



**Notice of Meeting of the Port Commission of the
Port of Corpus Christi Authority of Nueces County, Texas, on
Tuesday, August 15, 2017, at 8:30 AM
At the Solomon P. Ortiz International Center
402 North Harbor Drive Corpus Christi, Texas**

**The Agenda for this meeting of the Port Commission ("Commission") of the Port of
Corpus Christi Authority ("PCCA") is set forth below.**

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 intérprete 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.

- 1. Call to Order**
- 2. Safety Briefing**
- 3. Pledge of Allegiance**
- 4. Invocation**
- 5. Receive Conflict of Interest Affidavits**
- 6. Minutes**

- 6.a. Approve minutes of the July 18, 2017 Commission meeting.
[July 18, 2017 Minutes](#)
- 7. **Public Comment (Each speaker is limited to 3 minutes.)**
- 8. **Receive report from Security Committee**
- 9. **Receive Report from Audit Committee**
- 10. **Receive Report from Long-Range Planning Committee**
- 11. **Receive report from the Office Building Committee.**
- 12. **Presentations**
 - 12.a. Receive yearly update from the Robstown Industrial Improvement District.
[Robstown Presentation](#)
 - 12.b. Receive presentation from National Weather Service (NOAA) on PCCA's StormReady designation.
 - 12.c. Receive presentation on PCCA's Hazard Mitigation Plan and adopt a resolution approving the plan.
[Hazard Mitigation Plan - Memo Adoption Resolution.pdf](#)
[Hazard Mitigation Plan - Jurisdictional Plan](#)
 - 12.d. Receive presentation from Northern Economics on PCCA's Tariff.
[Northern Economics Tariff Review - Presentation](#)
 - 12.e. Approve Resolution in memory of Ricardo Tijerina, former POCCA employee.
[Tijerina Resolution](#)
- 13. **Open Agenda**
 - 13.a. Receive and Approve PCCA's 2017 Investment Policy and Investment Strategies.

[2017 Investment Policy - Memo](#)
[2017 Investment Policy - Final](#)
[2017 Investment Policy - Description of Changes](#)
[2017 Investment Policy - Resolution](#)
 - 13.b. Approve PCCA's Second Quarter Financial Report.

[2nd Quarter Financial Report](#)

- 13.c. Approve PCCA's Second Quarter Investment Report.

[2nd Quarter Investment Report](#)

- 13.d. Approve an Increase in Contingency for the Construction of Oil Dock 15 in the amount of \$100,000.00.

[Russell_Marine_CO_Contingency_-_1-Memo R1.docx](#)

- 13.e. Approve a Professional Services Contract with Freeman Schroder Architects in an Amount Not to Exceed \$230,000 for Coordinating Architect Services Associated with the Development of a New Port of Corpus Christi Authority Office Facility.

[Freeman Schroeder - Memo](#)

[Freeman Schroeder - Contract](#)

- 13.f. Review and approve PCCA's Revised Procurement Policy.

[Procurement Policy - Memo](#)

[Procurement Policy - Final](#)

[Procurement Policy - Redlined](#)

- 13.g. Approve a Professional Services Agreement with EnSafe, Inc., in the amount not-to-exceed \$197,000, for the development of an Occupational Health and Safety (OH&S) Management Program and supporting Safety Management System documentation and implementation designed to address the recent OH&S gap assessment.

[EnSafe - Memo](#)

[EnSafe - Contract](#)

- 14. 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.*

- 14.a. Approve a Professional Services Contract in the amount of \$121,590 with Freese and Nichols, Inc. for Engineering Services associated with the Rincon B Rail Improvements Project.

[Freese Rincon B Rail - Map](#)

[Freese & Nichols Rincon B Rail Improvements - Memo](#)

[Freese Rincon B Rail - Contract](#)

- 14.b. Approve an Easement and Right of Way Agreement with AEP Texas, Inc. for the Installation of Underground Electric Service on a 72.476 Acre Tract of

Land Located East of Farm to Market Road 2986, San Patricio County, Texas.

[AEP 72.476 Acres - Memo](#)

[AEP 72.476 Acres - Aerial](#)

[AEP 72.476 Acres - Summary](#)

[AEP 72.476 Acres - Easement](#)

- 14.c. Approve an Easement and Right of Way Agreement with AEP Texas, Inc. for Electric Service to a NuStar Scraper Trap and Valve Site Located South of Navigation Boulevard on the East Side Texaco Road, Nueces County, Texas.

[AEP NuStar Texaco Road - Memo](#)

[AEP NuStar Texaco Road - Aerial](#)

[AEP NuStar Texaco Road - Summary](#)

[AEP NuStar Texaco Road - Easement](#)

- 14.d. Approve an Easement and Right of Way Agreement with AEP Texas, Inc. for the Installation of Underground Electric Service on a 138.47 Acre Tract of Land West of US Highway 181 Frontage Road, San Patricio County, Texas.

[AEP 138.47 Acre - Memo](#)

[AEP 138.47 Acres - Aerial](#)

[AEP 138.47 Acres - Summary](#)

[AEP 138.47 Acres - Easement](#)

- 14.e. Approve an Easement and Right of Way Agreement with AEP Texas, Inc. for Electric Service to EOG Resources, Inc., 4.65 acre Production Facility located on the South Side of Joe Fulton Corridor and Westerly side of the Bulk Terminal, Nueces County, Texas.

[AEP 4.65 Acres - Memo](#)

[AEP 4.65 Acres - Aerial](#)

[AEP 4.65 Acres - Summary](#)

[AEP 4.65 - Easement](#)

- 14.f. Authorize Purchase of Additional Lighting Retrofit Supplies for the Ortiz Center from Facility Solutions Group Through a Co-Op Contract Under the State of Texas BuyBoard Cooperative Program in the Amount of \$38,420.

[Ortiz Center Lighting - Memo](#)

15. Executive Director's and Commissioners' Comments

- 15.a. Receive Executive Director's Report on upcoming community events, PCCA events and the activities of the following PCCA departments during the preceding month: business development, community relations, communications, government affairs, operations, engineering services, accounting and human resources.

[Executive Director's Report](#)

- 15.b. Receive Commission comments on any of the agenda items for this meeting, the Port's activities during the preceding month, upcoming PCCA events, and suggestions for future agenda items.

16. Recess Open Meeting and Convene Executive Session - The Port

Commissioners will deliberate the purchase, exchange, lease or value of real property in executive session only if deliberation in an open meeting would have a detrimental effect on PCCA's position in negotiations with a third person.

- 16.a. The Commission will go into executive session pursuant to §551.072 of the Texas Government Code to deliberate leasing and the value of real property on the north side of the ship channel.
- 16.b. The Commission will go into executive session pursuant to §551.072 and §551.087 of the Texas Government Code to deliberate offering financial or other incentives to a company that PCCA seeks to have locate in San Patricio County, and with which PCCA is conducting economic development negotiations and to deliberate leasing land in San Patricio County to this company.
- 16.c. The Commission will go into executive session pursuant to §551.074 of the Texas Government Code to deliberate the performance of the Deputy Executive Director & Chief Operating Officer.
- 16.d. The Commission will go into executive session pursuant to §551.072 and §551.087 of the Texas Government Code to deliberate offering financial or other incentives to a company that PCCA seeks to have locate in San Patricio County, and with which PCCA is conducting economic development negotiations and to deliberate leasing land in San Patricio County to this company.
- 16.e. The Commission will go into executive session pursuant to §551.071 of the Texas Government Code to receive legal advice from PCCA's attorney regarding a proposed agreement with the City of Corpus Christi for a water project.
- 16.f. The Commission will go into executive session pursuant to §551.071 of the Texas Government Code to receive legal advice from PCCA's attorney regarding a proposed short-term lease agreement

- 16.g. The Commission will go into executive session pursuant to §551.087 of the Texas Government Code to deliberate offering financial or other incentives to one or more companies that PCCA seeks to have locate or expand in Nueces and/or San Patricio Counties, and with which PCCA is conducting economic development negotiations.

17. Reconvene Open Meeting and Resume Regular Agenda

- 17.a. Approve an amendment to the employment agreement of the Deputy Executive Director & Chief Operating Officer.

18. Adjourn

**OFFICIAL MINUTES OF PORT COMMISSION MEETING
JULY 18, 2017**

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, July 18, 2017 at 9:00 a.m., for the regular monthly meeting of the Port Commission.

Present: Mr. Charles Zahn
Mr. Wayne Squires
Mr. David P. Engel
Mr. Richard Valls
Mr. Richard L. Bowers
Mr. Wes Hoskins

Absent: Ms. Barbara Canales

Present: Mr. John P. LaRue
Mr. Sean Strawbridge
Mr. Dennis DeVries
Mr. Jarl Pedersen
Mr. Kent Britton
Mr. Darrin Aldrich
Ms. Patricia Cardenas
Ms. Rosie Collin
Mr. Russell Cordo
Mr. Tyler Fuhrken
Ms. Sarah Garza
Mr. David Krams
Mr. Ruben Medina
Ms. Sandra Terrell-Davis
Ms. Nelda Olivo
Mr. Gilbert Acevedo
Ms. Lynn Angerstein
Mr. Steven Ashley
Mr. Eric Battersby
Mr. Bland Chamberlain
Ms. Audre Debler
Ms. Sherry DuBois
Mr. Sam Esquivel
Mr. Brett Flint
Ms. Natasha Fudge
Mr. James Haley
Mr. T.J. Gonzalez
Mr. Erin Hall

Ms. Donna James-Spruce
Mr. Dan Koesema
Ms. Sonya Lopez
Mr. Dave Michaelson
Ms. Leslie Ruta
Mr. David Villarreal
Mr. Bennie Benavides
Ms. Sandy Escobar
Ms. Teresa Longoria
Ms. Jennifer Powell
Mr. Jesse Samu
Ms. Pamela Mota
Mr. Miguel Rivera
Mr. Michael Cross
Mr. Austin DeGaish
Ms. Annie Archuleta
Mr. Craig Smith
Mr. Thomas Rios
Ms. Veronica Ramos
Ms. Rita Arriaju

Others Present:

Mr. Leo J. Welder, Jr.
Mr. Dane Bruun

Others Present:

Mr. Cary Campbell
Carter Douglas Co.
Mr. Roger TenNapel
Flint Hills Resources
Mr. Gary Hodges
HWTB
Mr. Tim Merriweather
Banister
Mr. Chris Ramirez
Caller-Times
Mr. Jody Bickel
MSUSA
Mr. Bob Paulison
Port Industries
Mr. Gary Moore, Sr.
City of Portland
Ms. Sue Zimmerman
Zimmerman Consulting
Mr. Terry Arnold
Consultant
Mr. Joe Guzman
South Texas Military Facilities Task Force

Mr. Mark Helmke
Mr. Carvevari Castan
Mr. Mike Howard
Howard Energy Partners
Mr. Earl Ingram
Mr. Bruce Ingram Jr.
GCCM
Capt. Mike Kershaw
Consultant
Mr. Scott Harris
LAN, Inc.
Mr. Ronald Berglund
Robstown Industrial District
Mr. Ted Nataluk
GCGV
Mr. Robert Swize
Gulf Compress
Mr. Xavier F. Valverde
G&H Towing
Mr. Larry Perryman
Bay Houston Towing
Mr. Richard Stracener
Mr. Marshall Davidson
JM Davidson
Mr. Robert Morris
Mr. Mark Gilbreath
Security Title
Mr. Max Moudy
Consultant
Mr. Kevin Gibson
Signet Maritime
Mr. Tom Moore
Consultant
Capt. Tony Hahn
Capt. Jason Smith
USCG
Mr. Ron Simanto
Schuer & Simanto
Ms. Darcy Schroeder
Valero

1. Meeting called to order.
2. Safety briefing presented.
3. Pledge of Allegiance recited.

4. Invocation given.
5. Conflict of Interest Affidavits: None were submitted.
6. Minutes.

6a. **June 20, 2017 Minutes:**

Action: On motion made by Mr. Squires and seconded by Mr. Engel, the Commission approved the minutes of the June 20, 2017 Commission meeting, in the form presented to the meeting.

7. **Public Comments:** Public comments were made by Mr. Robert Swize of Gulf Compress and Mr. Ron Navarro of Hillcrest Resident Association.

Recess Open Meeting and Convene First Executive Session: At 9:10 a.m. Chairman Zahn announced the Commission would go into executive session pursuant to §551.072 of the Texas Government Code to deliberate agenda items 18a and 18c, which were described in the agenda of the meeting as follows:

18a. The Commission will go into executive session pursuant to §551.072 of the Texas Government Code to deliberate leasing land on the north side of the Inner Harbor.

18c. The Commission will go into executive session pursuant to §551.072 of the Texas Government Code to deliberate leasing land in the north side of the Industrial Channel of the Inner Harbor.

Reconvene Open Meeting: The Chairman reconvened the meeting in open session at 9:39 a.m., and announced that the Commission would take up agenda items 19a and 19b before returning to agenda item 8.

Point of Order: Chairman Zahn pointed out that the supporting materials for agenda items 13, 19b, 19c, and 19d of this meeting were delivered to the Commissioners after the deadline stated in the Commission's Operating Rules. On motion duly made and seconded, the Commission unanimously agreed to consider these agenda items.

19a. Lease Agreement with Maverick Terminals Corpus LLC for land on the north side of the Inner Harbor: Staff recommended approval of a long term (30 year) lease agreement with Maverick Terminals Corpus LLC (a subsidiary of Howard Energy Midstream Partners, LLC), in the form presented to the meeting, for approximately 41 acres of land on the north side of the Corpus Christi Ship Channel in the Inner Harbor to be used for the construction and operation of a rail terminal, a petroleum and petroleum products storage facility, a transcontinental pipeline to Mexico, and a new oil dock(to be constructed by PCCA).

Action: On motion made by Mr. Squires and seconded by Mr. Valls, the Commission approved Staff's recommendation.

19b. Lease Agreement with GCCM Holdings, LLC for land on the north side of the Corpus Christi Turning Basin in the Inner Harbor: Staff recommended approval of a long-term lease agreement with GCCM Holdings, LLC, in the form presented to the meeting, for approximately 8.8 acres of land on the north side of the Corpus Christi Turning Basin in the Inner Harbor, approximately 4.5 acres of which would be used for construction of a cargo dock (by PCCA) and the installation and operation of the company's ship unloader and conveyor system for uploading of dry bulk vessels transporting cement to the cargo dock, and approximately 4.3 acres of which would be used for a distribution terminal for loading of railcars and trucks.

Action: On motion made by Mr. Engel and seconded by Mr. Squires, the Commission approved Staff's recommendation.

8. **Security Committee Report:** The Chairman of the committee said there was nothing to report at this time.
9. **Audit Committee Report:** The Chairman of the committee reported that the committee had not met since the last regular Commission meeting.
10. **Long-Range Planning Committee Report:** The Chairman of the committee reported on the committee's activities since the last regular Commission meeting.
11. **Office Building Committee:** The Chairman of the committee said there was nothing to report at this time, but recommended postponement of consideration of agenda item 15d.
12. **Appointment of PCCA representatives to the San Patricio County Economic Development Corporation:** Chairman Zahn appointed Wes Hoskins and Sean Strawbridge as the Port's representatives on the Board of Directors of the San Patricio County Economic Development Corporation.
13. **Letter opposing proposed sanctions on Venezuela:**
Action: On motion made by Mr. Engel and seconded by Mr. Squires, the Commission approved, in the form presented to the meeting, a letter opposing proposed U.S. sanctions on Venezuela.
14. **Presentations:** There were no presentations.

15. Open Agenda:

15a. Bulk Liquid Handling Facility at Bulk Terminal Dock 3: Staff recommended approval of a Professional Services Engineering Contract with Govind Development, LLC, in the form presented to the meeting, at a cost not to exceed \$111,300 for professional engineering services associated with developing petroleum liquids and vapor handling facilities at Bulk Terminal Dock 3 to support a tenant development on property to the east of the Bulk Terminal.

Action: On motion made by Mr. Squires and seconded by Mr. Bowers, the Commission approved Staff's recommendation.

15b. Bulk Terminal Storm Water Quality Improvements: Staff recommended the award of a construction contract to JM Davidson Ltd. in the amount of \$3,148,221.00 for storm water quality improvements at the Bulk Terminal. Staff further recommended that a 5% contingency (\$157,411.05) be granted in accordance with PCCA's standard contingency guidelines for rehabilitation projects.

Action: On motion made by Mr. Bowers and seconded by Mr. Hoskins, the Commission approved Staff's recommendations.

15c. Mechanics and Materialmen's Liens on PCCA property leased to voestalpine Texas Holdings, LLC: By lease agreement dated May 1, 2013, PCCA leased a large portion of PCCA's La Quinta property to voestalpine Texas Holdings, LLC for the construction and operation of a hot briquetted iron manufacturing facility. Section 7.05 of the lease prohibits the placement of any Mechanics and Materialmen's Liens (M&M Liens) upon the Leased Premises and requires any such liens against the Leased Premises to be promptly released upon demand by PCCA. PCCA and voestalpine entered into a letter agreement (Forbearance Agreement) dated May 19, 2016, in which PCCA agreed not to demand the release of M&M Liens placed against the Leased Premises for a period of 15 months to allow voestalpine time to arbitrate the disputes with its contractors. Staff presented to the meeting a new letter agreement proposed by voestalpine that would extend the Forbearance Agreement for an additional 12 months.

Action: On motion made by Mr. Hoskins and seconded by Mr. Bowers, the Commission agreed to extend the Forbearance Agreement to October 1, 2017, by approving the new letter agreement proposed by voestalpine with following change: replace "August 19, 2018" with "October 1, 2017" each time that date appears in the new letter agreement.

15d. New Port of Corpus Christi Authority Office Facility:

Action: At the request of the Office Building Committee, this item was not discussed and no action was taken.

15e. Tariff 100-A, Section Five – Loading, Unloading And Wharfage Rates: Staff recommended that Item 501 of Tariff 100-A be updated by adding the commodity Monoethylene Glycol (MEG) as Item 501 D at the wharfage rate of \$1.00 per 42 gallon barrel.

Action: On motion made by Mr. Squires and seconded by Mr. Bowers, the Commission approved Staff's recommendation. Mr. Valls requested that all future tariff changes be brought before the Long-Range Planning Committee for review prior to being placed on any upcoming agendas.

- 16. Consent Agenda:** Mr. Bowers moved the approval of the Consent Agenda Items by one vote (the "Consent Agenda Motion"), in accordance with the respective staff recommendations and agreements furnished to the Commission at the meeting. Mr. Hoskins seconded the motion and the motion passed without objection.

16a. By approval of the Consent Agenda Motion, the Commission approved the following resolution:

***Resolution Approving Amendment #1 to the
Local Transportation Project Advance Funding Agreement
For Phase II of the Nueces River Rail Yard Project***

WHEREAS, the Port of Corpus Christi Authority of Nueces County, Texas ("**PCCA**"), and the State of Texas, acting through the Texas Department of Transportation (the "**State**"), entered into a Local Transportation Project Advance Funding Agreement dated March 4, 2013, for the construction of Phase II of the Nueces River Rail Yard project (the "**Original Agreement**"); and

WHEREAS, PCCA and the State now wish to expand the scope of services under the Original Agreement to provide for the extension of Track A eastward approximately 7,000 feet the "**Track A Extension**"; and

WHEREAS, Amendment #1 to the Original Agreement, which amends the scope of work under the Original Agreement to include the Track A Extension, has been presented to the Port Commission for review and approval;

NOW, THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION, that Amendment #1 to the Original Agreement, in substantially the form presented to this meeting, is hereby approved, and that the Executive Director is hereby authorized and directed to sign Amendment #1 to the Original Agreement for and on behalf of PCCA with such changes therein as he shall approve, his execution thereof to constitute conclusive evidence of such approval.

16b. By approval of the Consent Agenda Motion, the Commission approved an Easement and Right-of-Way Agreement with AEP Texas, Inc. for replacement, relocation and upgrade of existing overhead distribution power lines located along the Joe Fulton International Trade Corridor.

16c. By approval of the Consent Agenda Motion, the Commission approved a letter agreement with the Texas Department of Transportation clarifying the scope of relocation assistance services to be extended to owners of residential rental properties (Landlords) in connection with the Hillcrest and Washington-Coles Voluntary Acquisition and Relocation Program.

16d. By approval of the Consent Agenda Motion, the Commission approved the Second Amendment to PCCA's contract with Del Richardson & Associates, which amends the contractor's services to include relocation assistance services for owners of residential rental properties (Landlords) in connection with the Hillcrest and Washington-Coles Voluntary Acquisition and Relocation Program.

16e. By approval of the Consent Agenda Motion, the Commission approved a Professional Engineering Services Contract in the amount of \$123,000 with Govind Development, LLC for engineering services associated with the structural repairs, cathodic protection, and escape route at Oil Dock 4 project.

16f. By approval of the Consent Agenda Motion, the Commission approved a Change Order to PCCA's Oil Dock 15 construction contract with Russell Marine, LLC, in the amount of \$160,434 for payment of allowable overdepth dredging and modifications and additional work associated with the construction of the Oil Dock 15 project.

16g. By approval of the Consent Agenda Motion, the Commission approved an amendment to Consulting Services Contract with SMART Development in an amount not to exceed \$35,000 for additional Scope of Work related to organizational leadership development and effectiveness through December 31, 2017.

17. Executive Director Report and Commissioner Comments:

17a. The Executive Director submitted his report 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.

17b. Mr. Zahn then asked for comments from the Commissioners.

