
Director of Engineering Services
Port of Corpus Christi Authority
P. O. Box 1541
Corpus Christi, Texas 78403
E-mail: krams@pocca.com

If to the Engineer:
J Thomas, PE
Vice President
Moffatt & Nichol
1800 Hughes Landing Blvd, Suite 450
The Woodlands, Texas 77380
E-mail: *jthomas@moffattnichol.com*

Either Party may change the mailing or E-mail address for notifications by providing written notice of such change to the other Party.

6. CHANGES: This Contract may be changed or modified at the request of either the Engineer or the Authority, provided both Parties agree to the requested change, and a written amendment or modification of this Contract is prepared and executed by the Parties.

7. ENGINEER'S RESPONSIBILITIES: In addition to all other obligations contained herein, the Engineer agrees, warrants, and represents that:

7.1 The Engineer will furnish all material, equipment, labor and supplies in such quantities and of the proper quality to professionally and timely perform the Services, except as otherwise mutually agreed by the Parties;

7.2 The Engineer will proceed with due diligence and promptness in providing the Services;

7.3 Services shall be performed in accordance with the highest ethics, professional workmanship, and service standards;

7.4 The Engineer will comply with the provisions of all federal, state, and local laws, regulations, ordinances, requirements and codes which are applicable to its performance of Services;

7.5 The Engineer is not and will not be bound by any agreement and has not assumed nor will assume any obligation which would, in any way, restrict its ability to perform the Services or be inconsistent with the Services;

7.6 In performing the Services, the Engineer will not use any third party's confidential or propriety information, or infringe the rights of another party, nor will the Engineer disclose to the Authority, or bring onto the Authority's premises, or induce the Authority to use any third party's confidential or proprietary information;

7.7 The Engineer does not have the authority to act for the Authority, bind the Authority in any respect, or incur any debts or liabilities in the name of or on behalf of the Authority, except as otherwise expressly authorized in writing by the Authority;

7.8 Engineer's Opinions of probable cost or other forms of cost estimates will be based on the Engineer's experience, the design, and current market conditions to the extent practicable. Authority hereby acknowledges that Engineer cannot warrant that estimates of probable cost provided by Engineer will not vary from actual market prices obtained by Authority;

7.9 Engineer is an independent contractor for the performance of his duties under this Contract. Accordingly, the Engineer shall be responsible for payment of all taxes including federal, state and local taxes arising out of the Engineer's activities in accordance with this Contract. Engineer is responsible for payment of the compensation, including any withholding, Social Security, or other taxes on such compensation, of any Professional Associates, subcontractors retained by Engineer, or Engineer's employees performing work on the Project;

7.10 As of the Effective Date and at all times while providing Services hereunder, the Engineer shall possess and maintain in good standing any and all licenses or other authorizations and approvals necessary to perform the Services; and,

7.11 Engineer may, with prior written approval of Authority, use representations of designs or other engineering services provided hereunder for promotional purposes. Authority reserves the right to review and approve, in advance of any publication or use, promotional materials containing reference to or images related to the work produced under this Contract.

8. COMPENSATION: The compensation to be paid Engineer for providing the Services shall be the compensation described in Attachment B hereto, which is incorporated herein by reference; provided, however, the total paid to Engineer for the Services shall not exceed THREE HUNDRED THIRTY-SEVEN THOUSAND and NO/Dollars ($337,000.00). Engineer will obtain the approval of Authority's Project Representative relative to incurring travel and other expenses before incurring such costs.

9. INVOICE PROCEDURE AND PAYMENT: Engineer shall submit invoices monthly to the Authority for work performed during the preceding calendar month. Such invoices shall be due and payable by Authority on or before thirty (30) days from receipt by Authority. Monthly compensation will be for the Services actually performed during the billing period, invoiced on a Time and Materials basis in accordance with the Fee Schedule included in Attachment B. Invoices shall also describe any work performed by Professional Associates or subcontractors retained by Engineer, and reimbursable costs. Engineer will provide sufficient detail with each invoice to substantiate the requested amount of monthly payment. At the Authority's request, Engineer will provide additional backup such as signed time sheets, invoices for materials and subcontracted service or other documentation sufficient to establish the accuracy of the invoices. Invoices are to be submitted in a format previously approved by PCCA.

10. INSURANCE: Engineer shall carry, at all times while providing Services hereunder, professional liability insurance, worker's compensation insurance, employer's liability insurance, comprehensive general liability insurance, business automobile liability insurance, and umbrella liability insurance with limits of liability and with insurance companies approved by the Authority. Insurance Certificates shall contain a provision that coverage afforded under the policies will not be cancelled until at least 30 days prior written notice has been given to Authority. The general liability and property damage insurance and the automotive public liability and property damage insurance policies of insurance shall be endorsed to add Authority as an additional insured under such policies of insurance. Within five (5) days following execution of this Contract, Engineer will provide Authority certificates of insurance issued by each insurance company providing any of the required insurance coverage, and the text entered in each certificate must be acceptable to Authority. The requirement to provide acceptable certificates of insurance is a material condition of this Contract, and work under this contract will not commence until certificates of insurance have been received, reviewed, and accepted by Authority.

The limits of liability for the insurance required are as follows:

TYPE OF INSURANCE	LIMITS OF LIABILITY
A. Workers' Compensation	Statutory
B. Employer's Liability	$500,000

C. Commercial General Liability — $1,000,000 (CSL) / $2,000,000 (Aggregate)

The CGL policy will provide contractual liability coverage at the aforementioned limits.

D. Automobile Liability — $1,000,000 (CSL)

Automobile liability insurance coverage will include all owned, non-owned, and hired vehicles.

E. Professional Liability Insurance (E&O) — $2,000,000 Occurrence

Engineer will procure and maintain professional liability insurance for protection from claims arising out of performance of its Services under this Contract caused by a negligent error, omission, or act for which the insured is legally liable; the deductibles under such professional liability insurance must be approved by the Authority in writing. Engineer shall maintain the professional liability insurance coverage in effect for at least two (2)years after the end of the Term of the Contract.

F. Umbrella Liability — $5,000,000

Umbrella liability coverage will apply to Employer's Liability, Commercial General Liability, and Business Automobile Liability.

11. DISCLOSURE OF INTERESTED PARTIES: Engineer will comply with the provisions of Section 2252.908 of the Texas Government Code and Chapter 46 of the Texas Ethics Commission Rules by preparing and submitting Texas Form 1295, "Certificate of Interested Parties" and submitting the signed and notarized form to PCCA at the time the contract is executed.

Information on Form 1295 and associated code and rules can be found at:
https://www.ethics.state.tx.us/tec/1295-info.htm.

Instructions for preparing Form 1295 are available at:
https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm.

PCCA will not finalize the contract and issue Notice to Proceed until a properly signed and notarized Form 1295 has been received.

12. INDEMNIFICATION AND RELEASE. Engineer hereby releases and discharges Authority and its agents, servants, representatives, employees, officers, directors, and Port Commissioners (collectively, the "Authority Parties") from liability for and assumes the risk of loss or damage to the property of Engineer and the injury or death of any person employed by Engineer. Engineer shall defend, indemnify and hold harmless the Authority Parties from and against all damages, losses, costs and expenses, of any

nature whatsoever, whether incurred as a judgment, settlement, penalty, fine or otherwise (including reasonable attorneys' fees and the cost of defense), in connection with any action, proceeding, demand or claim but only to the extent caused by the negligent acts, errors, or omissions of the Engineer, its employees, agents, or subconsultants, or others for whom the Engineer is legally liable, in the performance of Services under this Contract. The Engineer is not obligated under this paragraph to indemnify the Authority Parties for the negligent acts of the Authority Parties.

Engineer's indemnity obligations under this Section 11 shall not be limited by a limitation on the amount or type of damages, compensation or benefits owed by Engineer to any employee of Engineer under workers' or workmen's compensation acts, disability benefit acts, or other employee benefit acts. The obligations of the Engineer under this Section 11 shall survive the end of the Term of the Contract.

[Drafting note; If the services to be rendered include field work or other activities that could result in environmental impacts, include the following language in this section.

Engineer shall defend, indemnify and hold harmless the Authority Parties from and against all damages, losses, costs and expenses, of any nature whatsoever, whether incurred as a judgment, settlement, penalty, fine or otherwise (including reasonable attorneys' fees and the cost of defense), in connection with any action, proceeding, demand or claim arising out of a violation of any environmental law or regulation in effect during the Term of the Contract by the Engineer, its employees, agents, or subconsultants, or others for whom the Engineer is legally liable, in the performance of Services under this Contract. The Engineer is not obligated under this paragraph to indemnify the Authority Parties for the negligent acts of the Authority Parties.

13. ASSIGNMENT: Neither Authority nor Engineer will assign or transfer its interest in this Contract without the written consent of the other.

14. SUSPENSION OR TERMINATION: Authority may suspend or terminate this Contract for convenience with seven (7) days prior written notice to Engineer of such action. Upon termination of this Contract in accordance with this paragraph, Authority will have no further obligation to the Engineer hereunder except to pay the Engineer unpaid fees and expenses which the Engineer can reasonably show to have been earned under this Contract. **Under no circumstances may Engineer claim or recover consequential damages from Authority.**

In the event of suspension of Services, the Engineer shall resume the full performance of the Services when directed in writing to do so by Authority. Suspension of the Services for reasons other than the Engineer's negligence or failure to perform shall not affect the Engineer's compensation as provided for in this Contract. The schedule for performance of the Services shall be amended by a mutually agreed, written modification this Contract to reflect the suspension.

Either Party may terminate this Contract by giving written notice to the other Party if the other Party ("Defaulting Party"): (a) materially breaches of any term, condition or provision of

this Contract and fails to cure the breach to the satisfaction of the notifying Party within ten (10) days after the Defaulting Party receives a written notice of the breach from the notifying Party, or (b) becomes the subject of any proceedings under state or federal law for the relief of debtors or otherwise becomes insolvent, or bankrupt, or makes any assignments for the benefit of one or more creditors.

15. DISPUTES: Each Party agrees that any dispute between the Parties relating to this Contract will first be submitted in writing to a panel of two senior executives of the Authority and Engineer, who shall promptly meet and confer in an effort to resolve such dispute through good faith consultation and negotiation. Each Party's executive shall be identified by notice to the other Party, and may be changed at any time thereafter also by notice to the other. Any decisions of the executives will be final and binding on the Parties. In the event the executives are unable to resolve any dispute within thirty (30) days after submission to them, either Party may then refer such dispute to mediation.

If the Parties refer to mediation any controversy or claim arising out of or relating to this Contract or the existence, validity, breach or termination thereof, whether during or after its term, they shall select a mutually acceptable mediator within forty-five (45) days thereafter. Neither Party shall unreasonably withhold consent to the selection of a mediator. The Parties shall share equally the costs of mediation. If the Parties agree, they may substitute other forms of alternative dispute resolution. Any mediation shall not extend beyond thirty (30) days after the appointment of the mediator, and should the Parties fail to resolve any dispute by mediation within such 30-day period, the Parties shall have all rights available at law or in equity.

16. ATTORNEY'S FEES, DEFAULT: In the event Engineer or Authority breach any of the terms of this Contract and the Party not in default employs attorneys to protect or enforce its rights hereunder and prevails, then the defaulting Party agrees to pay reasonable attorney's fees and costs incurred by the prevailing Party.

17. STAFFING: Engineer will designate in writing to Authority its project representative, and the manner in which it will provide staff support for the project, which must be approved by Authority in writing. Engineer may not change its project representative or other key personnel without the written consent of Authority. Engineer must notify Authority's Project Representative of any change in personnel assigned to perform work under this Contract, and the Project Representative has the right to reject the person or persons assigned to fill the position or positions. The Project Representative shall also have the right to require the removal of the Engineer's previously assigned personnel, provided sufficient cause for such removal exists. The criteria for requesting removal of an individual will be based on, but not limited to, the following: technical incompetence, inability to meet the position's qualifications, failure to perform, poor attendance, ethics violation, unsafe work habits, or damage to Authority or other property. Upon notice for removal, Engineer shall replace such personnel with personnel substantially equal in ability and qualifications for the positions.

18. OWNERSHIP OF WORK PRODUCT: Studies, plans, reports, surveys, drawings, specifications, cost estimates, computations and other information (collectively "Work Product") and documents prepared by the Engineer, subconsultants, and/or suppliers under this Contract

will remain the Authority's property upon completion. This provision does not apply to pre-existing proprietary information of Engineer, subconsultants, and/or suppliers. Authority acknowledges and agrees that the Engineer has no responsibility or liability for any use of the Work Product for purposes other than intended under this Contract, nor for any modification, revision or re-use of the Work Product for projects or purposes not related to this Contract.

19. FORCE MAJEURE: Neither Party shall be considered in default in the performance of its obligations hereunder to the extent that the performance of such obligation is delayed by any cause beyond the reasonable control of the affected Party. In the event of such a delay, the time for performance for the affected Party shall be extended for a period equal to the time lost during the delay, or the Contract may be terminated in accordance with terms herein should such delay be sufficient that termination is in the best interest of the Authority.

20. SEVERABILITY and WAIVER: If any part of this Contract is held to be invalid, illegal, or unenforceable in any respect, such determination shall not affect any other provision of this Contract, and this Contract shall then be construed as if the invalid, illegal, or unenforceable provision had not been included in this Contract. Further, the failure of either Party in any one or more instances to insist upon strict performance of any of the terms and provisions of this Contract or to exercise any option herein conferred shall not be construed as a waiver or relinquishment to any extent of the right to assert or rely upon any such terms, provisions or options on any future occasion.

21. LAW: This Contract shall be governed by and construed in accordance with the laws of the State of Texas.

22. ENTIRETY OF CONTRACT: This writing embodies the entire Contract and understanding between the Parties hereto, and there are no other contracts or understandings, oral or written, between them with reference to the subject matter hereof that are not merged herein and superseded hereby. No alteration, change, or modification of the terms of this Contract shall be valid unless made in writing and signed by both Parties hereto.

[Signature page follows this page]

IN WITNESS WHEREOF, this Contract is made effective as of the Effective Date.

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

By: _____
Name: _____
Title: _____
Date: _____

"Authority"

By: _____
Name: J Thomas, PE_____
Title: Vice President _____
Date: _____

"Engineer"

ATTACHMENT A

SCOPE OF SERVICES

OVERVIEW

TASKS

[Drafting Notes: A detailed description of the project and anticipated scope of work will be developed by PCCA and included in a Request for Proposal or provided to the selected ENGINEER/CONULTANT as a starting point for negotiations.

Prior to issuance of the contract, the Scope of Work should be updated and revised, as appropriate, based on the selected ENGINEER/CONSULTANT's proposal and negotiations. The Scope of work needs to be detailed enough to clearly state PCCA's expectations and clearly define PCCA's expectations and the expected deliverables and outcome]

ATTACHMENT B
FEE SCHEDULE

The Engineer will perform Tasks 1 through __ for a total not-to-exceed sum amount of $337,000.00.

[Drafting Note – Insert agreed fee schedule for hourly rates and reimbursable expense, If a Rate table is provided by the ENGINEER / CONSULTANT as part of a proposal, or for use in negotiations, and the Table, as amended through negotiations is acceptable to PCCA, that table may be used as Attachment B]

AGENDA ITEM NO. 15

72.5 acres of land in San Patricio County

NO ATTACHMENT

PORT CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for Port Commission Meeting of April 19, 2016

DATE: April 19, 2016

TO: Port Commission

FROM: David Krams, P.E.
Krams@pocca.com
(361) 885-6134

AGENDA ITEM NO. 16-A

Award a Construction Contract to JE Construction Services, the Lowest and Best Bidder, Based on Bids Received on March 22, 2016, in the Amount of $145,289 for Repairs to the PCCA Bridge at Oil Dock 11

SUMMARY: Staff requests award of a construction contract to JE Construction Services for repairs to the PCCA bridge at Oil Dock 11. On March 22, 2016, we received seven responses to our Notice to Bidders (see attached Bid Tabulation). JE Construction Services submitted the lowest and best bid at $145,289.

JE Construction Services, is a local contractor working with the Port for the first time. The company was founded in 2012; the President is James Edwards and Vice Presidents are Isaac Clubb and Grant Dietze. Staff has checked references on previous projects performed by JE Construction Services and has found the company to have a good reputation working around Corpus Christi including work with the City of Corpus Christi, Rockport Harbor, and HEB.

BACKGROUND: The PCCA owns and maintains several bridges throughout the inner harbor. These structures are privately owned by the PCCA and, as such, the Texas Department of Transportation (TxDOT) is not responsible for performing routine bridge inspections for these structures. In 2014, a private firm was hired to complete a detailed TxDOT-compliant inspection of six PCCA bridge structures. While minor repairs and improvements were recommended at all of the structures inspected, the bridge serving public Oil Dock 11 requires the replacement of the steel decking of its 35-foot long single span and some concrete repairs in order to return the bridge to its original design load rating. Additional work will include new guard rails, fencing, and load rating signage. See attached map exhibit.

ALTERNATIVES: In October 2015, the PCCA bid a project to provide repairs to this bridge and a bridge serving Oil Dock 12. As staff received only one bid, we requested and the Commission approved a recommendation to reject the bids at that time and to re-bid the two bridge repairs in separate contracts and seek ways to reduce project costs.

CONFORMITY TO PORT POLICY: This project supports Strategic Goal 2 to provide facilities and services to meet customer needs.

EMERGENCY: No.

FINANCIAL IMPACT: This project is part of the $1,125,000 budgeted in 2016 for general maintenance of property and buildings. The recommended award includes the Base Bid in the amount of $145,289. Additionally, staff recommends award of Additive Bid Item 1 at $1,000/day for standby charges should they be required during the project.

STAFF RECOMMENDATION: Staff recommends award of a contract to JE Construction Services in the amount of $145,289 for the Base Bid. Staff also recommends award of Additive Bid Item 1 (standby charges of $1,000/day) should it be required during the project. Staff further recommends that the Director of Engineering Services be granted a $5,000 allowance for Additive Bid Item 1 and a 7% contingency in accordance with the PCCA's standard contingency guidelines for general construction projects.

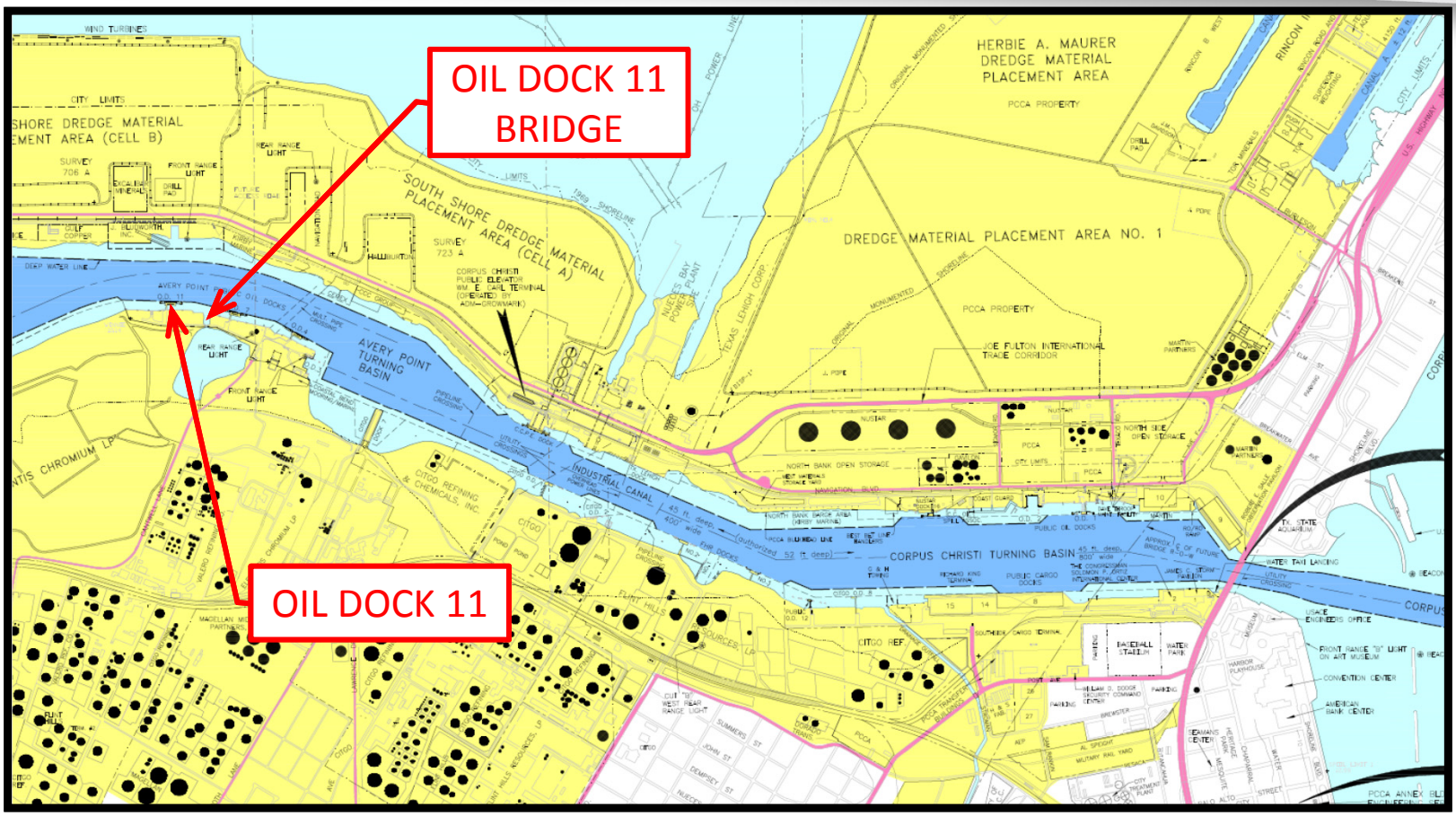
DEPARTMENTAL CLEARANCES:

Originating Department	Engineering Services
Reviewed & Approved	David Krams
	Dave Michaelsen
	Eileen Mink
Senior Staff	John LaRue
	Sean Strawbridge
	Jarl Pederson

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation
Map Exhibit

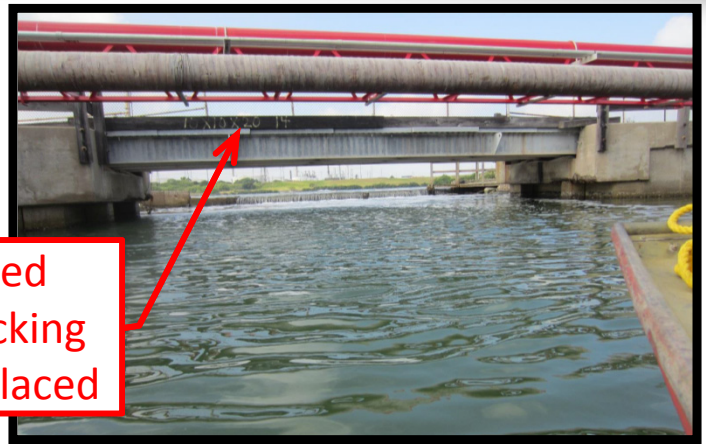
Structural Repairs to PCCA Bridge at Oil Dock 11



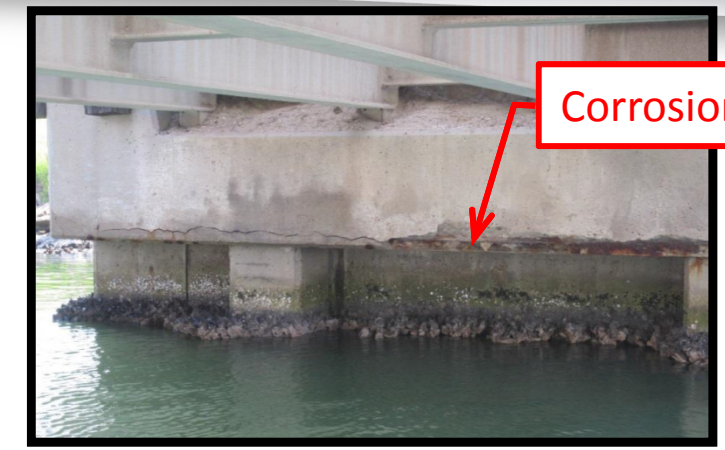
1926-2016
90 YEARS OF RELATIONSHIPS

PORT CORPUS CHRISTI™

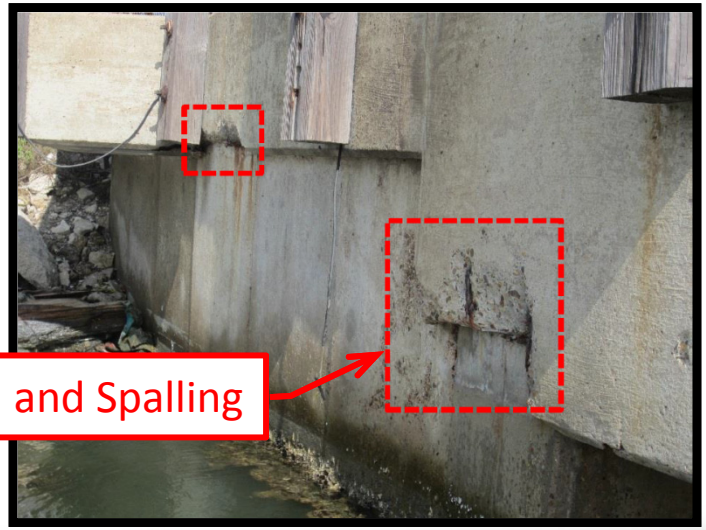
Structural Repairs to PCCA Bridge at Oil Dock 11



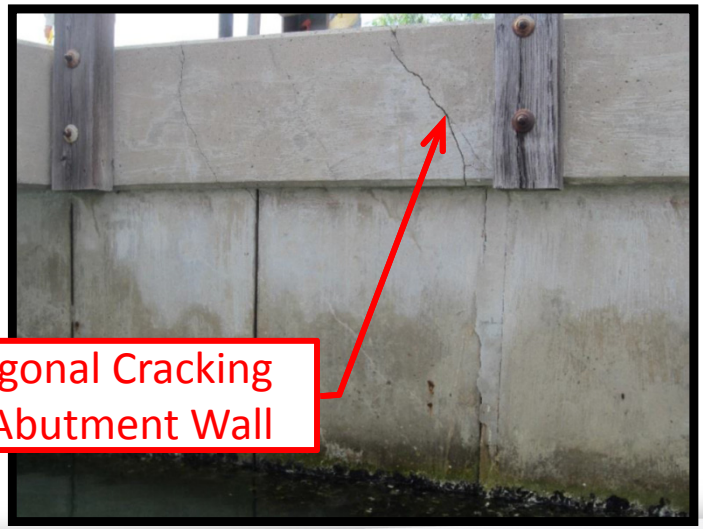
Corroded Steel Decking to be Replaced



Corrosion and Spalling



Corrosion and Spalling



Diagonal Cracking @ Abutment Wall

1926-2016 90 YEARS OF RELATIONSHIPS

PORT CORPUS CHRISTI™

PORTCORPUSCHRISTI

BID TABULATION FOR
REPAIRS TO PCCA BRIDGE AT OIL DOCK 11
PROJECT NO. 15-037A
Bid Opening: March 22, 2016 at 2:00 pm

Company Name	Bid Bond or Check	Base Bid[A]	Additive Bid Item 1[B] (Per Day)	Time of Delivery*	Addendum No. 1
JE Construction Services	**5% Bid Bond**	**$145,289.00**	**$1,000.00**	**120**	**X**
JM Davidson, Ltd.	5% Bid Bond	$150,325.00	$4,600.00	90	X
CCC Group, Inc.	5% Bid Bond	$170,807.00	$2,860.00	90	X
GMAN Construction, LLC	5% Bid Bond	$178,309.00	$450.00	30	N/A
DMB Construction	5% Bid Bond	$180,358.00	$3,600.00	85	X
Mahan Foundation & Contractors, LLC	5% Bid Bond	$185,000.00	$2,500.00	90	X
Gibson & Associates, Inc.	5% Bid Bond	$186,291.00	$2,000.00	90	X

*In calendar days

[A] BASE BID:The scope of work generally includes repairs to the bridge at PCCA Oil Dock 11. Repairs include, but are not limited to, replacement of steel decking, concrete repairs, upgrades to traffic and pedestrian railing, and replacement of fencing. This is a Lump Sum bid item.