- 18. Recess Open Meeting and Convene Second Executive Session:** At 10:25 a.m., Mr. Zahn announced the Commission would go into executive session pursuant to §551.071, §551.072, §551.074, and §551.087 of the Texas Government Code to deliberate agenda items 18b, 18d, and 18e, which were described in the agenda of the meeting as follows:

18b. The Commission will go into executive session pursuant to §551.074 of the Texas Government Code to deliberate the evaluation of the Executive Director and the Deputy Executive Director & Chief Operating Officer.

18d. The Commission will go into executive session pursuant to §551.072 and §551.087 of the Texas Government Code to deliberate offering financial or other incentives to a company that PCCA seeks to have locate in San Patricio County, and with which PCCA is conducting economic development negotiations, and to deliberate leasing land in San Patricio County to this company.

18e. The Commission will go into executive session pursuant to §551.071 of the Texas Government Code to receive advice from PCCA's attorneys regarding pending litigation.

- 19. Reconvene Open Meeting and Resume Regular Agenda:** The Chairman reconvened the meeting in open session at 12:01 p.m., to consider agenda items 19c, 19d, and 19e.

19c. Amendment to Executive Director's Employment Contract: The Commission considered the First Amendment to the Amended and Restated Employment Agreement between PCCA and the Executive Director. The proposed amendment provides for bonus goals, a bonus formula, annual evaluation in the last quarter of each calendar year, and bonus award in the first quarter of each calendar year.

Action: On motion made by Mr. Squires and seconded by Mr. Engel, the Commission approved, in the form presented to the meeting, the First Amendment to the Executive Director's Amended and Restated Employment Agreement.

19d. Amendment to Deputy Executive Director & Chief Operating Officer's Employment Contract:

Action: On motion made by Mr. Bowers and seconded by Mr. Hoskins, the Commission tabled consideration of a proposed amendment to the employment agreement of the Deputy Executive Director & Chief Operating Officer.

19e. Amendment to the Oil Dock 15 Lease Agreement with NuStar Logistics, L.P.: Staff presented to the meeting a letter agreement that would amend PCCA's Lease Agreement with NuStar Logistics, L.P., for the construction, operation and maintenance of Oil Dock 15. Specifically, the proposed amendment would transfer the cost and development responsibility for certain mechanical and electrical work from PCCA to NuStar. Staff recommended approval of the letter agreement in the form presented to the meeting.

Action: On motion made by Mr. Hoskins and seconded by Mr. Engel, the Commission approved Staff's recommendation.

20. Adjourn: On motion duly made and seconded, the meeting was adjourned at 1:23 p.m.

2017 Robstown Economic Development Report

www.cityofrobstown.com



2017 Inaugural State of the City Address

- During the City's first ever Address we had over 400 guests in attendance
- We invited many citizens as well as dignitaries from all over the area representing various agencies, boards, and elected offices. A special thanks to Port Commissioner Canales, Commissioner Valls and Director of Community Relations Rosie Collin for attending.
- The State of the City Address allowed us to highlight all of what has been done in and around the city over the last two years.
- We feel that transparency is key for our citizens and our partners around the Coastal Bend.



Job Growth



- Outlets at Corpus Christi Bay Phase 1
 - Over 1200 Construction Jobs
 - Over 125 Permanent Jobs (Outlets Currently 55% Occupied)
- Tex-Isle (Opening Fall 2017)
 - 30-40 Full Time Employees
- FESCO (Breaking Ground Late 2017)
 - Over 100 Full Time Employees
- Martin Marietta – Flatiron/Dragados
 - Over 500 jobs at any given time over the duration of the project.
- Outlets at Corpus Christi Bay Phase 2
 - Construction Jobs (unknown)
 - Permanent Jobs (unknown)

Operation Crackdown

- Texas National Guard will begin tearing down the houses August 7th and will work for about 10 days and wrap things up on August 16th
- Working with the Texas Army National Guard Joint Counterdrug Task Force and US Ecology to tear down and dispose of Over 32 dilapidated homes and structures
- Our Code Enforcement and Police Department worked together with our newly established Environmental Court to identify and process close to 47 properties around the city
- We are on the schedule for a second round of demolition in January of 2018



Outlets at Corpus Christi Bay Phase 1 & Phase 2



- Grand Opening held March 2, 2017
- VIP Shopping and Grand Opening
 - Over 3000 people in attendance
 - Sales records broken for opening night and weekend
- Sales Tax has increased for the City
- Additional Stores are currently negotiating to fill out the rest of the outlet center
- Projected Time for 100% Capacity March 2018
- Phase 2 is wrapping up negotiations for a new 4 to 5 story (74 Room Hotel)
- Construction should begin closer to the end of 2017

Port Funding

- Through our partnership with the Port of CC, the Robstown Improvement Development Corporation and the Robstown Area Development Commission have put on 3 courses in conjunction with the Del Mar College SBDC for our local businesses
 - What the SBA has to offer
 - DBE Certification Course
 - Credit Counseling for Small Business
- We have hosted 2 Social & Networking Mixers and plan to host one every quarter
- We held our Inaugural State of the City Address
- It allows us to help fund portions of different projects such as Operation



Port Partnership

- We look forward to hosting a Port of Corpus Christi, RAPPORT, Town Hall Meeting in the City of Robstown in October
- Would like to bring in our EB-5 Attorney for a presentation to the Commission for finance opportunities of future Port of CC Projects

DATE: August 15, 2017
TO: Port Commission
FROM: Tom Mylett – Director of Port Security
tom@pocca.com | (361) 885-6180

AGENDA ITEM NO.

Adopt a Resolution Adopting the Nueces County Multi-Jurisdictional Hazard Mitigation Action Plan

SUMMARY: Staff recommends approval of a resolution adopting the Nueces County Multi-Jurisdictional Hazard Mitigation Action Plan.

The plan has received tentative approval through the Texas Division of Emergency Management (“TDEM”) and Federal Emergency Management Agency (“FEMA”). To receive final approval and qualify for funding, each of the jurisdictions must adopt this plan and submit the complete adoption package to the TDEM within 90 days. The adoption package must include a signed resolution from the Port Commission officially adopting the plan.

BACKGROUND: Local governments are required to develop a FEMA approved hazard mitigation plan as a condition for receiving hazard mitigation assistance grants. The benefits of a hazard mitigation action plan include reducing vulnerability to future hazards, saving lives and property, gaining disaster funding, maintaining economic stability and expediting the recovery period.

In November 2016, Nueces County entered into a contract with Lockwood Andrews and Newnam (“LAN”) for their consulting services to develop a Multi-Jurisdictional Hazard Mitigation Action Plan (“HMAP”) in accordance with the Interlocal Cooperation Contract approved by the Port of Corpus Christi Authority (“PCCA”) on October 18, 2016. Participating communities in this plan are: Nueces County, City of Agua Dulce, City of Bishop, City of Corpus Christi, City of Driscoll, City of Petronila, City of Port Aransas, City of Robstown and the PCCA.

A multi-jurisdictional planning committee was formed consisting of staff from all participating jurisdictions, including emergency management, planning, engineering, floodplain management and public works. Numerous meetings were conducted to get committee member input on the threats facing each jurisdiction and potential projects that could help reduce those threats. In addition, surveys were used to get input from the public and PCCA departments.

The plan outlines the hazards identified by the committee and the public, analyzes the risk those hazards pose to each jurisdiction and lists strategies for mitigating the hazards.

ALTERNATIVES: PCCA could opt not to adopt the HMAP, which would eliminate FEMA approval and future hazard mitigation assistance grants.

CONFORMITY TO PORT POLICY: The resolution supports the following Strategic Goals and Objectives:

Strategic Goal 1: Fund Our Vision

Strategic Objective 1B: Manage business and operational risks

Strategic Goal 2: Provide Facilities and Services to Meet Customer Needs

Strategic Objective 1A: Develop master plan and asset management program

Strategic Goal 3: Sustain Productive Stakeholder Relationships

Strategic Objective 3B: Operate the Port's Facilities in a Safe, Secure, and Efficient Manner

Strategic Goal 5: Be an Environmental Leader

Strategic Objective: Continue to Meet and Exceed Regulatory Standards

EMERGENCY: No; however, the adoption is required to receive FEMA approval and eligibility for future hazard mitigation assistance grants.

FINANCIAL IMPACT: There is no cost to PCCA for approval of the plan. Any action proposed by the Hazard Mitigation Plan is subject to and contingent upon budget approval, which shall be at the discretion of the Port Commission and this resolution shall not be interpreted to mandate any appropriation.

STAFF RECOMMENDATION: This information was presented to the Port Security Committee during the August Committee Meeting. Staff recommends approval of the resolution adopting the Nueces County Multi-Jurisdictional Hazard Mitigation Action Plan.

DEPARTMENTAL CLEARANCES:

Originating Department Port Security

Reviewed & Approved Tom Mylett
 PCCA Hazard Mitigation Action Planning Team:
 Danielle Hale
 Angela Leyva
 Beatriz Rivera

Dan Koesema
David Krams
David Villarreal
Donna James-Spruce
Eric Giannamore
Eric Battersby
John Slubar
Nelda Olivo
Sarah Garza
Russell Cordo

Legal

Dane Bruun

Senior Staff

John LaRue
Sean Strawbridge
Dennis DeVries

LIST OF SUPPORTING DOCUMENTS:

Resolution

Nueces County Multi-Jurisdictional Hazard Mitigation Action Plan

***RESOLUTION OF THE PORT OF CORPUS CHRISTI AUTHORITY, NUECES
COUNTY, TEXAS, ADOPTING THE NUECES COUNTY MULTI-JURISDICTIONAL
HAZARD MITIGATION ACTION PLAN***

WHEREAS, the Port of Corpus Christi Authority of Nueces County, Texas (“PCCA”), has historically experienced natural disasters that have resulted in public hazards and damage to private and public property;

WHEREAS, the hazard mitigation planning process set forth by the Federal Emergency Management Agency (“FEMA”) and the State of Texas offers the opportunity to consider natural hazards and risks, and to identify mitigation actions to reduce future risk;

WHEREAS, the PCCA has determined that the Hazard Mitigation Plan needs to be developed; and

WHEREAS, the PCCA, in cooperation with Nueces County and other participating jurisdictions, have created the Nueces County Multi-Jurisdictional Hazard Mitigation Action Plan;

NOW THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION:

Section 1. The Port Commission adopts the Nueces County Multi-Jurisdictional Hazard Mitigation Action Plan in substantially the form presented to this meeting.

Section 2. That, subject to budgeted funds, the PCCA departments identified in the Hazard Mitigation Plan are directed to pursue implementation of the recommended high-priority activities assigned to their departments.

Section 3. That any action proposed by the Nueces County Multi-Jurisdictional Hazard Mitigation Plan is subject to and contingent upon budget approval, which shall be at the discretion of the Port Commission and this Resolution shall not be interpreted to mandate any appropriation.

The undersigned Chairman of the Port Commission of the Port of Corpus Christi Authority of Nueces County, Texas, does hereby certify that the foregoing resolution was duly adopted at a regular meeting of the Port Commission held on August 15, 2017, and that the resolution remains in full force and effect.

Charles W. Zahn, Jr.,
Port Commission Chairman

TEXAS DEPARTMENT OF PUBLIC SAFETY

5805 N LAMAR BLVD • BOX 4087 • AUSTIN, TEXAS 78773-0001

512/424-2000

www.dps.texas.gov



STEVEN C. McCRAW
DIRECTOR
DAVID G. BAKER
ROBERT J. BODISCH, SR.
DEPUTY DIRECTORS



COMMISSION
STEVEN P. MACH, CHAIRMAN
MANNY FLORES
A. CYNTHIA LEON
JASON K. PULLIAM
RANDY WATSON

July 31, 2017

The Honorable Loyd Neal
Nueces County Judge
901 Leopard Street
Room 303
Corpus Christi, TX 78401

RE: Approvable Pending Adoption of Nueces County, Texas Multi-Jurisdiction Hazard Mitigation Plan (HMP)

Funding Source: PDM 14

Dear Judge Neal:

Congratulations! FEMA has concluded the review of the Nueces County Multi-Jurisdiction HMP, and the plan is found to be approvable pending adoption. In order for this plan to receive final FEMA approval, the jurisdiction(s) must adopt this plan and submit the complete adoption package to the state within 90 days. The plan update timeline will begin on the date of the FEMA approval letter. Please mail us the complete adoption package in the form of a CD containing the following:

- The final plan formatted as a single document
 - Plan must be dated to match the date of the first adoption
 - Remove track-changes, strikethroughs and highlights
- All signed resolutions as a separate single document

The previous review tool may contain recommendations to be applied to your next update. DO NOT make any further changes to your plan until it has been approved.

The following participating governments are included in Attachment A in this letter.

If you have any questions concerning this procedure, please do not hesitate to contact Mr. Raymond Mejia at raymond.mejia@dps.texas.gov or 512-438-6519. We commend you for your commitment to mitigation.

Very truly yours,

A handwritten signature in black ink, appearing to read 'J.P. Kelley'.

Dr. John P. Kelley

Supervising Program Director

Recovery, Mitigation and Standards Services

Texas Division of Emergency Management

Texas Homeland Security

Texas Department of Public Safety

EQUAL OPPORTUNITY EMPLOYER
COURTESY • SERVICE • PROTECTION

Enclosures: Attachment A

Nueces County
Multi-Jurisdictional
Hazard Mitigation Plan Participants

Below is the list of jurisdictions approvable pending adoption included in the July 24, 2017 review of the referenced Hazard Mitigation Plan:

1. Nueces County
2. Aqua Dulce
3. Bishop
4. Corpus Christi
5. Driscoll
6. Petronila
7. Port Aransas
8. Port Authority of Corpus Christi
9. Robstown

JPK/id



Port of Corpus Christi Tariff Review

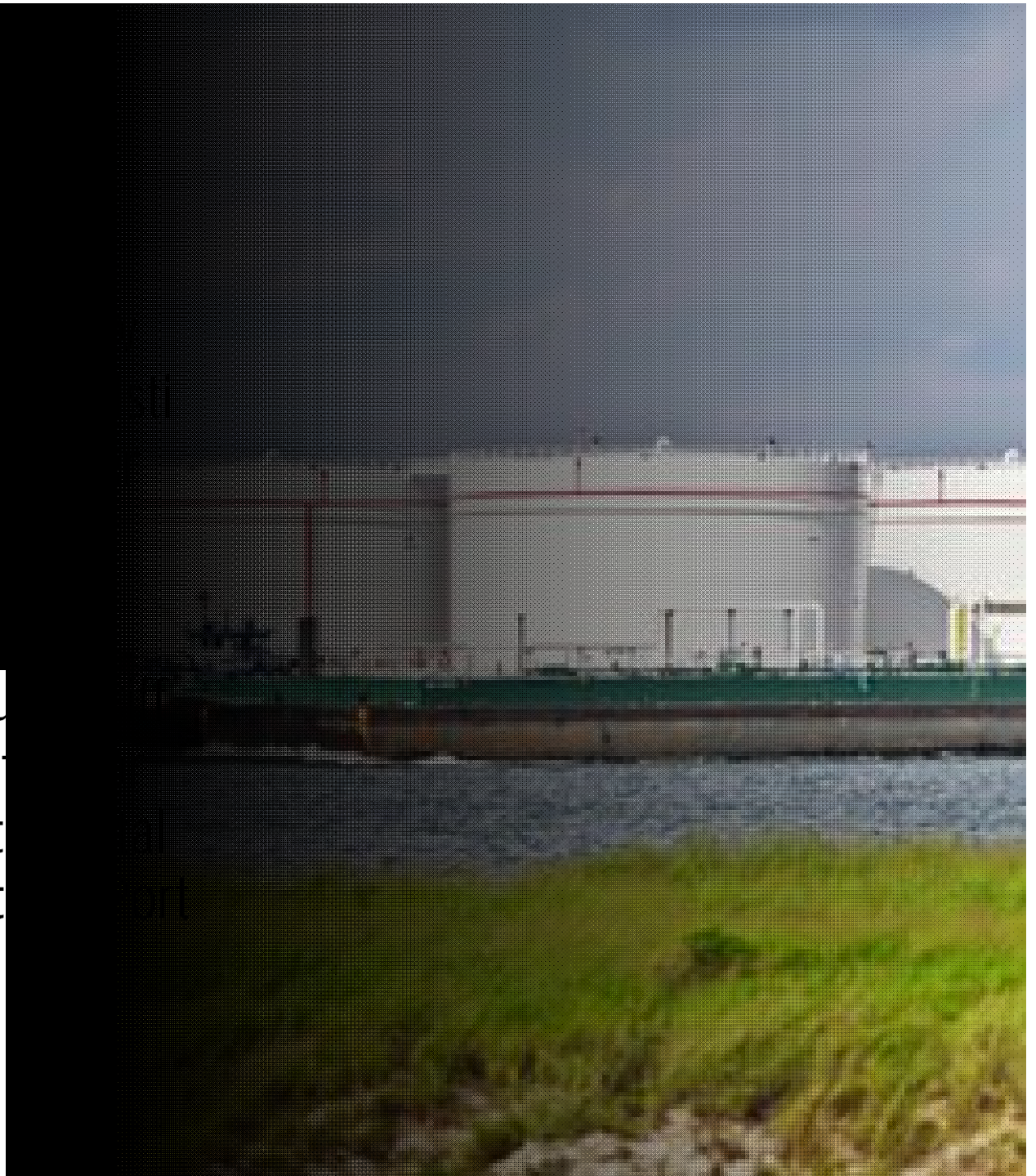
A presentation to the Port of Corpus Christi Authority

August 15, 2017



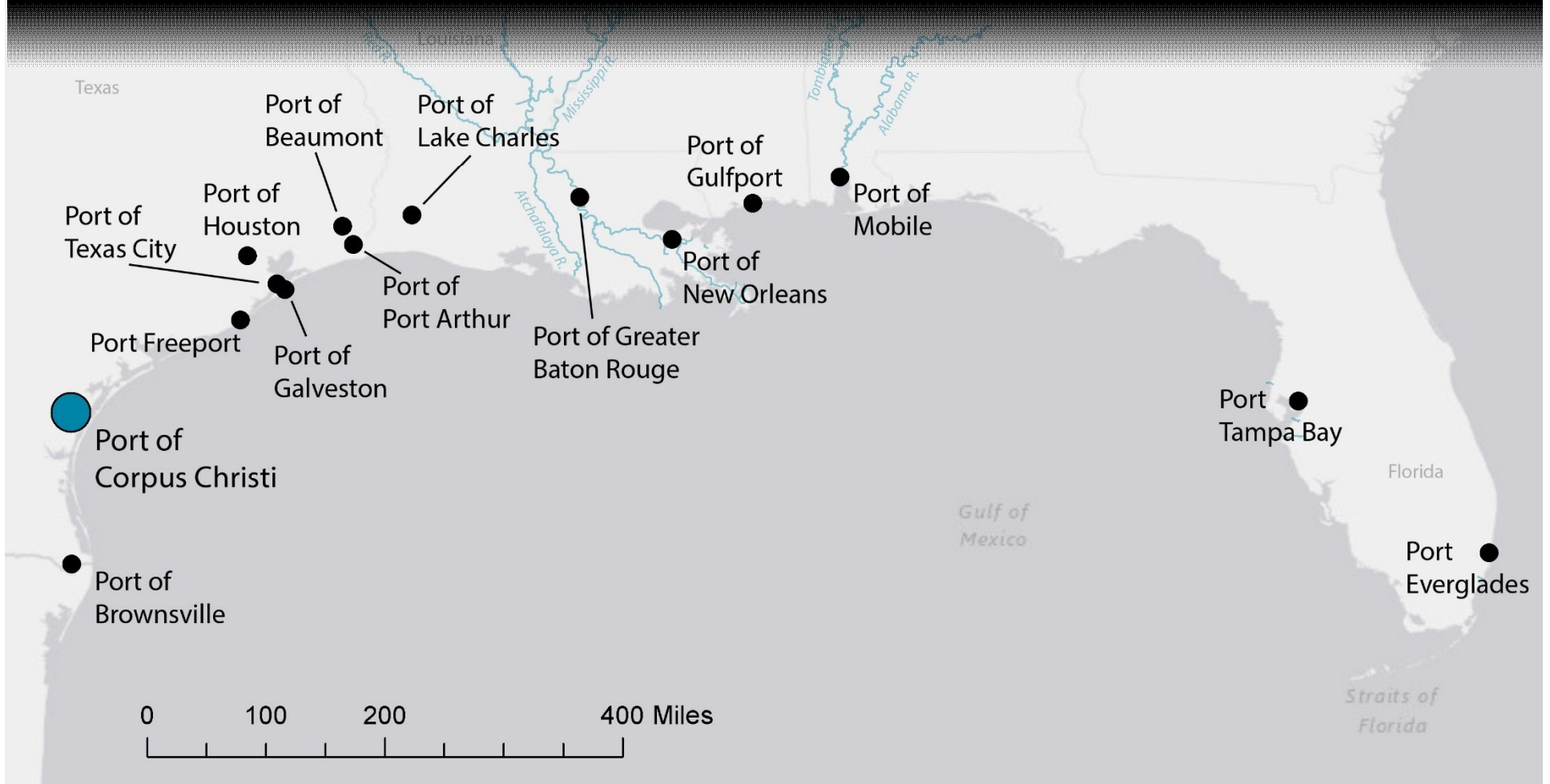
Purpose

focuses on liquid bulk cargo, which accounts for over 85 percent of the total tonnage handled at the port of Corpus Christi in



Methodology:

Collected data from 15 Gulf Coast ports

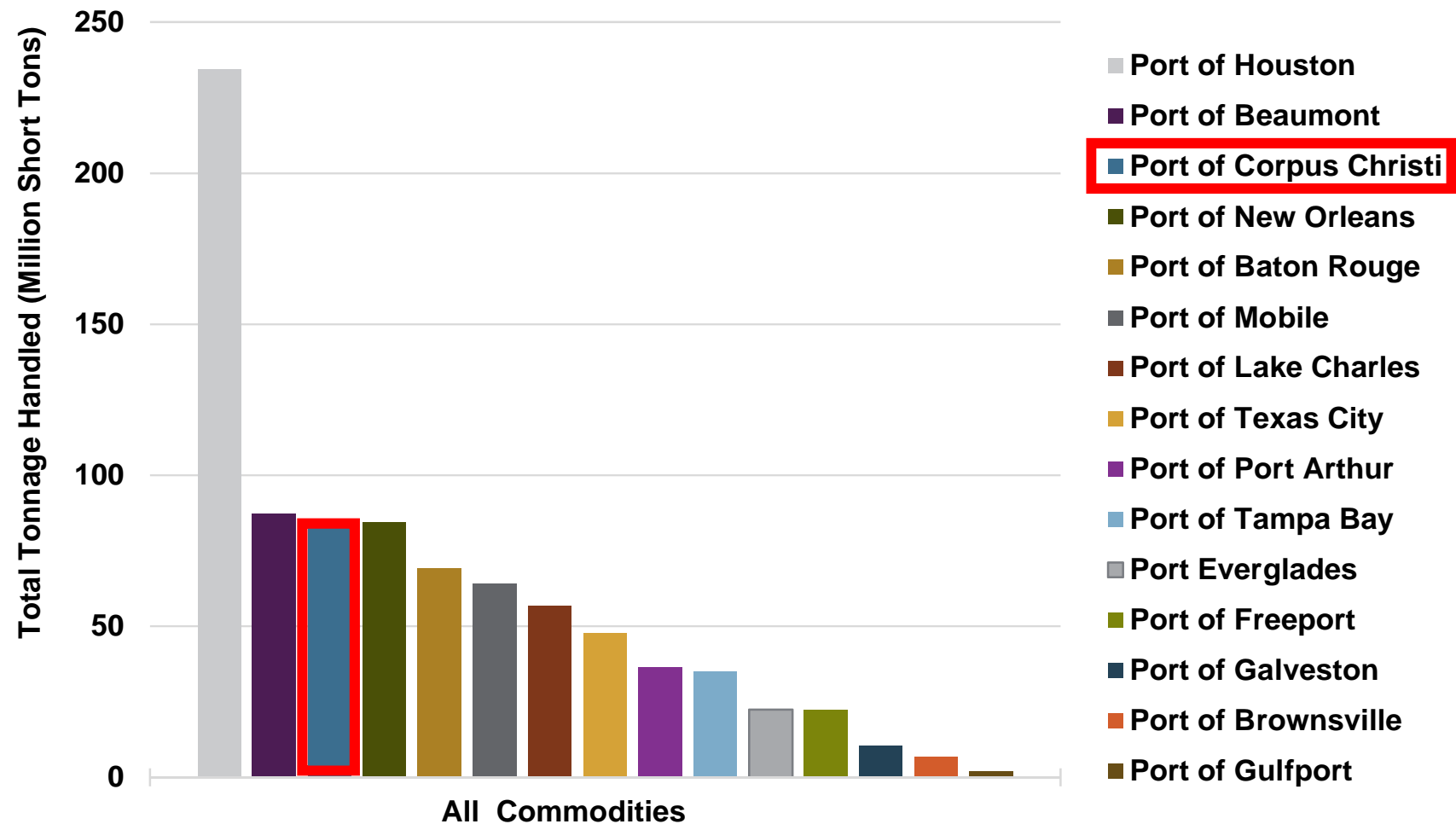


Methodology:

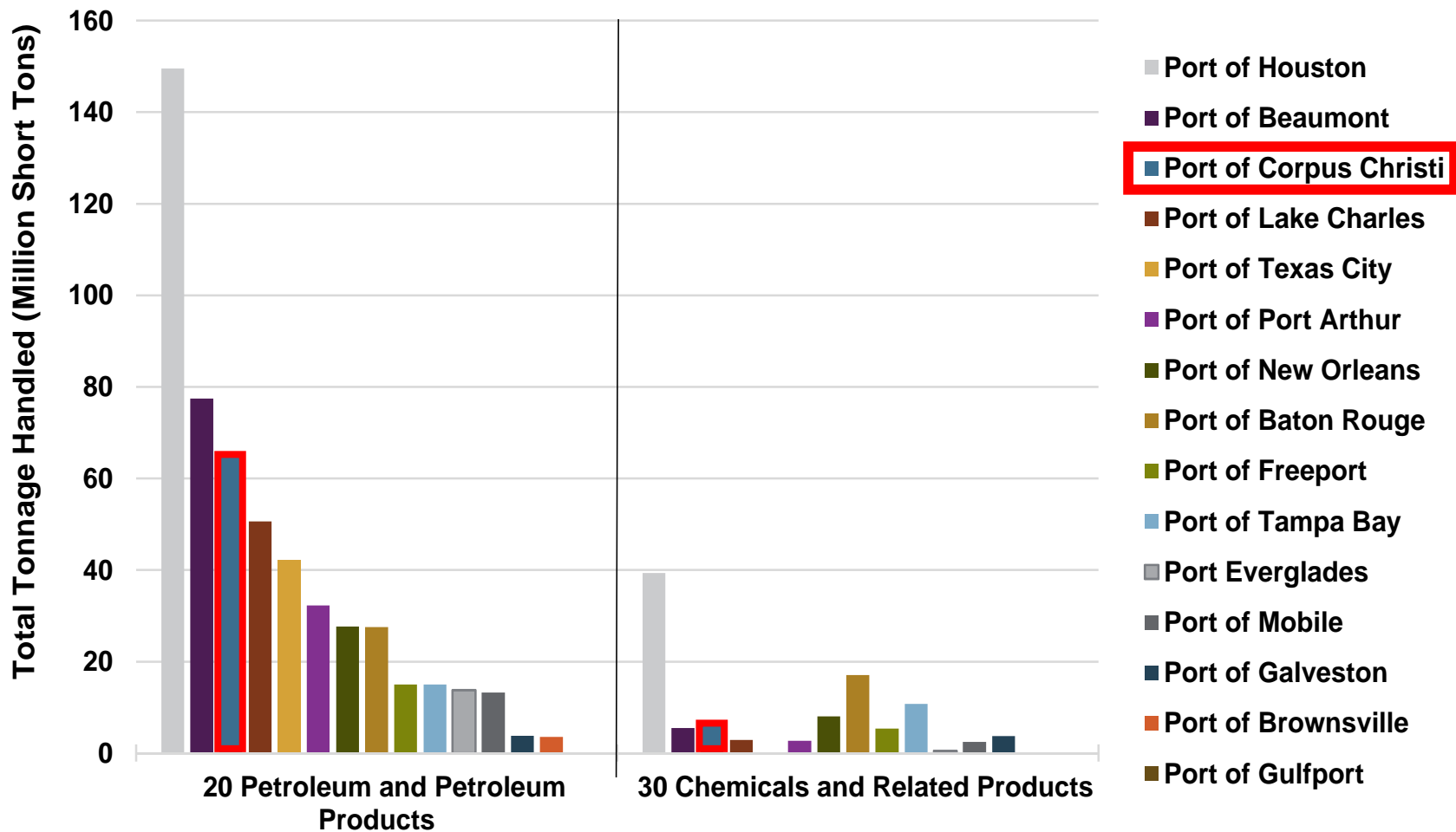
Collected data from 15 Gulf Coast ports

- Wharfage rates
- Dockage rates
- Fees and surcharges
- Cargo volumes by commodity
- Facility attributes
- Terminal assets
- Cargo handling assets
- Storage assets
- Multimodal access

Total Tonnage Handled: All Commodities, 2014



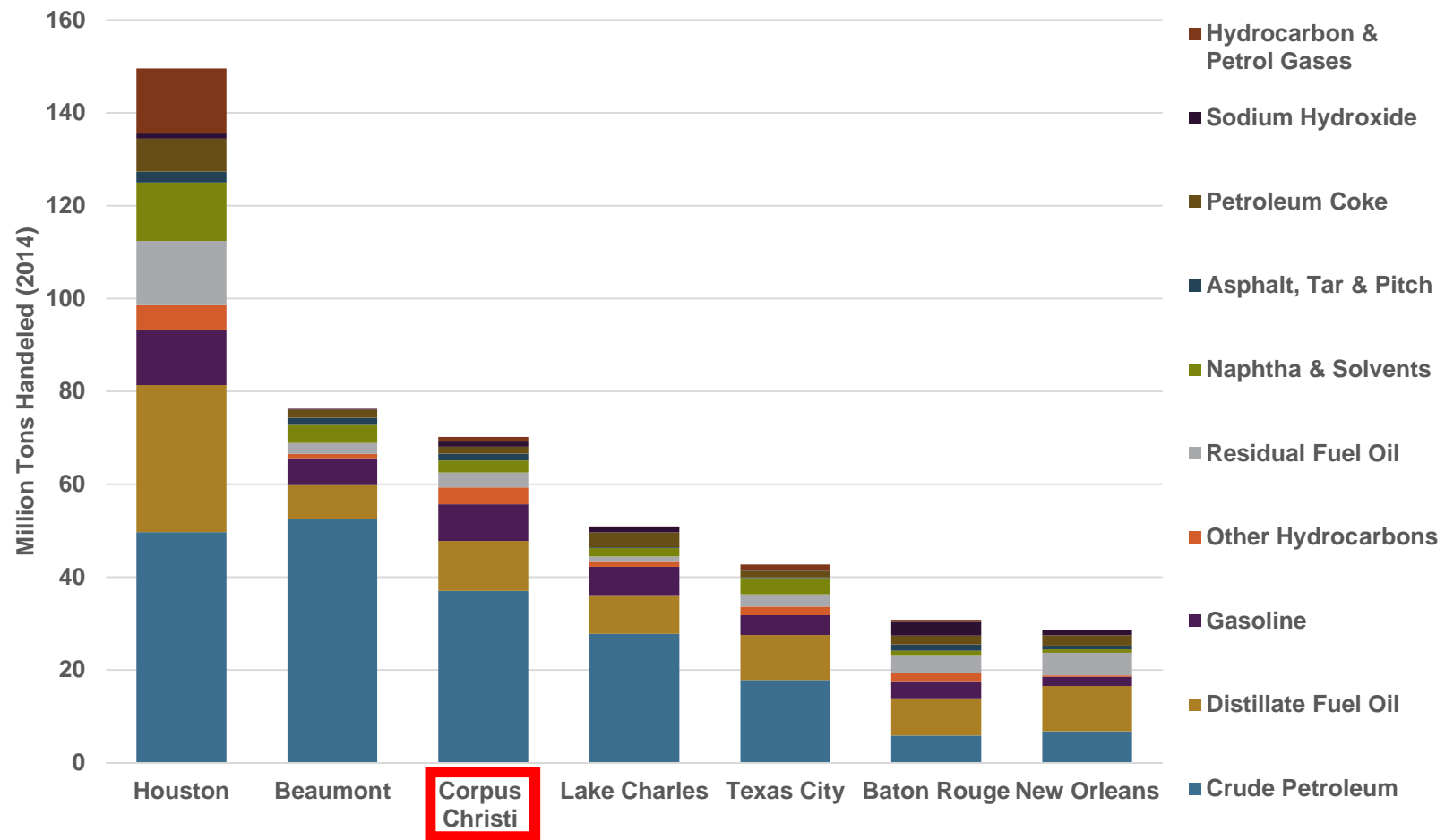
Total Tonnage Handled: Petroleum and Chemical Products



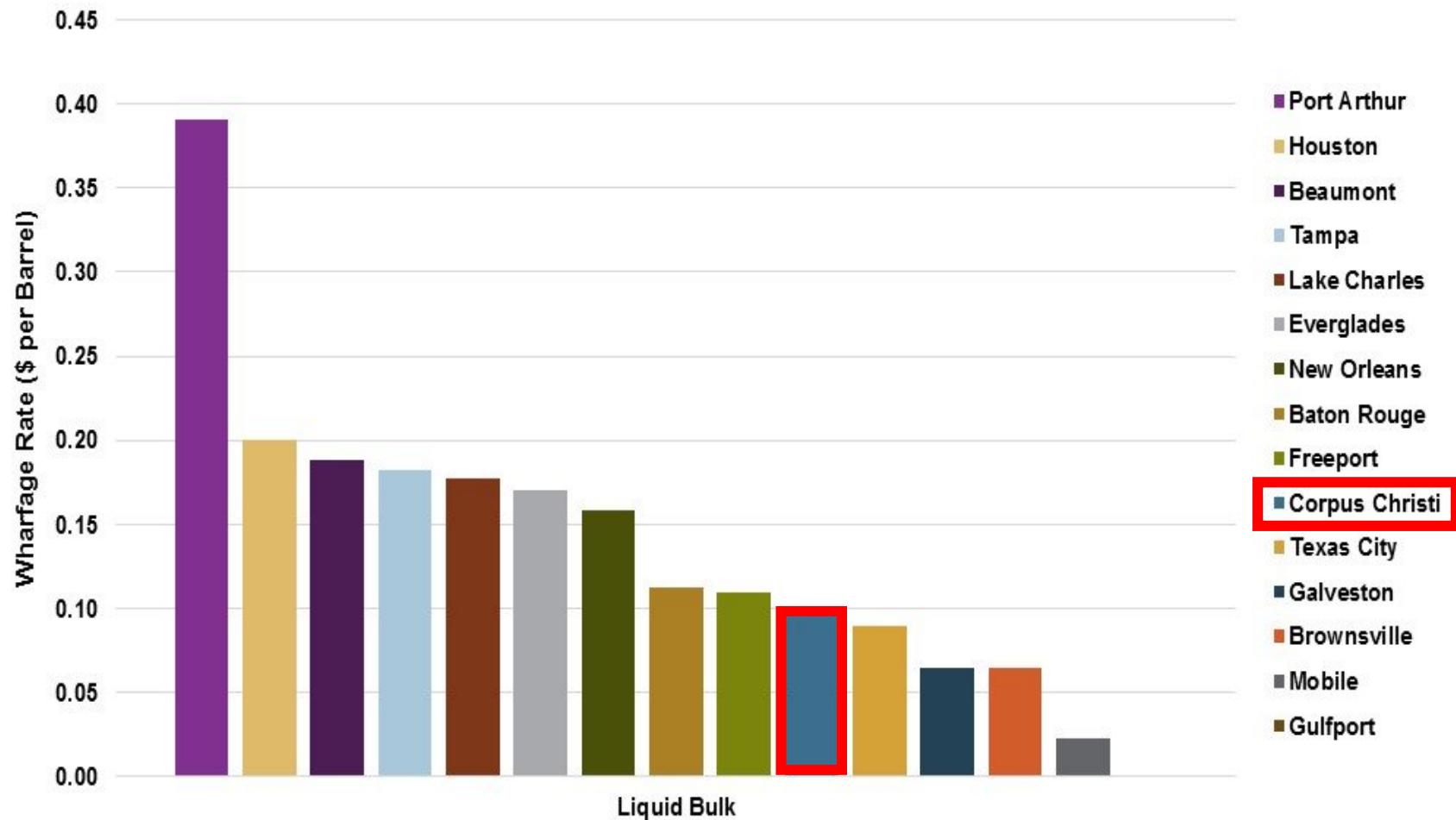
Petroleum and Chemical Product Tonnages by Commodity (million tons)

| Commodity | Houston | Beaumont | Corpus Christi | Lake Charles | Texas City | Baton Rouge |
|-----------------------------|---------|----------|----------------|--------------|------------|-------------|
| Crude Petroleum | 49.74 | 52.62 | 37.04 | 27.76 | 17.86 | 5.88 |
| Distillate Fuel Oil | 31.64 | 7.21 | 10.75 | 8.35 | 9.66 | 8.01 |
| Gasoline | 11.95 | 5.81 | 7.88 | 6.12 | 4.27 | 3.51 |
| Other Hydrocarbons | 5.25 | 0.93 | 3.64 | 1.04 | 1.83 | 1.86 |
| Residual Fuel Oil | 13.85 | 2.36 | 3.22 | 1.16 | 2.65 | 3.98 |
| Naphtha & Solvents | 12.61 | 3.85 | 2.58 | 1.79 | 3.52 | 0.94 |
| Asphalt, Tar & Pitch | 2.34 | 1.56 | 1.53 | 0.22 | 0.15 | 1.31 |
| Petroleum Coke | 7.09 | 1.74 | 1.48 | 3.19 | 1.42 | 1.92 |
| Sodium Hydroxide | 1.12 | 0.15 | 1.10 | 1.22 | 0.04 | 2.97 |
| Hydrocarbon & Petrol Gasses | 14.00 | 0.11 | 0.99 | 0.06 | 1.33 | 0.45 |
| Benzene & Toluene | 5.78 | 1.01 | 0.88 | 0.24 | 0.70 | 2.53 |
| Alcohols | 6.87 | 0.54 | 0.45 | 0.01 | 1.60 | 1.30 |

Petroleum and Chemical Product Tonnages by Commodity (million tons)



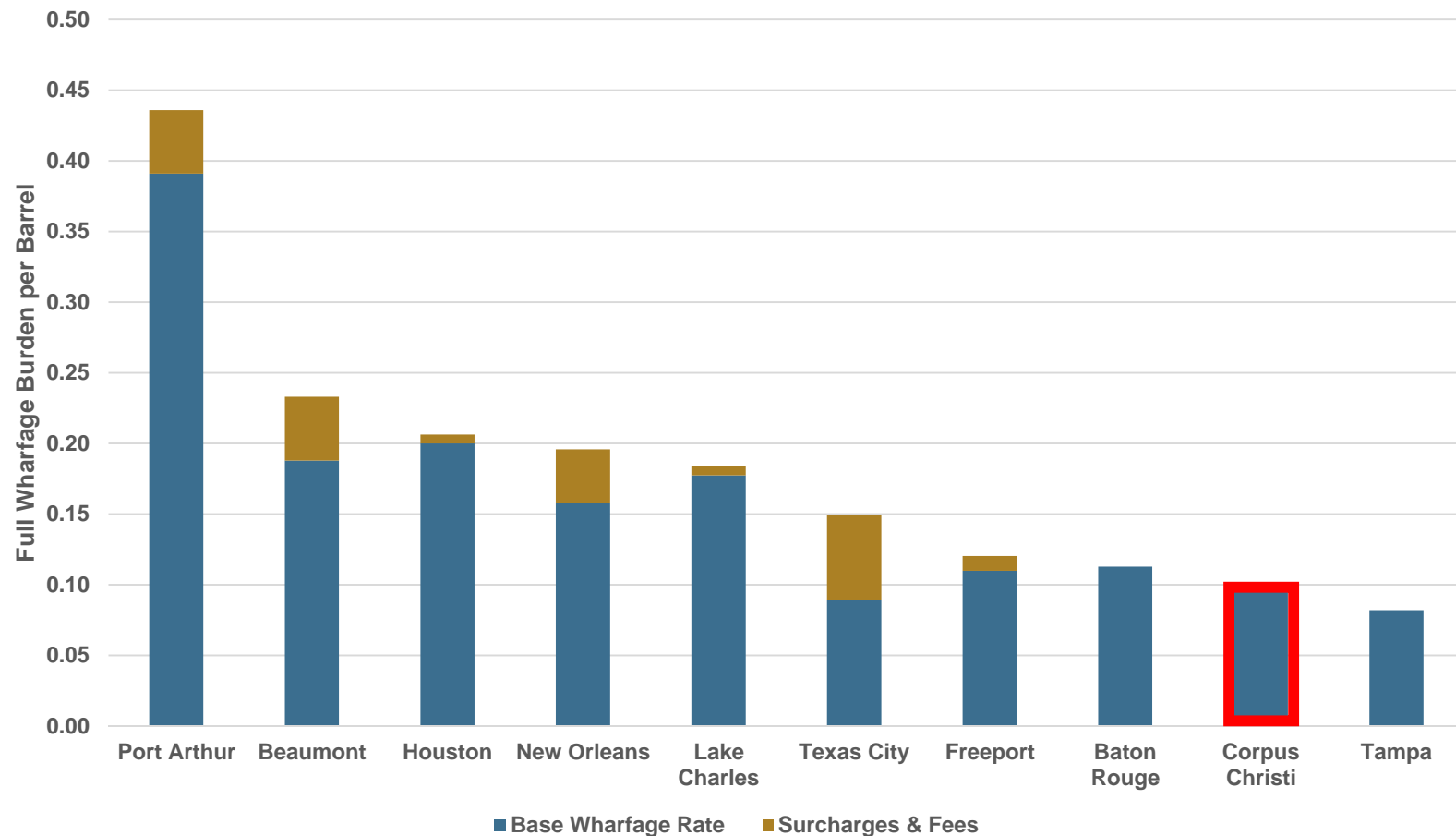
Wharfage Rate for Liquid Bulk NOS by Port (\$ per Barrel)



Fully Loaded Wharfage Rates for Petroleum Liquid Bulk (Per Barrel)

| Port | Base Wharfage Rate | Surcharges & Fees | Full Burden |
|----------------|--------------------|-------------------|-------------|
| Port Arthur | 0.3910 | 0.0450 | 0.4360 |
| Beaumont | 0.1880 | 0.0450 | 0.2330 |
| Houston | 0.2000 | 0.0064 | 0.2064 |
| New Orleans | 0.1579 | 0.0380 | 0.1959 |
| Lake Charles | 0.1775 | 0.0068 | 0.1842 |
| Texas City | 0.0892 | 0.0600 | 0.1492 |
| Freeport | 0.1098 | 0.0105 | 0.1203 |
| Baton Rouge | 0.1128 | | 0.1128 |
| Corpus Christi | 0.1005 | 0.0008 | 0.1013 |
| Tampa | 0.0820 | | 0.0820 |