[B] ADDITIVE BID ITEM 1: Standby Charges. This is a Unit Price bid item.

Read By: David L. Krams, P.E.

Tabulated By: Eileen Mink, EIT

Checked & Prepared By: Melinda Maldonado

Date: March 22, 2016

PORT CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for Port Commission Meeting of April 19, 2016

DATE: April 19, 2016

TO: Port Commission

FROM: David L. Krams, P.E.
Krams@pocca.com
(361) 885-6134

AGENDA ITEM NO. 16-B

Award a Construction Contract in the Amount of $317,657.56 to J.M. Davidson, Ltd, the Lowest and Best Bidder Based on Bids Received on April 4, 2016, for Fire Line Improvements and Marine Repairs at Oil Dock 2

SUMMARY: Staff requests award of a construction contract to J.M. Davidson, Ltd., to replace a 220-foot long segment of fire line and associated fire monitors and perform various repairs and improvements to the bulkhead, fendering, and barge breasting and mooring structures at Oil Dock 2 at a cost not to exceed $317,657.56.

BACKGROUND: The existing underground fire line was installed in 1988 when Oil Dock 2 was originally constructed. During replacement of certain above-ground fire line appurtenances, inspections determined that there was insufficient water pressure serving the fire protection system and that the buried portion of the fire line was in poor condition. In addition, underwater inspections of Oil Dock 2 revealed that the steel sheet pile bulkhead needed repairs, areas of the bulkhead's timber fenders were deteriorated and damaged by collision, breasting structures required maintenance, and many of the anodes providing cathodic protection to the submerged steel were consumed and needed replacement and additional anodes were needed to increase the service life of the breasting structure pipe piles and bulkhead. The fire line replacement and marine work were combined into a single contract to minimize disruption to customer operations and to potentially realize a cost savings.

ALTERNATIVES: An alternate option would be to split the fire line and marine work into two separate contracts and bid at different times of the year.

CONFORMITY TO PORT POLICY: This project supports the PCCA's Strategic Plan Goal 2 to provide facilities and services to meet customer needs.

EMERGENCY: No.

FINANCIAL IMPACT: 2016 budget includes $250,000 for the main fire line portion of this maintenance project; the marine work is included in the 2016 budget under General

222 Power Street 78401 | PO Box 1541 78403 | Corpus Christi, Texas | T 361 882 5633 F 361 882 7110 | portofcorpuschristi.com

Improvements and Repairs at Port Facilities, which has $225,000 allocated for numerous maintenance projects.

STAFF RECOMMENDATION: On April 4, 2016, we received two responses to our Notice to Bidders (see attached Bid Tabulation). J.M. Davidson submitted the lowest and best bid in the amount of $317,657.56. Staff recommends a contract be awarded to J.M. Davidson, Ltd., for the Base Bid ($140,444) for work associated with the fire line replacement. In addition, staff recommends acceptance of Additive Bid Item 1 ($177,213.56 for waterfront facility improvements and repairs) and Additive Bid Item 2 ($3,200.00 per day for standby charges) should the contractor not be afforded the contractual dock outage days on the dock to complete this work. Staff further recommends that the Director of Engineering Services be authorized a 12% contingency should it be required. The 12% contingency is 4% greater than the typical 8% used in accordance with the PCCA's standard contingency guidelines for marine projects. The additional 4% will cover charges for standby time that is common for marine work on highly utilized oil docks.

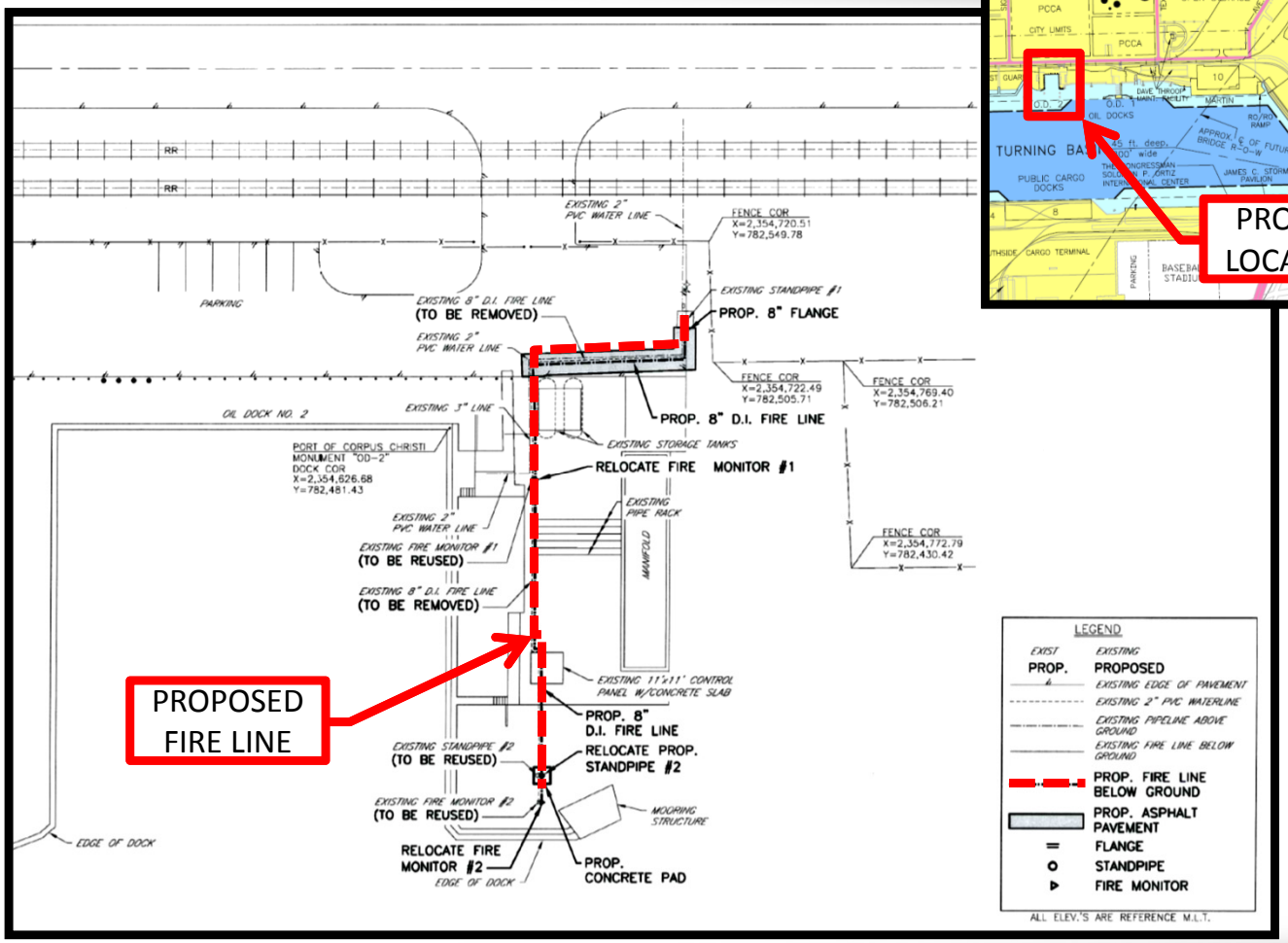
DEPARTMENTAL CLEARANCES:

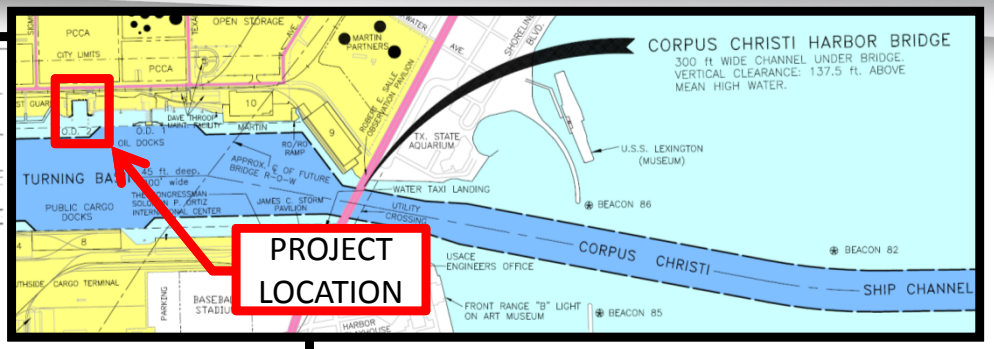
Originating Department	Engineering Services
Reviewed & Approved	David Krams
	Dave Michaelsen
	Jacob Morales
Senior Staff	John LaRue
	Sean Strawbridge
	Jarl Pederson

LIST OF SUPPORTING DOCUMENTS:

Location Map and Photo Exhibit
Bid Tabulation

FIRE LINE IMPROVEMENTS AT OIL DOCK 2

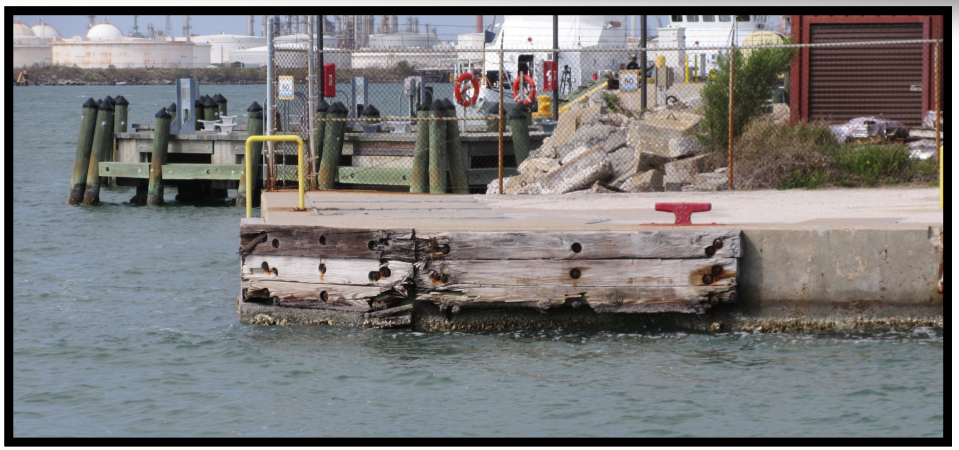




1926-2016 90 YEARS OF RELATIONSHIPS

PORT CORPUS CHRISTI™

FIRE LINE IMPROVEMENTS AT OIL DOCK 2



TIMBER FENDER REPLACEMENT



BREASTING STRUCTURE REPAIRS



TIMBER FENDER REPLACEMENT



BULKHEAD WASHOUT BACKFILL

90 1926-2016 YEARS OF RELATIONSHIPS

PORT CORPUS CHRISTI™

PORTCORPUSCHRISTI

BID TABULATION FOR
FIRE LINE IMPROVEMENTS AT OIL DOCK 2
PROJECT NO. 15-039A
Bid Opening: April 4, 2016 at 2:00 pm

Company Name	Bid Bond or Check	Base Bid[A]	Additive Bid Item 1[B]	Additional Calendar Days for Additive Bid Item 1	Additive Bid Item 2[C]	Time of Delivery	Addendum No 1	Addendum No 2	Staff's Recommended Award: Base Bid + Add Bid Item 1 + Add Bid Item 2
J M Davidson, Ltd.	**5% Bid Bond**	**$140,444.00**	**$177,213.56**	**90**	**$3,200.00**	**180**	**X**	**X**	**$317,657.56**
Russell Marine LLC	5% Bid Bond	$105,130.00	$282,538.00	30	$5,000.00	60	X	X	$387,668.00

*In calendar days

[A] BASE BID: Replacing approximately 220 linear feet of existing buried 8-inch fire line at Oil Dock 2 and appurtenances with new cement lined ductile iron pipe, reusing existing two fire monitors and reusing stand pipe within the area of an active oil dock facility. Associated fire monitors and standpipe concrete pads will be constructed new. Refer to Special Conditions, Sections 1.06 and 1.07. This is a Lump Sum bid item.

[B] ADDITIVE BID ITEM 1: MARINE MAINTENANCE AND REPAIR WORK: Marine maintenance work consisting of installing underwater anodes, repainting and replacing pile wraps for three multiple-pile breasting structures, installing anodes onto dock slip sheet pile wall, repairing multiple bulkhead washouts, making numerous concrete bulkhead repairs, and replacing selective dock timber and rubber fenders and associated hardware. Work will be performed around an active dock facility which will affect Contractor's schedule and must be reflected in bid. Refer to Special Conditions, Sections 1.06 and 1.07. This is a Lump Sum bid item.

[C] ADDITIVE BID ITEM 2: STANDY CHARGES: Selective scope of work will affect Contractor's schedule, therefore Contractor will be compensated for standby time when applicable. Standby charges will be paid to the Contractor if and when dock utilization and cargo transfer prevents the Contractor from working a minimum of 14 days within any one calendar month as described in Special Conditions, Sections 1.06 & 1.07. This is a unit price bid item.

Read By: David L. Krams, P.E.

Tabulated By: Jacob Morales, P.E.

Checked & Prepared By: Melinda Maldonado

Date: April 4, 2016

PORT CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for Port Commission Meeting of April 19, 2016

DATE: April 19, 2016

TO: Port Commission

FROM: David L. Krams, P.E.
Krams@pocca.com
(361) 885-6134

AGENDA ITEM NO. 16-C

Award a Contract in an Amount Not to Exceed $150,000 and 24 Months to J.M. Davidson, Ltd., the Lowest and Best Bidder Based on Bids Received on April 1, 2016, for Corrosion Protection of Equipment and Buildings at the Bulk Terminal

SUMMARY: Staff requests award of a contract to J.M. Davidson to perform sandblasting, painting and associated work at the Bulk Terminal. The total cost for these services will not exceed $150,000 for two years.

BACKGROUND: Since 1991, staff has conducted an ongoing maintenance program of sandblasting and painting at the Bulk Terminal. Because of the harsh marine environment, the corrosive effects of petroleum coke, and the aging gantry crane, ship loader, and conveyor belt systems, the structures at this facility need constant repair and painting. The contract is structured to establish unit rates for various levels of skilled painters/blasters and equipment to sandblast and paint according to PCCA specifications and environmental requirements for the typical maintenance painting tasks. In addition, the bid includes a number of supplemental or additive costs that address specific situations that may occur in difficult areas or challenging conditions (*e.g.*, additional personnel, specialty equipment, specialty materials, overtime hourly multiplier, *etc*. required for a particular maintenance painting task). The bid unit prices remain in effect for 24 months, which allows staff flexibility in the amount of painting that can be achieved within the contract time period.

ALTERNATIVES: N/A.

CONFORMITY TO PORT POLICY: N/A.

EMERGENCY: No.

FINANCIAL IMPACT: This project is included in the 2016 capital budget under General Maintenance at the Bulk Terminal which has $400,000 allocated for numerous maintenance projects.

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STAFF RECOMMENDATION: On April 1, 2016, the PCCA received three responses to our Notice to Bidders to perform sandblasting, painting and associated work at the Bulk Terminal (see attached Bid Tabulation). J.M. Davidson, Ltd., submitted the lowest total evaluated bid of $51,616.14 (stated in the contract documents as the basis for award). The total evaluated bid is a hypothetical mix of the base bid and additive bid items based on what staff estimates most likely will occur within a certain time period and is used to measure the cost competitiveness of the contractor's rates.

Staff recommends that a two-year contract be awarded to J.M. Davidson, Ltd., in an amount not to exceed $150,000. J.M. Davidson is locally owned and operated that has successfully performed numerous projects for the PCCA in the past, including maintenance painting services at the Bulk Terminal for the past four years with similar maintenance painting contracts.

DEPARTMENTAL CLEARANCES:

Originating Department	Engineering Services
Reviewed & Approved	David Krams
	Dave Michaelsen
	Jacob Morales
Senior Staff	John LaRue
	Sean Strawbridge
	Jarl Pederson

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation

PORT CORPUS CHRISTI

BID TABULATION FOR
MAINTENANCE PAINTING AT BULK TERMINAL
PROJECT NO. 16-049A
BID OPENING: April 1, 2016 at 2:30 p.m.

Company Name	Bid Bond or Check	Base Bid[A]								Materials /Third Party Markup[B]	Additive Bid Item 1[C]	Total Evaluated Bid[D]	Time of Delivery*	Addendum No. 1
		Item 1					Item 2		Item 3					
		1a	1b	1c	1d	1e	2d.1	2d.2						
JM Davidson Ltd.	**5% Bid Bond**	**$39.04**	**$29.51**	**$28.97**	**$23.14**	**$20.68**	**$338.00**	**$1,014.00**	**$3,250.00**	**10%**	**1.38**	**$51,616.14**	**730**	**Y**
Mobley Industrial Services	5% Bid Bond	$40.02	$30.20	$29.45	$23.41	$21.14	$340.00	$1,020.00	$5,000.00	10%	1.41	$54,049.49	X	N
Travis Industries	Cashier's Check $5,000	$45.00	$38.50	$34.00	$31.00	$28.00	$500.00	$1,750.00	$10,000.00	10%	1.50	$77,925.00	730	N

* In Calendar Days

The following unit prices will be established to perform maintenance painting, including necessary pollution prevention controls, at the Bulk Terminal as directed by the PCCA.

[A]Bid Item 1a: Superintendent Hourly Rate.

[A]Bid Item 1b: Working Foreman Hourly Rate.

[A]Bid Item 1c: Journeyman/Sandblaster/Painter Hourly Rate.

[A]Bid Item 1d: Apprentice Sandblaster/Painter Hourly Rate.

[A]Bid Item 1e: Helper/Laborer Hourly Rate.

[A]Bid Item 2d.1: Daily Rate for Equipment.

[A]Bid Item 2d.2: Weekly Rate for Equipment.

[A]Bid Item 3: Project Mobilization/Demobilization, Insurance, Bonds and etc.

[B]Material Mark Up: Materials, vendor provided items, third-party equipment (not include in Section A-2), and sub-contractors items purchased, leased or contracted by Contractor and invoiced to PCCA will be at cost plus %.

[C]Additive Bid 1: OVERTIME MULTIPLIER. Overtime will apply if a Working Foreman/Journeyman/Apprentice/Helper is required to work more than 40 hours per week to complete an area or to prime a previously sandblasted area. Overtime will be administered by applying a multiplier to hourly rates listed in Bid Item A-1 of this Bid:

[D]Total Evaluated Bid: Base Bid - Unit Price Evaluation + 40 HR ($/HR Item A-1.a) + 200 HR ($/HR Item A-1.b) + 200 HR ($/HR Item A-1.c) + 200 HR ($/HR Item A-1.d) + 100 HR ($/HR Item A-1.e) + 60 DAYS ($/DAY Item A-2d.1) + 4 WEEKS ($/WK Item A-2d.2) + 1 LS ($/LS Item A-3).

Read By: Bert Perez, P.E.

Tabulated By: Jacob Morales, P.E.

Checked & Prepared By: Melinda Maldonado

Date: April 1, 2016

PORT CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for Port Commission Meeting of April 19, 2016

DATE: April 19, 2016

TO: Port Commission

FROM: Tyler Fuhrken, Director of IT
885-6150
Tyler@pocca.com

AGENDA ITEM NO. 16-D

Approve Contracts with CyrusOne for Data Center Colocation, Time Warner Cable for Telecommunications, and Sigma for Network Operations Center Relocation Services at a Total Cost of $409,366.76

SUMMARY: As this area has a high impact for a hurricanes as well as other types of natural and man-made disasters, staff requests that the PCCA's Administration Building data center be moved to a colocation data center in San Antonio, Texas. The 2016 budget allocated $159,000 for disaster recovery that includes the colocation facility, telecommunications, and moving services. The total cost for 2016 will be $134,342.40.

BACKGROUND: The Port currently has three data centers—one located in the Administration Building, one in the Annex Building, and one at the Bill Dodge Security Center. Staff recommends moving the Administration Building data center equipment to a colocation data center in San Antonio.

Staff conducted walkthroughs at various data centers in San Antonio and selected CyrusOne as the most advantageous to the Port. CyrusOne is the only enterprise-rated data center in San Antonio and holds all major data center certifications including SSAE 16 and ISO 27001. Since port data centers are classified as secure restricted areas by the U.S. Coast Guard, staff was required to obtain approval from the Coast Guard to locate our servers and networking equipment at an external facility. The Port received Coast Guard approval to use CyrusOne in April 2015.

Staff negotiated a five-year contract with CyrusOne for a monthly cost of $3,670, a 3% annual escalator, and a one-time charge of $7,009.20. This amount includes floor space, power and internet communication service for a five-year commitment of $277,423.56.

In March 2016, staff negotiated a three-year contract with Time Warner Cable for a point-to-point communication link from the Port's Annex Building to CyrusOne in the amount of $1,387.50 per month for a total three-year commitment of $49,950.00. These services will connect existing port infrastructure to our equipment at CyrusOne.

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Also in March 2016, staff received quotes from Sigma in the amount of $61,503.20 for networking equipment and professional services. Staff also received from Sigma a price to move the equipment from the Administration Building data center to CyrusOne in the amount of $20,490.00. Sigma movers are certified in moving this type of electronic equipment, which will not void any warranties or maintenance agreements that the Port currently has in place.

These quotes are in accordance with the State of Texas Directory of Information Resources contract pricing.

ALTERNATIVES: None.

CONFORMITY TO PORT POLICY: N/A

EMERGENCY: None.

FINANCIAL IMPACT: Total cost for all contracts is $409,366.76.

STAFF RECOMMENDATION: Staff recommends moving the Ruben Bonilla Administration Building data center equipment to a colocation data center in San Antonio. Staff further recommends approval of a five-year contract with CyrusOne in the total amount of $277,423.56, a three-year contract with Time Warner Cable for a total of $49,950, and a work invoice with Sigma in the total amount of $81,993.20.

DEPARTMENTAL CLEARANCES:

Originating Department	Information Technology
Reviewed & Approved	Tyler Fuhken
Executive Staff	

LIST OF SUPPORTING DOCUMENTS:

CyrusOne Quote-Agreement
Time Warner Agreement
Sigma Quotation-Statement of Work

Customer: Port of Corpus Christi
Customer ID:
Billing Contact: Port of Corpus Christi
222 Power St
Corpus Christi, TX, 78401

Order Form

Terms and Conditions

1. Customer hereby orders and CyrusOne agrees to provide the Services described in this Order Form. THE SERVICES ARE PROVIDED PURSUANT TO THE TERMS AND CONDITIONS OF THIS ORDER FORM AND THE MASTER SERVICE AGREEMENT BETWEEN CYRUSONE AND CUSTOMER.

2. THERE ARE SIGNIFICANT ADDITIONAL TERMS AND CONDITIONS, WARRANTY DISCLAIMERS AND LIABILITY LIMITATIONS CONTAINED IN THE MASTER SERVICE AGREEMENT AND, IF APPLICABLE, THE SERVICE LEVEL AGREEMENTS BETWEEN CUSTOMER AND CYRUSONE.

3. READ ALL OF THE PROVISIONS OF THE MASTER SERVICE AGREEMENT PRIOR TO SIGNING THIS ORDER FORM. YOUR SIGNATURE BELOW INDICATES THAT YOU HAVE READ THE ABOVE DOCUMENTS, AND ARE AUTHORIZED TO EXECUTE THIS DOCUMENT ON BEHALF OF CUSTOMER.

4. The Parties consent to the use of electronic signatures and records, including in connection with this Order Form, and agree that they may provide documents to each other electronically by emails that include attachments or embedded links.

Order Information

Type: New Business
Service Term (Months): 60
Yardi Order Number:
Order Number: O-04109

Business Development Manager:
Account Manager:

Property Name: 1501-San Antonio-Westover
Property Address: 9999 Westover Hills Blvd
San AntonioTX78251

PO Number:

Space and Power

Contracted Area	Contracted Power
52	10

MRC Charge Schedule

Charge Code	Description	Start Month	End Month	Qty	UoM	Price	Monthly Amt	Currency	Tax Rate*	Invoice Period
COL103-M	Colocation - Space and Power Segmented - All-In Total kW: 10 Sq. Ft: 52 Start Month 1- End Month12	1	12	10	kW	$367.00	$3,670.00	USD		Monthly

Charge Code	Description	Start Month	End Month	Qty	UoM	Price	Monthly Amt	Currency	Tax Rate*	Invoice Period
COL103-M	Colocation - Space and Power Segmented - All-In Total kW: 10 Sq. Ft: 52 Annual escalator: 3% Start Month 13- End Month 24	13	24	10	kW	$378.01	$3,780.10	USD		Monthly
COL103-M	Colocation - Space and Power Segmented - All-In Total kW: 10 Sq. Ft: 52 Annual escalator: 3% Start Month 25- End Month 36	25	36	10	kW	$389.35	$3,893.50	USD		Monthly
COL103-M	Colocation - Space and Power Segmented - All-In Total kW: 10 Sq. Ft: 52 Annual escalator: 3% Start Month 37- End Month 48	37	48	10	kW	$401.03	$4,010.31	USD		Monthly
COL103-M	Colocation - Space and Power Segmented - All-In Total kW: 10 Sq. Ft: 52 Annual escalator: 3% Start Month 49- End Month 60	49	60	10	kW	$413.06	$4,130.62	USD		Monthly
BAW101-M	Bandwidth (Internet Solution) - Committed Info Rate up to 30M - Capped			30	M	$12.00	$360.00	USD		Monthly
BAW301-M	IP Address/29 (6 usable)			1		$0.00	$0.00	USD		Monthly
INC101-M	Cross Connect - Fiber Fiber: Single Mode Carrier: TBD Circuit ID: TBD N/A			1		$250.00	$250.00	USD		Monthly

TOTAL: $20,094.53

First Month TOTAL: $4,280.00

NRC Charge Schedule

Charge Code	Description	Qty	UoM	Price	Total Amt	Currency	Tax Rate*	Invoice Period
POW900-N	Power Whips L6-30R whip; 208 Volts; 30 Amps; 2 Poles; 1 Phase. Materials, installation, distribution and mgmt. Configuration: A/B from 2 different PDUs Location: N/A	4	Whip	$439.80	$1,759.20	USD		One-Time
CAB201-N	48" Cabinet (24" X 48" X 48ru) - Sale	2	Qty	$2,500.00	$5,000.00	USD	*	One-Time

Charge Code	Description	Qty	UoM	Price	Total Amt	Currency	Tax Rate*	Invoice Period
	24" X 48" X 48ru Standard Cabinet with side panels & cable mgmt. Brand: AFCO. Cabinet (Sale)							
BAW900-N	Bandwidth (Internet Solution) - Set up	1		$0.00	$0.00	USD		One-Time
BAW900-N	IP Address - Set up	1		$0.00	$0.00	USD		One-Time
INC900-N	Connectivity - Setup Charge - Fiber Cross Connect Fiber: Single Mode Carrier: TBD Circuit ID: TBD N/A	1		$250.00	$250.00	USD		One-Time

TOTAL: $7,009.20

*Tax not included in amounts, and tax rates are subject to change

Other Order Provisions / Clauses

Name	Description
Colocation - Space and Power Segmented	The Order Form is effective at the time of the Order Form is fully executed by customer and CyrusOne. Customer shall have immediate access to the Collocation space upon signature of this Order Form and the infrastructure and power necessary to meet the full kW commitment shall be dedicated for Customer's use from the date of execution through the end of the Service Term.
IP Address/29 (6 usable)	IP Address justification form must be submitted by Customer

Port of Corpus Christi **CyrusOne LLC**

Signature:		**Signature:**	
Name (Print):		**Name (Print):**	
Title:		**Title:**	
Date:		**Date:**	



1649 W. Frankford Road, Carrollton, Texas 75007

This Master Service Agreement ("Agreement") is made as of the date of the last execution below (the "Effective Date") between Port of Corpus Christi Authority and CyrusOne LLC ("CyrusOne"), a Delaware limited liability company with its principal place of business at 1649 Frankford Road West, Carrollton, Texas 75007. This Agreement includes any attachments, schedules, supplements, agendas or exhibits incorporated herein. These terms shall apply and will be considered a part of any "Order Form" for all Services delivered by CyrusOne. All Services ordered hereunder are subject to credit approval and availability. The term of this Agreement shall begin on the Effective Date and shall continue until the expiration or termination of all Order Forms executed hereunder ("Term"), unless terminated earlier in accordance herewith.

Section 1 – CUSTOMER BILLING INFORMATION

Primary Billing Address 222 Power St.	**City, State, Zip Code** Corpus Christi, Texas 78401
Secondary Billing Address	**City, State, Zip Code**
Primary Billing Contact Name & Title	**Secondary Billing Contact Name & Title**
Phone and Email	**Phone and Email**

Section 2 – AUTHORIZATION

In accepting this offer, Customer is not relying on any representations or promises, whether written or oral, other than those contained in this Agreement. Any changes to this Agreement must be in writing and are subject to subsequent approval by an authorized representative of CyrusOne. Customer understands the information contained in this Agreement is confidential and subject to the requirements of law and agrees not to disclose the information to any third party. CyrusOne and Customer are hereinafter referred to collectively as the "Parties" or individually as a "Party".

Port of Corpus Christi Authority	**CyrusOne LLC**
Signature	Signature
Print Name	Print Name
Title	Title
Date	Date

Terms and Conditions

SECTION 1. DEFINITIONS

1.1 Colocation Space: The location(s) within CyrusOne Facilities where Customer is permitted to colocate Customer Equipment pursuant to an Order Form.

1.2 Connection Notice: Written notice from CyrusOne that the Service ordered has been installed and tested by CyrusOne pursuant to the Order Form.

1.3 Customer Equipment: Any equipment provided by the Customer which is located in a Facility.

1.4 Order Form: The approved Order Form then in use by CyrusOne which contains all information related to Service and which is accepted by CyrusOne and executed by both Parties.

1.5 Facilities: Property, including personal property, real property and buildings, owned, leased or operated by CyrusOne used to deliver Service including without limitation locating and colocating communications equipment.

1.6 Service: Any service provided by CyrusOne pursuant to an Order Form.

1.7 Service Level Agreement (SLA): As applicable, the document setting forth the performance levels that will be provided for certain Services, the metrics or performance indicators by which the service levels will be measured and the remedies available to Customer if service levels are not met.

1.8 Service Commencement Date: The Service Commencement Date is the date that any Service is fully operational and a Connection Notice has been delivered.

1.9 Service Term: The term (measured starting on the Service Commencement Date) for the Services as specified in the Order Form. The term set forth in each Order Form shall automatically renew and remain in effect for additional periods of one year , unless either Party gives sixty (60) days prior written notice to the other of its intent not to renew the Order Form.

SECTION 2. DELIVERY OF SERVICE

2.1 CyrusOne will provide the Services specified in the Order Form, at the fees for such Services listed on the Order Form. For the initial Service Term specified in the Order Form, the fees specified in the Order Form will not change unless agreed upon by both Parties other than pursuant to Sections 3.4,3.5 or 7.2 below provided that a cumulative three percent (3%) annual price escalator will apply to the MRC under each Order Form. The escalator shall first be applied at the beginning of the thirteenth month of the Service Term and then every twelve (12) months thereafter. In addition, fees are subject to increase upon any renewal of a Service Term.

2.2 Order Forms.

(a) To order any Service, Customer shall submit to CyrusOne a description of the Services it would like to receive, including any back up detail requested by CyrusOne. If CyrusOne wishes to provide such Services, CyrusOne shall then submit a proposed Order Form to Customer which contains the Services CyrusOne is willing to provide, and terms for delivery, including the non-recurring charges (NRC) and monthly recurring charges (MRC) for Service and any required Service Term. Customer shall then notify CyrusOne whether it wishes to proceed with execution of the Order Form.

(b) Following execution of an Order Form by both Parties, CyrusOne will deliver a tentative installation date for the requested Service. CyrusOne will become obligated to deliver ordered Service only if CyrusOne has delivered a tentative installation date respecting the Service, Customer is in compliance with the terms for delivery of Service, and Customer has provided all required information and payments.

2.3 Credit Approval. Customer will provide CyrusOne with credit information as requested, and delivery of Service is subject to credit approval at the discretion of CyrusOne.

2.4 No sale of Goods. CyrusOne sells services, not products. To the extent a product is identified on an Order Form (i.e. power whips, cage material, access reader, etc.) the applicable fee represents the set-up charges associated with the item, the installation of which is required for CyrusOne to condition the Colocation Space for Customer's use during the Service Term. Legal title shall remain with CyrusOne and Customer shall have no right to remove any such products at any time. In the event the parties wish to alter this arrangement they may do so in the applicable Order Form, provided the Order Form expressly identifies the products being sold, states that title to the product is intended to transfer, and sets forth the manner in which title shall be transferred Some products and services may be provided by an affiliate of CyrusOne.

SECTION 3. BILLING AND PAYMENT

3.1 Connection Notice. Upon installation and testing of the Service ordered in any Order Form, CyrusOne will deliver to Customer a Connection Notice. Customer will have five (5) calendar days to provide written notification to CyrusOne that applicable Service items are not installed and functioning in accordance with the Order Form. Following CyrusOne's acknowledgment of such notification, CyrusOne will work with Customer to resolve the outstanding issues with specific items on the Order Form and provide an updated Connection Notice. The Service Commencement Date shall be the date of the initial Connection Notice.

3.2 Billing and Invoices

a) Billing for monthly recurring fees ("MRC") shall commence on the Service Commencement Date regardless of whether Customer has procured services from third-party vendors (i.e., equipment suppliers, software developers, telecommunication carriers, etc.) required to use the Service, and regardless of whether Customer is otherwise prepared to accept delivery of ordered Service. CyrusOne bills for one full month of MRC in advance. CyrusOne bills usage based Services in arrears or as otherwise provided by the Order Form. Non-recurring charges ("NRC") are billed prior to installation of applicable Service. All invoices are due thirty (30) calendar days from the invoice date.

b) If Customer reasonably disputes any portion of a CyrusOne invoice, Customer must pay the undisputed portion of the invoice in accordance with the terms and conditions of this Agreement and the Order Form and submit a written claim to CyrusOne for the disputed amount. All claims must be submitted to CyrusOne within sixty (60) days from the invoice date for those Services. Customer waives the right to dispute any charges not disputed within the time frame set forth above. To the extent the dispute is resolved against Customer in accordance with the procedures hereunder; Customer shall promptly pay such unpaid amounts to CyrusOne.

c) Changes in Customer Information. Customer shall communicate in writing any and all changes to its billing information including, but not limited to, billing address, pay key, purchase order number or attention to information.

3.3 Taxes and Fees. Customer is responsible for payment of all property, sales, use, gross receipts, excise, access, bypass, franchise or other local, state and federal taxes, however designated, imposed on or based upon the provision of the Services other than taxes based on CyrusOne's net income and ad valorem, personal and real property taxes imposed on CyrusOne's and not Customer's owned or leased property.

3.4 Regulatory and Legal Changes. In the event of any change in applicable law, regulation, decision, rule, or order that materially increases the costs or materially impacts the terms of delivery of Service, CyrusOne and Customer will negotiate regarding the rates to be charged to Customer to reflect such increase in cost or change in terms, and in the event that the parties are unable to reach agreement respecting new rates within 30 days after CyrusOne's delivery of written notice requesting renegotiation, then a) CyrusOne may pass any such increased costs through to Customer, and b) Customer may terminate the affected Order Form without termination liability by delivering written notice of termination no later than fifteen (15) days after the effective date of the rate increase.

3.5 Power.

a) Customer acknowledges that electricity is provided from a third party power utility company, with rates that are subject to change without notice. For Order Forms in which Services are purchased under a metered power model, CyrusOne shall pass through power costs to Customer in accordance with the equation set forth in the applicable Order Form. For Order Forms in which Services are not purchased under a metered power model, CyrusOne reserves the right to pass on any increases in power costs to the Customer if CyrusOne's rates increase. In addition, CyrusOne reserves the right to pass on to Customer any carbon surcharges or taxes imposed on CyrusOne as a result of CyrusOne's provision of the Services.

b) Contracted Power: The Contracted Power shall be set forth in the Order Form and represents the total amount of power Customer is contractually allowed to utilize in the Colocation Space. If during the Service Term Customer's actual power utilization exceeds the Contracted Power allotment, CyrusOne may require Customer to amend its Order Form to increase the Contracted Power. For illustration, if Customer's Contracted Power is 100kW and Customer's actual utilization is 120 kW, CyrusOne can require Customer to increase its Contracted Power under the Order Form by 20 kW.

c) CyrusOne will install all power whips reasonably required by Customer in the Facility, at Customer's cost. Customer is prohibited from accessing the subfloor space in the Colocation Space. In the event Customer desires to install power whips with a capacity in excess of 150% of the Contracted Power, installation of such excess capacity shall be subject to CyrusOne's prior written approval (which approval may be conditioned upon increasing Customer's

Contracted Power such that the capacity of the power whips installed does not exceed 150% of the increased Contracted Power.)

SECTION 4. DISCONTINUANCE OF SERVICE AND TERMINATION

4.1 By CyrusOne. CyrusOne may discontinue Service in whole or in part if one or more of the following conditions have been met:

a) Non-payment of invoice amounts, not including disputed items, exceeding forty five (45) days past invoice date. A service interruption notice will be sent to the Customer via email when an invoice becomes forty-five (45) days past invoice date;

b) CyrusOne's right to use the Facility within which the Colocation Space is located terminates or expires.

c) If Customer fails to cure its breach (other than a payment breach, which is addressed in a) above) of any of these terms or conditions in this Agreement, in any Order Form or Acceptable Use Policy within ten (10) days after written notice thereof provided by CyrusOne;

d) If Customer files bankruptcy, becomes insolvent, has a receiver appointed, or fails to discharge an involuntary petition within sixty (60) days of filing.

4.2 Effect of Discontinuance. Upon CyrusOne's discontinuance of Service to Customer, CyrusOne may, in addition to and without limitation of any other remedies that may be available to CyrusOne at law or in equity, (i) elect to terminate the Agreement, and/or any Order Form and/or (ii) hold Customer liable for, and collect, MRC and other indebtedness owed by Customer to CyrusOne, and MRC and other amounts that would have accrued during the remainder of the Term or Service Term had there been no discontinuance of Service or termination;

4.3 By Customer. By providing written notice within sixty days following the event giving rise to termination, Customer may terminate an Order Form if CyrusOne fails to cure its breach of any terms or conditions in this Agreement, or in the applicable Order Form within thirty (30) days after written notice thereof provided by Customer.

4.4 Termination for Non-Appropriation of Funds. Each fiscal year, Port of Corpus Christi Authority Commission must appropriate funds for this Agreement. In the event that funds are not appropriated for this Agreement, then Customer shall notify CyrusOne immediately in writing and this Agreement shall terminate as of December 31 of the last fiscal year for which funds were appropriated.

SECTION 5. LIABILITIES/INDEMNITY

5.1 General Applicability. To the maximum extent permitted by law, the limitations set forth in this Section 5 will apply to any and all claims and causes of action, regardless of whether such claims arise in contract, tort (including without limitation, CyrusOne's negligence), strict liability, indemnification or any other legal theory. Furthermore, Customer acknowledges that CyrusOne has agreed to the applicable pricing and negotiated this Agreement in reliance upon the limitations of liability and disclaimers of warranties contained in this Agreement and that such limitations and disclaimers form an essential basis of the bargain between the Parties. The Parties agree that such limitations and disclaimers shall survive and apply even if found to have failed of their essential purpose.

5.2 Service Interruptions and Delivery. In specified circumstances, CyrusOne provides an SLA to Customer which contains specific remedies regarding provision and availability of Services. In the event of a failure of the Services, Customer's exclusive remedies are contained in the SLA, and Customer's sole recourse shall be limited to Service Level Credits as set forth in the applicable SLA. The specific limitations of this Section 5 shall continue to apply whether an SLA has been entered into by the Parties.

5.3 No Special, Consequential, Punitive or Other Indirect Damages. Notwithstanding any other provision of this Agreement or in any Order Form, or under any applicable legal or equitable theory, neither Party shall be liable for any indirect, incidental, special, consequential, exemplary or punitive damages (including but not limited to damages for lost profits, lost revenues or the cost of purchasing replacement services) to the other Party or anyone claiming under or through such Party. In addition, under no circumstances shall CyrusOne be liable to Customer for the damage or loss of any software or data stored on, or processed through, the Customer Equipment or the Colocation Space. Customer acknowledges it is Customer's sole responsibility to backup all software and data.

5.4 Limitation of Liability. With respect to all claims or causes of action arising from any actual or alleged breach by CyrusOne of any representation, warranty, term, condition, undertaking or agreement contained in this Agreement or in any way related to Customer's use of the services, occupancy of the Colocation Space or presence in the Facility, the

remedy available to Customer and any person claiming through the Customer shall be limited to, and CyrusOne's maximum liability in the aggregate for the entire Service Term, shall not exceed the total amount of monthly recurring fees paid by Customer during the six (6) months immediately preceding the month in which the claim arose (or the total amount of Fees having been paid by Customer if the Service Term has been in effect less than 6 months).

5.5 Indemnification. Customer shall indemnify CyrusOne from and against any claims by third parties and expenses (including reasonable legal fees and court costs) for damage to tangible property, personal injury or death caused by such Customer or their agents and representatives negligence or willful misconduct. In addition, Customer shall indemnify CyrusOne from any claims by Customer's representatives, including all contractors, and all related expenses (including reasonable legal fees and court costs) respecting damage to tangible property, personal injury or death.

5.6 DISCLAIMER OF WARRANTY. EXCEPT AS MAY BE EXPRESSLY SET FORTH IN THIS AGREEMENT OR ANY SLA, CYRUSONE PROVIDES THE COLOCATION SPACE AND SERVICES AS IS AND (A) MAKES NO WARRANTIES WHETHER EXPRESS OR IMPLIED, AND (B) DISCLAIMS ANY OTHER EXPRESS OR IMPLIED WARRANTIES INCLUDING, BUT NOT LIMITED TO, WARRANTY OF TITLE, MERCHANTABILITY, NONINFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE, WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE, OR TRADE PRACTICE. CYRUSONE DOES NOT MONITOR OR EXERCISE CONTROL OVER THE CONTENT OF THE INFORMATION RESIDING ON CUSTOMER'S EQUIPMENT OR TRANSMITTED THROUGH ITS FACILITIES. USE OF ANY INFORMATION OBTAINED VIA CYRUSONE'S SERVICES IS AT CUSTOMER'S OWN RISK. CYRUSONE SPECIFICALLY DENIES ANY RESPONSIBILITY FOR THE ACCURACY OR QUALITY OF INFORMATION OBTAINED THROUGH ITS SERVICES. CUSTOMER ACKNOWLEDGES THAT, DUE TO THE PUBLIC NATURE OF THE INTERNET, THERE IS NO GUARANTEE OF SECURITY OR PRIVACY ON THE INTERNET AND CYRUSONE MAKES NO GUARANTEE THAT CUSTOMER'S SYSTEMS OR DATA WILL BE SECURE OR KEPT PRIVATE WITH RESPECT TO THIRD PARTY ACCESS VIA THE INTERNET.

SECTION 6. CONFIDENTIAL INFORMATION, PUBLICITY AND DATA PROTECTION

6.1 Confidentiality.

6.1.1 "Confidential Information" Defined

(a) "Confidential Information" of a Party means any non-public, commercially proprietary or sensitive information (or materials) belonging to, concerning or in the possession or control of the Party or its Affiliates (the "Furnishing Party") that is furnished, disclosed or otherwise made available to the other Party (the "Receiving Party") (or entities or persons acting on the other Party's behalf) in connection with this Agreement and which is either marked or identified in writing as confidential, proprietary, secret or with another designation sufficient to give notice of its sensitive nature, or is of a type that a reasonable person would recognize it to be commercially sensitive. The terms of this Agreement, including the cost associated with the Services provided hereunder, shall be deemed to be Confidential Information of CyrusOne.

(b) Confidential Information does not include information that the Receiving Party can demonstrate: (i) was in the possession of, or was rightfully known by, the Receiving Party without an obligation to maintain its confidentiality prior to receipt from the Furnishing Party; (ii) was or has become generally available to the public other than as a result of disclosure by the Receiving Party or its agents; (iii) after disclosure to the Receiving Party, was received from a third party who, to the Receiving Party's knowledge, had a lawful right to disclose such information to the Receiving Party without any obligation to restrict its further use or disclosure; (iv) was independently developed by the Receiving Party without use of or reference to any Confidential Information of the Furnishing Party; or (v) that the Furnishing Party has disclosed to unaffiliated third parties without similar restrictions.

6.1.2 Obligations of Confidentiality

The Receiving Party agrees to (i) maintain Confidential Information of the Furnishing Party in strict confidence and not disclose such Confidential Information to third parties; (ii) use Confidential Information of the Furnishing Party only for purposes of this Agreement (including providing such Confidential Information only to individuals who have a need to know and are bound to protect the confidentiality of the information in a manner substantially equivalent to that required of the Receiving Party and (iii) keep the Confidential Information of the Furnishing Party secure and protect it from unauthorized access and use by using at least the same degree of care as the Receiving Party employs to avoid unauthorized access and use of its own Confidential Information of a similar nature, but in no event less than reasonable care;

6.1.3 No Implied Rights

Each Party's Confidential Information will remain the property of that Party. Nothing contained in this Section will be construed as obligating a Party to disclose its Confidential Information to the other Party, or as granting to or conferring on a Party, expressly or by implication, any rights or license to the Confidential Information of the other Party.

6.1.4 Compelled Disclosure

If the Receiving Party becomes legally compelled to disclose any Confidential Information of the Furnishing Party in a manner not otherwise permitted by this Agreement, the Receiving Party will provide the Furnishing Party with prompt notice of the request (unless legally precluded from doing so) so that the Furnishing Party may seek a protective order or other appropriate remedy. If a protective order or similar order is not obtained by the date by which the Receiving Party must comply with the request, the Receiving Party may furnish that portion of the Confidential Information that it determines it is legally required to furnish.

6.1.5 Return or Destruction

When Confidential Information of the Furnishing Party is no longer required for the Receiving Party's performance under the Agreement, or upon the Furnishing Party's request, or in any event upon expiration or termination of the Agreement, the Receiving Party will return all materials in any medium that contain, refer to, or relate to Confidential Information of the Furnishing Party or, at the Furnishing Party's election, destroy them, provided however, that the Receiving Party may retain a copy of the Furnishing Party's Confidential Information for legal archival purposes, which copy shall be maintained in accordance with the provisions of this Agreement. At the Furnishing Party's request, the Receiving Party will certify in writing that it has returned or destroyed all copies of the Furnishing Party's Confidential Information in the possession or control of the Receiving Party's or any of its Affiliates or contractors.

6.2 Marketing. Customer agrees that during the Term, CyrusOne shall have the right to use Customer's company name and/or logo and/or customer pre-approved quotes in materials and communications, including, without limitation, in print and digital marketing, sales, financial, and public relations materials and on CyrusOne's website, to publicly refer to Customer as a customer of CyrusOne. Any other use of Customer's name or marks or quotes shall require Customer's consent. CyrusOne, at its discretion, has the right to publish a press release announcing the new relationship with Customer. Prior to its distribution, CyrusOne will provide the proposed press release to Customer for Customer's review and comment.

6.3 Data Protection. Customer represents and warrants that it has obtained informed and express consent to the processing of data in the Facility from its employees, customers, and any users of the Services.

6.4 Disclosure of Customer Information. CyrusOne reserves the right to provide any customer or potential customer bound by a nondisclosure agreement access to a list of CyrusOne's customers and a general description of Service purchased by such Customers. Customer consents to such disclosure; including the listing of Customer's name and Service purchased by Customer (financial terms relating to the purchase shall not be disclosed).

SECTION 7. FACILITY, COLOCATION SPACE AND SERVICES

7.1 Facilities. As between Customer and CyrusOne, title to all Facilities and equipment used to deliver the Services shall remain with CyrusOne. CyrusOne will provide and maintain the Facilities in good working order subject to the terms of this Agreement. Customer shall not, and shall not permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise tamper with or make alterations to any Facility or the Colocation Space, without the prior written consent of CyrusOne which may be withheld in CyrusOne's sole discretion. Customer agrees to repair, at its own cost, any damage to the Facility caused by its employees, agents, or designated persons. Customer is responsible for the cost of replacing any security devices lost or stolen after delivery thereof to Customer. Customer shall not take any action that causes the imposition of any lien or encumbrance on the Facility and shall promptly discharge any such liens upon request by CyrusOne. Customer, its employees, agents, contractors and representatives (including all individuals placed on the access list by Customer) shall comply with all rules, policies and procedures governing the Facility including without limitation the Customer Support Guide (collectively "the Policies") and Customer remains fully and unconditionally responsible for the acts and omissions of such individuals while at the Facility. To the extent deemed reasonably necessary by CyrusOne in its good faith business judgment, CyrusOne may amend or supplement the Policies.