Fully Loaded Wharfage Rates for Petroleum Liquid Bulk (Per Barrel)



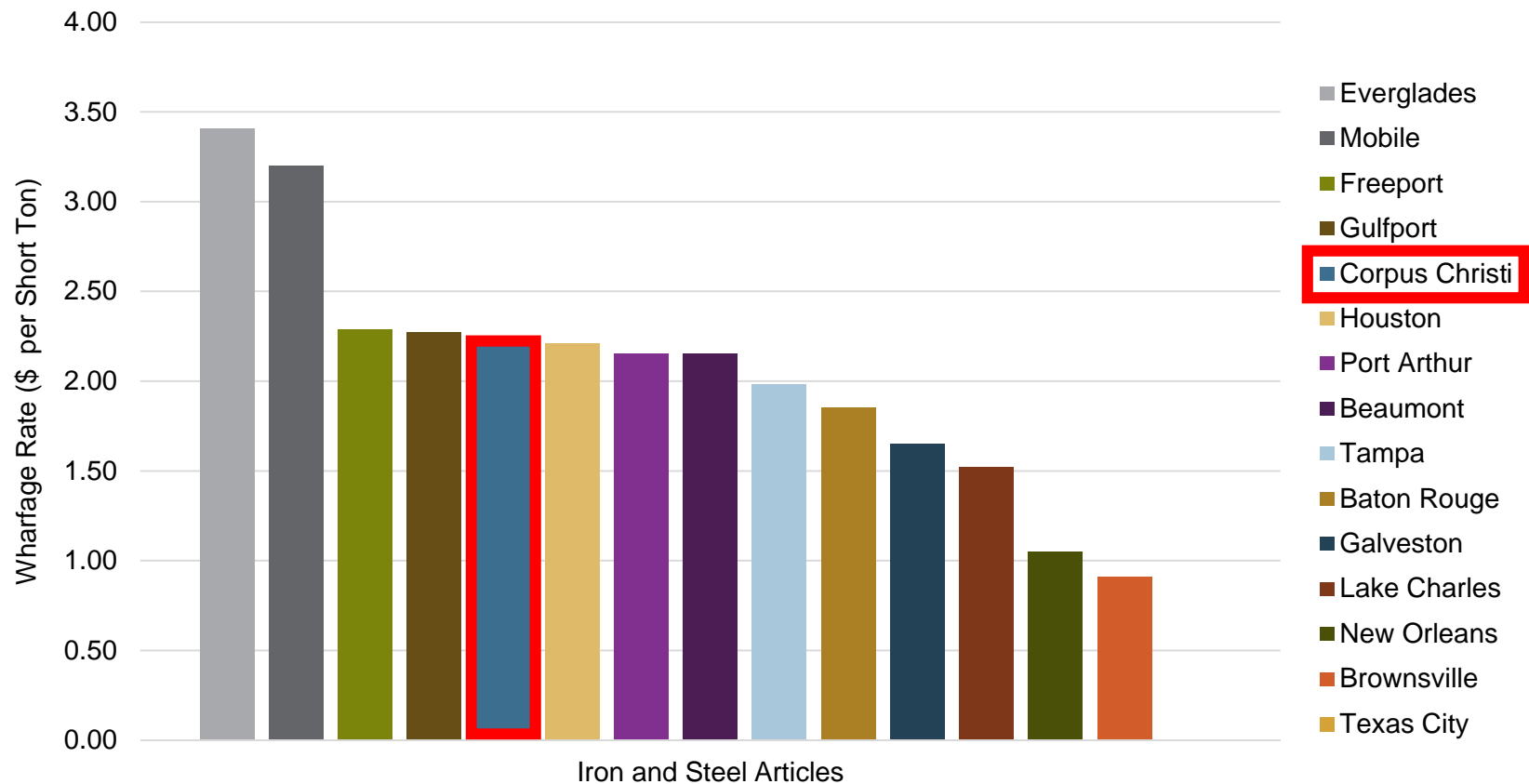
Fully Loaded Burden Example: Average Petroleum Tanker

| Port | Base Dockage: 800ft Vessel | Base Wharfage: 550,000 Barrels | Surcharges & Fees | Full Burden |
|----------------|-------------------------------|-----------------------------------|----------------------|-------------|
| Port Arthur | 10,840 | 215,048 | 4,725 | 230,613 |
| Houston | 8,880 | 110,005 | 4,292 | 123,178 |
| Beaumont | 9,904 | 103,389 | 4,638 | 117,931 |
| Lake Charles | 9,728 | 97,599 | 4,622 | 111,949 |
| New Orleans | 7,000 | 86,846 | 3,143 | 96,989 |
| Texas City | 6,376 | 49,060 | 33,000 | 88,436 |
| Freeport | 9,512 | 60,379 | 6,598 | 76,489 |
| Baton Rouge | 9,728 | 62,033 | 575 | 72,336 |
| Corpus Christi | 10,152 | 55,275 | 6,060 | 71,487 |
| Tampa | 9,728 | 45,100 | 600 | 55,428 |

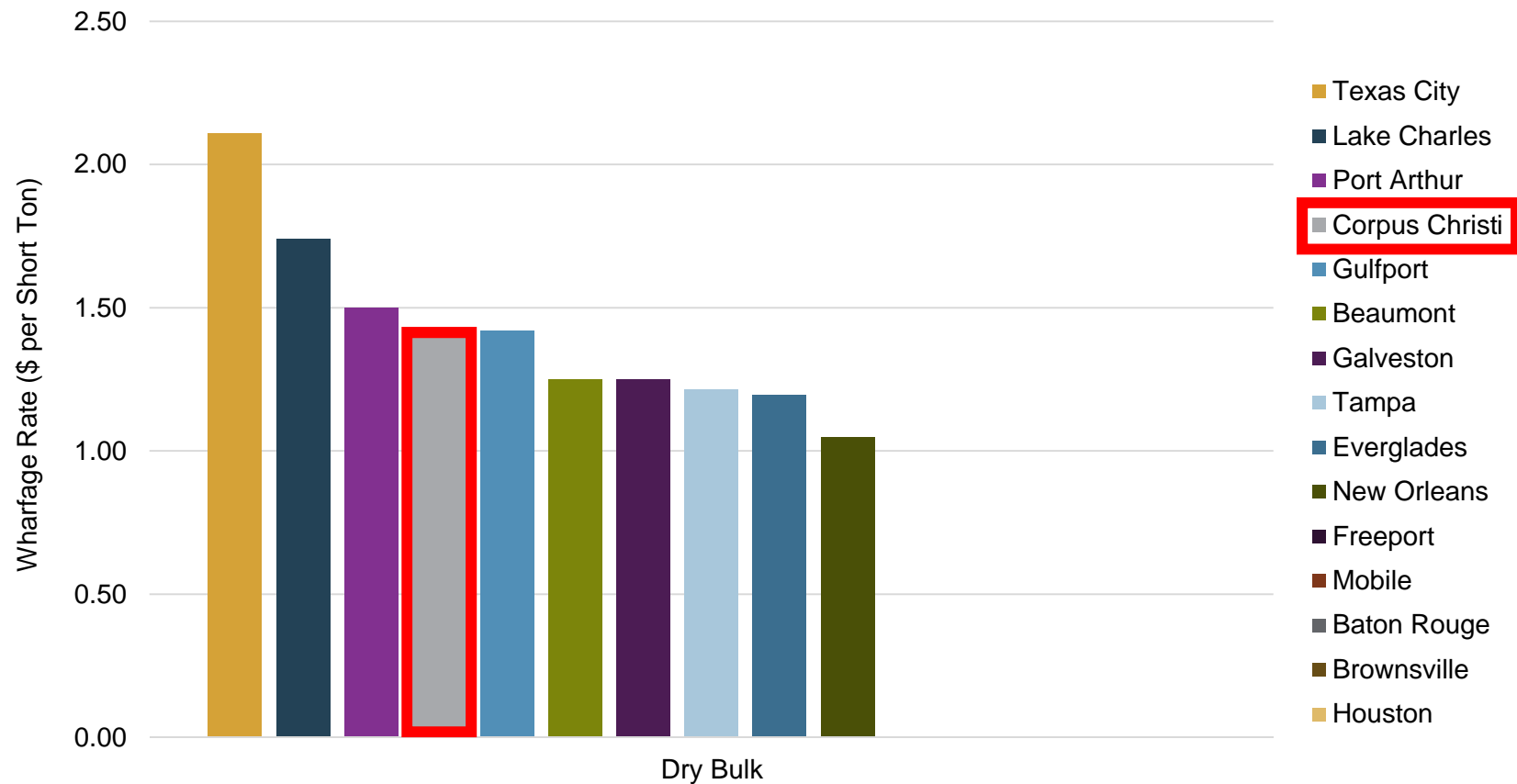
Commodity Value Based Wharfage Adjustments

| Commodity Category | Value (\$ million) | Weight (million tons) | Value Per Ton (\$) | Adjustment Factor | Adjusted Wharfage (per Barrel) |
|--------------------|-----------------------|--------------------------|-----------------------|----------------------|--------------------------------------|
| Basic chemicals | 35,923 | 27.64 | 1,230 | 1.55 | 0.1559 |
| Chemical products | 17,355 | 5.12 | 3,387 | 4.04 | 0.4063 |
| Fuel oils | 10,016 | 12.47 | 803 | 0.96 | 0.0963 |
| Gasoline | 13,991 | 16.70 | 838 | 1.0 | 0.1005 |

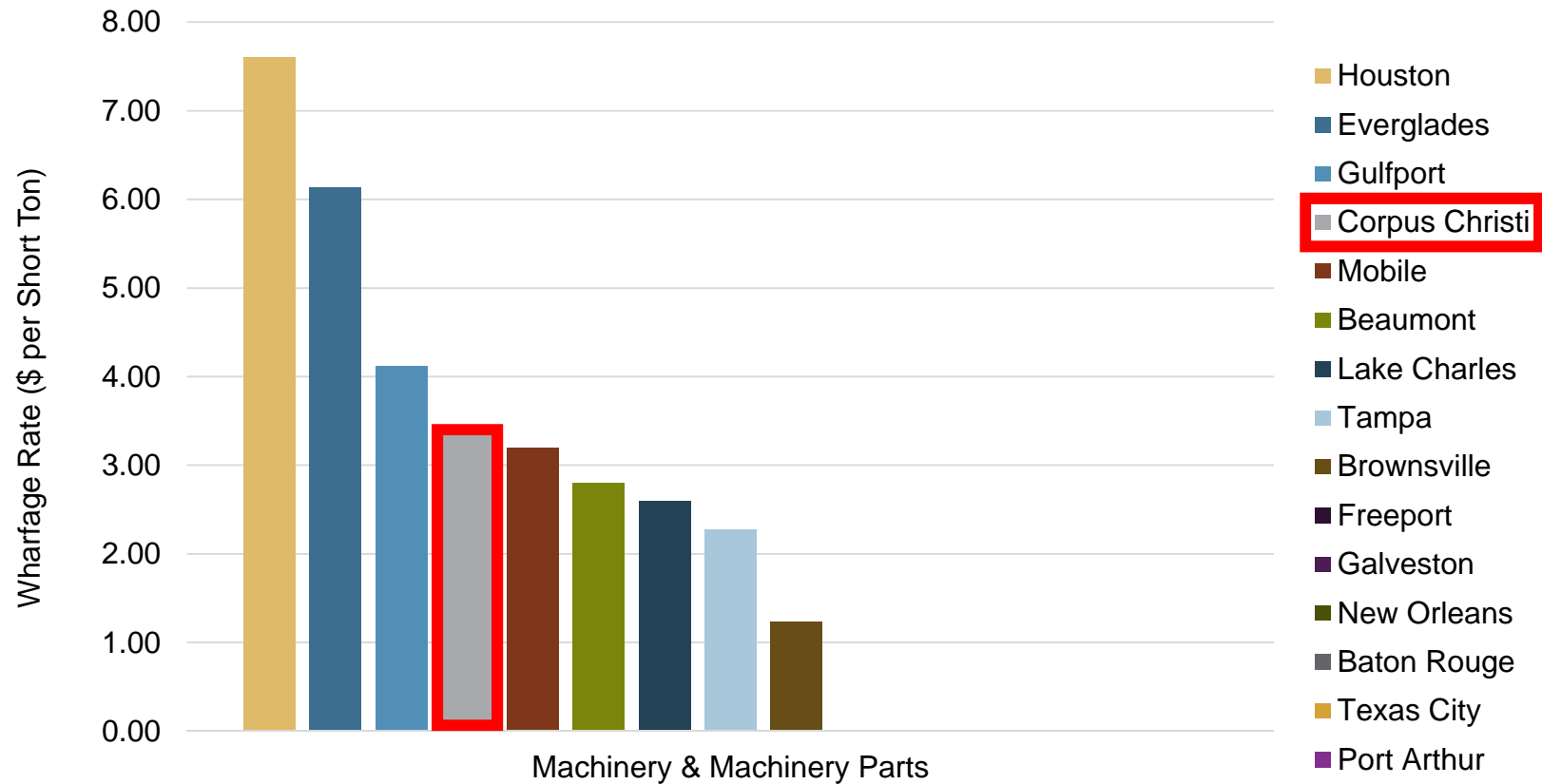
Wharfage Rate for Iron and Steel Articles by Port (per ton)



Wharfage Rate for Dry Bulk by Port (per ton)



Wharfage Rate for Machinery and Machinery Parts by Port (per ton)



Thank you!

Michelle Humphrey is a Project Consultant
for Northern Economics, Inc.



Additional Wharfage and Dockage Surcharges by Port

| Port | Security Surcharge— Dockage | Security Surcharge—Wharfage (per ton) | Other Fees |
|----------------|---------------------------------|---|--|
| Corpus Christi | 7.50% total dockage | 7.50% total wharfage | \$1,153 per voyage Harbor Safety Fee |
| Baton Rouge | \$150 per Vessel | | \$425 per voyage harbor fee to all ocean-going vessels engaged in foreign or coastwise trade |
| Beaumont | 9.25% total dockage | breakbulk \$0.195, dry bulk \$0.045, liquid bulk \$0.045 | |
| Brownsville | 8.75% total dockage | breakbulk \$0.0363, bulk (dry or liquid) \$0.0363, NOS \$0.1179 | |
| Everglades | \$0.158 per GRT (Cargo vessels) | breakbulk \$0.173, dry bulk \$0.035, liquid bulk \$0.034 | Fire Protection Service Fee of \$0.0269/barrel on petroleum products |
| Freeport | 8.50% total dockage | breakbulk \$0.20, bulk (dry or liquid) \$0.07 | |
| Galveston | 8.75% total dockage | breakbulk \$0.19, bulk \$0.04, liquid bulk \$0.04 | |
| Gulfport | 7.50% total dockage | breakbulk: \$0.16, dry bulk: \$0.05, liquid bulk: \$0.05 | |
| Houston | 8.75% total dockage | breakbulk \$0.19, bulk (dry or liquid) \$0.0425 | |
| Lake Charles | 9.25% total dockage | breakbulk \$0.195, bulk \$0.045, liquid bulk \$0.045 | |
| Mobile | 9.00% total dockage | breakbulk \$0.19, dry bulk \$0.04, liquid bulk \$0.04 | |
| New Orleans | | breakbulk \$0.16, bulk \$0.038, liquid bulk \$0.038 | |
| Port Arthur | 9.25% total dockage | Breakbulk \$0.195, dry bulk \$0.045, liquid bulk \$0.045 | |
| Tampa | | | \$0.75 per foot Harbor Master Fee |
| Texas City | | | Wharfage surcharges on crude oil: \$0.06/barrel. |

RESOLUTION OF APPRECIATION
FOR
RICARDO "RICKY" TIJERINA

WHEREAS, for 33 years, Ricky worked diligently for the Port of Corpus Christi Authority. He worked for the Grain Elevator and Bulk Terminal; and

WHEREAS, on July 11, 1983 Ricardo Tijerina was hired as a Laborer at the Grain Elevator and after 2 years he was promoted to a Mechanic Equipment Operator IV Trainee in the Bulk Terminal; and

WHEREAS, Ricky continued his employment in the Bulk Terminal for 31 additional years. During his tenure at Bulk Terminal, he continued to advance his technical skills and received other promotional opportunities within the department.

WHEREAS, with his very quiet demeanor, Ricky was very well liked among his co-workers and those who knew him best. He was very conscientious, dedicated and had a good work ethic;

WHEREAS, Ricky was very knowledgeable and patient. He always performed his duties with honesty and took great pride in the work he performed; and

WHEREAS, Ricky retired effective June 7, 2017; and

NOW THEREFORE BE IT RESOLVED, The Port Commission of the Port of Corpus Christi Authority for itself and on behalf of the Port staff and the Port community as a whole expresses its sincere gratitude and appreciation for the decades of service Ricardo Tijerina gave to the Port of Corpus Christi Authority, the citizens of the Coastal Bend, and to the maritime industry; and

BE IT FURTHER RESOLVED, this resolution be made a part of the permanent minutes of this Port Commission meeting, August 15, 2017 and that a signed original of this Resolution be furnished to the Family of Ricardo Tijerina. Ricardo Tijerina passed away on July 17, 2017. Ricardo leaves three Children to cherish his memory: Ricardo Tijerina Jr, Daniel Tijerina and Christina Tijerina.

DATE: August 15, 2017

TO: Port Commission

FROM: Dennis J. DeVries – Chief Financial Officer
dennis@pocca.com | (361) 885-6139

**Receive and Approve PCCA's 2017 Investment Policy
and Investment Strategies**

SUMMARY: Under the terms of the Public Funds Investment Act (Act) and PCCA's Investment Policy (Policy), The Port Commission is required to review the Policy and the investment strategies contained in it not less than annually. Following this review, the Port Commission is supposed to adopt a resolution (a) confirming that it has reviewed the Policy and the investment strategies in it, and (b) specifying any changes to be made to PCCA's current investment policy or investment strategies. A resolution which fulfills the foregoing requirements is included with this memorandum.

BACKGROUND: Section 2256.005(e) of the Act reads as follows: "The governing body of an investing entity shall review its investment policy and investment strategies not less than annually. The governing body shall adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies."

ALTERNATIVES: None.

CONFORMITY TO PORT POLICY: Yes.

EMERGENCY: No.

FINANCIAL IMPACT: N/A

STAFF RECOMMENDATION: Staff recommends approval of the PCCA's 2017 Investment Policy as revised, including the investment strategies contained in the Policy, by the adoption of the resolution regarding the Policy included with this memorandum.

DEPARTMENTAL CLEARANCES:

Originating Department Finance Department

Reviewed & Approved Dennis J. DeVries

Legal
Senior Staff

Commission Audit Committee

LIST OF SUPPORTING DOCUMENTS:

2017 Investment Policy
Resolution Related to Review of Investment Policy and Investment Strategies



INVESTMENT POLICY

(August 2017)

Port of Corpus Christi Authority of Nueces County Texas



Investment Policy

Table of Contents

| | <u>Page</u> |
|---|-------------|
| I. Introduction | 1 |
| II. Purpose | 1 |
| III. Scope | 1 |
| IV. Investment Objectives | 1 |
| V. Investment Strategy | 2 |
| VI. Responsibility and Controls | 3 |
| VII. Authorized Investments | 6 |
| VIII. Investment Parameters and Controls | 6 |
| IX. Financial Counter-Parties | 8 |
| X. Collateral | 9 |
| XI. Reporting | 10 |
| XII. Investment Policy Adoption | 10 |
| <u>APPENDICES:</u> | |
| Glossary of Terms (Appendix A) | 11 |
| Investment Policy Certification Form (Appendix B) | 18 |
| Listing of Authorized Broker/Dealers and Financial Institutions (Appendix C)..... | 19 |



I. INTRODUCTION

The goal of the Port of Corpus Christi Authority's (Authority) Investment Policy is the safety of all funds of the Authority, the availability of those funds for the payment of all necessary obligations of the Authority, and to provide for the investment of all funds, not immediately required, in securities earning a reasonable market yield.

II. PURPOSE

This Policy provides the guidelines by which the Authority will provide protection for its principal and liquidity, while receiving the highest reasonable market yield in accordance with its objectives. This Policy complies with the provisions of the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, hereinafter referred to as the "Act", as amended. The Act is found online at <http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.2256.htm>

The Investment Committee and Port Commission must approve any modifications to, and shall review and adopt this Policy, not less than annually.

Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of that person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.

III. SCOPE

This Policy applies to the investment activities of all funds of the Authority, except those that are not managed by the Authority. This Policy will also apply to the funds of non-profit corporations established by Resolution of the Port Commission which act as instrumentalities of the Authority. The investment of bond proceeds and other bond funds (including debt service and reserve funds) shall be governed and controlled by this Policy, the respective bond resolutions and provisions of the IRS Code, including all regulations and rulings promulgated there-under applicable to the issuance of tax-exempt obligations. It is the policy of the Authority that, giving due regard to the safety and risk of investment, all available funds shall be invested in conformance with the Act, Federal Laws and Regulations, requirements of bond documents for Authority bond issues, and this Policy.

This Policy shall be presented to anyone offering to sell the Authority an investment and those with management/advisory responsibility for any Authority funds to assure that the goals and guidelines are followed.