7.2 Grant of License.

(a) Customer shall be permitted reasonable access to the Colocation Space subject to the Policies. Customer shall be permitted to use the Colocation Space only for placement, operation and maintenance of Customer Equipment. Customer shall not, at any time, use or allow any person to use the Colocation Space, or do or permit anything to be done or kept in or about the Colocation Space, for activities other than those typically associated in the industry with the colocation of telecommunication or computing equipment. CyrusOne shall provide all cross-connects in the Facility at Customer's cost and Customer shall not access the subfloor or CyrusOne infrastructure within the Colocation Space.

(b) Customer shall use the Colocation Space in an orderly and safe manner and shall return the Colocation Space to CyrusOne at the conclusion of the Service Term set forth in the Order Form in the same condition (reasonable wear and tear excepted) as when such Colocation Space was delivered to Customer. The Customer must remove all Customer

Equipment (and any other Customer property) from the Colocation Space no later than the effective date of termination of the relevant Service Term. If the Customer has not done so, then the Customer authorizes CyrusOne to disconnect the Customer Equipment, remove it, including without limitation from the Colocation Space and the Facility and to store it on the Customer's behalf. The Customer agrees to immediately reimburse CyrusOne for all charges incurred for the storage of the Customer Equipment. If the Customer Equipment has not been removed or retrieved by the Customer within thirty (30) days of the end of the relevant Service Term, then the Customer shall be deemed to have abandoned the Customer Equipment, to have surrendered all rights to its ownership or possession and to have authorized CyrusOne to dispose of or use the Customer Equipment in such manner and for such terms as CyrusOne may determine in its sole discretion, without liability or compensation to the Customer.

(c) If Customer fails to vacate the Colocation Space at the end of the applicable Service Term, then Customer shall be deemed a tenant at sufferance and, in addition to all other damages and remedies to which CyrusOne may be entitled for such holding over, Customer's MRC shall increase as follows: (i) for the first six (6) months following expiration or termination of the Service Term, an amount equal to one hundred fifty percent (150%) of the MRC payable during the last month of the Service Term and (ii) after the initial six (6) month holdover period, an amount equal to two hundred percent (200%) of the MRC payable during the last month of the Service Term. In addition, in the event of such holding over, Customer shall be liable for and shall indemnify CyrusOne for all costs, losses, awards, or judgments (or reasonable negotiated settlement amount if any claim results in a settlement prior to any judgment award) due to CyrusOne's inability to deliver the Colocation Space to a successor licesnee due to Customer's holding over. Nothing contained herein shall be deemed consent to any holding over by CyrusOne.

(d) CyrusOne retains the right to access the Colocation Space for any legitimate business purpose including compliance with the terms and conditions contained herein. CyrusOne retains the right to restrict Customer's access to the Facility in the event of a breach by Customer of the terms and conditions of this Agreement.

7.3 Customer Equipment.

(a) CyrusOne will not be responsible for the operation or maintenance of any Customer Equipment and Customer bears the risk of loss with respect to the Customer Equipment. Customer shall operate all Customer Equipment in accordance with published technical specifications for all such equipment and shall comply with all specifications, policies, procedures, and security requirements provided by CyrusOne.

(b) CyrusOne acknowledges and agrees Customer retains all right, title and interest in and to any Customer Equipment, and CyrusOne shall not place any liens or encumbrances on the Customer Equipment, provided that Customer is not in default under this Agreement.

(c) Customer is required, at its own expense, to install and maintain a cold aisle enclosure system for all cabinet rows located in the Colocation Space. Such system shall ensure that the mixing of CyrusOne's cold air supply and Customer's equipment exhaust (hot air) is minimized. Customer shall select CyrusOne's solution or customer can select another third party cold aisle enclosure solution, subject to CyrusOne's prior written approval, such approval not to be unreasonably withheld.

7.4 Sublicenses. Customer may not sublicense or permit the use of Facility and Colocation Space by another party, provided that Customer may allow its customers who are obtaining services from Customer to locate equipment in the Colocation Space if necessary for (and for the sole purpose of) obtaining such services from Customer subject to the following conditions:

a) Customer hereby guarantees that all such parties shall abide by the terms of this Agreement;

b) Customer shall indemnify, defend and hold CyrusOne harmless from all claims (i) brought against CyrusOne by any entity or individual granted a sublicense from Customer or (ii) arising from any act or omission of any sublicense or its agents; and

c) All such individuals and entities shall be considered Customer's agent and all of its acts and omissions shall be attributable to Customer for the purposes of these terms.

7.5 Changes in Configuration. CyrusOne reserves the right to change the location or configuration of the CyrusOne Facility and Colocation Space, provided, however, that CyrusOne shall not arbitrarily require such changes. CyrusOne and Customer shall work in good faith to minimize any disruption in Customer's Services that may be caused by such changes in location or configuration of the Colocation Space.

7.6 Insurance Requirements:

a) Customer agrees, at its sole expense, to obtain and maintain in effect at all times during the Term, the following insurance coverage in accordance with the terms and conditions and limits not less than those set forth herein:

1) Commercial General Liability in a form reasonably equivalent to the latest filed and approved ISO CG 0001 (including commercially acceptable endorsements) with limits as follows:

- Each Occurrence: $1,000,000
- Damaged to Rented Premises (each occurrence): $1,000,000
- Personal and Advertising Injury: $1,000,000
- General Aggregate: $2,000,000

2) Commercial Automobile Liability insurance in an amount not less than $1,000,000 combined single limit for bodily injury and property damage.

3) Workers Compensation and Employer's Liability to the extent required by the applicable state statutes in which the "property" is located. Employer's Liability with limits of $1,000,000 each accident, $1,000,000 each disease each employee and $1,000,000 policy limit – Bodily Injury by disease.

4) Umbrella/Excess Coverage providing follow form of the above liability coverage with limits not less than $5,000,000.

5) "All risk" property insurance covering loss or damage to Customer Equipment and any leasehold improvements to the real property made on behalf of Customer in an amount not less than the full replacement cost of such property; including Business Interruption and Extra Expense coverage for any interruption of operations or relocation of equipment from the facility.

b) Upon written request, Customer will deliver to CyrusOne certificates of insurance which evidence the minimum levels of insurance set forth above. Failure to provide such Certificates of Insurance does not constitute a waiver by CyrusOne of these insurance requirements.

c) Commercial General Liability shall include CyrusOne and its respective Affiliates, officers, directors and employees (and any underlying property owner, where applicable) as an additional insured.

d) Each policy shall: (i) be issued by an insurance companies authorized to do business in the states in which the Colocation Space is located and shall have an A.M. Best Rating of A - XII or better or such equivalent credit rating issued by another recognized rating agency; (ii) provide that the insurance companies and any approved self-insured employer waive all rights of subrogation for such amounts against CyrusOne and its respective Affiliates, officers, directors and employees; (iii) provide not less than thirty (30) days prior written notice of cancellation to any herein required policy; and (iv) be primary to any other insurance available to CyrusOne or any underlying property owner (where applicable).

d) Any deductibles or self-insured retentions are the sole responsibility of the named insured party.

f) Customer shall require any contractor entering the Colocation Space on its behalf to procure and maintain the same types, amounts and coverage extensions as required by Customer herein.

7.7 CyrusOne agrees to obtain and maintain, directly or through its parent entity, the following insurance in effect at all times during the Term in accordance with the terms and conditions set forth herein:

a) Commercial General Liability in a form reasonably equivalent to the latest filed and approved ISO CG 0001 (including commercially acceptable endorsements) with limits of $5,000,000 per occurrence. The liability limit may be obtained through a combination of primary excess or umbrella liability coverage.

b) Workers Compensation and Employer's Liability to the extent required by required by the applicable state statutes in which the "property" is located. Employer's Liability with limits of $1,000,000 each accident, $1,000,000 each disease each employee and $1,000,000 policy limit – Bodily Injury by disease.

c) Errors and Omissions Liability insurance in an amount not less than $5,000,000 in the aggregate.

7.8 Lawful Use. Customer acknowledges that CyrusOne is not responsible for the manner in which the Service is used by Customer or any other person or entity Customer permits to access such Service or the equipment used to deliver such

Service (a "User"). Customer further agrees that it will not, and will use commercially reasonable efforts to ensure that any User will not violate CyrusOne's Acceptable Use Policy, a current copy of which is attached hereto as Schedule 1. The parties further acknowledge that CyrusOne is subject to the export control laws of the United States. These laws and regulations include those that are administered by the Bureau of Industry and Security (covering the export of civilian items), the Directorate of Defense Trade Controls (covering the export of military items), and the Office of Foreign Assets Control (OFAC) (restricting exports or business with various embargoed countries, specified individuals or organizations), (collectively referred to here as **U.S. Export Control Laws and Regulations**"). Customer agrees that its operations in the Facilities will not violate the **U.S. Export Control Laws and Regulations** as they currently exist or as they may be amended in the future during the Service Term. Customer represents and agrees that neither Customer, nor any of its affiliates, shareholders, investors, directors and customers are on any of the U.S. Government export screening lists of the Department of Commerce, Department of State and Department of the Treasury, including, but not limited to, the Denied Persons List, the Entity List, the Debarred List, or the list of Specially Designated Nationals. Further, the Customer has an obligation to notify CyrusOne if they are identified on any of these lists at the time of the execution of this Agreement, or at any point during the term of this Agreement.

SECTION 8. GENERAL TERMS

8.1 Force Majeure. Neither Party shall be liable, nor shall any credit allowance or other remedy be extended, for any failure of performance or equipment due to causes beyond such Party's reasonable control including but not limited to acts of God, fire, acts or omissions of suppliers, flood or other catastrophe, any law, order or regulations or request of any governmental entity, national emergency, terrorist activities, insurrections, riots, work stoppages or disruptive labor activities, global or natural disasters or like events. In the event CyrusOne is unable to deliver Service for fourteen (14) consecutive days as a result of force majeure, Customer shall not be obligated to pay CyrusOne for the affected Service for so long as CyrusOne is unable to deliver.

8.2 Assignment and Resale. Customer may not assign its rights and obligations under an Order Form or resell the services without the express prior written consent of CyrusOne. A merger, sale of assets, transfer of equity or assignment by operation of law shall be deemed to be an assignment requiring consent hereunder. CyrusOne will not unreasonably withhold its consent to a proposed assignment provided that these terms shall apply to any permitted transferees or assignees that shall in writing fully accept all the terms and conditions contained herein and such proposed assignee or transferee is financially capable of performing Customer's obligations hereunder. Customer shall remain liable for the payment of all charges due under each Order Form prior to assignment.

8.3 Notice. Any notices required or permitted to be given hereunder shall be given in writing and shall be effective on delivery. Notices may be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, (c) by facsimile evidenced by a confirmation slip, (d) by a commercial overnight courier that guarantees next day delivery and provides a receipt, or (e) by email if receipt of the email is confirmed by the recipient, except that notice shall not be delivered by email if the notice relates to breach or termination of the Agreement. Notices shall be addressed, (a) with respect to Customer, to the address listed on any Order Form or (b) with respect to CyrusOne, to: General Counsel, 1649 W. Frankford Rd. Carrollton, Texas 75007, Fax: (859) 344-4952, generalcounsel@cyrusone.com. Each Party shall notify the other of any changes to its address for receiving notices.

8.4 No Waiver. No failure by either Party to enforce any rights hereunder shall constitute a waiver of such right(s).

8.5 Control. CyrusOne exercises no control over and accepts no responsibility for the content of the information passing through or contained on Customer Equipment. Customer shall indemnify and hold CyrusOne harmless for any claims, losses or damages arising out of or related to Customer's content, including without limitation against claims brought pursuant to the Digital Millennium Copyright Act.

8.6 Contractors. Customer acknowledges that certain installation, maintenance, technical support, and consulting services may be provided by an unaffiliated third party contractor ("Contractor") to CyrusOne. Customer hereby authorizes CyrusOne to provide Contractor all Customer location, equipment and contact information necessary to provide such Services. All Contractors who have access to that information are required to sign a CyrusOne Confidentiality Agreement.

8.7 This Agreement, although drawn by one Party, shall be construed fairly and reasonably and not more strictly against the drafting Party than the non-drafting Party.

8.8 Parol Evidence, Status of Agreement and Prior Understandings. This Agreement and the attached and incorporated exhibits, if any, contain the entire agreement of the Parties and there are no representations, inducements, promises, agreements, arrangements or undertakings, oral or written, between the Parties to this Agreement other than those set forth in this Agreement. This Agreement may only be amended by a writing executed by both parties.

8.9 State Law and Venue Determination. This Agreement shall be subject to and governed under the laws of the State of Texas, without application of conflict of law principles. The Parties agree that venue for purposes of any and all lawsuits, causes of action, arbitrations, or other disputes shall be in Denton County, Texas.

8.10 Corporate Authority. If any Party to this Agreement is a legal entity, including, but not limited to, an association, corporation, joint venture, limited partnership, partnership, or trust, that Party represents to the other that this Agreement

and the transactions contemplated in this Agreement and the execution and delivery hereof have been duly authorized by all necessary corporate, partnership, or trust proceedings and actions including, but not limited to, actions on the part of the directors, officers and agents of the entity.

8.11 Dispute or Contest: Arbitration. In the unlikely event that a dispute occurs applicable to the operation, construction, interpretation, or enforcement of this Agreement, the parties hereby agree to submit the dispute to a commercial arbitrator so that the matter may be arbitrated in lieu of resolving the dispute in a court of law or equity. The parties shall choose an arbitrator from the American Arbitration Association and utilize their procedures for complex commercial arbitrations.

8.12 Independent Contractor Relationship; No Partnering Intended. It is agreed and understood that any work requested by the parties to this agreement shall be performed under the terms of the Agreement and that all parties are considered independent contractors.

8.13 Severability. If any provision of this Agreement is, for any reason, held to violate any applicable law, governmental rule or regulation, or if the provision is held to be unenforceable or unconscionable, then the invalidity of that specific provision shall not be held to invalidate the remaining provisions of this Agreement. All other provisions and the entirety of this Agreement shall remain in full force and effect unless the removal of the invalid provision destroys the legitimate purposes of this Agreement, in which event this Agreement shall be canceled and terminated.

8.14 Survival. The covenants and agreements contained in this Agreement with respect to payment of amounts due, confidentiality, liability and indemnification shall survive termination of this Agreement, regardless of the reason for termination. The rights and obligations under this Agreement shall survive any merger or sale of either Party and shall be binding upon the successors and permitted assigns of each Party.

8.15 Conflict. In the event of any conflict between the terms of this Agreement, an Order Form or a SLA, it is understood and agreed that the following will establish priority of terms: (1) the Agreement, (2) the Order Form and (3) the SLA, provided that the indemnification obligations and limitations of liability set forth in the Agreement may not be supplemented, replaced or amended by any SLA or Order Form.

8.16 Regulatory. If any federal agency or state body of competent jurisdiction determines that any provision of this Agreement violates any applicable rules, policies, or regulations, both Parties shall make reasonable efforts to immediately bring this Agreement into compliance and shall endeavor in those efforts to preserve for both Parties the economic benefits as reflected in this Agreement to the maximum extent possible. CyrusOne reserves the right to disclose information relating to your Services if required to do so by law, regulation, local, state or federal governmental request, or in the good faith belief that such action is necessary to: (a) conform to the edicts of the law or comply with legal process served on CyrusOne, its parent, or affiliates; (b) protect and defend the rights or property of CyrusOne, its parent, or affiliates; or (c) act under exigent circumstances to protect the personal safety of CyrusOne users or members of the public.

8.17 During the term of this Agreement, the Customer or any of its affiliates will not, directly or indirectly, for their own account or for or on behalf of any other person or entity, whether as an officer, director, employee, partner, principal, joint venture, consultant, investor, shareholder, independent contractor or otherwise, hire or employ, or attempt to hire or employ, in any fashion (whether as an employee, independent contractor or otherwise), any employee or independent contractor of CyrusOne, or solicit or induce, or attempt to solicit or induce or take away, any of CyrusOne's employees, consultants, clients, customers, vendors, suppliers, or independent contractors to terminate their relationship with CyrusOne or the other Party.

8.18 Customer represents and warrant to CyrusOne that it has entered into no agreement with a broker, agent or finder (other than those identified to CyrusOne in a separate writing, each an "Identified Broker") in connection with this Agreement or the transaction contemplated hereby to whom a brokerage or other commission or fee may be payable. Customer agrees to indemnify and hold harmless CyrusOne from any claim, liability or expense (including attorney fees) arising from any claim for brokerage fees or commissions against CyrusOne in connection this this Agreement. To the extent Customer has used an Identified Broker in connection with this Agreement for which CyrusOne has agreed in a separate writing to pay a commission or any portion of a commission, Customer agrees that in connection with any termination of this Agreement or any Order Form prior to the expiration of the Term or the applicable Service Term, Customer shall reimburse CyrusOne promptly upon termination for any unamortized broker fees or commissions.

8.19 Consent to Electronic Contracting. By entering into this Agreement, the Parties consent during the term of this Agreement (i) to conduct this transaction and enter into Work Orders and SLAs and other agreements with the Company electronically, (ii) to use electronic signatures and records in connection with this Agreement, any amendment of this Agreement and any Work Order, SLA or other documents issued under this Agreement, and (iii) to receive electronic mail and other electronic communication with respect to any document relating to or regarding this Agreement and the services CyrusOne provides to Customer, including any Work Order, SLA, certificate, consent, transactions or record. The Parties may provide documents to each other electronically by emails that include attachments or embedded links.

TIME WARNER CABLE Business Class

Service Agreement and Service Order

This Business Class Service Agreement and Service Order, including all attached Work Orders and additional Terms and Conditions that are incorporated herein by this reference ("Service Agreement"), is between customer identified below ("Customer") and Time Warner Cable ("TWC" or "Operator") and is effective as of the date last signed below.

Time Warner Cable Information

Time Warner Cable Business Services		**Website:**	http://www.twc.com/nationalaccounts
13820 Sunrise Valley	**Herndon, VA 20171**	**Customer Support:**	**1-877-892-4519**

Customer Information

Customer Name (Exact Legal Name): Port of Corpus Christi Authority				**Federal Tax ID No (9 digits):** 74-6000609
Business Street Address (Service Address):* 1305 N Shoreline	**Suite:**	**City:** Corpus Christi	**State:** Tx	**Zip Code:** 78401
Customer's Phone # 361-885-6150	**Extension:**	**Fax #:**		
Customer Contact Name: Tyler Fuhrken		**Telephone #:** 361-885-6150	**E-mail:** tyler@pocca.com	
Billing Address: 222 Power St	**Suite:**	**City:** Corpus Christi	**State:** Tx	**Zip Code:** 78401
Billing Contact Name:		**Telephone #:**	**E-mail:** accountspayable@pocca.com	

[ ] **Existing Customer** **Account #:**

[x] **New Customer** **Customer Code:**

For BCP Only

Check One:

Single Play [ ] Double Play [ ] Triple Play [ ]

TWC Channel Mgr Contact Name: Annette Rosas	**Telephone #:**		**E-mail:**
Cloud Solutions Adminstrator Name:	**Customer's Phone #**	**Extension:**	**E-mail:**

Customer Owned Domain	**SharePoint Host Name**

*** This address will be used for Emergency 9-1-1 services**

Services

Products Ordered	Term (Months)	Quantity	Install Fee/ Set up Fee	Monthly Fee	Order Type	Total Monthly Recurring
200 Meg ELINE Point to Point	36	1	$0.00	$1,387.50	N	$1,387.50
		Total Install Fees* **	**$0.00**	**Total Monthly*** **		**$1,387.50**

**** Order Type: N—New | A—Add | C—Change | M—Move**

****Prices do not include taxes and may include additional fees.

AGREEMENT

THIS TIME WARNER CABLE BUSINESS CLASS SERVICES AGREEMENT IS SUBJECT TO THE TIME WARNER CABLE BUSINESS CLASS SERVICES AGREEMENT TERMS AND CONDITIONS AVAILABLE AT http://www.twcbc.com/corporate/service_agreement.html, A COPY OF WHICH WILL BE PROVIDED TO CUSTOMER UPON REQUEST. SUCH TERMS AND CONDITIONS ARE INCORPORATED HEREIN BY THIS REFERENCE. BY EXECUTING THIS TIME WARNER CABLE BUSINESS CLASS SERVICES AGREEMENT WHERE INDICATED BELOW, CUSTOMER ACKNOWLEDGES THAT (1) CUSTOMER ACCEPTS AND AGREES TO BE BOUND BY ALL SUCH TERMS AND CONDITIONS, INCLUDING SECTION 21 THEREOF, WHICH PROVIDES THAT THE PARTIES DESIRE TO RESOLVE DISPUTES RELATING TO THE TIME WARNER CABLE BUSINESS CLASS SERVICES AGREEMENT THROUGH ARBITRATION; AND (2) BY AGREEING TO ARBITRATION, CUSTOMER IS GIVING UP VARIOUS RIGHTS, INCLUDING THE RIGHT TO TRIAL BY JURY.

By signing and accepting below you are acknowledging that you have read and agree to the terms and conditions outlined in this document.

Authorized Customer Signature:	Authorized Time Warner Cable Signature:
Printed Name:	Printed Name:
Title:	Title:
Date Signed:	Date Signed:

Ver. 2013 09 27

SIGMA
A PIVOT COMPANY

500 W Overland
Suite 260
El Paso, TX 79901
Phone: 915-400-2035 Fax: 915-533-8146

Quotation

Date	Quote #	Cust #
03/23/16	SSIQ39854-02	

Texas DIR Contract #DIR-TSO-2542

Sold To:	Ship To:	Sales Representative:
Tyler Fuhrken Port of Corpus Christi Auth. PO Box 1541 Corpus Christi, TX 78403 (361) 855-6150 tyler@pocca.com	Bland Chamberlain Port of Corpus Christi Auth. 222 Power Street Corpus Christi, TX 78401 United States (361) 885-6146 bland@pocca.com	**Ed Loveless** Account Executive eloveless@sigmasolinc.com 210-387-3111

Item #	Part #	Description	Qty	Unit Price	Ext. Price
1	ASA5515-FPWR-BUN	ASA 5515-X with FirePOWER Svcs. Chassis and Subs. Bundle	1	$0.00	$0.00
2	ASA5515-FPWR-K9	ASA 5515-X with FirePOWER Services, 6GE, AC, 3DES/AES, SSD	1	$2,753.40	$2,753.40
3	CON-SNT-A15FPK9	SNTC-8X5XNBD ASA 5515-X with FirePOWER Services, 6GE,	1	$1,610.40	$1,610.40
4	CAB-AC	AC Power Cord (North America), C13, NEMA 5-15P, 2.1m	1	$0.00	$0.00
5	L-ASA5515-TAMC=	Cisco ASA5515 FirePOWER IPS, AMP and URL Licenses	1	$0.00	$0.00
6	L-ASA5515-TAMC-3Y	Cisco ASA5515 FirePOWER IPS, AMP and URL 3YR Subs	1	$4,095.00	$4,095.00
		SubTotal			**$8,458.80**
7	WS-C2960CX-8TC-L	Cisco Catalyst 2960-CX 8 Port Data Lan Base	2	$613.20	$1,226.40
8	CON-SNT-WSC28TCL	SNTC-8X5XNBD Cisco Catalyst 2960-CX 8 Port Data Lan B	2	$165.60	$331.20
9	CAB-TA-NA	North America AC Type A Power Cable	2	$0.00	$0.00
10	PWR-CLP	Power Retainer Clip For Cisco 3560-C and 2960-C Compact Swit	2	$0.00	$0.00
11	RCKMNT-19-CMPCT=	19in RackMount for Catalyst 3560,2960,ME-3400 Compact Switch	2	$43.50	$87.00
12	GLC-SX-MMD=	1000BASE-SX SFP transceiver module, MMF, 850nm, DOM	2	$290.00	$580.00
		SubTotal			**$2,224.60**

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Suite 260
El Paso, TX 79901
Phone: 915-400-2035 Fax: 915-533-8146

Quotation

Date	Quote #	Cust #
03/23/16	SSIQ39854-02	

Texas DIR Contract
#DIR-TSO-2542

Item #	Part #	Description	Qty	Unit Price	Ext. Price
13	WS-C3850-48T-S	Cisco Catalyst 3850 48 Port Data IP Base	2	$6,095.00	$12,190.00
14	CON-SNT-WSC388TS	SNTC-8X5XNBD Cisco Catalyst 3850 48 Port Data IP Base	2	$1,740.00	$3,480.00
15	S3850UK9-37E	CAT3850 Universal k9 image	2	$0.00	$0.00
16	CAB-TA-NA	North America AC Type A Power Cable	2	$0.00	$0.00
17	STACK-T1-50CM	50CM Type 1 Stacking Cable	2	$0.00	$0.00
18	CAB-SPWR-30CM	Catalyst 3750X and 3850 Stack Power Cable 30 CM	2	$0.00	$0.00
		SubTotal			**$15,670.00**
19	ISR4431/K9	Cisco ISR 4431 (4GE,3NIM,8G FLASH,4G DRAM,IPB)	2	$6,380.00	$12,760.00
20	CON-SNT-ISR4431K	SNTC-8X5XNBD Cisco ISR 4431 (4GE,	2	$2,498.40	$4,996.80
21	SL-44-APP-K9	AppX License for Cisco ISR 4400 Series	2	$1,160.00	$2,320.00
22	PWR-4430-AC/2	AC Power Supply (Secondary PS) for Cisco ISR 4430	2	$464.00	$928.00
23	CAB-AC	AC Power Cord (North America), C13, NEMA 5-15P, 2.1m	4	$0.00	$0.00
24	SISR4400UK9-316S	Cisco ISR 4400 Series IOS XE Universal	2	$0.00	$0.00
		SubTotal			**$21,004.80**
25	SSCC	Professional Services - SOW #WTX-0130a	1	$11,555.00	$11,555.00

Total **$58,913.20**

Accepted by: _____ Date: _____ PO: _____

Quote #
SSIQ39854-02

* Unless otherwise stated, Quotes are valid for 30 days from the quote date
* All shipping is FOB Source. Shipping and handling charges are the responsibility of the customer and will be added at the time of invoicing.
* Applicable taxes are the responsibility of the customer, and will be added at the time of invoicing unless a valid resale or exemption is on file at the Company's corporate office.
* Please include Company Remit To address on purchase order.
* Cancellation and/or restocking fees may apply if the order is cancelled or changed after the purchase order is received.
* Returns: RMA# must be issued prior to return. Software must be unopened with original manufacturer seal unbroken.
* Lease pricing may be available. Contact your sales representative for more information.
* All quotes are in US Dollars.

Texas DIR Customers Please Note

If your Order is being placed pursuant to a Texas DIR Contract, your Order is subject to the Terms and Conditions of that Contract and the above Terms and Conditions do not apply to your Order. Please refer to the specific DIR Contract(s) covering the Products on this Quote for further details.

DIR-TSO-2542

DR Firewall Install

Statement of Work No. WTX-0130b

By and Between

Port of Corpus Christi Auth.
PO Box 1541
Corpus Christi, TX 78403

And

Sigma Solutions
500 W Overland Drive, Ste. 260
El Paso, TX 79901
915.533.8120 | Fax: 915.533.8146

Submission Date: 4/4/2016

EXECUTIVE SUMMARY

PROJECT OVERVIEW

Port of Corpus Christi Authority ("**Customer**") hereby engages Sigma Solutions ("**Sigma**") to perform the services specified herein (the "**Services**").

PROJECT GOALS

The Customer goals for this project are as follows:

1. Implementation of the route switch network to the co-lo site prior to moving the datacenter.

TECHNICAL SUMMARY

Sigma will

1. San Antonio new DR site
    a. Install and configure ASA5515 with Firepower
    b. Two (2) 3850 switches
    c. 4431 router
2. Corpus Christi site
    a. Install and configure 4431 router
    b. 2900CX switch
    c. Reconfigure existing ASA5515
    d. Install and configure a Cisco 3850 switch and ASA5515 firewall with FirePOWER.
    e. Configure FireSIGHT with the new ASA.
    f. Reconfigure network without BGP
    g. Configure two internet circuits directly to the firewalls
3. Administrative knowledge transfer
4. As-built documentation

STATEMENT OF WORK

PROJECT OUTLINE

The project will consist of the following tasks as outlined in the phase below.

i. Project Initiation Phase

1. Conduct a kick-off meeting with Customer's team to review the project plan
2. Review the SOW, establish mutual expectations for delivery of this service, and agree on roles and responsibilities
3. Review project methodology, including milestones, communications, risk and issue tracking, action items, and reporting

ii. Planning & Design Phase

1. Review current Network and firewall configuration
2. DR Site network and firewall design
3. Plan cutover (tasks & timing)
4. Complete & review FirePOWER pre-engagement worksheet
5. Obtain Customer approval to continue to the Execution Phase

iii. Execution Phase

1. Install and configure two Cisco 3850 Switches
2. Install and configure two Cisco 4400 routers for Point to Point connection between Datacenters
3. Replace existing outside switches at the main datacenter with 2960CX switches
4. Firewall Cutover
5. Configure ASA firewall and initialize FirePOWER modules
6. Add FirePOWER modules to FireSIGHT, update code, and apply policy
7. Configure secondary ISP from Admin building to connect to switch with FW
8. Remove two BGP routers, reconfigure network without BGP and assist customer in moving internet connections to ASA pair.

iv. Project Closeout Phase

1. Create As-Built documentation describing the deployment and provide to the Customer
2. Conduct a knowledge transfer session not to exceed 2 hours in duration.
3. Deliver Customer acknowledgement and obtain signoff

PROJECT EXCLUSIONS / OUT OF SCOPE ACTIVITIES

- Remediation of existing networking or cabling issues
- Extensive documentation such as run books or step by step installation instructions
- Configuration changes to network devices not specifically stated in this SOW

SUMMARY OF DELIVERABLES PROVIDED

- **Deliverable 1**: As-Built documentation

GENERAL INFORMATION

The Professional Services may be performed on the Customer equipment located at the Customer sites (the "Customer Site") specified below:

9999 Westover Hills Blvd, San Antonio, TX 78251

222 Power Street, Corpus Christi, TX 78401

SCHEDULE

This project will begin on a date that is mutually agreeable to Sigma and the Customer.

ASSUMPTIONS

In order to identify and estimate the required tasks and timing for this engagement, certain assumptions need to be made. Based on our current knowledge, the engagement assumptions are identified in the following sections: "**Project Assumptions**", "**Technical Assumptions**" and "**Standard Assumptions**". If an assumption is invalidated at a later date, then the activities and estimates in the engagement plan should be adjusted accordingly.

GENERAL PROJECT ASSUMPTIONS

- Customer will appoint a project sponsor to oversee the direction of this project. The appointed project sponsor will have decision-making authority over all aspects of the project, including facilitating commitment of Customer resources and employees, decisions regarding scope management, and issue or conflict resolution.
- Customer understands the success of this project is dependent on the participation of Customer employees: attending facilitated workshops, sharing information, and collecting data as needed to support project activities. Customer understands the need to review interim and final deliverables and report acceptance or discrepancy to Sigma according to the project schedule set forth at the project kickoff.
- Customer will provide adequate, co-located workspace for the engagement participants (both Sigma and Customer resources) with the appropriate system level access.
- Customer will provide network connectivity and Internet access to Sigma as needed.
- Customer will provide elevated network and system credentials prior to arrival.
- Any service, process, product or procedure that is not explicitly and clearly stated in this "Statement of Work" is outside the scope of work.

- This SOW is based on discussions with the Customer and does not take into account any changes to the environment made by the customer or any third parties since its writing. If a significant change has occurred in this period, a change order may be required to account for these changes.
- If remote access is required for this project, limited access to the Customer's environment (i.e. copilot via remote session) the estimated project hours may increase by approximately 20%.

TECHNICAL ASSUMPTIONS

- Most work will be performed during normal working hours, however, firewall cutover will be done after hours.
- All VLAN IDs and IP addresses are documented and planned for prior to this install.
- IP addressing scheme is planned prior to this install.
- Point to Point circuit will be negotiated by customer and planned to be running the day of the install.
- Existing outside switches will be replaced with the same configuration of old switches
- All links (copper or fiber runs) will be brought in from the Admin building to the annex building to support secondary ISP before work begins.
- The ISP supports no BGP and a default route to allow removal of the 2 BGP routers and moving of the Internet connections to the ASA pair. This will need to be communicated to ISP beforehand.
- Sigma will deliver a single knowledge transfer session, limited to 2 hours, to describe the configuration changes. The session will not be a substitute for formal classroom training. The appropriate customer staff will be available for the session, as subsequent knowledge transfer sessions will be billed as a change request.

STANDARD ASSUMPTIONS

Standard Software Assumptions

- Software specifications are not included in this SOW. Unless specifically addressed in this SOW, it is assumed that all software required to complete the Services will be on location prior to the start of Services. Sigma may, at its discretion, provide any additional software not already in use.
- The Sigma representative will have access to all software required to perform the Services specified in this SOW.
- Pursuant to software required for the completion of Services, it is assumed that all original product documentation will be available prior to the start of Services.
- The Sigma representative will have access to the necessary passwords, including root access, to all systems required to successfully complete the Services.
- Unless otherwise specified in this SOW, it is Customer responsibility to ensure that complete backups of any data have been made prior to the commencement of Services. Sigma assumes no responsibility for lost data.

Standard Personnel Assumptions

- Any personnel designated for skills transfer will be available on the schedule agreed upon between Customer and Sigma during the engagement.
- The Services shall be performed in a skilled and workmanlike manner. Sigma shall assign only those employees or subcontractors who have the requisite experience, knowledge, training, and capability to provide the Services hereunder. If at any time Customer determines that an assigned individual can no longer contribute toward the successful completion of the Services, Customer may request Sigma to immediately dismiss the individual from performing the Services and to supply a replacement with equal or better credentials within a reasonable time period.

- Continuously, without interruption, while on Customer premises, Sigma and its personnel shall observe Customer rules and regulations with respect to conduct, health and safety and protection of persons and property.

Engagement Prerequisites

Following are the prerequisites that must be performed by Customer to allow Sigma to successfully begin this engagement.

- Sigma is provided with a completed and signed copy of this SOW from Customer.

FEES AND EXPENSES

ENGAGEMENT PRICING

This SOW is prepared as Fixed Price billing

Pricing adheres to Texas DIR agreement DIR-TSO-2542

Fixed Price Billing	
Work Description	**Total**
Firewall Install	$11,555.00

Estimated travel expenses are: $2,590.00
Engagement pricing does not include travel expenses.
Sigma will bill actual travel expenses for airfare, car rental, hotel, and meals if engineer is located outside the San Antonio, TX area.

AUTHORIZATION AND ACCEPTANCE

By signing below, both Sigma and the Customer agree to the Terms and Conditions of this SOW.

This Statement of Work is subject to the Terms and Conditions of Texas DIR-TSO-2542.

Sigma Solutions		**Port of Corpus Christi Auth.**	
Signature:	_____	Signature:	_____
Name:	_____	Name:	_____
Title:	_____	Title:	_____
Date:	_____	Date:	_____

Upon execution, please submit signed document to ps_operations@sigmasolinc.com

DIR-TSO-2634

Datacenter Move

Statement of Work No. SAN-0585e

By and Between

Port of Corpus Christi Auth.
PO Box 1541
Corpus Christi, TX 78403
Attention: Tyler Fuhrken
tyler@pocca.com

And

Sigma Solutions
607 E. Sonterra Blvd, Suite 250
San Antonio, TX 78258
Phone: 210-348-9876
Fax: 210-348-9124

Submission Date: 03/31/2016

EXECUTIVE SUMMARY

PROJECT OVERVIEW

Port of Corpus Christi Authority ("**Customer**") hereby engages Sigma Solutions ("**Sigma**") to perform the services specified herein (the "**Services**").

PROJECT GOALS

The customer goals for this project are as follows:

1. Sigma will assist the Customer in relocating their DR site from Corpus Christi, TX to a Cyrus One hosted datacenter in San Antonio, TX

TECHNICAL SUMMARY

The customer currently replicates from a VNX array in production to a VNX array in DR. They have a small VMware server farm, approximately 6 VM Hosts in Prod and 3 in DR and the failover with SRM.

Sigma will:

- As an EMC certified partner, preserve the maintenance coverage on the EMC equipment by performing power down and power up of the EMC devices.
- Label cables on the fabric switches, RPAs and VNX.
- Un-cable Fabric switches, RPAs and VNX
- De-rack, pack, load, transport, unload, unpack, and re-rack listed devices
- Cable VNX, Fabric switches, RPAs and FC connectivity to hosts
- Configure SRM recovery plans for IP change
- Test failover
- Update the as build documentation and provide knowledge transfer
- IBM power down/up by IBM professional services

Sigma will use an Air-ride climate controlled truck with lift gate to transport the equipment. It is anticipated that from power down to hand off will be about 18 hours.

STATEMENT OF WORK

PROJECT OUTLINE

The project will consist of the following tasks as outlined in the phase below.

i. Project Initiation Phase

1. Conduct a kick-off meeting with Customer's team to review the project plan
2. Review the SOW, establish mutual expectations for delivery of this service, and agree on roles and responsibilities
3. Review project methodology, including milestones, communications, risk and issue tracking, action items, and reporting

ii. Planning & Design Phase

1. Discovery & Design
2. Design/Planning Meeting(s)
3. Design Approval
4. Pre-shut down health check
5. Label cables on the fabric switches, RPAs and VNX.

iii. Execution Phase

1. Corpus Christi DR site
    a) EMC
        i) Switch control of RP from SRM to RP and pause replication
        ii) Shutdown RecoverPoint Appliances
        iii) Shutdown Fabric switches and VNX
        iv) Un-cable Fabric switches, RPAs and VNX
        v) Monitor un-racking and moving of equipment to shipping truck.
    b) IBM
        i) Health check on IBM devices
        ii) Un-cable IBM devices
        iii) Monitor un-racking and moving of equipment to shipping truck.
    c) De-rack
    d) Pack and load
2. Transport
3. San Antonio DR site
    a) Unload and unpack
    b) Re-rack

c) EMC

i) Monitor moving and re-racking of equipment.

ii) Cable VNX, Fabric switches, RPAs and FC connectivity to hosts.

iii) Power on Fabric switches and change network setting

iv) Power on VNX and change network settings

v) Power on the RPAs and change network settings for RecoverPoint.

vi) Basic post move health check

vii) Un-pause replication and place RP groups back under SRM control.

viii) Assist customer to re-configure network settings on vCenter and SRM

d) IBM

i) Monitor moving and re-racking of equipment.

ii) Cable VNX, Fabric switches, RPAs and FC connectivity to hosts.

iii) Power on Fabric switches and change network setting

4. Testing

a) Configure SRM recovery plans for IP change

b) Perform "Bubble" test fail-over and cleanup of all Recovery plans.

iv. Project Closeout Phase

1. Create As-Built documentation describing the deployment and provide to the Customer

2. Conduct a knowledge transfer session of .5 hours

3. Deliver Customer acknowledgement and obtain signoff

PROJECT EXCLUSIONS / OUT OF SCOPE ACTIVITIES

- Remediation of existing issues
- Extensive documentation such as run books or step by step installation instructions
- Stopping or starting of applications
- Network configuration

SUMMARY OF DELIVERABLES PROVIDED

- **Deliverable 1**: As built documentation

GENERAL INFORMATION

The Professional Services may be performed on the Customer Equipment located at the Customer sites (the "Customer Site") specified below:

222 Power Street Corpus Christi, TX 78401 Current DR Site
9999 Westover Hills Blvd, San Antonio, TX 78251 New DR Site

The following items will be moved:

Item #	Server Name	Manufacturer	Model	Rack U	Weight
1		EMC	300B FC switch	1	10
2		EMC	300B FC switch	1	10
3		EMC	RPA	1	40
4		EMC	RPA	1	40
5		EMC	VNX DAE	3	150
6		EMC	VNX DAE	3	150
7		EMC	VNX DAE	3	150
8		EMC	VNX DAE	3	150
9		EMC	VNX DAE	3	150
10		EMC	VNX Controller	3	150
13		Adic	Adic 24 Tape Library	2	70
14		IBM	AS400 Tape Library	2	50
15			KVM	1	10
16			KVM	1	10
17		IBM	AS400 Server	4	70
18		IBM	HMC X3550	1	16
19	VM Cluster	Dell	R720	2	30
20	VM Cluster	Dell	R720	2	30
21	Klein	Dell	R720	2	30
22	Backup Exec	Dell	R720	2	30

SCHEDULE

This project will begin on a date that is mutually agreeable to Sigma and the Customer.

ASSUMPTIONS

In order to identify and estimate the required tasks and timing for this engagement, certain assumptions need to be made. Based on our current knowledge, the engagement assumptions are identified in the following sections: "**Project Assumptions**", "**Technical Assumptions**" and "**Standard Assumptions**". If an assumption is invalidated at a later date, then the activities and estimates in the engagement plan should be adjusted accordingly.

GENERAL PROJECT ASSUMPTIONS

- Customer will appoint a project sponsor to oversee the direction of this project. The appointed project sponsor will have decision-making authority over all aspects of the project, including facilitating commitment of Customer resources and employees, decisions regarding scope management, and issue or conflict resolution.

- Customer understands the success of this project is dependent on the participation of Customer employees: attending facilitated workshops, sharing information, and collecting data as needed to support project activities. Customer understands the need to review interim and final deliverables and report acceptance or discrepancy to Sigma according to the project schedule set forth at the project kickoff.
- Customer will provide adequate, co-located workspace for the engagement participants (both Sigma and Customer resources) with the appropriate system level access.
- Customer will provide network connectivity and Internet access to Sigma as needed.
- Customer will provide elevated network and system credentials prior to arrival.
- Any service, process, product or procedure that is not explicitly and clearly stated in this "Statement of Work" is outside the scope of work.
- This SOW is based on discussions with the Customer and does not take into account any changes to the environment made by the customer or any third parties since its writing. If a significant change has occurred in this period, a change order may be required to account for these changes.
- If remote access is required for this project, limited access to the Customer's environment (i.e. copilot via remote session) the estimated project hours may increase by approximately 20%.

TECHNICAL ASSUMPTIONS

- Work will be done both during normal business and after normal business hours.
- Customer will:
    - Provide networking information for the new site.
    - Power down and power up all hosts.
    - Supply new FC cables if required.
    - Have network configured.
    - Have sufficient power space and cooling.
    - Have WAN connectivity between sites is functional.
    - Provide new IPs for all hosts involved in SRM
    - Arrange data center access for Sigma engineer and movers
- The move will be done in one continuous effort from de-rack to re-rack
- Replication/Failover ability will be suspended during the move.
- Maximum of 30 Recovery Plans.
- Sigma will deliver a single knowledge transfer session, limited to .5 hours, to describe the configuration changes. The session will not be a substitute for formal classroom training. The appropriate customer staff will be available for the session, as subsequent knowledge transfer sessions will be billed as a change request.

STANDARD ASSUMPTIONS

Standard Software Assumptions

- Software specifications are not included in this SOW. Unless specifically addressed in this SOW, it is assumed that all software required to complete the Services will be on location prior to the start of Services. Sigma may, at its discretion, provide any additional software not already in use.
- The Sigma representative will have access to all software required to perform the Services specified in this SOW.
- Pursuant to software required for the completion of Services, it is assumed that all original product documentation will be available prior to the start of Services.
- The Sigma representative will have access to the necessary passwords, including root access, to all systems required to successfully complete the Services.
- Unless otherwise specified in this SOW, it is Customer responsibility to ensure that complete backups of any data have been made prior to the commencement of Services. Sigma assumes no responsibility for lost data.

Standard Personnel Assumptions

- Any personnel designated for skills transfer will be available on the schedule agreed upon between Customer and Sigma during the engagement.
- The Services shall be performed in a skilled and workmanlike manner. Sigma shall assign only those employees or subcontractors who have the requisite experience, knowledge, training, and capability to provide the Services hereunder. If at any time Customer determines that an assigned individual can no longer contribute toward the successful completion of the Services, Customer may request Sigma to immediately dismiss the individual from performing the Services and to supply a replacement with equal or better credentials within a reasonable time period.
- Continuously, without interruption, while on Customer premises, Sigma and its personnel shall observe Customer rules and regulations with respect to conduct, health and safety and protection of persons and property.

Engagement Prerequisites

Following are the prerequisites that must be performed by Customer to allow Sigma to successfully begin this engagement.

- Sigma is provided with a completed and signed copy of this SOW from Customer.

FEES AND EXPENSES

ENGAGEMENT PRICING

This SOW is prepared as Fixed Price billing

Fixed Price Billing	
Work Description	**Total**
DR DC Move *	$19,490.00
Damage Insurance Premium for $250,000.00 Coverage **	$1,000.00
Total	$20,490.00

Estimated expenses are: $1,210.00
Engagement pricing does not include travel expenses.
Sigma will bill actual travel expenses for airfare, car rental, hotel, and meals.

** Damage insurance with a replacement value of $250,000.00 will be provided. This insurance is limited to covering physical damages only and does not cover equipment failure that is due to power down/up or other non-damage issues that may occur. The insurance will cover actual replacement of damaged items up to the replacement value specified and does not cover any other losses related to the damage such as loss of business.

* Once the trip is formally booked, the Customer will have 3 working days before the scheduled arrival of the moving crew in Corpus Christi, TX to cancel the trip without penalty. A Cancellation or Rescheduling charge of 25% of the above quote will apply if the trip is cancelled or rescheduled less than 3 working days

prior to the scheduled arrival of the moving crew in Corpus Christi, TX. If the trip is cancelled or rescheduled less than 48 hours prior to the scheduled arrival time of the moving crew in Corpus Christi, TX, the penalty is 50% of the quote herein. If the trip is cancelled or rescheduled less than 24 hours prior to the scheduled arrival time of the moving crew in Corpus Christi, TX, the penalty is 100% of the quote herein.

AUTHORIZATION AND ACCEPTANCE

By signing below, both Sigma and the Customer agree to the Terms and Conditions of this SOW.

This Statement of Work is subject to the Terms and Conditions of Texas DIR-TSO-2634

Sigma Solutions		**Port of Corpus Christi Auth.**	
Signature:	_____	Signature:	_____
Name:	_____	Name:	_____
Title:	_____	Title:	_____
Date:	_____	Date:	_____

Upon execution, please submit signed document to ps_operations@sigmasolinc.com

DATE: April 19, 2015

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 17

EXECUTIVE DIRECTOR'S REPORT

SAFETY PROGRAM

Safety Program and Initiatives

SELECT INTERNATIONAL

Safety has completed the first round of Select International SafetyMirror Workshops and 1 on 1 coaching sessions with the Port Police Department staff. The overall response has been positive with many staff commenting on the accuracy of the personal assessments and applicability in their daily work environment and tasks. Next on the schedule will be the Maintenance Department Staff.

JOB SAFETY ANALYSIS (JSA)

One of the initiative we introduced at the Safety Lunch 'N Learn was the JSA process. Details about and training on performing JSAs was presented to the Safety Committee Members with instructions to present to Member's departments. The JSA Program was also identified and highlighted in the Safety Communications and will continue to be a focus of Safety moving forward. Numerous individuals have submitting exceptional JSAs with several more currently in the works.

ON-THE-SPOT PROGRAM

'On The Spot' chips have been distributed to Managers and Supervisors and thus far, the communications have been successfully positive. The current session will continue until the end of May when participation will be documented and analyzed.

Port of Corpus Christi Authority

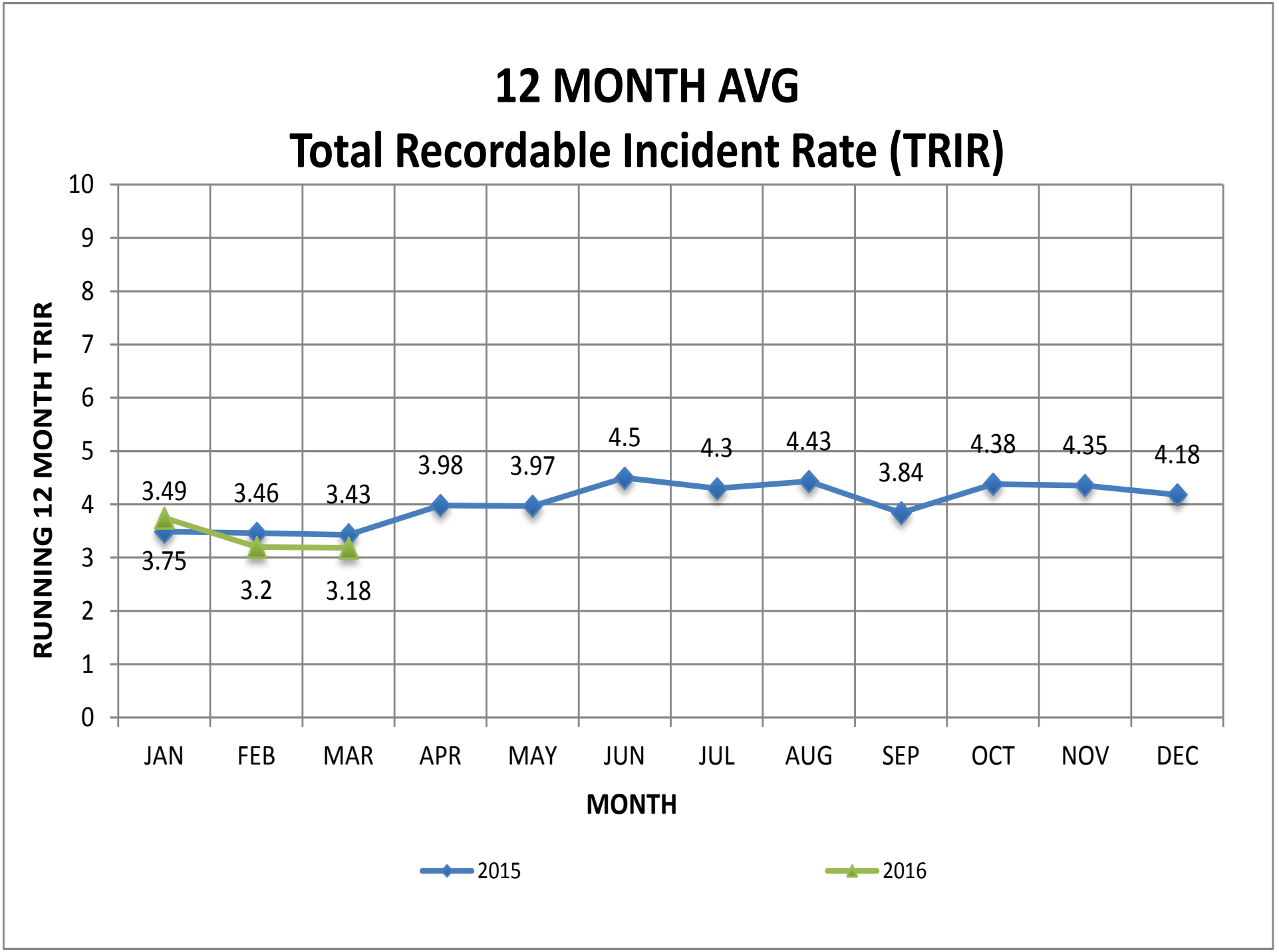
Monthly Safety Data Report

March 2016

	POCCA Employees Total		BMD Personnel		Maintenance Personnel		PD Personnel		Admin. & Annex Personnel	
Safety	Month	YTD	Month	YTD	Month	YTD	Month	YTD	Month	YTD
Number of Employees	204		21		43		50		90	
Work Hours	30,843	89,668	3,338	9,956	5,931	17,220	8,189	23,829	13,384	38,663
First Aid Cases	0	1	0	0	0	0	0	1	0	0
Recordable Injuries	0	0	0	0	0	0	0	0	0	0
Recordable Illnesses	0	0	0	0	0	0	0	0	0	0
Lost Time Cases	0	0	0	0	0	0	0	0	0	0
Number of Days Lost	0	0	0	0	0	0	0	0	0	0
Restricted Cases	0	0	0	0	0	0	0	0	0	0
Number of Days Restricted	0	0	0	0	0	0	0	0	0	0
TOTAL RECORDABLES	0	0	0	0	0	0	0	0	0	0
INCIDENT RATE (YTD)		**0.00**		**0.00**		**0.00**		**0.00**		**0.00**
Types of Injuries										
Slipes/Trips/Falls	0	1	0	0	0	0	0	0	0	0
Struck By	0	0	0	0	0	0	0	0	0	0
Strains/Sprains	0	0	0	0	0	0	0	0	0	0
Cuts/Lacerations/Punctures	0	0	0	0	0	0	0	0	0	0
Back Injuries	0	0	0	0	0	0	0	0	0	0
Heat Stress	0	0	0	0	0	0	0	0	0	0
Insect Bites	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
TOTAL	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Days Since Last Lost Time Case	Hours Since Last Lost Time Case	Days Since Last Recordable Injury/Illness	Hours Since Last Recordable Injury/Illness
170	1,360	133	1,064

Date of Last Lost Time Case	Date of Last Recordable	12 Month Rolling Average		
Wednesday, October 14, 2015	Friday, November 20, 2015	April 2015 - March 2016:	377,091	Manhours Worked
		Total **R**ecordable **I**ncident **R**ate (TRIR):	3.18	


12 MONTH AVG
Total Recordable Incident Rate (TRIR)
RUNNING 12 MONTH TRIR
10
9
8
7
6
5
4
3
2
1
0
3.49
3.46
3.43
3.98
3.97
4.5
4.3
4.43
3.84
4.38
4.35
4.18
3.75
3.2
3.18
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
MONTH
2015
2016

SAFETY COMMUNICATIONS

PORT CORPUS CHRISTI

Did You KNOW?