IV. INVESTMENT OBJECTIVES

The Authority's overall objectives, in order of priority, shall be: safety of principal, liquidity, diversification, and yield.

Safety

The primary objective of the Authority's investment activity is the preservation of capital. Each investment transaction shall be conducted in a manner to avoid capital losses, whether they are from security defaults, safekeeping, or erosion of market value. All investments will be of high quality securities with no perceived default risk.



Liquidity

The Authority's investment portfolio shall be structured to meet all expected obligations. This shall be achieved by matching investment maturities with forecasted cash flow liabilities and maintaining additional liquidity for unexpected liabilities. Liquidity shall also be protected by investing in high-credit quality securities with active secondary markets. Short-term investment pools, money market mutual funds and depository accounts may be used to provide daily liquidity or utilized as a competitive yield alternative to fixed maturity investments.

Diversification

The Authority's portfolio shall be diversified by market sector and maturity in order to avoid over concentration in any market sector or issuer. Diversification minimizes the risk to the overall investment portfolio of potential losses on individual securities and enhances overall safety. Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated needs of the Authority.

Yield

Attaining a competitive market yield within portfolio restrictions is the objective. The primary benchmarks for the Authority's portfolio shall be the six-month and one-year U.S. Treasury securities, designated for its comparability to the Authority's expected average cash flow pattern, and allowing for liquidity needs of the Authority. The investment program shall seek to augment returns above this threshold consistent with risk limitations identified herein and prudent investment policies. A secondary objective will be to obtain a yield equal to or in excess of the state's local government investment pool.

It must be recognized that portfolio yields always lag market rates during periods of changing interest rates because existing portfolio investments must mature before re-investment at new rates.

The Authority shall avoid any transactions that might impair public confidence in the Authority's ability to govern effectively. The Authority recognizes that in diversifying the portfolio, occasional measured unrealized losses due to market volatility are inevitable, and must be considered within the context of the overall Portfolio. The prudence of investment decisions shall be measured in context of the entire portfolio (2256.006(b)).

V. INVESTMENT STRATEGY

Regardless of market conditions, to fulfill the objectives of the Authority the investment strategy for operating funds has as its primary objective that anticipated cash flows are matched for adequate liquidity. A liquidity buffer, with funds invested no more than three months, will be maintained for unanticipated needs. A secondary objective is to create an investment portfolio that will experience minimal volatility during economic cycles.

Funds which are not anticipated for operational purposes will be invested to capture available market yield within policy parameters. The investment strategy for these funds is designed to generate revenue with a low degree of volatility and market risk. Market conditions and interest rate forecasts will largely determine the dynamic portfolio structure of these funds.

To accomplish this strategy the Authority will purchase high credit quality, short to medium-term investments with active secondary markets that complement each other and provide liquidity and diversification. The maximum dollar weighted average investment maturity (WAM) of the total portfolio shall be 365 days or less and calculated using the stated final maturity dates of each investment.

Effective cash management is recognized as essential to good fiscal management and to maximize investment interest as a viable and material revenue source. Cash management is defined as the process of managing monies to maximize cash availability and yields on all funds. It encompasses the processing from invoicing to collection and the flow of funds from receipt through expenditure. The Authority shall maintain an active cash management program that includes collection of accounts receivable on a timely basis, timely vendor payments in accordance with invoice terms, and prudent investment of its all funds.

The Authority has a proactive “buy and hold” portfolio strategy. Maturity dates are matched with anticipated cash flow requirements as necessary and investments are purchased with the intent to be held until maturity. However, securities may be sold before they mature if market conditions present an opportunity for the Authority to benefit overall from the trade. Securities may be sold for the following reasons:

- A security with declining credit may be sold early to minimize the risk of loss of principal;
- A security swap would improve the quality, yield or target duration in the portfolio and result in a positive horizon value of the swap;
- Liquidity needs of the portfolio require that the security be sold.

The Authority may commingle funds in one portfolio for investment purposes while addressing the unique characteristics of the funds represented in the portfolios. The overall portfolio will have a maximum weighted average maturity of 365 days to address the needs of all represented funds.

- Operating Funds** must meet anticipated cash flow needs with adequate investment liquidity. This may be accomplished by purchasing high credit quality securities matched to known liabilities in a laddered structure. Based on a fiscal year, these funds would normally have a weighted average maturity of 6-9 months.
- Funds Available for Investment** do not have immediate liquidity needs and therefore have as their primary objective the generation of incremental income through safe medium term investments. The funds are normally invested longer than one year to capture reasonable yield.

VI. RESPONSIBILITY AND CONTROL

A. Delegation of Authority

Investment Officers

In accordance with Section 2256.005(f) of the Act, the Port Commission will designate by resolution the Chief Financial Officer, Financial Controller, and Chief Accountant of the Authority as the Investment Officers responsible for the investment of the Authority’s funds. The authority granted to the Investment Officers is effective until rescinded by the Port Commission or until termination of the person’s employment by the Authority. The Investment Officers shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the investment activities of Authority. No person may engage in an investment transaction except as provided under the terms of this Policy.

The Port Commission may contract with a SEC registered investment management firm to provide for the investment and management of funds under its control. The investment adviser(s) in the investment management firm are considered to be the Investment Officer(s) of the Authority. The initial contract made under authority of this subsection may not be for a term longer than two years (2256.003(b)), and



Investment Policy

the Port Commission must approve any renewal or extension of such contract with any term. Authority granted to invest the Authority's funds is effective until rescinded by the Port Commission or until expiration of the contract with the Authority.

In the administration of the duties of an Investment Officer, the Investment Officer(s) shall exercise the judgment and care, under prevailing circumstances that a prudent person would exercise in the management of the person's own affairs, but the Port Commission of the Authority retains ultimate responsibility as fiduciaries of the assets of the Authority. Unless authorized by law or resolution of the Commission, a person may not deposit, withdraw, transfer, or manage in any other manner the funds of the Authority.

Investment Committee

An Investment Committee, consisting of three Port Commission appointees shall meet at least quarterly with the Director of Finance and any other designated Investment Officers to review operational strategies and to monitor investment results. The Investment Committee shall include in its deliberation the following topics: economic outlook, portfolio diversification, maturity structure, risk, and performance of the portfolio(s) and other topics at the discretion of the Committee.

The Investment Committee will review quarterly reports and will, on no less than an annual basis, review and adopt the list of authorized broker/dealers and training providers. The Committee will annually review the Policy and recommend changes to the Commission.

Port Commission

The Port Commission has the ultimate fiduciary responsible for the investment of Port Authority assets. It is required by the Act to:

- Designate Authority Investment Officers by resolution,
- Adopt the Investment Policy and Strategy at least annually,
- Review and adopt the broker/dealer list at least annually,
- Review quarterly investment reports, and
- Provide for training of investment officers.

Investment Advisers

Any Investment Adviser contracted by the Authority is required to comply with this Policy in all transactions.

B. Training

Investment Officers must obtain training in accordance with Section 2256.008 of the Act. The Investment Officers shall attend at least one ten-hour investment training session within twelve months of taking office or assuming duties and receive not less than ten hours of instruction relating to investment responsibilities every succeeding fiscal two years. The training provider must be an independent source. The following are organizations currently approved by the Authority's Investment Committee for providing this training:

Government Finance Officers Association
Government Finance Officers Association of Texas
Government Treasurers Organization of Texas
Association of Public Treasurers US&C



Investment Policy

Texas Municipal League
University of North Texas, Center for Public Management
Patterson & Associates

If the Investment Officer desires to attend an investment-training seminar presented by another organization or on-line for training credit, the Investment Committee must approve such training.

C. Internal Control

An internal control structure shall be established and maintained by the Chief Financial Officer to protect the assets of the Authority from loss, theft or misuse. The structure should recognize that (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. Accordingly, the Authority shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures and the Act.

D. Prudence

The standard of prudence to be used by the Investment Officers shall be the “Prudent Person Rule”, as set forth in Section 2256.006 of the Act and will be applied in the context of managing the overall portfolio:

“Investments shall be made with judgment and care under circumstances then prevailing – which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

Investment Officers acting in accordance with written procedures and this Policy and exercising due diligence do not have personal liability for an individual security’s credit risk or market price change, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

E. Ethics and Conflict of Interest

Investment Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Investment Officers and employees shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Investment Officers shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of the Authority.

Anyone involved in investing Authority funds shall file with the Authority and Texas Ethics Commission a statement disclosing any personal or business relationship and any material financial interest in a business organization that handles Authority investments.

Any Investment Officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the Authority shall file a statement disclosing that relationship with the Port Commission and the Texas Ethics Commission.

VII. AUTHORIZED INVESTMENTS

Assets of the Authority may be invested in only the following instruments as authorized and further defined by the Act.

1. Obligations of the US Government, its agencies and instrumentalities with a maximum stated maturity of three-years, excluding mortgage backed securities.
2. Fully insured or collateralized depository certificates of deposit issued by banks doing business in Texas collateralized in accordance with this Policy, under the terms of a written agreement, and with a maximum stated maturity of one year.
3. Fully collateralized repurchase agreements with a defined termination date secured in accordance with this Policy and placed with a primary securities dealer. All repurchase agreement transactions shall be governed by an executed Bond Market Association MasterRepurchase Agreement. The maximum stated maturity shall be 90 days except for bond fund flex repurchase agreements, which will match expenditure plans on the bond funds.
4. AAA-rated, Local Government Investment Pools which strive to maintain a \$1 net asset value and as defined by the Act and specifically approved by resolution of the Port Commission.
5. A SEC registered Money Market Mutual Fund whose assets consist exclusively of obligations of the US Treasury, its agencies or instrumentalities and repurchase agreement backed by those securities and which strive to maintain a \$1 net asset value.
6. Fully insured and collateralized interest bearing accounts in banks doing business in Texas.
7. FDIC insured brokered certificates of deposit from a bank in any US state, delivered versus payment to the Authority's safekeeping agent, not to exceed one year to maturity. Before purchase, the Investment Officer/Adviser must verify the FDIC status of the bank on www.fdic.gov to assure that the bank is FDIC insured.
8. General debt obligations of states, agencies, counties, cities and other subdivisions of any US state rated as to investment quality by a nationally recognized rating firm not less than AA or its equivalent with a stated maturity of threeyears. Bonds will be limited to a maximum of \$10 million per issuer and block size purchases are limited to \$10 million.
9. A1/P1 commercial paper with a maturity not to exceed 180 days.

If additional types of securities are approved for investment by public funds by state statute, they will not be eligible for investment by the Authority until this Policy has been amended and the amended version adopted by the Port Commission. Should an investment type become unauthorized by the Act or this Policy, existing positions need not be liquidated without prudent consideration of the impact on the entire portfolio. The Investment Committee and Commission shall be notified of the change immediately.



VIII. INVESTMENT PARAMETERS AND CONTROLS

Diversification

The Authority recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Risk is controlled through portfolio diversification, which shall be achieved by using the following general guidelines:

- Avoiding over-concentration in securities from a specific issuer or business sector;
- Limiting investment in securities that have potential credit risks;
- Laddering securities with varying maturities to match cash flow, and;
- Maintaining a liquid portion of the portfolio in readily available funds such as local government investment pools, money market funds, bank liquidity options, or overnight repurchase agreements to ensure the appropriate liquidity is maintained in order to meet ongoing obligations.

The following maximum limits, by instrument, are established for the Authority's total portfolio:

| | |
|------------------------------------|------|
| U.S. Treasury Securities | 100% |
| U.S. Agency Securities | 100% |
| Depository Certificates of Deposit | 80% |
| Repurchase Agreements | 100% |
| Flex Agreements by bond fund | 100% |
| Local Government Investment Pools | 100% |
| Percent of pool ownership | 10% |
| Money Market Mutual Funds | 100% |
| Percent of fund ownership | 10% |
| Interest Bearing Accounts | 100% |
| Brokered Certificates of Deposit | 10% |
| State and Local Debt Obligations | 80% |
| Commercial Paper | 15% |

Competitive Quotes or Offers

All transactions will require competitive solicitation of bids or offers except for:

- Transactions with money market mutual funds and local government investment pools;
- Automatic overnight "sweep" transactions with the Authority's Depository.

At least three bids or offers must be solicited for transactions involving individual securities and certificates of deposit. The Authority's investment advisor is also required to solicit at least three bids or offers when transacting trades on the Authority's behalf. In situations where other dealers do not offer the exact security being offered, offers on the closest comparable investment may be used to establish a fair market price for the security. Securities purchased at issue must be compared to other similar offering to determine competitive value.

Delivery vs. Payment

All security transactions will be executed on a delivery versus payment basis. That is, Authority funds shall not be released until the security or collateral has been received by the custodian. Securities shall be held in the name of the Authority or pledged to the Authority. The Custodian's records shall affirm the

Authority's ownership of the securities. The original copy of all safekeeping receipts shall be delivered to and maintained by the Authority.

Monitoring Credit Quality

The Investment Officer or Investment Adviser shall monitor, on no less than a weekly basis, the credit rating on all authorized investments in the portfolio which require a rating based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the Investment Officer or adviser shall notify the Investment Committee within one week of the loss of rating, conditions affecting the rating and possible loss of principal with liquidation options available.

Monitoring FDIC Status

The Investment Officer or Investment Adviser shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered CDs owned by the Authority based upon information from the FDIC. If any bank has been acquired or merged with another bank in which brokered CDs are owned, the Investment Officer or Adviser shall immediately liquidate any brokered CD which places the Authority above the FDIC insurance level.

IX. FINANCIAL COUNTER-PARTIES

Broker/Dealers

The Investment Committee shall, at least annually, review and adopt a list of authorized broker/dealers authorized to engage in investment transactions with the Authority. Transactions may be executed only with broker/dealers on the authorized list. In order to be considered, those firms that desire to become qualified broker/dealers for investment transactions will be required to provide information regarding creditworthiness, experience and reputation.

Financial institutions offering only certificates of deposit need not be on the authorized list but must provide all the required Authority information before the transaction is made. Authorized firms may include primary dealers or regional broker/dealers and qualified depositories as established by Chapter 105 of the Local Government Code. A list of not less than three broker/dealers shall be maintained to assure a competitive process.

Financial institutions and broker/dealers who desire to transact business must supply the following documents to the Investment Officer or Investment Adviser (as applicable).

- Current year and annual audited financial statements;
- Financial Industry Regulatory Association (FINRA) certification and FINRA Central Depository Registration (CRD) number;
- Proof of Texas State Securities registration (broker/dealer).
- Completion of a questionnaire detailing contact and experience.

No investment transactions (except CDs) may be entered into with the bank or a brokerage subsidiary of the central depository bank in order to fulfill all delivery versus payment (DVP) requirements for trade independence.

Certification



Investment Policy

A written copy of the current Investment Policy shall be presented to any local government pool authorized by the Authority. Investments shall only be made with those pools which have provided the Authority with a written instrument executed by a qualified representative of the firm, in a form acceptable to the Authority and the pool substantially to the effect that the pool has:

- Received and reviewed the Authority's Investment Policy, and;
- Implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Authority and the pool that are not authorized by the Authority's Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the Authority's entire portfolio or requires an interpretation of subjective investment standards.

Depositories

At least every five years the Authority will designate one banking institution through a competitive process as its central banking services provider. In selecting a depository, the services, cost of services, credit worthiness, earnings potential, and collateralization of each financial institutions shall be considered. This institution will be used for normal banking services including disbursements, deposits, and safekeeping of securities. Certificates of deposit may be purchased from this depository on a competitive basis.

Depository/collateral agreements executed in accordance with FIRREA will be established before funds are deposited.

Other banking institutions from which the Authority may purchase certificates of deposit will also be designated as depositories and must execute a written depository contract in accordance with the collateral provisions of this Policy as applicable.

Safekeeping of Authority Owned Securities

All securities owned by the Authority (including repurchase collateral) will be settled **delivery versus payment**(DVP) into an Authority approved custodial arrangement. The custodian shall be a party independent from the trade.

Safekeeping of Securities Pledged to the Authority

All securities pledged to the Authority by a financial institution will be custodied with an Authority approved custodian. The custodian shall be a party independent from the pledging bank.

X. COLLATERAL

Consistent with requirements of the Public Funds Collateral Act (Texas Government Code, 2257), the Authority requires that all time and demand deposits of Authority funds shall be secured by pledged collateral with a market value equal to or greater than 102% of the principal plus accrued interest on deposit less an amount insured by FDIC.

All collateral shall be held in an independent third party institution outside the holding company of the depository and approved by the Authority. The custodian will provide evidence of proper collateralization in the form of original safekeeping receipts and provide monthly reports directly to the Authority listing the collateral held.

Substitution rights are granted but new collateral must be pledged before existing collateral is released to the depository by the custodian.

The depository shall be contractually liable for the monitoring and maintaining of collateral daily.



The Authority shall accept only the following as collateral. Preference will be given to banks offering actual pledged securities:

- FDIC insurance coverage;
- Obligations of the United States of America, its agencies and instrumentalities including mortgage-backed securities which pass the bank test of the Federal Reserve.
- FHLB Letters of Credit

If a depository offers pooled collateral under the purview of the State Comptroller, the Investment Officers will review the program and present their recommendation to the Investment Committee. Use will require approval by the Investment Committee.

Repurchase Agreements (Owned Collateral)

Collateral under a repurchase agreement is owned by the Authority. It will be held by an independent third party safekeeping agent approved by the Authority under the terms of an executed Bond Market Association Master Repurchase Agreement. Collateral with a market value totaling 102% of the principal and accrued interest is required and the counter-party is responsible for the daily monitoring and maintaining of collateral and margins.

XI. REPORTING

The Investment Officers/Adviser will prepare monthly and quarterly reports and provide quarterly reports to the Investment Committee and Port Commission, within a reasonable time after the end of each quarter.

The quarterly report shall contain at a minimum the following:

- Signatures of each Investment Officer(s);
- A summary statement prepared in compliance with generally accepted accounting principles that states the:
 - Beginning and ending market value for portfolio for the reporting period;
 - Addition and changes to the market value during the period;
 - Fully accrued interest and amortized earnings for the reporting period;
- Statement of book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset invested;
- Statement of the maturity date of each separately invested asset;
- Statement of the account or fund for which each individual investment was acquired;
- Statement of the overall weighted yield on the portfolio and the yield for the benchmark(s); and
- Statement of the compliance of the investment portfolio as it relates to:
 - The investment strategy in the Authority's Investment Policy; and
 - Relevant provisions of the Act.

Pricing for valuation purposes shall be obtained from independent sources.

The Authority's external, independent auditor will conduct an annual review of the quarterly reports in conjunction with the annual financial audit. The results of the audit will be reported to the Port Commission upon receipt. The audit will review compliance with management control on investments and adherence to this Investment Policy.



XII. INVESTMENT POLICY ADOPTION

The Authority's Investment Policy shall be subject to revision to remain current with changing laws, regulations, market conditions, and needs of the Authority, and shall be reviewed annually by the Investment Committee. The Committee will recommend any changes or modifications to the Port Commission for review and adoption. The Authority's Investment Policy shall be adopted by resolution of the Port Commission and that resolution will include any changes made to the Policy.

GLOSSARY OF TERMS

Accretion: The straight line increase in value of an asset bought at a discount to its maturity price at par. The accretion represents earnings to the owner of the security.

Accrued Interest: The accumulated interest due on a note/bond at the coupon rate as of the last interest payment made by the issuer.

Agency: A debt security issued by a federal or federally sponsored agency. Some federal agencies are backed by the full faith and credit of the U.S. Government. Government Sponsored Enterprises (GSEs) are backed by each particular agency with a market perception that there is an implicit government guarantee. An example of a federal agency is the Government National Mortgage Association (GNMA). An example of a GSE is the Federal National Mortgage Association (FNMA).

Amortization: The straight line decrease in value of an asset bought at a premium to its maturity price at par. The amortization is an expense to the owner reducing earnings.

Ask Price: The price at which securities are offered for sale. The price the Authority pays to buy a security.

Bank: A financial institution or the Authority's banking services depository.

Basis Point: A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of a percent of yield. e.g., "1/4" of 1 percent is equal to 25 basis points (0.25% or 0.0025).

Bid: The price at which an investor will sell a security.

Book Value: The value at which a security is carried on the inventory lists or other financial records of an investor. The book value is net of amortization or accretion. The book value may differ significantly from the security's current value in the market.

Bond: A security which has a principal amount and a coupon rate. The terms 'note' and 'bond' may be used interchangeably. "The Bond" is the longest Treasury being auctioned at any time.

Broker: A broker brings buyers and sellers together. He does not have a portfolio so takes no position in the trade. In the money market, brokers do not charge any fee or commission. All prices to the Authority are net of any commissions or fees taken by the broker/dealer.

Callable Bond: A debt security embedded with a call option giving the issuer the option to redeem before maturity under specified conditions. There may be multiple structures of the call.

Call Price: The price at which an issuer may redeem a bond prior to maturity.

Call Risk: The risk to a bondholder that a bond may be redeemed prior to maturity and funds re-invested at lower yields.

Cash Settlement: A transaction on which the trade and settlement of the security occur on the same day .

Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a certificate. In Texas, public funds CDs must be collateralized or insured. Negotiable CDs are not permitted in Texas.

Collateralization: The pledge of securities, insurance, property, or other deposits for the purpose of securing the repayment of a loan and/or security. In Texas bank collateral is controlled by the Public Funds Collateral Act (Texas Government Code Chapter 2257).

Comprehensive Annual Financial Report (CAFR): The official annual report for the Authority. It includes combined statements and basic financial statements for each individual fund and account group prepared in conformity with GAAP.

GLOSSARY OF TERMS

It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provision, extensive introductory material, and a detailed statistical section.