JSA (Job Safety Analysis)

What is a JSA?

- A tool used to identify and mitigate workplace hazards
- A process to focus on describing hazards that are associated with specific tasks.
- A documented conversation that one should have with all members associated with that job task to ensure they understand the procedure, hazards and ways to keep from getting hurt.

Why is it important?

Before any job or task is started all potential hazards need to be identified and mitigated. Communication amongst the members working with you must feel confident that the job can be done in a timely yet safe manner.



Utilizing a JSA forms helps to include vital information that could save a life. In every job or task, you should take five steps back and five minutes to analyze the situation. Write down any hazards you have noticed and how to mitigate them.



If after you start the task you feel something is unsafe, STOP THE JOB. If you are not familiar with or are unsure of the task, seek the advise of your supervisor or safety department for a second opinion. Risk is everywhere and it not only applies to your workplace but at home too! We must be aware of our surroundings and able to identify potential hazards and know how to find a safe alternative.

****Safety Incentive****

Call, text or email the Safety Manager with the three reasons you should fill out a JSA form . Submissions will have their name put into a drawing for a safety incentive. Please be sure to include YOUR NAME!!

MARCH SAFETY SUGGESTION WINNER IS: MATT DELROSSI

Safety Suggestions

- To include Safety briefing video at all Luncheons.
  Status: A verbal Safety brief is given at every luncheon. Safety videos will be presented at the Quarterly Safety Lunch' N Learns.
- Response plan for suspicious odors.
  Status: In process
- Color code all electrical, extension and power cords on tools every quarter.
  Status: 100% Complete
- Require all construction contractors awarded a contract to submit a safety plan prior to starting work.
  Status: Complete
- To replace soap dispensers with new automatic soap dispensers.
  Status: In process
- To place a life ring on each side east and west of boat dock area at Maintenance.
  Status: Complete
- Provide better chairs for some of our PD areas.
  Status: Researching/Provide priority list
- Replace or repair rusted stair case at the BAT team trailer located at Cargo Dock 8 **Status:** In process
- Provide barricade around pothole at Ortiz patio
  Status: In process
- Provide a better floor mat for standing desk.
  Status: In process
- A clearing tube for making weapons safe should be placed in a centralized location at the Command center.
  Status: Researching

Intelligence is the ability to adapt to change –Stephen Hawking

DidYouKNOW? WINNER!

Teresa Betzold

Port TRIR: 3.20
2016 Injuries:
Slips/Trips/Falls = 1
Struck By = 0
Strain/Sprain = 0
Cuts/Lacerations = 2

Picture This!



COMMUNITY RELATIONS

Internal and Community events/meetings/sponsorships

- Meeting, TxDOT representatives
- Meeting, Transition Advisory Team, Corpus Christi Hispanic Chamber of Commerce and Corpus Christi Chamber of Commerce
- Hillcrest Voluntary Acquisition & Relocation RFP Interviews
- HB Neighborhood Action Plan Meeting
- Final determination ranking
- Kiwanis Club Port Corpus Christi Presentation
- Practice run of the presentation for the March 7th Neighborhood Hillcrest Voluntary Acquisition and Relocation Program Workshop. TxDOT office, Sean Strawbridge and Rosie Collin
- March 7th Neighborhood Hillcrest Voluntary Acquisition and Relocation Program Workshop.
- Community Leaders Roundtable Meeting with NAACP and FBI, Commissioner Barbara Canales and Rosie Collin
- Internship interview
- Corpus Christi Chamber of Commerce Infrastructure Committee
- Meeting, City of Corpus Christi, TxDOT – ROW, and Housing Authority Quarterly Report
- Corpus Christi Hispanic Chamber of Commerce Executive Board
- March for Babies with Sara Longoria
- FASTLANE update with Nelda Olivo
- Boys & Girls Club Board Meeting (Liz Cantu)
- American Heart Association Purse-Onality Auction meeting
- Rotary Club West of Corpus Christi Port Corpus Christi presentation
- Corpus Christi Medical Center, Board of Trustees meeting
- Meeting, PICC HR/PA/GA Committee
- Father James Sarfaglia and Martha Ruiz, Westside Helping Hands (newly established 501C3 dedicated to providing afternoon educational tutoring for underprivileged children)
- Bulk Terminal Monitoring meeting with Darcy Schroeder, Deb Preschler and Sarah Garza
- Northside Neighborhood Voluntary Acquisition Quarterly Report with Jennifer Powell and Liz Cantu
- Corpus Christi Hispanic Chamber of Commerce
- Good Samaritan Rescue Mission, Reverend Carole Murphey, Executive Director
- Del Mar College Foundation, Board of Trustees
- Del Mar College, Sally Reigle (provided basket for Bernie's Crawfish Boil)

- CITGO officials reception with Chairman Charlie Zahn, Vice-Chairman Wayne Squires and Commissioner Rick Valls
- Corpus Christi Women in Leadership Symposium at Texas A&M-University-Corpus Christi, Port Secretary Barbara Canales, panelist
- Communications and strategic planning with Del Richardson & Associates, Del Richardson and Frank Jordan, Senior Associate on Hillcrest Voluntary Acquisition and Relocation Program community outreach
- Communications/documentation on calls from Hillcrest/Washington Coles neighbors

COMMUNICATIONS

March Staff & Employee Events:

- 2016 Marketing Plan and Creative
- Various PMOP Positive Engagement Campaign meetings
- Various Harbor Bridge Acquisition & Relocation Program related meetings
- Port Commission Mtg.
- Wellness Committee meetings and Luncheon
- CVB monthly meeting
- VCS Board Meeting
- AAPA Spring Conference
- Planning Gulf Port's Environmental Summit - October
- Planning of upcoming tradeshows and conferences such as LNG Americas, Breakbulk, ALACAT.
- Planning and participation at AAPA Environmental & PR Committee meetings in C.C.
- Planning TX St Aquarium Summer camp
- Coordinated and attended meeting with CITGO
- Various meetings coordinating the signing of MOU with Laredo
- Working on Employee Fit Healthy Award from Heart Association

Multimedia Coverage for March

- NEW MEDIA MARKETING MANAGEMENT
  - PortOfCorpusChristi.com
    - Our Broadcasts/SEACASTS news feed stories are original content; written to inspire organic growth with search engines.
      - **A Portal to Future Prosperity**
    - WEBSITE ANALYTICS (March 1 – 31, 2016)
      - 13,874 Sessions
      - 30,525 Page Views
      - 7,179 Unique Users
    - USER PROFILES

Country	Sessions	% Sessions
1. United States	12,935	93.23%
2. India	91	0.66%
3. Mexico	89	0.64%
4. Canada	65	0.47%
5. United Kingdom	62	0.45%
6. Philippines	45	0.32%

    - TOP TRAFFIC SOURCES

Source	Sessions	%New Sessions
1. Organic Search	7,385	48.58%
2. Direct	5,232	34.27%
3. Referral	953	41.34%
4. Other	133	79.70%
5. Social	121	38.84%
6. Display	46	68.00%

- SOCIAL MEDIA – (February 1 – 29, 2016)
  - Facebook
    - 4,397 Likes
    - 62 New Likes
    - 19,241 Total Reach (Organic)
  - Twitter
    - 1,361 Followers
    - 21 New Followers
    - 5,771 Impressions (Organic)

- MEDIA ADVISORIES/PRESS RELEASES
  - Western Hemisphere Ports Day
  - $20 Million for Efficiency in Commerce and Trade for Texas Ports
- MEDIA MENTIONS/WEB STORIES (March 1 – 31, 2016)
  - 31 Mentions (See attached PortCCNewsAndSocial-2-2016)
- PHOTO | VIDEO | DOCUMENTARY
  - Retirement luncheon
  - AAPA PR and Enviro Committee meetings
  - Hillcrest Neighborhood meeting
  - Wind Cargo/Star Kvarven
  - Inner Harbor Laydown Areas
- MEDIA, MARKETER, COMMUNITY AND PUBLIC RELATIONS
  - Interview with Newsweek
  - KRIS-TV – Cuba & Hillcrest
  - KIII-TV - Cuba
  - Caller Times – Cuba and Hillcrest
  - Discovery TV – Story on Megaships

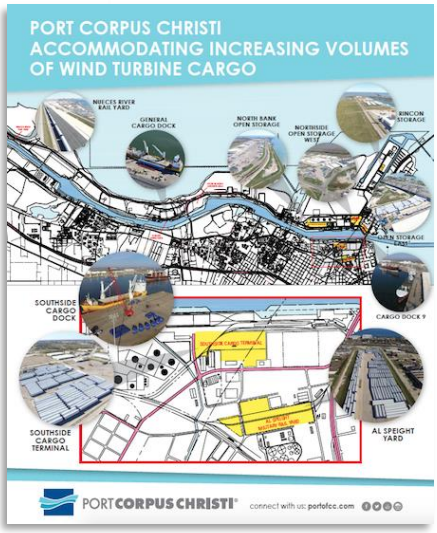
Marketing Recap– MDR:

In March, MDR worked on several projects for the Communications team, including items for the departments of Business Development, Port Police, Safety Program and Sponsorships. MDR continues to update the Port's collateral materials with the new branding, including the Port's main brochure and a Breakbulk sheet. The MDR web development team is working on the Port's new website. The website will be responsive so that it functions on desktop, and automatically resizes to smartphones and tablets. The new website is scheduled to launch end of summer 2016.

Why Do You Work Safely? (Poster Series)
Safety Program



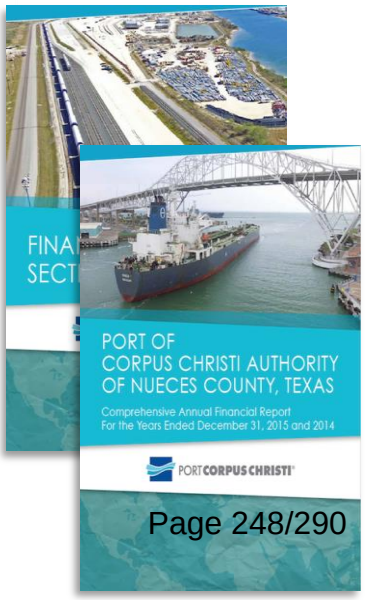
AWEA Poster
Business Development



Port Profile
Communications



Auditors'
Finance



Media Recap - 2016 Campaign

New ad creative was launched in January 2016. MDR is developing a new website to better connect marketing with the sales team goals.

Online Advertising

Click-thrus to portofcc.com:

Jan. '16	*Feb. '16*	*Mar. '16*	*Apr. '16*
aapa-ports.org breakbulk.com expansionsolutionsmagazine.com Latin Trade e-Newsletter	aapa-ports.org ajot.com breakbulk.com expansionsolutionsmagazine.com heavyliftpfi.com Latin Trade e-Newsletter transportjournal.com	aapa-ports.org ajot.com americaeconomia.com breakbulk.com centralamericadata.com expansionsolutionsmagazine.com globaltrademag.com heavyliftpfi.com joc.com latintrade.com transportjournal.com	aapa-ports.org ajot.com breakbulk.com centralamericadata.com expansionsolutionsmagazine.com globaltrademag.com Guia Marítimo eNewsletter il-latam.com (Inbound Logistics Latin America) joc.com latintrade.com NACleanEnergy.com transportjournal.com T21.com.mx
61	109	159	**TBA**

Notes: Latin Trade banners are running on their website and newsletter. In March, 48 clicks were from Latin Trade (30%). AAPA banner also did well, with only 13 clicks, however the web sessions lasted an avg 2:26 minutes. Overall avg. session lasted 1:17.





Print Advertising



Jan. '16	Feb. '16	Mar. '16	Apr. '16
AAPA Directory *Breakbulk Magazine*** *Dry Cargo Magazine** *Expansion Solutions Mag.* *Journal of Commerce*	*Assoc. de Importadores y Exportadores* *Fairplay Magazine*** *NASCO Annual Review* *San Patricio Business Directory* *Shale Magazine*	*Breakbulk Magazine*** *Expansion Solutions Mag**	*Maritime Executive*
Circulation: 53,700	26,130	30,000	22,501

Includes full page editorial of Port with photos, negotiated with media buy.
****Distributed at conference – bonus circulation.***




Texas

PORT CORPUS CHRISTI
is Moving America's Energy

The THEO T exits the Inner Harbor carrying the first U.S. crude oil shipment following the lift of the export ban.

Port Corpus Christi exported the first U.S. shipment of crude oil in 40 years in late December closely following the United States Federal Government's repeal of a 40-year ban on U.S. produced crude oil exports. Port Corpus Christi has emerged as a prime location for the export of U.S. crude oil and condensates. Major investments in Port infrastructure include the following: in terminal operations, dock space, abundant storage, and plans for further channel deepening. These improvements, along with construction of a new and taller Harbor Bridge, will accommodate some of the world's largest tankers for the efficient movement of cargoes from the South Texas Port.

As the primary economic engine of the Coastal Bend, Port Corpus Christi is the 5th-largest port in the United States in total tonnage. Strategically located on the western Gulf of Mexico, and in close proximity to some of the largest U.S. oil producing regions such as the Eagle Ford Shale and the Permian Basin, the Port provides a secure and competitive supply chain to markets worldwide. Port Corpus Christi also provides quick access to the Gulf of Mexico and the entire United States inland waterway system and delivers outstanding access through its straight, 45' deep channel. The Port's channel will be widened from 400' to 530' and dredged to 52' as part of the channel improvement project. Port Corpus Christi provides excellent overland transportation with on-site direct connections to three Class-1 railroads, a new state-of-the-art rail yard with eight 8,500' tracks, and uncongested interstate and state highway access.

A vessel is loaded with export project cargo at Cargo Dock 9 on the Port Corpus Christi Inner Harbor, as crude oil vessels are worked in the background.

Port Corpus Christi's future capital improvements will accommodate the larger vessels needed to provide a cost effective supply of U.S. crude oil to global markets. Not only is Port Corpus Christi investing in its infrastructure, but port tenants are also expanding or planning expansions in the near future to provide more options to their customers for domestic and international shipments. Improvements include additional storage tanks and superior pipeline connections. NuStar Energy was on the forefront of pipeline investment preparing their South Texas Crude Oil Pipeline System which was a critical factor in Port Corpus Christi sending the first U.S. crude oil export to a foreign territory. ConocoPhillips, based in Houston, was able to negotiate the first crude oil shipment with Vitol, due to the readiness of Port Corpus Christi and its customers.

Port Corpus Christi will continue investing in major infrastructure projects to fulfill its mission to Leverage Commerce to Drive Prosperity, and its vision, To be the Energy Port of the Americas; while being protected by a state-of-the-art security department and an award-winning Environmental Management System.

Date	Publication	Headline	Link
1/7/2016	KRIS	**6 Investigates: Hillcrest faces tough reality with Harbor Bridge buyout**	http://www.kristv.com/story/30913266/6-investigates-
1/8/2016	KIII	**Construction On New Harbor Bridge Could Begin This Year**	http://www.kiiitv.com/story/30923523/construction-or
1/9/2016	Houston Chronical	***Harbor Bridge project approved for $1.14B***	http://www.chron.com/news/houston-texas/houston/
1/9/2016	The Washington Tim	**Feds approve plans for new Corpus Christi harbor bridge**	http://www.washingtontimes.com/news/2016/jan/9/f
1/9/2016	Houston Chronical	**Feds approve plans for new Corpus Christi harbor bridge**	http://www.chron.com/news/texas/article/Feds-apprc
1/12/2016	Caller Times	**The decision to build the bridge is on the record**	http://www.caller.com/opinion/editorials/the-decision
1/19/2016	Caller Times	**Port to review bridge buyout plan**	http://www.caller.com/news/building-our-future/bridg
1/20/2016	News Channel 10	**Replacing of Corpus Christi's Harbor Bridge to take 5 years**	http://www.newschannel10.com/story/31011496/repl
2/5/2016	Caller Times	**Port updates vendors on Harbor Bridge relocation plans**	http://www.caller.com/news/building-our-future/bridg
2/16/2016	Caller Times	**Port: New bridge construction could start in two months**	http://www.caller.com/news/local/port-gets-update-o
3/1/2016	Texas Insider	**$20 Million for Efficiency in Commerce & Trade for Texas Ports**	http://www.texasinsider.org/20-million-efficiency-com
3/1/2016	KRIS	**Port scores some 'green' for black top touch ups**	http://www.kristv.com/story/31352007/port-scores-so
3/1/2016	Gilmer Mirror	**$20 Million for Efficiency in Commerce and Trade for Texas Ports**	http://www.gilmermirror.com/view/full_story/271063
3/5/2016	Caller Times	**Port gets $3.3 million to fix up Trade Corridor roads**	http://www.caller.com/news/energy-effects/oil/port-g
3/7/2016	Caller Times	**Hillcrest residents, officials talk fairness**	http://www.caller.com/news/building-our-future/bridg
3/15/2016	Caller Times	**Port to hire firm to coordinate Hillcrest relocation efforts**	http://www.caller.com/news/building-our-future/bridg
3/16/2016	KIII	**Hillcrest Residents Respond To Possibly Relocating**	http://www.kiiitv.com/story/31491104/hillcrest-reside
3/16/2016	KRIS	**Port finalizing deal with firm to help with Harbor Bridge relocation**	http://www.kristv.com/story/31490376/port-finalizing-
3/18/2016	Plastics News	**DAK Americas sees a thirst for more PET in Mexico**	http://www.plasticsnews.com/article/20160318/NEWS
3/20/2016	The Monitor	**COMMENTARY: Texas ports are portal to a profitable future**	http://www.themonitor.com/opinion/commentary-tex
3/21/2016	KRIS	**Son of Cuban immigrant awaits real change**	http://www.kristv.com/story/31531055/local-family-th
3/23/2016	Caller Times	**Nueces County pledges $12 million to bridge project**	http://www.caller.com/news/local/nueces-county-mul
3/23/2016	Houston Business Jo	**PE-backed Sugar Land energy co. to build terminal in Corpus Christi**	http://www.bizjournals.com/houston/news/2016/03/2
3/23/2016	BusinessWire	**Rangeland Energy Begins Development of South Texas Energy Products Syste**	http://www.businesswire.com/news/home/20160323(
3/24/2016	Energy Global	**Rangeland Energy begins development of STEPS**	http://www.energyglobal.com/downstream/petrocher
3/24/2016	FuelFix	**Rangeland to build staging site for Mexico-bound fuel**	http://fuelfix.com/blog/2016/03/24/rangeland-to-build
3/24/2016	NGI's Shale Daily	**Texas Terminal to Be Hydrocarbon Bridge to Mexico**	http://www.naturalgasintel.com/articles/105820-texas
3/24/2016	mySA	**Rangeland to build staging site for Mexico-bound fuel**	http://blog.mysanantonio.com/atlarge/2016/03/range
3/28/2016	Caller Times	**G-PISD plans transition from low-to high-wealth district**	http://www.caller.com/news/education/local/g-pisd-p
3/29/2016	Caller Times	**Port hires California firm to head Harbor Bridge relocation project**	http://www.caller.com/news/building-our-future/bridg
3/30/2016	Caller Times	**Clara Driscoll and the second battle of the Alamo**	http://www.caller.com/columnists/murphy-givens/clar

PORT CORPUS CHRISTI

Event Tracker - March 2016

Start Date	Event/ organization	Location	Event Type
March 1, 2016	Cattle Baron's Ball	Nueces Delta Preserve	Community Sponsorship
March 2, 2016			
March 3, 2016			
March 4, 2016			
March 5, 2016	TAMUCC Islander Luncheon	Water Street	Community Sponsorship
March 5, 2016			
March 6, 2016			
March 6, 2016	Bridgewalk	Harbor Bridge	Wellness
March 7, 2016	Del Mar Crawfish Boil	Concrete Street	Community Sponsorship
March 8, 2016	Corpus Christi Black Chamber Weekend Conference	ABC	Community Sponsorship
March 9, 2016			
March 9, 2016	Harvery Weil	Welder Wildlife refuge	Community Sponsorship
March 10, 2016			
March 11, 2016			
March 12, 2016	Christu Spohn Lyceum	ABC	Community Sponsorship
March 13, 2016			
March 14, 2016	Children's Advocacy 3rd Annual Roast	Omni	Community Sponsorship
March 15, 2016	Commission Meeting	Ortiz	Meeting
March 16, 2016	Pops in the Park	Whatatburger Field	Community Sponsorship
March 16, 2016	West Side Helping Hands "Noche Latina"	Gaslight Square Courtyard	Community Sponsorship
March 17, 2016			
March 18, 2016	Bulk Terminal Master Plan	Port Admin	Meeting
March 19, 2016	Laredo Development Foundation	Laredo Country Club	Community Sponsorship
March 20, 2016			
March 21, 2016	USO of South Texas 75th Refelaction Thru the Years	Lexington Museum	Community Sponsorship
March 22, 2016	La Noche Bonita	Heritage Park	Community Sponsorship
March 23, 2016	It's Your Life Foundation Glow Run	Cabaniss Field	Community Sponsorship
March 24, 2016			
March 25, 2016			
March 26, 2016			
March 27, 2016			
March 28, 2016			
March 29, 2016	Special Commission Meeting	Port Administration	Meeting
March 30, 2016			
March 31, 2016			

GOVERNMENT AFFAIRS

During March 2016, Government Affairs promoted and protected port and regional interests at the local, state and federal levels of government.

LOCAL

- Attended Corpus Christi Chamber Government Affairs committee meeting.
- Attended PICC Public/Government Affairs committee meeting.
- Attended Coastal Bend Council of Governments committee meeting.
- Attended Corpus Christi City Council meeting; provided Hillcrest update with Rosie Collin to Council Member Carolyn Vaughn.

STATE

- Various meetings with port staff and consultants to discuss port projects for RESTORE ACT funding.

FEDERAL

- Various meetings and conference calls with consultants to advance our Channel Improvement Project and La Quinta Aids to Navigation.
- Meetings with port staff and consultants to discuss projects for TIGER and FAST LANE grant application.
- Working with congressional offices and consultants to monitor FY 2017 budget, WRDA 2016, Harbor Maintenance Trust Fund, etc.

BBC

MEMORANDUM

To: Nelda Olivo

From: Hugo Berlanga

Re: March Report

Date: April 7, 2016

Below, please find an update on issues of interest to the Port. Also, please find a brief summary of those activities conducted by Berlanga Business Consultants on behalf of the Port:

In transportation news, the Companies of Cintra and Zachry Construction announced they have filed for bankruptcy protection in regards to State Highway 130 toll road project. Cintra and Zachry cited SH 130 toll road revenues have been below projection since the toll road opened. The Texas Transportation Commission is assessing the cost of removing the tolls from state roads.

The Texas Department of Transportation (TxDOT) announced that the $1 billion spent repairing and maintaining roads used by the energy industry will only have a short term benefit as the repairs were only "quick fixes" and not long term solutions. Randy Hopmann, director of district operations for TxDOT, said the repairs will only last two or three years. Hopmann also said long term solutions of upgrading the roads in these corridors proposed in 2012 have not been implemented.

Sen. Jane Nelson (R-Flower Mound), chair of the Senate Finance Committee has asked the Legislative Budget Board for help on how the legislature can reduce the state's $41 billion debt.

George P. Bush, Texas General Land Commissioner, said protecting the Texas coast will be his top priority during the 2017 legislative session. Bush said the General Land Office has teamed up with the U.S. Army Corps of Engineers to devise a long term plan to address issues in the Houston Ship Channel and the Corpus Christi area to "ensure that Texans receive fair treatment following tropical storms and hurricanes."

School Choice or "Vouchers" appear to be an important issue in the upcoming session. Lieutenant Governor Dan Patrick has vowed to make the issue a top priority during the next legislative session.

Speaker Joe Straus (R-San Antonio) won reelection as did Sen. Jose Menendez (D-San Antonio) and Rep. Byron Cook (R-Navarro). Reps. Bryan Hughes (R-Mineola) and David Simpson (R-Longview) will face each other in a runoff for Senate District 1. Also in a runoff are Rep. Susan King (R-Abilene) and Dawn Buckingham for Senate District 24.

- Attended The PORT Board Meeting on March 15, 2016;
- Attended a meeting with Chairman Ryan Guillen in Zapata, Texas on March 16, 2016;
- Attended the swearing in for City Councilman Michael Hunter on March 22, 2016;
- BBC will continue communication with the members and staff of Senate IGR, Senate Natural Resources, Senate State Affairs, the Lt. Governor's office and House Transportation & Speaker's Office;
- BBC will continue to send notices regarding meetings and articles of interest to the Port via fax and/or e-mail.

Memorandum for Nelda Olivo
Director of Government Affairs, Port of Corpus Christi Authority

From: Brian Yarbrough and Janiece Crenwelge
Date: March 31, 2016
Re: Activities on behalf of Port Corpus Christi during March 2016

March 1: Correspondence with Tim Stostad, Office of Sen. Judith Zaffirini, regarding Port issues and meeting for Port Commissioners. Correspondence with Nelda Olivo regarding Port projects in San Patricio County.

March 4: Review of Texas Register for state agency actions relating to POCCA and transmittal to staff.

March 7: Transmittal to staff of TCEQ's proposed changes to the Texas Emissions Reduction Plan (TERP) Drayage Truck Incentive Program.

March 8: Attend and monitor for issues affecting the Port a joint hearing of the House Committee on Energy Resources and the House International Trade & Intergovernmental Affairs Committee. The committees are reviewing how the Mexican energy transformation has bolstered or diminished the energy economy in Texas. The committees are also exploring opportunities that would encourage binational exchange and commerce of oil, gas, and oilfield materials and discussing how a competitive market across the border will affect supply, market price, reliability of Texas oil, gas, and energy markets, pipeline build-out, and other economic factors such as workforce and local economy sustainability.

March 9: Preparation and transmittal of March 2016 primary election analysis to John LaRue and Nelda Olivo.

March 11: Review of Texas Register for state agency actions relating to POCCA and transmittal to staff.

March 18: Review of Texas Register for state agency actions relating to POCCA and transmittal to staff.

March 21: Review and Transmittal of press and op-ed regarding Texas' administration of RESTORE Act funds, which was described as transparent and responsible and helping to make the coast less vulnerable to future disasters.

Attend and monitor the House Select Committee on Emerging Issues in Texas Law Enforcement for issues relating to the Port police department. The committee is studying body camera policies and best practices to develop guidelines to make available for reference by agencies utilizing state grants. Accordingly, the committee will consider the issues of data storage, records retention, the Public Information Act, and evidentiary procedures.

Teleconference with Sen. Hinojosa's staff regarding port issues and the Senate Select Committee on Texas Ports.

March 22: Preparation and transmittal of RESTORE Act funding update to John LaRue and Nelda Olivo.

March 24: Consultation with office of Senator Brandon Creighton regarding agenda of May 4, 2016, Senate Select Committee on Texas Ports. Teleconference with Nelda Olivo regarding same and Port interest in RESOTRE ACT funding.

March 25: Review of Texas Register for state agency actions relating to POCCA and transmittal to staff.

March 28: Preparation and transmittal of national press materials related to automated cargo handling at national ports to John LaRue and Nelda Olivo.

March 29: Attend and monitor Senate Transportation hearing for issues affecting the Port. The Committee is studying current state and federal regulations, penalties, and fines related to oversize and overweight vehicles. The committee will make recommendations to minimize impacts on the state's roadways and bridges.

Attend and monitor Senate State Affairs hearing on eminent domain for issues affecting the Port. The committee is charged with reviewing data on the compensation provided to private property owners for property purchased or taken by entities with eminent domain authority.

Meeting with Tim Stostad of Senator Zaffirini's office about a potential meeting with Port Commissioners.

March 30: Preparation and transmittal of press materials to Port staff regarding Texas Land Commissioner George P. Bush's intent to make the Texas coast a priority during the 2017 legislative session.

March 1-30: Conferences with offices of Sen. Hinojosa, Reps. Hunter, Lozano and Herrero, and staffs, regarding port issues. Review of and legal research on legislation enacted by the 84th Texas Legislature of interest to Port of Corpus Christi activities and operations. Weekly transmission of relevant rulemakings and public notices to John LaRue and Nelda Olivo.

BORSKI ASSOCIATES, LLC

5023 South Convent Lane, Unit J
Philadelphia, PA 19114
(215) 327-5600 (Cell)

805 15th Street, N.W.
Suite 1101
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MEMO
To: Port of Corpus Christi
From: Borski Associates
Date: April 8, 2016
Re: Monthly Report

FY18 Budget and FY17 Workplan

We held a conference call to plan for John LaRue's and Charlie Zahn's visit to DC in April. We set up a meeting with the Vice President's office to discuss issues with funding the Corpus Christi Ship Channel Improvement Project. Additionally, we will attend meetings with the Army Corps and Office of Management and Budget to find ways to ensure the project can get underway as soon as possible.

Surface Transportation Grants

We participated in a USDOT webinar about FASTLANE freight grants. It appears that the same USDOT teams that assess TIGER grant applications will also review FASTLANE grants. This, coupled with the similar Notices of Funding Availability, suggest that FASTLANE freight projects will be reviewed similar to TIGER grants. We recommended that any freight project be submitted to the FASTLANE program, while other potential projects should be submitted to the TIGER program.

INFORMATION TECHNOLOGY

Status of Information Technology Programs & Initiatives

- *Hillcrest and Harbor Bridge Websites* – Internal project management site for the Harbor Bridge Acquisition and Relocation Program is actively being used to track time and as a repository for information. External Harbor Bridge Acquisition and Relocation Program website is live (http://www.ccharborbridgerelocation.com).

- *Migration from Novel to Microsoft* – Novel GroupWise and network systems are no longer in use. All employees are now using Office 365 (email) and Active Directory (network) systems. Test groups in Active Directory have been created to roll out group policy. Group policy will further secure our environment and centralize management of our computers and networks. A project is underway to combine Office 365 and Active Directory passwords using federated services. This technology will give us the ability to develop a single sign on environment for enterprise applications.

- *Electronic Workflows* – The goal of this initiative is to limit the number of paper workflows that exist within the Port. HR Employee Action Notices are the pilot for this program. Testing is underway for EAN's utilizing LincDoc and our existing Docuware system. HR is submitting EAN's for manager and director approvals. Other workflows in HR and Accounting have been identified to use this program.

- *Data Center Colocation* – Design of network and server environment for colocation data center is complete. Final pricing is submitted and we are under budget. Approval for project is on April Commission agenda.

- *Phone System Replacement* – Design of network and phone system is underway for our primary and DR site. Staff has chosen Cisco Unified Communications as the best fit for the Port. A demo of this system was provided to IT and Executive Assistants. All at the demo were impressed with its features and see many improvements for communication and collaboration.

- *Agenda Management* – Granicus has been chosen by staff to replace existing commission agenda management software. Final contract negotiations are underway and we expect the June agenda will be created on the new Granicus platform.

2015 Budgeted Projects

- *Data Center Colocation* – This project will move the backup data center to a colocation facility in San Antonio. The site has been selected and approved by the Coast Guard. Port IT staff are in the final negotiations with the colocation and telecommunication providers. This project is scheduled to go before the Commission in March for approval. *Estimated project start date: 4/1/16*

- *Phone Systems Replacement* **–** Replacement of 10+ year old PBX phone system and consolidation of all sites into one system. This project will remove phone systems at Admin/Annex, HMO, PD, Maintenance and BMD. The existing design of our voice infrastructure is subpar for redundancy and cost effectiveness. Installing a VOIP phone system will allow for SIP trunks which will provide up to 50% reduction in long distance costs. *Estimated project start date: 6/1/16*

- *Port PD Infrastructure*
- ***Virtualization of Servers –*** Existing server infrastructure consists of out of date physical servers. This project would replace 15 to 20 servers with 3 to 4 servers utilizing virtualization. Virtualization introduces costs savings by reducing maintenance contracts along with a reduction in power and cooling needs. Virtualization of servers will also improve the redundancy of the systems they house by utilizing existing Port infrastructure for failover. *Estimated project start date: 4/1/16*

- *Network Replacement* **–** As identified in the Transportation Technology Associates Security Technology Master Plan, the network infrastructure for Port PD needs to be upgraded. Most equipment has reached end of life and is no longer supported by the manufacturer. This upgrade would allow for the transition from analog to digital cameras. *Estimated project start date: 5/1/16*

BUSINESS DEVELOPMENT

Wind Energy & Project Cargo

- Staff continued maintenance of Port Tariff 100-A and Bulk Terminal Tariff 1-A.
  - The language within Item 285 and its applications continue to move forward with assistance of IT Department for presentation to Commission in near future.
  - Four new entities expressed interest in obtaining a freight handlers license from The Port of Corpus Christi.
- Staff assisted with wind and project cargo identification in regards to accurate billing of monthly storage.
- Staff participated in Port presentation to major media entity.
- Staff participated with coordination efforts concerning Southside Terminal resurfacing project, including a meeting with a local stevedore for current and future cargo coordination purposes to allow timely end result. Staff secured the relocation of two project cargo pieces for easier access to CD15 site.
- Staff hosted a one-day site visit for a major wind manufacturer and secured additional tower sections and blades during Q3.
- Staff met with major breakbulk vessel carrier who advised the implementation of a liner service from Asia to POCC, which resulted from a long-term contract with a major wind manufacturer. Same carrier secured bookings for an alternate wind manufacturer during Q4. As a direct result, staff initiated efforts to attract additional inbound project cargo from Asia.
- Staff met with yet another wind manufacturer at headquarter offices and secured tower section volumes for next three years. This in addition to potential blade volumes for long-term storage during Q4. Staff initiated internal discussion regarding potential long-term site for blades.
- Staff monitored rail out-load of tower sections from Southside terminal with on-campus railroad and other involved entities.
- Staff met with a vessel carrier and a vessel agency in Houston for a presentation regarding POCC updates and initiatives.
- Staff met with a major construction company in Houston for updates regarding project cargo delivery time-frames to initiate in May at the rate of two vessels per month for one year. Staff established a pre-planning meeting prior to arrival of first vessel.
- Staff collaborated with other internal departments regarding new Harbor Bridge potential laydown issues at Southside Terminal.

- BD Staff continued efforts with other departments regarding future Southside laydown areas.
- BD Staff collaborated with Government Affairs regarding letters of support for various grant applications.

Dry Bulk & General Cargo

- TPCO and Texisle continue to import pipes. Discussions continue with TPCO for bulk commodities toward end of year at bulk terminal.
- BD Staff continues to work closely with M&G and Fagioli concerning imports at general cargo docks and bulk dock and improving lay down area.
- BD Staff continues to participate in Master Development Plan for Bulk Material Terminal.
- Staff continues to work towards a potential lease for barite terminal.
- BD Staff members continue to participate in the PCCA team which is currently working with Bulk Material Terminal tenants to remediate any environmental issues. Staff continues to work on 2 new liquid transloading opportunities via rail at various sites.
- BD Staff continues to work with tenant concerning container solutions.
- Working on solutions for aggregates over cargo docks
- BD Staff participated in meetings with engineering regarding resurfacing and TxDOT space for new bridge.
- BD Staff participated in the community meeting at Coles Elementary concerning New Bridge awareness and Voluntary Relocation and Acquisition Program.
- Staff is currently working with 3 potential transloading/freight handlers for rail discharge of aggregates.
- Staff met with Skyonic to discuss Salt shipments and schedules.
- Staff is currently working with Eagle Ford Shale Steering committee to support the EFS Consortium Annual meeting.
- Staff met with a company interested in imports of cement near bulk terminal.

Latin American Trade Conference

- Staff continues researching the Latin America market for new business opportunities.
- BD Staff continues to organize and coordinate the upcoming visit from a Bolivian Group on May 11, 2016. Local companies have been contacted not only to participate in the visit but also to provide presentations and networking opportunities.

- Staff continues exchanging requested information and contact information with SCM, the shipping line interested in the Colombian Service.
- BD Staff also continues its exchange of contact and requested information with Intermarine, (another shipping line interested in the Colombian Service). Exchanged information is being utilized to reach out to potential clients.
- Staff continues its exchange of potential client information and general information with Port of Palermo.
- BD Staff continues to work with Lewis Energy regarding the company's interest in moving their cargo through our port.
- Staff Continues to update Wharfage and Dockage Revenues for all the Port's commodities.
- BD Staff continues to work on different projects related to the Bulk Terminal.
- Staff remains in contact with the different companies that participated at the First Latin America Petroleum and Energy Summit. Staff is inquiring on these companies' needs and expectations of service.
- BD staff continues to work assist the Communications Department on the marketing campaign to promote the Port in 2016. Staff is assisting with requested translation tasks and also with strategic ideas related to Business Development.
- Staff is currently assisting the Communications Department with upcoming events and exhibits for 2016.
- Staff continues to attend various business related conferences, symposiums, trade shows and events in the area.
- Staff continues to support the Communication Department and the Community Relations Department with upcoming events and community efforts.

FOREIGN TRADE ZONE

A meeting with Foreign Trade Zone (FTZ) operators and local Customs and Border Protection (CBP) officers was held on Thursday, March 17. CBP provided updates on the Automated Commercial Environment (ACE) system and other FTZ procedures.

The FTZ Annual Report for activity handled in 2015 was submitted to the FTZ Board on March 31, 2016 as per FTZ regulations 15 CFR 400.46.

The Port's activated site was reconciled accounting for all cargo handled in 2015 to ensure all cargo admitted into FTZ status was located and had proper documentation. A letter certifying the cargo reconciliation was submitted to CBP on March 31 as per CBP regulations 19 CFR 146.25.

Voestalpine continues to work on information required for CBP activation approval of their site.

FTZ Manager is working with Valero as they work on an application to modify their FTZ boundaries to include an additional 6.7 acres along Up River Road into their zone.

ORTIZ CENTER

March was a good month here at the Ortiz Center. We are right on target to meet budget for the month and are projecting to meet budget for April as well.

We are extremely excited to announce our next Grand Tasting to be held on April 14th from 6pm-8pm. Designed to attract new and former customers, as well as inspire our existing customers, by showcasing all that the Ortiz Center has to offer. This year's theme, "An International Affair" will feature themed food stations from around the globe with beautiful décor, lighting and entertainment from several of our featured vendor partners.

This month we were proud to host for the first time, the American Advertising Federations, "Addy Awards" for excellence in advertising, the Fellowship of Christian Athletes Awards Banquet and the inaugural AHA Vestido Rojo Conference to raise heart health awareness among Hispanic women in the Coastal Bend region.

The Ortiz Center also was the host facility for the Pardigm Emergency Response and Damage Prevention Pipeline Safety Program for contractors, excavators, emergency responders and public officials.

As part of our continued commitment to the community, we are pleased to report that the Ortiz Center provided over $56,000 in discounts and sponsorships to various non-profit and Community Based Organizations in the first quarter of 2016. The support given by the Ortiz Center assists these wonderful organizations in their ability to generate the resources needed to provide services throughout the Coastal Bend region.

Below are 2015 totals and numbers to-date for 2016 activity.

2015	Guest Attendance	Number of Events	Revenue
January	5,113	42	$216,694
February	2,639	27	$75,227
March	5,397	40	$197,604
1st Quarter	**13,149**	**109**	**$489,525**
April	5,046	53	$187,262
May	5,727	42	$187,077
June	4,152	47	$204,576
2nd Quarter	**14,925**	**142**	**$578,915**
July	3,511	52	$165,634
August	2,521	31	$92,649
September	3,418	30	$157,647
3rd Quarter	**9,450**	**113**	**$415,930**
October	4,572	52	$214,263
November	6,907	56	$257,904
December	5,468	50	$385,933
4th Quarter	**16,947**	**158**	**$858,100**
EOY Total	**54,471**	**522**	**$2,342,470**

2016	Guest Attendance	Number of Events	Revenue
January	4,621	41	$149,911
February	4,366	39	$204,082
March	4,553	50	$199,597
1st Quarter	**13,540**	**130**	**$553,590**
April			
May			
June			
2nd Quarter			
July			
August			
September			
3rd Quarter			
October			
November			
December			
4th Quarter			
YTD Total	**13,540**	**130**	**$553,590**

HUMAN RESOURCES

Recruitment:

There were (4) job postings during the month of March 2016

- Janitorial Services Workers
- Welder/Plumber Assistant
- Construction Administrative Assistants
- Vessel Traffic Controller

New Hires:

- None

General Provisions:

- Random Substance Abuse /Use Testing - 4
- Post – Incident Testing – 1

Training and Development:

- Coordinated the placement and developed the Internship Program for College Students. Working on expanding the Program to include High School Students for the summer.
- In the process of creating a written talent development plan for PCCA to include a matrix, succession planning, retention and recruitment.
- Assisted the Safety Manager with the Consultant and worked with employees in the Safety Mirror Program.
- Promotion of Career Fairs within the community

Miscellaneous:

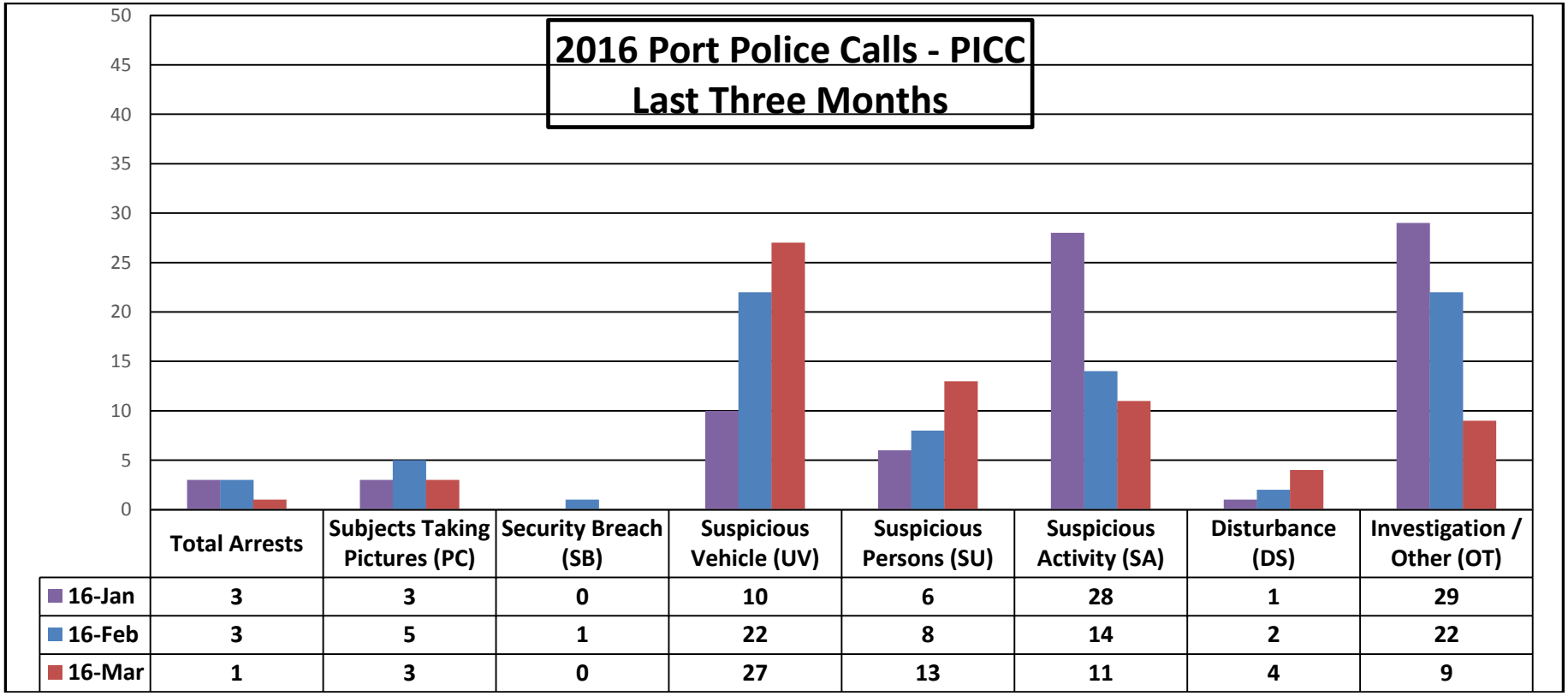
- There were also additional meetings held with staff to discuss
  - Staffing
  - Human Relations
  - Payroll Administration

Port of Corpus Christi Authority
Organizational Chart
March 31, 2016

DEPARTMENTS	Exempt	Non-Exempt	Temporary	Total
Executive Director	2	0	0	**2**
Director of Government Affairs	1	0	0	**1**
COO	2	0	0	**2**
CCO	1	1	0	**2**
Human Resources	3	3	0	**6**
Safety	1	1	0	**2**
Engineering Services	13	3	0	**16**
Environmental Services	4	1	0	**5**
Real Estate Services	2	1	0	**3**
Finance & Admin.	1	1	0	**2**
Accounting	2	7	0	**9**
Risk Management	2	0	0	**2**
Information Tech	11	2	0	**13**
Business Development	5	0	0	**5**
Community Relations	2	0	0	**2**
Communications	3	0	1	**4**
Operations	3	1	1	**5**
Procurement	1	0	0	**1**
Maintenance	2	39	0	**41**
Harbormaster's Office	1	8	0	**9**
Bulk Handling Facility	3	18	0	**21**
Security/Police Dept.	4	46	0	**50**
TOTAL	69	132	2	203

E – EXEMPT
NE - NON-EXEMPT
H – HOURLY
T – TEMPORARY

SECURITY



	Total Arrests	Subjects Taking Pictures (PC)	Security Breach (SB)	Suspicious Vehicle (UV)	Suspicious Persons (SU)	Suspicious Activity (SA)	Disturbance (DS)	Investigation / Other (OT)
16-Jan	3	3	0	10	6	28	1	29
16-Feb	3	5	1	22	8	14	2	22
16-Mar	1	3	0	27	13	11	4	9

OPERATIONS

HARBORMASTER

Ship Arrivals	Tankers	Freighters	Year to Date Ships
March 2016	111	28	413
March 2015	113	29	406

Barge Arrivals	Tank Barges	Freight Barges	Year to Date Barges
March 2016	388	3	1239
March 2015	504	26	1568

Shifting	Tankers	Freighters	Tank Barges	Freight Barges
March 2016	25	3	917	1
March 2015	19	1	949	4

	Average Daily Ship Arrivals	Average Daily Barge Arrivals
2016	4.48	12.61
2015	4.58	17.10

Channel Disruptions
March 2016

Channel Disruptions	Total Hours	Fog	Wind	Heavy Lift	AEP	Rig
March 2016	189.68	116.77	35.5	--	15	22.4
March 2015	191.34	177.84	--	--	--	13.5

Delays	Inbound Delays	Outbound Delays
March 2016	63	37
March 2015	51	47

BULK TERMINAL

Current Projects

- Replacing three-quarter belt covers with full belt covers 90% complete. Remaining covers will be installed when remaining conveyor idlers are purchased (2nd QTR 2016)
- Dust control for all pads and roads
- Preparing for pad resurfacing
- Installing cable tray along CB# 2
- Storm Water MGMT-Working with engineers to develop run-off strategy
- Replacing idlers on conveyors 75% complete. Awaiting purchase of remaining idlers scheduled for 2016 (Estimated 2nd QTR 2016)
- BT Office Renovation ongoing (Early May completion)

Activity at Bulk Terminal (short tons)

- **Railcars**
  - Loaded: 33 loaded for a total of 3,788.00 Pet coke
  - Unloaded: 0 unloaded for a total of 0 Pet coke

- **Bulk Dock #1**
  - 21,907.92 Barite

- **Bulk Dock #2**
  - 134,785.38 Pet coke

- **Pads**
  - 127,797.69 Pet coke
  - 19,899.00 Sulfur

YARD & RAIL

- Rail traffic increased with ADM doing 1658 railcars mixed wheat and sorghum,
- 2092 total revenue rail cars in Mar 2016 compared to 1177 revenue cars in Mar 2015
- Working on Agreement (CCPN 1997 Operating) with Welder, Strawbridge and Stroot.
- North Bank storage yard wind components departing by truck and rail, no issues,
- North Storage yard project cargo and wind cargo departing by trucks, **space tight**, FTZ areas set up for M&G cargo
- CD 14 and Rincon small amount cargo from M&G
- 57 VESTAS empty rail cars on Port to load out tower sections south side

- South side yard paving project started, **space is getting tight**, paving project may be put on hold for cargo arriving CD 8
- Bagged sugar out of CD 15 with exception of damaged bags BD to notify client to remove
- Skyonic Salt terminal on Rincon inventory depleted no intel on next ship

CARGO DOCKS

- Freezer warehouse foundation being used for lay down by stevedores
- CD 8 – 9 vessels arrived March
- CD 9 – 8 vessels arrived March

MAINTENANCE

Ortiz Center

- Replaced faulty GFI outlet in restroom, replaced ballast on entrance sign light
- met with diverse solutions to go over new software
- checked operation of AHU #5 actuator, inspected and replaced lamps under canopy,

Commissioners Court

- Set up and tear down stage

Guard Houses

- Assisted engineering with installation of handrails at Stroman
- installed TWIC and speed limit signs at Stroman
- purchased- cut and installed window and installed new door at Avery
- isolated rain leak at Ave F
- swapped ac units at Avery

Administration Building

- Tested emergency lighting on all floor levels
- applied weather strip to leaking window in Patricia's office
- checked operation of dehumidifier in Communications office
- sealed possible leak areas in roof
- unclog 2nd floor water fountain and 3rd floor kitchen drain
- located and sealed rain water leak in Nelda's office
- assist with various office relocations- furniture moves- hanging pictures and repainting offices

Annex Building

- Tested emergency lighting on all floor level
- started on office renovations on second floor IT rooms
- remodeled environmental conference room and Sarah's office
- installed 3 computer drops in environmental office
- assist with various office relocations- furniture moves- hanging pictures and re painting offices,

Port Security/PD

- Serviced air handler units in hallway
- recharged the York and the Trane condensing units with refrigerant
- replaced drawer cam locks in Capt. Giannamore and Sandy's office desk
- changed out U.S and Texas flag
- repaired Texas flag raise and lower mechanism
- cleared toilet drain in ladies restroom - adjusted water level and replaced toilet seat
- repaired and adjusted door at Sandy's office
- pressured wash front of building and sidewalks

BMD

- Replaced thermostat in a/c at BMD 2

Cargo Docks

- Monthly potable ship supply flush and inspection
- monthly fire sprinkler alarm test and inspection
- separate power from East Transfer and West transfer buildings
- cut and leveled inclinometer casing flush to driveway at CD 2
- replaced electric contactor for lift station at CD 9
- replaced dock boards and barricaded washed out area at CD 1
- repaired potable water meter at CD 1

Oil Docks

- Monthly fire monitor service and inspections
- monthly potable ship supply flush and inspection
- rewired lighting pole to eliminate electrical short at OD 2
- removed debris from lift station pump impeller at OD 11
- measured-purchased and installed dome post cable at Avery point area
- inspect lift station tanks and alarms on all Oil Docks
- fabricated and installed barge access ladder at OD 11
- replaced potable water drain valve and plug at OD 4
- Repaired and serviced a/c units at OD 8 and OD 9
- test and inspected fire pump and piping at Avery docks fire system
- repaired dock stairs at OD 4 and 7
- tightened water valve and fabricated all new potable water piping for OD 3
- fabricate handrails for OD 1

Fire Boat

- Searched for contractor to provide ultra-sonic testing on fire piping throughout the vessel
- replaced aft starboard mooring rope
- removed, treated and painted port side exhaust fan cover

Gates, Fences and Roads

- Set up temporary fencing on Krill street property
- cut off rusted lock and replaced with new lock on gate # 149A
- backfilled pot holes next to gate #168
- backfilled pot holes and leveled west fishing area roads

Maintenance Shops

- Installed timbers to close gaps in boat ramp deck
- repaired outboard motor cowling on work barge
- removed and stored crane's 25' extension jib
- repaired forklift personnel lift basket
- measured and painted safety evacuation walk path at shop 2
- installed surveillance cameras around perimeter of maintenance office
- disposed of used and damaged rubber fenders from west yard to landfill

Property Other

- Rerouted conduit and wiring for S-E property flag poles by water tax
- drilled and taped to set new screws on pole light fixture covers at Al Speight military yard
- start refurbishment of Port float
- repaired aluminum stairs for Bat team trailer at CD 6
- Port wide- start flushing and testing of fire hydrants
- assist engineering with boat operations to inspect OD 3

Maintenance Routine

- Performed preventative maintenance (PM) on vehicles
- safe boat and equipment at the maintenance department
- Performed routine inspection and PM on lights
- water outlet
- Performed ground keeping port wide
- Over saw janitorial service on all port facilities.