Coupon Rate: The annual rate of interest received by an investor on fixed-income securities. Also known as the “interest rate.”

Credit Quality: The measurement of the financial strength of a security issuer. This measurement helps an investor to understand an issuer’s ability to make timely interest payments and repay the principal upon maturity. Generally, the higher the credit quality of an issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

Credit Risk: The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

Current Yield (Current Return): A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

Dealer: A dealer, as opposed to a broker, has an inventory of securities and can act as a principal in all transactions, buying and selling for his own account. A dealer can also act as a broker.

Debenture: A bond secured only by the general credit of the issuer.

Delivery versus Payment: Delivery of securities with a simultaneous exchange of money effected by the custodian. Guarantees Authority control over cash and securities.

Derivative Security: Security created from, or whose value depends upon, a security or one or more underlying assets or indexes of asset values.

Discount: The dollar or point difference between the price of a security and its redemption value (at par). Net it represents the earnings on a "discount security".

Discount Securities: Non-interest bearing money market instruments with an initial maturity less than one year that are always issued at a discount price (below par) and redeemed at maturity for full face value, e.g., U.S. Treasury Bills or agency discount notes.

Diversification: A process of investing assets among a range of security types by sector, maturity, and quality rating.

Duration: A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates. More important on longer securities.

Fair Market Value: The amount at which a security could be sold in a current transaction between willing parties, other than in a forced or liquidation sale.

Federal Funds (Fed Funds): Rate at which Federal Reserve Banks may lend funds to each other overnight or on a longer basis. Fed funds are considered to be immediately available funds and a prime short-term measure of rates.

Federal Funds Rate: Effective interest rate charged by one banking institution lending federal funds to the other.

Federal Credit Agencies: Agencies of the federal government set up to supply credit to various classes of institutions and individuals, e.g. small business firms, farmers, farm cooperatives, and exporters. 65

GLOSSARY OF TERMS

Federal Deposit Insurance Corporation (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per deposit.

Federal Home Loan Banks (FHLB): The institutions that regulate and lend to member banks. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-à-vis member commercial banks. The banks are owned by their regional banks

Federal National Mortgage Association (FNMA or Fannie Mae): Agency issuing both debentures and mortgage-backed securities. FNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (H.U.D). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest. FNMA is in conservatorship from 2009-2013.

Federal Open Market Committee (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotating basis. The Committee periodically meets ten times each year to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money. Their guidelines are executed by the Federal Reserve New York.

Federal Reserve System: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,900 commercial banks that are members of the system.

Financial Industry Regulatory Authority (FINRA): A self-regulatory organization (SRO) of brokers and dealers. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities. (www.FINRA.org allows access to research members via their CRD number).

Government National Mortgage Association (GNMA or Ginnie Mae): Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, and other institutions. Securities are full faith and credit of the U.S. Government. Ginnie Mae mortgage backed securities are backed by FHA, VA or FMHM mortgages. The term "pass-through" is often used to describe Ginnie Mae's. Ginnie issues no debentures or derivatives.

Government Securities: An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest credit quality of investment securities available in the securities market. See "Treasury Bills, Notes, and Bonds."

Interest Rate: See "Coupon Rate."

Interest Rate Risk: 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.

Internal Controls: A structure designed to provide reasonable assurance that the assets of the entity are protected from loss, theft, or misuse. Internal controls normally address the following:

- **Collusion** – Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
- **Separation of responsibilities** – By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
- **Safekeeping** – Placement of securities with an independent third party for custody.

GLOSSARY OF TERMS

Investment Policy: A concise and clear statement of the investment objectives and parameters approved by the governing body .

Liquidity: The ability to convert easily and rapidly into cash.

Local Government Investment Pool (LGIP): An investment by local governments in which their money is pooled as a method for managing local funds. Created under the Interlocal Cooperation Act.

Mark-to-Market: The process whereby a security is priced to identify its current (or fair) market value.

Market Risk: The risk that the value of a security will rise or decline as a result of changes in market conditions.

Market Value: Current price at which a security could be sold in the open market.

Master Repurchase Agreement: The master agreement defines the nature of the transaction, identifies the relationship between the parties, establishes ownership and custody of the collateral securities during the term of the investment, and provides remedies in the case of default by either party. The industry standard is the SIFMA Master Repurchase Agreement. A master agreement is required under Texas law.

Maturity: The date on which the final payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value and interest due to the bondholder .

Money market: The market under one year in which short-term debt instruments (bills, discos, commercial paper, bankers' acceptances, etc.) are issued and traded.

Money Market Mutual Fund (MMMF): SEC registered securities structured as a fund in which owners own their pro rata share of the underlying investments. These funds invest solely in money market instruments. MMMF's are designed for liquidity and strive to maintain a \$1 net asset value.

Mutual Fund: An SEC registered security "investment company" that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940. Mutual funds are designed for yield enhancement.

Net Asset Value: The market value of one share of a MMMF or mutual fund. This value is calculated by totaling a fund's assets which includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio.

Offer: An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the "ask price." The price at which the Authority would buy a security.

Open Market Operations: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

Par: Face value or principal value of a bond. A price of 100 (or \$1 for \$1).

Portfolio: Collection of securities owned by an investor.

Premium: The amount by which the price paid for a security exceeds the security's par value. The premium amount is amortized over the life of the owned security.

GLOSSARY OF TERMS

Prime Rate: A preferred interest rate charged by commercial banks to their most creditworthy customers. Many interest rates are keyed to this rate. Prime averages 2% over 6-month Treasury.

Primary Dealer: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks and a few unregulated firms (www.newyorkfed.org/markets/pridealers_current.html). Primaries provide liquidity to the Treasury.

Principal: The face value or par value of a debt instrument. Also the amount of capital invested in a given security.

Prospectus: A legal document that must be provided to any purchaser of a MMMF or mutual fund registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements.

Prudent Person Rule: An investment standard outlining the fiduciary responsibilities of investors relating to investment practices.

Qualified Public Depositories: A Texas financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of the state, which has segregated for the benefit of the Commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

Rate of Return: The yield obtainable on a security based on its current market price. As opposed to yield this includes consideration of the current market value.

Reinvestment Risk: The risk that a fixed income investor will be unable to reinvest income proceeds from a security holding at the same yield currently generated by that holding.

Repurchase Agreement (RP or REPO): A simultaneous buy-sell agreement in which one party purchases securities at a specified price from a second party and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

Safekeeping: Custody of assets (e.g. securities) by a financial institution. Always done by an independent party to perfect and control ownership.

Secondary Market: A market made for the purchase and sale of outstanding issues following the initial distribution.

Securities & Exchange Commission: Agency created by Congress to protect investors in securities transactions by administering securities legislation. The agency regulates securities, funds and investment advisers.

Swap: Selling one asset and purchasing a second security at the same time.

Term Bond: Bonds comprising a large part or all of a particular issue, which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

Total Return: The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period. $(\text{Price Appreciation}) + (\text{Dividends paid}) + (\text{Capital gains}) = \text{Total Return}$

GLOSSARY OF TERMS

Treasury Bills: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. All bills are issued to mature in three months, six months or one year in minimum denominations of \$1,000.00. The yields on bills are monitored closely in the money markets for signs of interest rate trends.

Treasury Bond: Long-term U.S. Treasury securities having initial maturities of more than ten years. Used as key indicators for mortgage rates.

Treasury Notes: Intermediate term coupon bearing U.S. Treasury securities having initial maturities from over one to ten years.

Volatility: A degree of fluctuation in the price and valuation of securities.

Volatility Risk Rating: A rating system to clearly indicate the level of volatility and other non-credit risks associated with securities and certain bond funds. The ratings for bond funds range from those that have extremely low sensitivity to changing market conditions and offer the greatest stability of the return (“aaa” by S&P; “V-1” by Fitch) to those that are highly sensitive with currently identifiable market volatility risk (“ccc” by S&P, “V-10” by Fitch).

Weighted Average Maturity (WAM): The dollar weighted average maturity of all the securities that comprise a portfolio based on book value and days-remaining-maturity. Establishing a maximum WAM guards against over-extension.

When Issued (WI): A buy or sell transaction in which a security has been announced but not yet issued. All “when issued” transactions are settled when the actual security is issued.

Yield: The current rate of return on an investment security generally expressed as a percentage of the security’s current price.

Yield-to-Call (YTC): The rate of return an investor earns from a bond assuming the bond is redeemed on its calldate.

Yield Curve: A graphic representation that depicts the relationship at a given point in time between yields and maturity on US Treasury securities. The "normal" yield curve is upward sloping i.e. a positive yield curve.

Yield-to-Maturity: The yield on a debt security held to maturity when both interest payments and the investor’s potential capital gain or loss are included in the calculation of return. It assumes that all coupon interest is reinvested at the same rate as the initial coupon therefore not as valid on long securities.

LISTING OF AUTHORIZED BROKER/DEALERS

Bank of America Merrill Lynch

BOSC, Inc. (Subsidiary of Bank of OK)

Cantor Fitzgerald

First Southwest Securities

Frost Capital Markets

FTN Securities (previously First Tennessee)

Int'l FC Stone (formerly GX Clark Securities)

Mizuho Securities

Morgan Stanley

Mutual Securities

Nomura Securities

Piper Jaffray

Raymond James

RBC Capital Markets

Robert W Baird

Stifel Nicolaus

Vining Sparks

Williams Capital Group

Investment Policy Changes August 2017
Port of Corpus Christi

Changes in the Investment Policy and Strategy are a result of title changes at the Port and statutory changes to the Public Funds Investment Act (the “Act”) during the 2017 legislative session.

The “Finance Director” title has been changed to the Chief Financial Officer in accordance with Port classifications. Financial Controller has been added as an Investment Officer.

The primary change to the Act that affect the Policy have to do with the policy certification process. Previously, broker/dealers and banks and pools came under the requirement for “business organizations” to review and certify that review to the public entity. The definition of “Business Organization” has now been restricted to only local government pools and discretionary investment advisers. The Policy was changed to require only the pools to certify the policy.

The discretionary adviser was not addressed in the policy because the Port does not (and should not) use a discretionary adviser. A discretionary adviser would have total control over and make decisions on the portfolio without input from the Port staff on time horizons or cash flows. With an operating portfolio the Port must be the final control to assure adequate liquidity so this reference was not included in the Policy.

The reason the certification for broker/dealers was removed was primarily because of the scope of responsibility on the broker. Many of the larger dealers especially felt that there was too much room for litigation because of the wide scope of decisions made on the portfolios. For example, an entity may be allowed to buy CP but only 30% of the portfolio can be in CP. If the broker did not have access to all the information then they could sell the entity CP and not be in compliance with the Policy. In addition, with the extreme compliance requirements of the broker/dealers now many of the primary firms especially have decided that they will not do business in Texas with this additional compliance requirement.

The certification requirement remains for the pools because of the large number of different types of pools in the state vying for business. It is felt that the pools should verify that the pool actually does fit the particular type of pool allowed by Policy since the statute allows so many varieties.

The Port’s certification form which was from the statute was also removed from the policy because the pools will undoubtedly have a standard format and form for certification which can be used by the Port. Of course the Port can still require its own certification and must agree to the language provided by the pool.

In addition to the policy wording changes there are several changes in the authorized broker/dealer list to be approved. As always as coverages (and trading desks) change, we see varying value in the brokerage offerings. As a result the list changes as necessary to assure that the Port is receiving the best competitive prices.

**RESOLUTION RELATED TO REVIEW OF INVESTMENT POLICY
AND INVESTMENT STRATEGIES**

WHEREAS, Section 2256.005(e), Texas Government Code, as amended, requires the governing body of an investing entity to review its investment policy and investment strategies not less than annually; and

WHEREAS, Section 2256.005(e), Texas Government Code, as amended, further requires the governing body to adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies; and

WHEREAS, the Port Commission of the Port of Corpus Christi Authority wishes to fully comply with the provisions of Section 2256.005(e), Texas Government Code; and

WHEREAS, the Port Commission did on this date review its investment policy and investment strategies in a properly posted public meeting;

NOW, THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION OF THE PORT OF CORPUS CHRISTI AUTHORITY AS FOLLOWS:

Section 1. The Port Commission hereby approves and adopts the Port of Corpus Christi Authority Investment Policy (dated August 2017), including the investment strategies contained therein, in the form presented to this meeting.

Section 2. The changes to PCCA's current investment policy and investment strategies are as follows:

- Changed title of Director of Finance to Chief Financial Officer and add Financial Controller
- Elimination of previous policy certification required for banks and broker/dealers in accordance with statutory changes. Maintenance of policy certification requirement for local government pools.
- Elimination of the policy certification form previously used by the Port.
- New broker/dealers added to the authorized broker/dealer list include FTN Securities, Int'l FC Stone (previously GX Clark), Nomura Securities, Piper Jaffray, Vining Sparks and Williams Group. Broker/dealers removed from the authorized broker/dealer list include Comerica and Morgan Keegan.

Section 3. This resolution is adopted by the Port Commission this 15th day of August, 2017.

* * * * *



FINANCIAL REVIEW

For the Quarter Ended June 30, 2017



PORTCORPUSCHRISTI®

Moving America's Energy



connect with us: portofcc.com





Table of Contents

- **Net Position**
- **Revenues and Expenses**
- **Tonnage/Ship & Barges**
- **Capital Projects**
- **Bond Projects**



Net Position

| STATEMENT OF NET POSITION | | | | | | | |
|--------------------------------|-----------------------|-----------------------|----------------------|-----------|-----------------------|----------------------|-------------|
| | June | December | | | June | Year-Over-Year | |
| | 2017 | 2016 | Annual Change | % | 2016 | Change | % |
| Cash/ Investments | \$ 194,464,413 | \$ 185,629,316 | \$ 8,835,097 | 5% | \$ 168,632,164 | \$ 25,832,249 | 15% |
| A/R | \$ 24,093,281 | \$ 28,733,764 | \$ (4,640,483) | -16% | \$ 11,874,048 | \$ 12,219,233 | 103% |
| Restricted Assets | \$ 67,794,367 | \$ 70,859,926 | \$ (3,065,559) | -4% | \$ 79,985,537 | \$ (12,191,170) | -15% |
| P P & E, net | \$ 416,769,589 | \$ 390,123,868 | \$ 26,645,721 | 7% | \$ 373,715,673 | \$ 43,053,916 | 12% |
| Other | \$ 2,120,893 | \$ 1,772,905 | \$ 347,988 | 20% | \$ 4,559,133 | \$ (2,438,240) | -53% |
| Total Assets | \$ 705,242,543 | \$ 677,119,779 | \$ 28,122,764 | 4% | \$ 638,766,555 | \$ 66,475,988 | 10% |
| Deferred Outflows-Pension | \$ 5,529,207 | \$ 5,529,207 | \$ - | 0% | \$ 1,958,889 | \$ 3,570,318 | 182% |
| Total Deferred Outflows | \$ 5,529,207 | \$ 5,529,207 | \$ - | 0% | \$ 1,958,889 | \$ 3,570,318 | 182% |
| Current Liabilities | \$ 8,743,559 | \$ 9,817,273 | \$ (1,073,714) | -11% | \$ 7,938,590 | \$ 804,969 | 10% |
| Unearned Income | \$ 44,733,071 | \$ 34,146,050 | \$ 10,587,021 | 31% | \$ 14,190,991 | \$ 30,542,080 | 215% |
| Long-term Debt | \$ 110,640,000 | \$ 110,640,000 | \$ - | 0% | \$ 115,000,000 | \$ (4,360,000) | -4% |
| Other | \$ 5,842,337 | \$ 5,781,876 | \$ 60,461 | 1% | \$ 4,466,450 | \$ 1,375,887 | 31% |
| Total Liabilities | \$ 169,958,967 | \$ 160,385,199 | \$ 9,573,768 | 6% | \$ 141,596,031 | \$ 28,362,936 | 20% |
| Deferred Inflows-Pension | \$ 180,958 | \$ 180,958 | \$ - | 0% | \$ - | \$ 180,958 | 100% |
| Total Deferred Inflows | \$ 180,958 | \$ 180,958 | \$ - | 0% | \$ - | \$ 180,958 | 100% |
| Investment in Net Assets | \$ 329,193,560 | \$ 306,107,673 | \$ 23,085,887 | 8% | \$ 294,234,451 | \$ 34,959,109 | 12% |
| Restricted Net Position | \$ 36,754,709 | \$ 36,031,915 | \$ 722,794 | 2% | \$ 36,034,033 | \$ 720,676 | 2% |
| Unrestricted Net Position | \$ 174,683,556 | \$ 179,943,241 | \$ (5,259,685) | -3% | \$ 168,860,929 | \$ 5,822,627 | 3% |
| Total Net Position | \$ 540,631,825 | \$ 522,082,829 | \$ 18,548,996 | 4% | \$ 499,129,413 | \$ 41,502,412 | 8% |



Revenues & Expenses

| STATEMENT OF REVENUES AND EXPENSES | | | | | | |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------|-----------------------|
| | June YTD | | | Change | | |
| | 2017 | | 2016 | Budget | % | Actual |
| | Actual | Budget | Actual | | | |
| Wharfage | \$ 23,490,965 | \$ 24,364,317 | \$ 19,822,718 | \$ (873,352) | -4% | \$ 3,668,247 |
| Dockage | \$ 6,650,807 | \$ 6,573,840 | \$ 5,759,603 | \$ 76,967 | 1% | \$ 891,204 |
| Security | \$ 3,331,480 | \$ 3,939,120 | \$ 2,862,341 | \$ (607,640) | -15% | \$ 469,139 |
| Other Shipping Services | \$ 5,063,033 | \$ 4,987,673 | \$ 3,757,176 | \$ 75,360 | 2% | \$ 1,305,857 |
| Building and Land Rental | \$ 6,070,883 | \$ 6,089,132 | \$ 5,845,494 | \$ (18,249) | 0% | \$ 225,389 |
| Total Operating Revenues | \$ 44,607,168 | \$ 45,954,082 | \$ 38,047,332 | \$ (1,346,914) | -3% | \$ 6,559,836 |
| Employee Services | \$ 10,443,540 | \$ 11,711,601 | \$ 10,098,085 | \$ (1,268,061) | -11% | \$ 345,455 |
| Maintenance | \$ 1,635,327 | \$ 4,417,874 | \$ 3,062,043 | \$ (2,782,547) | -63% | \$ (1,426,716) |
| Utilities/ Telephone | \$ 710,062 | \$ 633,757 | \$ 664,097 | \$ 76,305 | 12% | \$ 45,965 |
| Insurance | \$ 740,574 | \$ 832,657 | \$ 841,878 | \$ (92,083) | -11% | \$ (101,304) |
| Prof/ Contracted Services | \$ 3,192,431 | \$ 4,092,568 | \$ 3,534,328 | \$ (900,137) | -22% | \$ (341,897) |
| Operator/ Event Expenses | \$ 909,772 | \$ 819,375 | \$ 797,453 | \$ 90,397 | 11% | \$ 112,319 |
| Admin/Trade Dmp/Other | \$ 2,082,824 | \$ 2,225,192 | \$ 1,943,873 | \$ (142,368) | -6% | \$ 138,951 |
| Depreciation | \$ 6,280,682 | \$ 6,564,036 | \$ 6,572,538 | \$ (283,354) | -4% | \$ (291,856) |
| Total Operating Expenses | \$ 25,995,212 | \$ 31,297,060 | \$ 27,514,295 | \$ (5,301,848) | -17% | \$ (1,519,083) |
| Net Operating Income(Loss) | \$ 18,611,956 | \$ 14,657,022 | \$ 10,533,037 | \$ 3,954,934 | 27% | \$ 8,078,919 |
| Interest Income | \$ 1,870,584 | \$ 811,350 | \$ 999,044 | \$ 1,059,234 | 131% | \$ 871,540 |
| Other Revenue | \$ 108,097 | \$ 127,122 | \$ 77,468 | \$ (19,025) | -15% | \$ 30,629 |
| Gain(Loss) Disposal of Assets | \$ (1,728) | \$ - | \$ - | \$ (1,728) | -100% | \$ (1,728) |
| Interest/Bond Expense | \$ (2,058,440) | \$ (2,058,787) | \$ (2,075,572) | \$ 347 | 0% | \$ 17,132 |
| Other Expense | \$ (4,799,014) | \$ (3,718,754) | \$ (3,000,000) | \$ (1,080,260) | 29% | \$ (1,799,014) |
| Other Revenue(Expenses) | \$ (4,880,501) | \$ (4,839,069) | \$ (3,999,060) | \$ (41,432) | -1% | \$ (881,441) |
| Net Income(Loss) | \$ 13,731,455 | \$ 9,817,953 | \$ 6,533,977 | \$ 3,913,502 | 40% | \$ 7,197,478 |