Personnel Status

- One maintenance employee continues to work with medical restrictions.

ENVIRONMENTAL PLANNING & COMPLIANCE

Environmental Stewardship Measurements

Program Area	**Measured Environmental Improvements Through February 2016**
Electrical Consumption*	10% Green Energy – 85,454 KWHs
Spent Liquids Recycled	890 gallons
Materials Recycled	35,210 lbs
Components Recycled	610
Regional Air Quality	~59 ppb (EPA standard of 70ppb)
Community Complaints	0
Notice of Violations	0
Tenant Audits Completed	1

**Electrical consumption only through January 2016.*

Important Announcements

The Bulk Terminal Air Monitoring Network Pilot Test was completed on January 31, 2016. The results of the Pilot Test are under review and a presentation to give to the Long Term Health Group and the Dona Park and Academy Heights Neighborhoods on April 13, 2016 at noon and 6:30 PM, respectively. The invitations for the evening presentation went out under Port letterhead and PCCA staff will be making that presentation to the residents. The preliminary results of the Pilot Test suggest that no further changes to the alert levels or the locations of the monitors are warranted at this time.

The Internal Audit Team conducted a Gap Analysis of our Environmental Management System to determine status of compliance with the ISO 14001:2015 standard for recertification. The Reassessment Audit for certification is scheduled for June 7-9, 2016. The results of the Gap Analysis are still pending but otherwise the Port is in a good position to demonstrate compliance for certification to the revised standard.

Environmental Initiatives Dashboard

Listed below are the environmental initiatives planned or underway and the status of each:

Program	Description of Activities	Target Completion Date	% Complete	Status
Bulk Terminal Air Monitoring Network – Pilot Program	Installation of six air monitors at the Bulk Terminal and one in Dona Park neighborhood.	4/31/2015	100%	Complete
	Completion of a pilot program.	1/31/2016	100%	Complete
	Evaluation of data and final report with recommendations on changes to the monitoring program.	3/31/2016	75%	Ongoing
	Presentation to community at Long Term Health Group / Dona Park residents.	4/13/2016	15%	Underway
	Routine operation of the monitoring network.	Ongoing	Ongoing	Ongoing
Environmental Management System	Development of revised Environmental Policy.	2/16/2016	100%	Complete
	Baseline, evaluate and expand EMS with new environmental leadership objectives and targets port wide and develop an environmental standards document. <Same as Strategic Plan Action Plan #5>	2/28/2018	0%	Not Started
	Develop environmental design criteria for incorporation in planning of new development in accordance with Environmental Policy.	12/31/2016	5%	Started
	Certification to ISO 14001:2015.	5/20/2016	50%	Ongoing
	Development of updated EMS video.	8/31/2016	5%	Ongoing
	Complete annual compliance evaluation.	3/31/2016	15%	Ongoing
	Completion of system wide Internal Audit.	6/15/2016	10%	Started
	Complete Management Review.	3/31/2016	15%	Ongoing
	Conduct quarterly EMS workshops for Stevedores.	11/30/2016	10%	Ongoing
Tenant Audit Program	Conduct routine annual audits of all leases on PCCA facilities.	Ongoing	2%	Ongoing
	Conduct routine lease-ending audits of terminated or completed lease agreements.	Ongoing	95%	Ongoing
	Conduct baseline assessments of properties as applicable for new lease agreements.	Ongoing	0%	Ongoing
Ozone Advance	Participation in Air Quality Committee and Ozone Advance Working Groups.	Ongoing	45%	Ongoing
	Provide input to Annual Ozone Advance Report.	4/30/2016	25%	Ongoing
Storm Water	Conduct routine inspections and monitoring and sampling in accordance with applicable permits.	Ongoing	45%	Ongoing
	Complete annual reports for previous year in accordance with applicable permits.	1/30/2016	100%	Complete

Environmental Projects Dashboard

Listed below are the budgeted capital, maintenance and professional services projects and the status of each:

Project Description (Proj. #)	Consultant Agreement Type	Description of Activities	Target Completion Date	% Complete	Status
Purchase of Software for EMS	MA 05-14 E2 ManageTech,	RFP for software vendors.	1/29/2016	100%	Completed
		Vendor demonstrations.	3/11/2017	100%	Ongoing

Project Description (Proj. #)	**Consultant Agreement Type**	**Description of Activities**	**Target Completion Date**	**% Complete**	**Status**
Recordkeeping (15-057A)	SO#4,5,6	Negotiations with Successful Vendor.	4/15/2016	15%	Started
		Commission approval of software purchase and implementation contract with successful vendor.	5/17/2016	0%	Not Started
		Purchase/implementation of EMIS software.	9/30/2016	0%	Not Started
General Electrical Consumption Reduction Projects (13-013A)	Pending	Negotiating project scope with electrical engineering firm.	03/31/2016	25%	Ongoing
		Design electrical consumption reduction improvements.	06/30/2016	0%	Not Started
		Advertise project for bid.	07/31/2016	0%	Not Started
		Award contract.	8/16/2016	0%	Not Started
		Construction of project.	11/30/2016	0%	Not Started
Geographic Information System Maintenance and Upgrade (15-017B)	Professional Services Agreement – Brown & Caldwell	Data migration.	1/15/2016	100%	Completed
		Conversion – application setup, testing, reporting setup.	3/14/2016	80%	Ongoing
		Deployment	4/22/2016	0%	Not Started
Investigation and Remediation of Contamination from La Quinta Pipeline Removal/Relocation (14-002B)	MA – 01-14 Golder & Associates, SO# 1,2,3	Prepare and submit Groundwater Classification and Drinking Water Survey Reports to TCEQ.	3/7/2016	100%	Ongoing
		Prepare and submit APAR to TCEQ.	8/31/2016	0%	Not Started
		Receive and respond to TCEQ comments.	9/30/2016	0%	Not Started
		Case closure with TCEQ.	11/30/2016	0%	Not Started
Investigation of Former J.I. Hailey Property (11-002B)	PO – Arcadis	Fieldwork for additional groundwater sample collection.	1/5/2016	100%	Completed
		Prepare and submit APAR Addendum to TCEQ.	2/28/2016	100%	Completed
		Receive and respond to TCEQ comments.	04/30/2016	0%	Not Started
		Case closure with TCEQ.	05/31/2016	0%	Not Started
Investigation of Property Near Lift Bridge (14-002C)	MA – 06-14 Apex TITAN, SO# 1,2,3	Additional fieldwork to collect groundwater samples and verification soil samples.	3/28/2016	100%	Ongoing
		Prepare and submit APAR to TCEQ.	5/31/2016	50%	Ongoing
		Respond to TCEQ comments.	7/31/2016	0%	Not Started
		Case closure with TCEQ.	8/31/2016	0%	Not Started
Storm Water Drainage Study (15-013A)	Pending	Negotiate scope of work and fees.		50%	Ongoing
		Complete field surveys.	Pending	0%	Not Started
		Receive final report.	Pending	0%	Not Started
Bulk Terminal Master Plan (11-047A)	Pending	Commission Approval for RFP for Market Study.	4/19/2016	75%	Completed
		Advertise RFP for Market Study	4/30/2016	0%	Not Started
		Shortlist firms and negotiate scope of work and fees.	5/25/2016	0%	Not Started
		Commission approval of agreement	6/17/2016	0%	Not Started
		Market Study Final Report	8/31/2016	0%	Not Started
		Advertise RFQ for Master Plan	9/30/2016	0%	Not Started
		Shortlist firms and negotiate scope of work and fees.	10/31/2016	0%	Not Started
		Commission approval of agreement	11/15/2016	0%	Not Started
		Master Plan – Final Draft	6/30/2017	0%	Not Started
Sampling to Support OD-3 Expansion Plans (14-058A)	MA 04-14 RSA, SO# 8	Fieldwork to conduct upland sampling per sampling plan.	10/1/2016	100%	Completed.
		Prepare final report including recommendations for management of upland soils during construction project.	12/31/2016	95%	Ongoing
		Conduct source investigation/delineation of hot spots.	6/30/2016	0%	Not Started

Project Description (Proj. #)	**Consultant Agreement Type**	**Description of Activities**	**Target Completion Date**	**% Complete**	**Status**
		Develop final report summarizing source investigation and delineation of hot spots.	7/31/2016	0%	Not Started
Bulk Terminal Storm Water Quality Improvements (15-046A)	MA 14-01 LAN, SO# 3,7	95% Design submittal for Task 1a and Task 2	02/26/2016	100%	Completed
		100% design submittal and contract documents for advertisement for Task 1a and Task 2.	5/1/2016	10%	Ongoing
		Advertise for bid.	5/1/2016	0%	Not Started
		Commission approval for construction.	6/17/2016	0%	Not Started
		Construction completed.	12/31/2016	0%	Not Started
Landscape Enhancements (15-057A)	MA 13-07 LNV, SO#5	Phase I 60% design.	3/31/2016	50%	Ongoing
		Phase I 95% design submittal.	5/1/2016	0%	Not Started
		Phase I 100% design submittal and contract documents for advertisement.	6/1/2016	0%	Not Started
		Commission approval for construction.	8/16/2016	0%	Not Started
		Construction completed.	12/31/2016	0%	Not Started
Storm Water Quality Improvements at Maintenance Facility (15-059A)	Professional Services Agreement with Alan Plummer & Associates	95% Design submittal.	2/10/2016	100%	Completed
		100% Design submittal and contract documents for advertisement.	3/31/2016	70%	Ongoing
		Commission approval for construction.	5/17/2016	0%	Not Started
		Construction completed.	11/30/2016	0%	Not Started
Bulk Dock 2 Air Permit (16-030A)	Pending Commission Approval	Negotiate Master Agreement and Service Order.	3/15/2016	100%	Ongoing
		Prepare and submit air permit authorization for salt at Bulk Dock 1.	5/31/2016	0%	Not Started
		Prepare technical memo regarding removal/lowering of moisture content from existing permits.	5/31/2016	0%	Not Started
		Support Master Planning activities at the Bulk Terminal.	6/30/2017	0%	Not Started

Environmental Consultant Master Agreements and Service Orders

Listed below are the Environmental Consultant Master Agreements and associated Service Order values:

Consultant (MA#)	***2015 Service Order Amounts***	***2016 Service Order Amounts***
Golder & Associates (01-14)	$79,949	$0
RPS, Inc. (02-14)	$59,083	$30,618
Trinity Consultants (03-14)	$54,600	$48,000
Rosengarten Smith and Associates, Inc. (04-14)	$306,414	$0
E2 ManageTech Inc. (05-14)	$38,530	$54,577
Apex TITAN, Inc. (06-14)	$28,140	$33,070.50
TRICORD Consulting, LLC (07-16)	NA	$56,069
Alan Plummer Associates, Inc. (08-16)	NA	$10,940

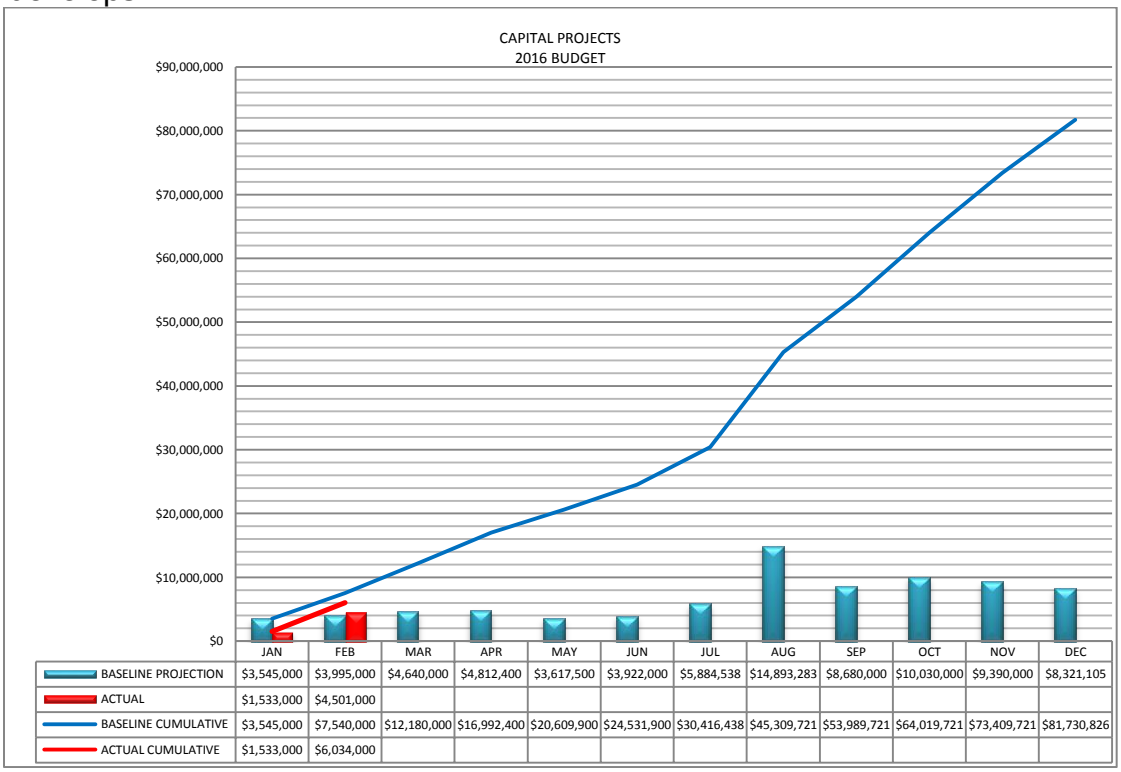
ENGINEERING SERVICES

As of March 31, 2016 (billing through February 29, 2016), the Port of Corpus Christi Authority Department of Engineering Services had completed 4 projects and has 86 projects in progress. These projects consist of 55 Capital, 22 Maintenance, and 9 Professional Service projects. During February, $4,651,000 was invoiced for ongoing work. To date this year approximately $6,466,000 has been invoiced for work performed. Below is a table detailing the 2016 budget amount and the "to date" cost, for the capital, maintenance and professional services.

Engineering Services February 2016 Report			
Project Type	**No. of Projects**	**2016 Budget Amount**	**Expended to Date**
Capital	14	$81,730,826	$6,034,000
Maintenance	13	$4,005,000	$348,000
Professional Services	11	$2,425,000	$84,000
Total	**38**	**$88,160,826***	**$6,466,000**

**Includes federal, state & other grants/funds by others – No land or software.*

Below is a graphic representation of the 2016 Capital Project Budget and a forecast of monthly Project expenditure of the capital projects throughout the year. An actual monthly project expenditure tracking line is included to follow the progress as the year develops.



	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
BASELINE PROJECTION	$3,545,000	$3,995,000	$4,640,000	$4,812,400	$3,617,500	$3,922,000	$5,884,538	$14,893,283	$8,680,000	$10,030,000	$9,390,000	$8,321,105
ACTUAL	$1,533,000	$4,501,000										
BASELINE CUMULATIVE	$3,545,000	$7,540,000	$12,180,000	$16,992,400	$20,609,900	$24,531,900	$30,416,438	$45,309,721	$53,989,721	$64,019,721	$73,409,721	$81,730,826
ACTUAL CUMULATIVE	$1,533,000	$6,034,000										

CORPUS CHRISTI SHIP CHANNEL PLANNING, DEVELOPMENT, MAINTENANCE AND DESIGN

Corpus Christi Ship Channel - Channel Improvement Project (CCSC-CIP)

- Authorized: WRDA 2007 and WRRDA 2014

- Project Elements:
  - Widening and Deepening the CCSC to -52 feet MLT
  - Adding barge shelves on both sides of the ship channel across Corpus Christi Bay.
  - Extending the La Quinta Channel 1.4 miles at -39 feet MLT
  - Constructing Ecosystem Restoration projects near Port Aransas and Ingleside on the Bay

- CCSC-CIP Status
  - La Quinta Extension Complete (2013)
  - Construction of Ecosystem Restoration Complete (2012)
  - Limited Reevaluation Report for Widening and Deepening Completed (December, 2015)
  - Pending Federal Funding. PCCA staff evaluating channel improvement implementation strategies.

2016 Maintenance Dredging Schedule

- Corpus Christi Ship Channel Entrance Channel
  - Includes Entrance Channel, Jetty Channel, and Inner Basin
  - Current Schedule:
    - Estimated Start Date: June, 2016
    - Estimated Completion Date: September, 2016

- Corpus Christi Ship Channel to Viola Turning Basin/La Quinta Channel
  - Includes Upper Bay, Portions or Inner Harbor, Portions of La Quinta and Options for Oil Dock's 1, 2, 4, 7, 8, & 11; Cargo Docks 8 & 9; Bulk Terminal Dock 2
  - Current Schedule:
    - Start Date: September, 2016
    - Estimated Completion Date: January, 2017

DMPA Levee Maintenance Work

U.S. Army Corps of Engineers construction crews have completed the minor levee repairs at the South Shore DMPA, Cell B and Suntide DMPA. The repairs included excavation and placement of material to repair low areas along the perimeter of the levees.

ENGINEERING
MASTER AGREEMENTS AND SERVICE ORDERS

Listed below are the Master Agreements implemented including values of Service Orders issued per year:

	2014	2015	2016
HDR, Inc. *(13-01)*	$813,746	$401,150	
Freese and Nichols, Inc. *(13-02)*	$407,191	$278,077	$399,041
Govind Development, LLC *(13-03)*	$249,450	$176,500	
Naismith Engineering, Inc. *(13-04)*	$45,000	$176,780	
CH2M Hill *(13-05)*	$2,613,470	$279,380	$959,500
RVE, Inc. *(13-06)*	$729,871	$225,665	$48,900
LNV, Inc. *(13-07)*	$105,500	$468,517	
Lockwood, Andrews and Newnam, Inc. *(14-01*	$62,694	$643,044	
Maverick Engineering *(14-02)*	$58,000	$8,000	
Coast & Harbor Engineering *(14-03)*	$193,645	$449,331	
WKMC Architects *(14-04)*	$139,500	$50,000	
Worley Parsons *(15-01)*		$48,079	
LJA Engineering, Inc. *(16-01)*			$82,800

UPCOMING PROJECTS/ REQUEST FOR PROPOSALS

Roadway Improvements at the Bulk Terminal, Avery Point and Rincon Road *(15-018A)*	April 29, 2016
Purchase and Installation of Additional AEI Readers *(15-055A)*	April 29, 2016

Department of Engineering Services
Project Design & Construction Status Report

Design Projects

Project No.	Project Title	Project Manager	% Completed
Capital			
14-036A	New Port Office Facility	BF	20
15-016A	Tule Lake Rail Yard Upgrades and Modifications	BF	10
14-023A	Fire System Pressurization Upgrades at Oil Docks	BP	40
14-028B	Equipment Storage Building	BP	50
14-030A	Public Storage Pads Upgrade	BP	80
14-044A	New Public Oil Dock 18	BP	20
15-047A	Chiller Replacement at Ortiz Center	BP	
15-053A	Reconstruction of Sam Rankin Road (24/76)	BP	80
15-059A	Storm Water System Quality Improvements – Maintenance Facility	BP	80
09-019A	New Access Road to Good Hope DMPA	DJK	40
13-036A	Relocation of Suntide DMPA Drainage to Viola Turning Basin	DJK	90
14-045B	Construction of 8-inch Water Line at La Quinta Property	DJK	50
07-046C	Tule Lake Foundation Removal	DLM	80
13-054C	Security Grant 13 - La Quinta/GIWW Surveillance	DLM	70
14-060C	Security Grant 14 – Oil Dock 14 Access Control	DLM	100
15-043A	New Operator's Cab for Gantry Crane	DLM	30
15-050A	Mike Carrell Road Construction	DLM	90
15-061C	Security Grant 15 – Perimeter Fencing at Bulk Terminal (25/75)	DLM	10
15-055A	Purchase and Installation of Additional AEI Readers	EM	90
15-030A	General Improvements to Oil Dock 6	JEM	70
16-007A	Oil Dock 9 Breasting Structure Replacement	JEM	100
15-015K	Storm Water Drainage Improvements at Public Fishing Areas	LGD	60
15-040A	Concrete Paving Under Conveyor Belt 2	LGD	10
15-041A	Improvements to Fire Protection Systems at Oil Docks 4, 7, 11	NEF	50
Maintenance			
15-012A	Re-Roofing of the William D Dodge III Security Command Center and Annex Building Eyebrows	BP	100
15-018A	Roadway & Parking Lot Repairs (2015)	BP	90
15-035A	Upgrades and Repairs to Bulk Dock 2 Marine Structures	EM	60
15-037A	Repair Bridge to Oil Dock 11	EM	100
15-037B	Repair Bridge to Oil Dock 12	EM	10
15-039A	Fire Line Improvements at Oil Dock 2	JEM	100
15-032A	Bulk Dock 1 Storage Building Upgrades	LGD	50

Construction Projects

Project No.	Project Title	Project Manager	% Completed
Capital			
14-028A	Bulk Terminal Office Renovation	BP	70
15-044A	Paving of Area Around CB-4 & CB-8	BP	30
13-032A	Construction of Oil Dock 14	DLM	80
13-043A	Nueces River Rail Yard Phase - II	DLM	40
13-054D	Security Grant 13 - Emergency Power	DLM	30
13-033A	Full Covers Over All Conveyor Belts	EM	100
14-016A	Inner Harbor Rail Upgrades and Improvements	JEM	30
14-041A	Replace Dock House at Oil Dock 10	JEM	90
15-065A	Joe Fulton Corridor Waterline Extension	NEF	
12-031A	La Quinta Terminal Mitigation – Aquatic Habitat	PDC	80
Maintenance			
15-019A	Inner and Outer Harbor Land Management *(2015)	BP	70
15-022A	Savage Lane Railroad Drainage	BP	90
15-038A	Resurfacing of North and South Side Open Storage Areas	EM	30
16-050A	Replace Conveyor Idlers	EM	

AGENDA ITEM NO. 18

Comments from Commissioners

NO ATTACHMENT

AGENDA ITEM NO. 19

Executive Session

NO ATTACHMENT

AGENDA ITEM NO. 20

Executive Session

NO ATTACHMENT

AGENDA ITEM NO. 21

Executive Session

NO ATTACHMENT

AGENDA ITEM NO. 22

Executive Session

NO ATTACHMENT

AGENDA ITEM NO. 23

Executive Session

NO ATTACHMENT

AGENDA ITEM NO. 24

Executive Session

NO ATTACHMENT

AGENDA ITEM NO. 25

Executive Session

NO ATTACHMENT