Tonnage/Ships & Barges

| TONNAGE | | | | | | | | |
|----------------------|------------------|------------------|------------------------|-----------|-------------------|-------------------|--------------------------|------------|
| | June | | Mth Over Mth Change | % | YTD | | Year Over Year Change | % |
| | 2017 | 2016 | | | 2017 | 2016 | | |
| Bulk Grain | 323,308 | 323,257 | 51 | 0% | 2,577,533 | 979,460 | 1,598,073 | 163% |
| Break Bulk | 8,501 | 58,891 | (50,390) | -86% | 271,218 | 152,138 | 119,080 | 78% |
| Dry Bulk | 712,469 | 724,379 | (11,910) | -2% | 3,560,188 | 3,732,454 | (172,266) | -5% |
| Liquid Bulk | 26,571 | - | 26,571 | 100% | 326,448 | 209,624 | 116,824 | 56% |
| Chemicals | 235,670 | 194,411 | 41,259 | 21% | 1,332,656 | 1,072,867 | 259,789 | 24% |
| Crude-Inbound | 1,111,860 | 1,412,102 | (300,242) | -21% | 7,714,739 | 7,447,253 | 267,486 | 4% |
| Crude-Outbound | 2,054,234 | 1,310,382 | 743,852 | 57% | 12,672,060 | 9,155,959 | 3,516,101 | 38% |
| Petroleum | 3,600,020 | 3,555,242 | 44,778 | 1% | 22,605,521 | 22,533,977 | 71,544 | 0% |
| Total Tonnage | 8,072,633 | 7,578,664 | 493,969 | 7% | 51,060,363 | 45,283,732 | 5,776,631 | 13% |

| SHIP & BARGE MOVEMENTS | | | | | | | | |
|--------------------------------|------------|------------|------------------------|------------|--------------|--------------|--------------------------|-----------|
| | June | | Mth Over Mth Change | % | YTD | | Year Over Year Change | % |
| | 2017 | 2016 | | | 2017 | 2016 | | |
| Ships | 147 | 139 | 8 | 6% | 940 | 780 | 160 | 21% |
| Barges | 327 | 278 | 49 | 18% | 2,318 | 2,308 | 10 | 0% |
| Total Ship & Barges | 474 | 417 | 57 | 14% | 3,258 | 3,088 | 170 | 6% |



Capital Projects

| CAPITAL PROJECTS | | | | | | |
|-------------------------------|-----------------------|----------------------|----------------------|-----------------------|----------------------|-----------------------|
| | Annual Budget | Actual Y-T-D | Balance Remaining | Baseline Budget Y-T-D | Actual Y-T-D | Variance |
| Authority Oil Docks | \$ 21,529,100 | \$ 9,089,103 | \$ 12,439,997 | \$ 13,020,732 | \$ 9,089,103 | \$ (3,931,629) |
| Dry Cargo Docks | \$ 3,800,000 | \$ 13,795 | \$ 3,786,205 | \$ 245,000 | \$ 13,795 | \$ (231,205) |
| Canals & Basins | \$ 14,040,000 | \$ 10,423,223 | \$ 3,616,777 | \$ 8,547,998 | \$ 10,423,223 | \$ 1,875,225 |
| Bulk Terminal | \$ 11,925,303 | \$ 2,606,746 | \$ 9,318,557 | \$ 1,915,000 | \$ 2,606,746 | \$ 691,746 |
| La Quinta | \$ 4,200,000 | \$ 2,024,920 | \$ 2,175,080 | \$ 2,389,996 | \$ 2,024,920 | \$ (365,076) |
| Property & Buildings | \$ 46,930,744 | \$ 1,906,477 | \$ 45,024,267 | \$ 4,091,834 | \$ 1,906,477 | \$ (2,185,357) |
| Railroads | \$ 6,100,000 | \$ 6,317,960 | \$ (217,960) | \$ 4,270,000 | \$ 6,317,960 | \$ 2,047,960 |
| Security & Sec Grants | \$ 1,291,208 | \$ 103,717 | \$ 1,187,491 | \$ 610,989 | \$ 103,717 | \$ (507,272) |
| Port Operations | \$ 377,000 | \$ 281,886 | \$ 95,114 | \$ 202,000 | \$ 281,886 | \$ 79,886 |
| Administration | \$ 2,105,159 | \$ 172,167 | \$ 1,932,992 | \$ 121,673 | \$ 172,167 | \$ 50,494 |
| Total Capital Projects | \$ 112,298,514 | \$ 32,939,994 | \$ 79,358,520 | \$ 35,415,222 | \$ 32,939,994 | \$ (2,475,228) |



Bond Projects

BOND PROJECT PROCEEDS - (As of June 30, 2017)

| | Bond Project Proceeds | Bond Issuance Expenses | Net Bond Project Proceeds | Bond Project Expenditures | Transfer Remaining Proceeds on Closed Projects | Remaining Bond Project Proceeds |
|-----------------------------|-----------------------|------------------------|---------------------------|---------------------------|--|---------------------------------|
| Land | \$ 34,960,000 | \$ (346,544) | \$ 34,613,456 | \$ (35,075,365) | \$ 461,909 | \$ - |
| Oil Dock 14 | \$ 28,000,000 | \$ (277,552) | \$ 27,722,448 | \$ (27,722,448) | \$ - | \$ - |
| Access Road & Rail | \$ 10,000,000 | \$ (99,126) | \$ 9,900,874 | \$ (52,939) | \$ - | \$ 9,847,935 |
| Tule Lift Bridge | \$ 18,000,000 | \$ (178,426) | \$ 17,821,574 | \$ (1,153,047) | \$ - | \$ 16,668,527 |
| West Barge Mooring Area | \$ 7,280,000 | \$ (72,164) | \$ 7,207,836 | \$ (6,745,927) | \$ (461,909) | \$ - |
| NRRY Phase II | \$ 6,000,000 | \$ (59,475) | \$ 5,940,525 | \$ (5,940,525) | \$ - | \$ - |
| La Quinta-Aquatic Habitat | \$ 4,020,000 | \$ (39,849) | \$ 3,980,151 | \$ (3,237,872) | \$ - | \$ 742,279 |
| La Quinta-Mitigation Buffer | \$ 3,940,000 | \$ (39,055) | \$ 3,900,945 | \$ (176,641) | \$ - | \$ 3,724,304 |
| La Quinta Dock | \$ 2,800,000 | \$ (27,755) | \$ 2,772,245 | \$ (2,715,633) | \$ - | \$ 56,612 |
| Total Bond Projects | \$ 115,000,000 | \$ (1,139,946) | \$ 113,860,054 | \$ (82,820,397) | \$ - | \$ 31,039,657 |



PORTCORPUS CHRISTI®

Moving America's Energy

Thank You



INVESTMENT REPORT

For the Quarter Ended
June 30, 2017



PORTCORPUS CHRISTI®

Moving America's Energy



connect with us: portofcc.com





- **Compliance Statement**
- **Executive Summary**
- **Investment Values and Yield Returns**
- **Allocation Analysis**
- **Portfolio Balances**
- **Weighed Average Maturities (WAM)**
- **Rates**
- **Benchmarks**
- **Appendix**
 - ❖ **Investment Portfolio Report**
 - ❖ **Investment Transactions**



Compliance Statement

We believe the investment information presented for the quarter ending June 30, 2017, is accurate in all material respects, and is presented in a manner that fairly sets forth the investment standing of the Port of Corpus Christi Authority (Authority).

This report was prepared in compliance with the Authority's Investment Policy, Investment Strategy, and the Public Funds Investment Act of the State of Texas (Texas Government Code 2256.023).

Dennis J. DeVries
Director of Finance

Audre Debler
Chief Accountant



Executive Summary

The accompanying quarterly investment report lists in summary form and in detail the investment positions of the Port of Corpus Christi Authority's (Authority) operating funds as of June 30, 2017. As of that date, the Authority had a total of approximately \$262.5 million invested in a local government investment pools, money market accounts, commercial paper, agencies, treasuries, and certificates of deposit.

The goal of the Authority is to ensure the safety of all funds entrusted to the Authority, the availability of those funds for the payment of all necessary obligations of the Authority, and to provide for the investment of all funds, not immediately required, in securities earning a reasonable market yield. The safety of principal and liquidity shall always be the primary concern. The Authority's intention is to hold investments to maturity while receiving the highest reasonable market yield in accordance with its objectives at the date of investment. It is not the intent to devote substantial efforts to earn profit on investment market fluctuations. Investments will be purchased because of their interest yield expectations over their remaining life rather than for speculative purposes.

All investments in the portfolio are fully secured and will return 100% of par value if held to maturity. The Authority's investments are usually held to maturity, and any gains (losses) in market value will be reflected in market prices created by changes in interest rates during the quarter.

QUARTERLY SUMMARY:

March 31, 2017

| | |
|-------------------------|----------------|
| Beginning Book | \$ 258,895,219 |
| Beginning Market | \$ 258,230,521 |
| Unrealized Gain/(Loss) | \$ (664,697) |
| WAM | 265 Days |
| Net Quarterly Yield | 0.815% |
| Yield at End of Quarter | 0.883% |
| Benchmark for Quarter | 0.890% |
| Earnings for Quarter | \$ 532,106 |

June 30, 2017

| | |
|-------------------------|----------------|
| Ending Book | \$ 262,457,439 |
| Ending Market | \$ 261,873,974 |
| Unrealized Gain/(Loss) | \$ (583,465) |
| WAM | 243 Days |
| Net Quarterly Yield | 0.943% |
| Yield at End of Quarter | 0.959% |
| Benchmark for Quarter | 1.120% |
| Earnings for Quarter | \$ 598,871 |



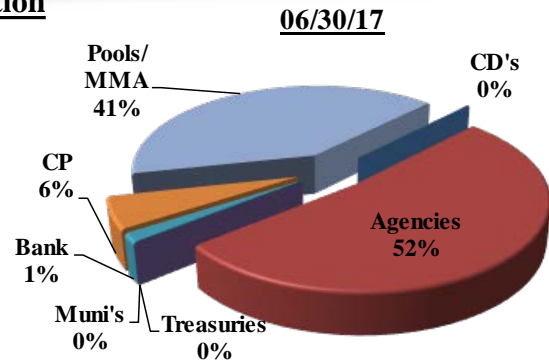
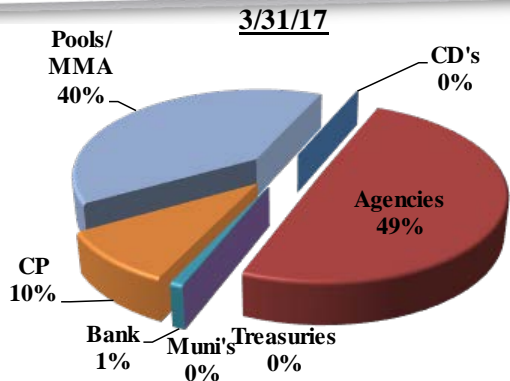
Asset Detail

| | Values | Yields |
|--------------------------------|-----------------------|---------------|
| Bank | \$ 32,370,478 | 0.087% |
| Texpool | \$ 31,039,657 | 0.882% |
| Texpool Prime | \$ 47,108,917 | 1.137% |
| Money Market Account | \$ 247,965 | 0.750% |
| Certificates of Deposit | \$ 245,000 | 1.250% |
| Commercial Paper | \$ 14,963,367 | 1.330% |
| Federal Agencies | \$ 136,482,056 | 1.081% |
| Total | \$ 262,457,439 | 0.959% |

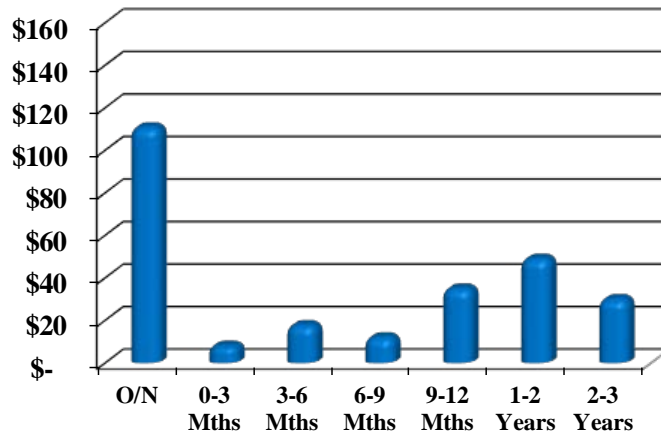
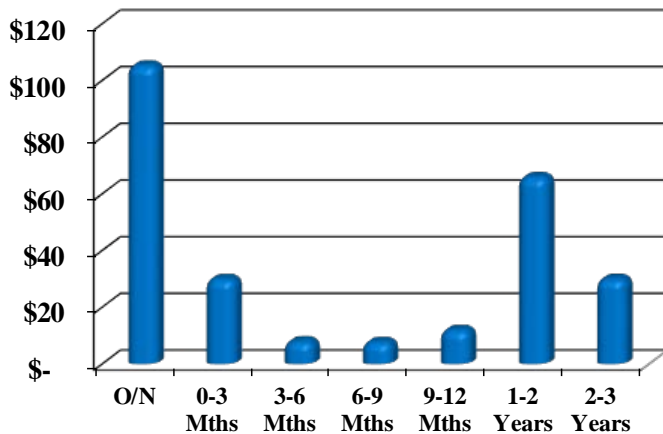


Allocation Analysis

Asset Allocation

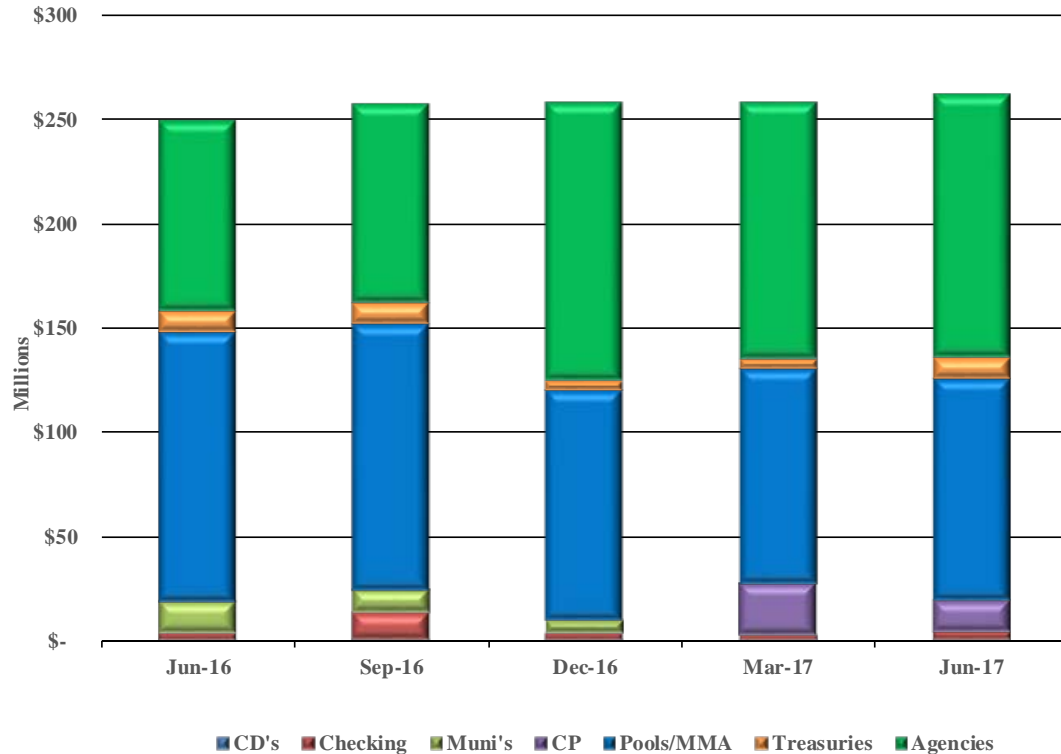


Maturity Allocation (in Millions)



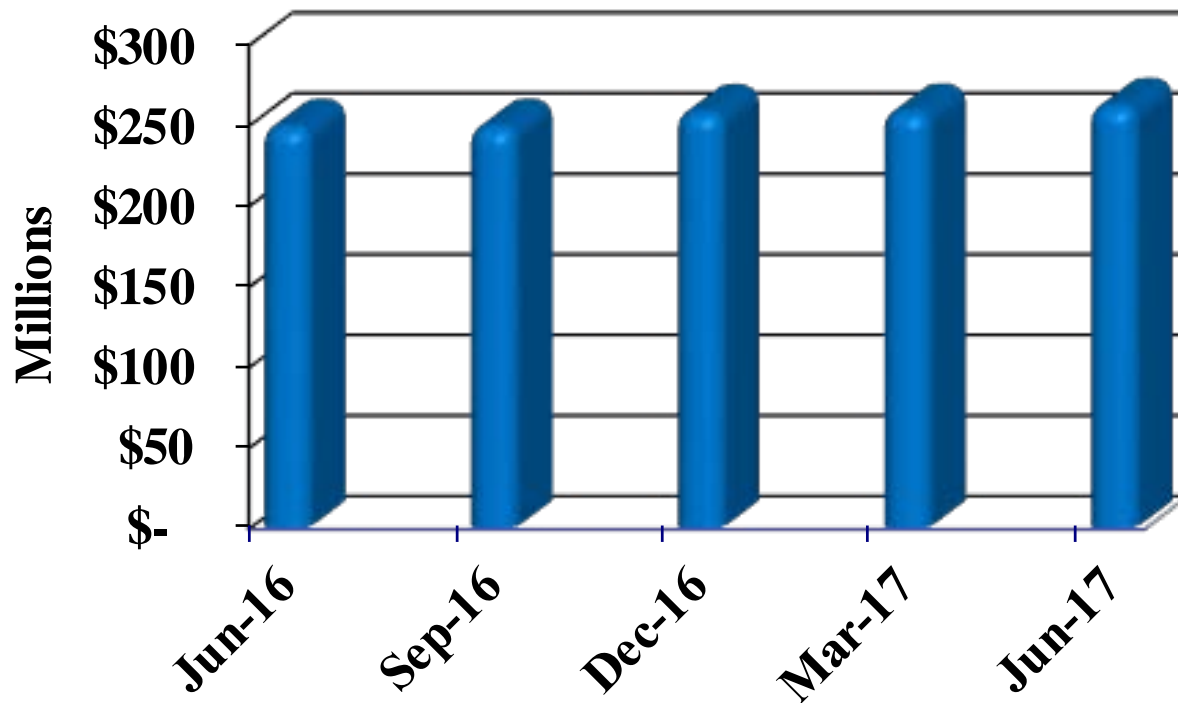


Quarterly Asset Allocation



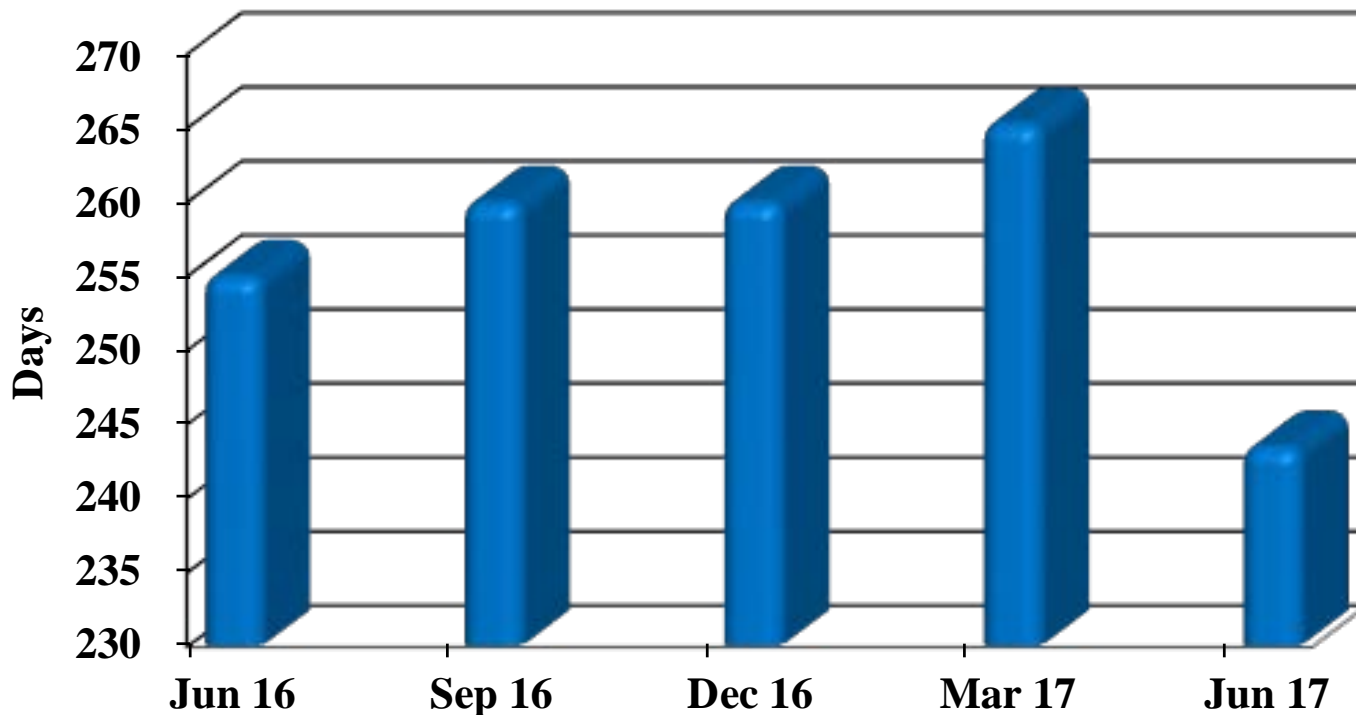


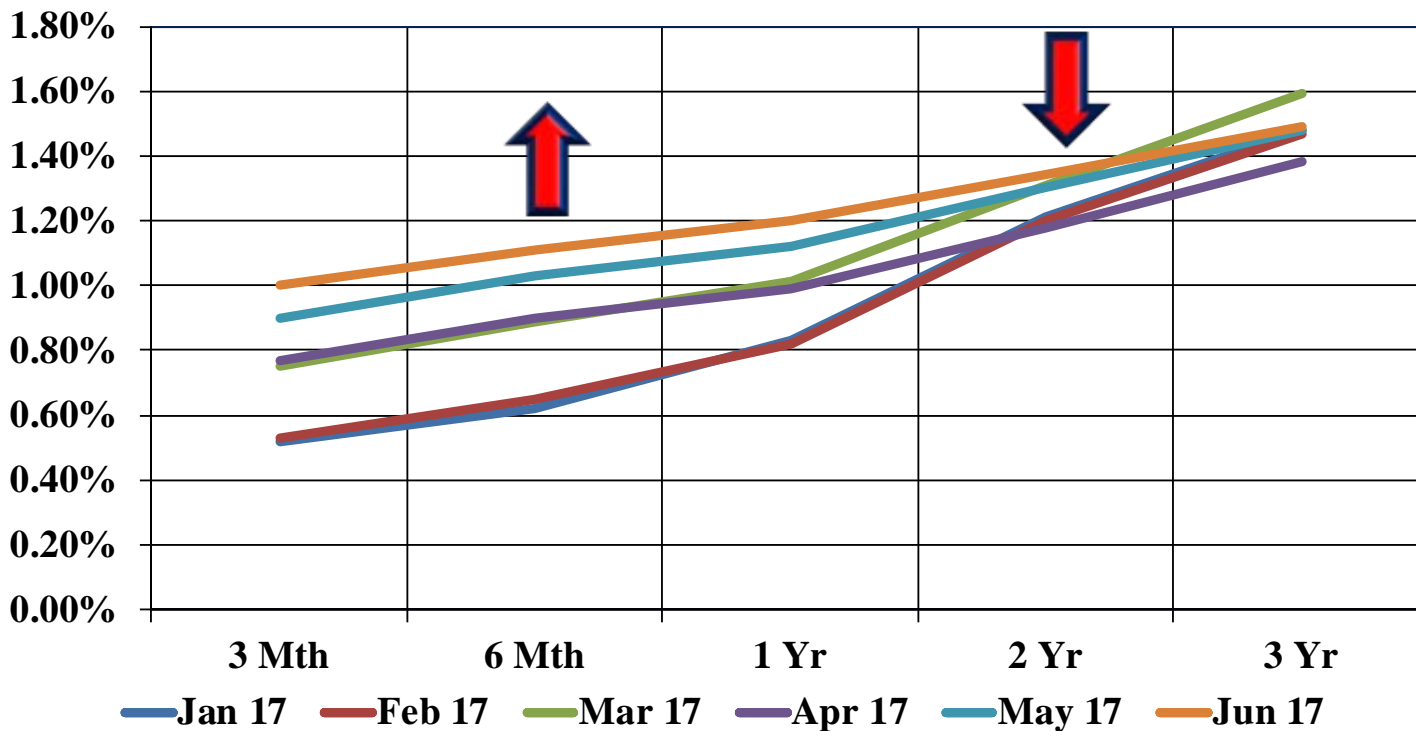
Portfolio Balances

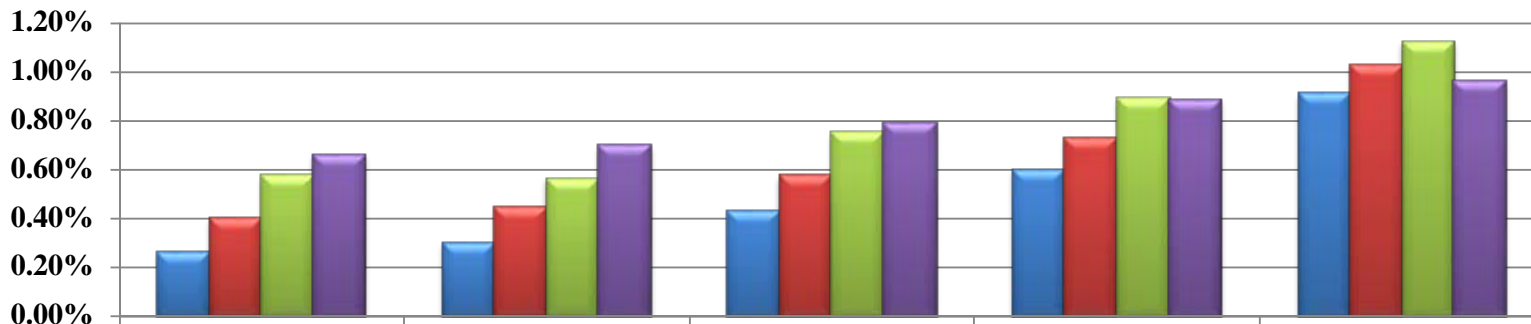




Weighted Average Maturity (WAM)







| | June 2016 | September 2016 | December 2016 | March 2017 | June 2017 |
|------------------|-----------|----------------|---------------|------------|-----------|
| 3 Month Treasury | 0.260% | 0.300% | 0.430% | 0.600% | 0.910% |
| 6 Month Treasury | 0.400% | 0.440% | 0.570% | 0.730% | 1.030% |
| 1 Year Treasury | 0.570% | 0.560% | 0.750% | 0.890% | 1.120% |
| Portfolio Yield | 0.659% | 0.695% | 0.788% | 0.883% | 0.959% |

■ 3 Month Treasury ■ 6 Month Treasury ■ 1 Year Treasury ■ Portfolio Yield



| | Q2-2016 | \$ Impact |
|-----------------------------|---------------|-------------------|
| Investment Portfolio | 0.943% | |
| 3 Mth Treasury Bill | 0.910% | \$21,506 |
| 6 Mth Treasury Bill | 1.030% | -\$56,697 |
| 12 Mth Treasury Bill | 1.120% | -\$115,349 |



PORT CORPUS CHRISTI®

Moving America's Energy

Appendix



PORT CORPUS CHRISTI®

Moving America's Energy

Investment Portfolio

| Purchase Date | Type | Maturity Date | Days to Maturity at Purchase | Remaining Days to Maturity | Coupon Rate | Book Yield (%) | Par Value | Book Value | Market Value | Unrealized Gain/Loss | Quarterly Accrued Interest |
|--------------------------------------|--------------------------------------|---------------|------------------------------|----------------------------|-------------|----------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------------|
| 06/30/2017 | Operating Fund | 07/01/2017 | 1 | 1 | 0.000% | 0.000% | \$ 3,649,587 | \$ 3,649,587 | \$ 3,649,587 | \$ - | \$ - |
| 06/30/2017 | Vendor Fund | 07/01/2017 | 1 | 1 | 0.000% | 0.000% | \$ 398,643 | \$ 398,643 | \$ 398,643 | \$ - | \$ - |
| 06/30/2017 | Payroll Fund | 07/01/2017 | 1 | 1 | 0.000% | 0.000% | \$ 2,488 | \$ 2,488 | \$ 2,488 | \$ - | \$ - |
| 06/30/2017 | Asset Forfeiture Fund | 07/01/2017 | 1 | 1 | 0.050% | 0.050% | \$ 15,109 | \$ 15,109 | \$ 15,109 | \$ - | \$ 2 |
| Total Bank | | | | | | | \$ 4,065,827 | \$ 4,065,827 | \$ 4,065,827 | \$ - | \$ 2 |
| 06/30/2017 | TEXPOOL | 07/01/2017 | 1 | 1 | 0.881% | 0.881% | \$ 31,039,657 | \$ 31,039,657 | \$ 31,039,657 | \$ - | \$ 61,884 |
| 06/30/2017 | TEXPOOL-Prime | 07/01/2017 | 1 | 1 | 1.137% | 1.137% | \$ 47,108,917 | \$ 47,108,917 | \$ 47,108,917 | \$ - | \$ 127,111 |
| 06/30/2017 | Wells Fargo MMMF | 07/01/2017 | 1 | 1 | 0.100% | 0.100% | \$ 28,304,651 | \$ 28,304,651 | \$ 28,304,651 | \$ - | \$ 5,766 |
| 06/30/2017 | East West Bank - MMA | 07/01/2017 | 1 | 1 | 0.750% | 0.750% | \$ 247,965 | \$ 247,965 | \$ 247,965 | \$ - | \$ 447 |
| Total Pools/MMA | | | | | | | \$ 106,701,190 | \$ 106,701,190 | \$ 106,701,190 | \$ - | \$ 195,208 |
| 02/02/2017 | Angelsea Funding CP | 05/02/2017 | 89 | 0 | 1.073% | 1.073% | \$ - | \$ - | \$ - | \$ - | \$ 9,214 |
| 03/22/2017 | Angelsea Funding CP | 05/04/2017 | 43 | 0 | 1.101% | 1.101% | \$ - | \$ - | \$ - | \$ - | \$ 5,042 |
| 03/24/2017 | Elury Finance CP | 06/22/2017 | 90 | 0 | 1.183% | 1.183% | \$ - | \$ - | \$ - | \$ - | \$ 13,439 |
| 03/24/2017 | Ridgefield Funding CP | 07/14/2017 | 112 | 13 | 1.265% | 1.265% | \$ 5,000,000 | \$ 4,997,725 | \$ 4,997,725 | \$ - | \$ 15,925 |
| 06/29/2017 | Angelsea Funding CP | 10/02/2017 | 95 | 93 | 1.334% | 1.334% | \$ 5,000,000 | \$ 4,982,821 | \$ 4,982,821 | \$ - | \$ 369 |
| 06/29/2017 | Chesham Finance CP | 10/02/2017 | 95 | 93 | 1.334% | 1.334% | \$ 5,000,000 | \$ 4,982,821 | \$ 4,982,821 | \$ - | \$ 369 |
| Total Commercial Paper | | | | | | | \$ 15,000,000 | \$ 14,963,267 | \$ 14,963,267 | \$ - | \$ 44,258 |
| 10/18/2016 | Certificate of Deposit-1st Community | 10/18/2017 | 365 | 110 | 1.250% | 1.250% | \$ 245,000 | \$ 245,000 | \$ 245,000 | \$ - | \$ 764 |
| Total Certificate of Deposits | | | | | | | \$ 245,000 | \$ 245,000 | \$ 245,000 | \$ - | \$ 764 |
| 07/14/2015 | FHLMC Call Note | 07/14/2017 | 731 | 13 | 0.900% | 0.900% | \$ 3,000,000 | \$ 3,000,000 | \$ 2,999,802 | \$ (198) | \$ 6,750 |
| 11/23/2015 | FHLB Note | 06/09/2017 | 564 | 0 | 1.000% | 0.800% | \$ - | \$ - | \$ - | \$ - | \$ 7,656 |
| 11/24/2015 | FFCB Note | 11/19/2018 | 1,091 | 506 | 1.290% | 1.281% | \$ 5,000,000 | \$ 5,000,602 | \$ 4,990,690 | \$ (9,912) | \$ 16,016 |
| 11/24/2015 | FHLB Note | 11/17/2017 | 724 | 139 | 0.940% | 0.990% | \$ 5,000,000 | \$ 4,999,065 | \$ 4,996,345 | \$ (2,720) | \$ 12,369 |
| 11/24/2015 | FNMA Note | 05/21/2018 | 909 | 324 | 0.875% | 1.165% | \$ 5,000,000 | \$ 4,987,336 | \$ 4,982,905 | \$ (4,431) | \$ 14,499 |
| 01/07/2016 | FFCB | 04/21/2017 | 470 | 0 | 0.500% | 0.885% | \$ - | \$ - | \$ - | \$ - | \$ 2,450 |
| 05/27/2016 | FFCB Note | 02/16/2018 | 630 | 230 | 0.750% | 0.940% | \$ 5,000,000 | \$ 4,994,130 | \$ 4,987,790 | \$ (6,340) | \$ 11,723 |
| 07/29/2016 | FFCB Call Note | 01/11/2018 | 531 | 194 | 0.690% | 0.829% | \$ 7,000,000 | \$ 7,000,000 | \$ 6,981,835 | \$ (18,165) | \$ 12,075 |
| 08/23/2016 | FHLB Call Note | 08/23/2018 | 730 | 418 | 1.125% | 1.112% | \$ 7,000,000 | \$ 7,000,000 | \$ 6,984,481 | \$ (15,519) | \$ 19,688 |
| 08/23/2016 | FNMA Call Note | 08/23/2019 | 1,095 | 783 | 1.100% | 1.100% | \$ 10,000,000 | \$ 10,000,000 | \$ 9,852,930 | \$ (147,070) | \$ 27,500 |
| 08/24/2016 | FHLB Call Note | 05/24/2018 | 638 | 327 | 1.000% | 1.000% | \$ 5,000,000 | \$ 5,000,000 | \$ 4,975,970 | \$ (24,030) | \$ 12,500 |
| 09/06/2016 | FNMA Call Note | 09/06/2019 | 1,095 | 797 | 1.125% | 1.125% | \$ 10,000,000 | \$ 10,000,000 | \$ 9,904,740 | \$ (95,260) | \$ 28,125 |
| 09/12/2016 | FNMA Note | 12/20/2017 | 464 | 172 | 0.875% | 0.720% | \$ 2,500,000 | \$ 2,501,808 | \$ 2,496,625 | \$ (5,183) | \$ 4,506 |
| 10/06/2016 | FHLB Call Note | 04/12/2018 | 553 | 285 | 0.875% | 0.875% | \$ 10,000,000 | \$ 10,000,000 | \$ 9,972,530 | \$ (27,470) | \$ 21,875 |
| 10/06/2016 | FHLB Call Note | 09/06/2018 | 700 | 432 | 1.000% | 1.000% | \$ 7,000,000 | \$ 7,000,000 | \$ 6,974,238 | \$ (25,662) | \$ 17,500 |
| 10/27/2016 | FHLB Call Note | 07/27/2018 | 638 | 391 | 0.900% | 0.900% | \$ 10,000,000 | \$ 10,000,000 | \$ 9,960,380 | \$ (39,620) | \$ 22,500 |
| 10/28/2016 | FHLMC Call Note | 10/25/2019 | 1,092 | 846 | 1.300% | 1.300% | \$ 10,000,000 | \$ 10,000,000 | \$ 9,931,420 | \$ (68,580) | \$ 32,500 |
| 11/08/2016 | FHLMC Call Note | 10/26/2018 | 717 | 483 | 0.625% | 1.190% | \$ - | \$ - | \$ - | \$ - | \$ 809 |
| 11/08/2016 | FFCB Call Note | 01/25/2019 | 808 | 573 | 1.230% | 1.184% | \$ 5,000,000 | \$ 5,000,000 | \$ 4,984,320 | \$ (15,680) | \$ 15,375 |
| 11/08/2016 | FFCB Call Note | 02/22/2019 | 836 | 601 | 1.150% | 1.112% | \$ 5,000,000 | \$ 5,000,000 | \$ 4,967,425 | \$ (32,575) | \$ 14,375 |
| 11/28/2016 | FHLMC Call Note | 11/28/2018 | 730 | 515 | 1.050% | 1.050% | \$ 5,000,000 | \$ 5,000,000 | \$ 4,969,565 | \$ (30,435) | \$ 13,125 |
| 04/19/2017 | FRMAC Call Note | 04/19/2018 | 365 | 292 | 1.250% | 1.250% | \$ 10,000,000 | \$ 10,000,000 | \$ 9,989,260 | \$ (10,740) | \$ 25,000 |
| 05/08/2017 | FRMAC Note | 04/18/2019 | 710 | 656 | 1.430% | 1.467% | \$ 5,000,000 | \$ 4,996,765 | \$ 4,997,075 | \$ 310 | \$ 10,791 |
| 05/08/2017 | FHLB Note | 06/08/2018 | 396 | 342 | 1.250% | 1.199% | \$ 5,000,000 | \$ 5,002,350 | \$ 4,998,165 | \$ (4,185) | \$ 8,832 |
| Total Treasuries/Agencies | | | | | | | \$ 136,590,000 | \$ 136,482,056 | \$ 135,898,591 | \$ (693,465) | \$ 358,439 |
| Total Investments | | | | | | | \$ 262,512,016 | \$ 262,457,439 | \$ 261,873,974 | \$ (638,465) | \$ 598,871 |

| SUMMARY: | Total | Bank | Pools/MMA | Commercial Paper | CD's | Treasuries/Agencies | Municipal Securities |
|-------------------------|----------------|--------------|----------------|------------------|------------|---------------------|----------------------|
| Valuation Date: | 06/30/2017 | | | | | | |
| Book Value: | \$ 262,457,439 | \$ 4,065,827 | \$ 106,701,190 | \$ 14,963,267 | \$ 245,000 | \$ 136,482,056 | \$ - |
| % of Portfolio | 100.00% | 1.55% | 40.65% | 5.70% | 0.09% | 52.00% | 0.00% |
| Average Maturity: | 243 Days | 1 Days | 1 Days | 66 Days | 110 Days | 460 Days | 0 Days |
| Average Rate of Return: | 0.958% | 0.000% | 0.787% | 1.311% | 1.250% | 1.081% | 0.000% |



Investment Transactions

| Transaction Date | Purchase Date | Description | Coupon | Yield | Maturity Date | Par Value | Transaction Price | Total Cost | Interest Purchased (Sold) | Total Transaction |
|-------------------------------|---------------|---------------------|--------|--------|---------------|---------------|-------------------|---------------|---------------------------|-------------------|
| <u>Purchases:</u> | | | | | | | | | | |
| 04/10/2017 | 04/19/2017 | FAMCA | 1.250% | 1.250% | 04/19/2018 | \$ 10,000,000 | 100.000 | \$ 10,000,000 | \$ - | \$ 10,000,000 |
| 05/04/2017 | 05/08/2017 | FAMCA | 1.430% | 1.467% | 04/18/2019 | \$ 5,000,000 | 99.930 | \$ 4,996,500 | \$ 3,774 | \$ 5,000,274 |
| 05/04/2017 | 05/08/2017 | FHLB | 1.250% | 1.991% | 06/08/2018 | \$ 5,000,000 | 100.050 | \$ 5,002,720 | \$ 26,042 | \$ 5,028,762 |
| 06/28/2017 | 06/29/2017 | Anglesea Funding CP | 1.335% | 1.335% | 10/02/2017 | \$ 5,000,000 | 99.649 | \$ 4,982,451 | \$ 17,549 | \$ 5,000,000 |
| 06/28/2017 | 06/29/2017 | Chesham Finance CP | 1.335% | 1.335% | 10/02/2017 | \$ 5,000,000 | 99.649 | \$ 4,982,451 | \$ 17,549 | \$ 5,000,000 |
| Total Purchases | | | | | | \$ 30,000,000 | | \$ 29,964,123 | \$ 64,913 | \$ 30,029,035 |
| | | | | | | | | | | |
| Transaction Date | Purchase Date | Description | Coupon | Yield | Maturity Date | Par Value | Transaction Price | Total Cost | Interest Received | Maturity Proceeds |
| <u>Maturities:</u> | | | | | | | | | | |
| 04/21/2017 | 01/07/2016 | FFCB | 0.500% | 0.885% | 04/21/2017 | \$ 5,000,000 | 100.00 | \$ 5,000,000 | \$ 12,500 | \$ 5,012,500 |
| 05/02/2017 | 02/02/2017 | Anglesea Funding CP | 1.073% | 1.073% | 05/02/2017 | \$ 10,000,000 | 100.00 | \$ 10,000,000 | \$ - | \$ 10,000,000 |
| 05/04/2017 | 03/24/2017 | Anglesea Funding CP | 1.101% | 1.101% | 05/04/2017 | \$ 5,000,000 | 100.00 | \$ 5,000,000 | \$ - | \$ 5,000,000 |
| 06/09/2017 | 11/23/2015 | FHLB | 1.000% | 0.809% | 06/09/2017 | \$ 5,000,000 | 100.00 | \$ 5,000,000 | \$ 25,000 | \$ 5,025,000 |
| 06/22/2017 | 03/24/2017 | Ebury Finance CP | 1.183% | 1.183% | 06/22/2017 | \$ 5,000,000 | 100.00 | \$ 5,000,000 | \$ - | \$ 5,000,000 |
| Total Maturities | | | | | | \$ 30,000,000 | | \$ 30,000,000 | \$ 37,500 | \$ 30,037,500 |
| Total Net Transactions | | | | | | \$ - | | \$ (35,877) | \$ 27,413 | \$ (8,465) |



PORT CORPUS CHRISTI®

Moving America's Energy

Thank You

DATE: August 15, 2017

TO: Port Commission

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

**ANTICIPATED
STAFF PRESENTER:** Bert Perez, P.E.
Senior Project Engineer

**Approve an Increase in Contingency for the Construction
of Oil Dock 15 in the amount of \$100,000**

SUMMARY: Staff requests approval of an increase in contingency in the amount of \$100,000 for projected additional work associated with the Construction of Oil Dock 15 project.

BACKGROUND: On May 17, 2016, the Commission approved a lease agreement for the construction and operation of a new Oil Dock 15. The proposed Oil Dock 15 is currently being constructed just west of NuStar Oil Dock 16.

On September 29, 2016, the Port Commission awarded the construction contract to Russell Marine, LLC. in the amount of \$17,001,600 for the Oil Dock 15 project, and also approved allowances for Additive Bid Item 3 (Expand Ship Slip to 1100') and Additive Bid Item 4 (Use DMPA Cell B instead of DMPA No.1) should they be required, and further approved \$529,311.39 in contingency should it be needed during construction.

PCCA staff has been working with NuStar to make design changes to the dock structure to accommodate the NuStar's crude loading facilities that will meet their needs for interim and future operations; and as such, the PCCA has approved numerous change orders for Russell Marine to integrate the upgrades into the facility.

Since the beginning of the project, and in coordination with NuStar as required, the PCCA has executed eighteen Change Orders totaling \$1,030,183.51, which includes acceptance of Additive Bid Items 3 and 4 for \$355,222.50 and \$165,000, respectively. Therefore, \$509,961.01 of the approved contingency has been expended.

Though the dock construction is approximately 60% complete, given the limited remaining contingency funds and Staff's projections of additional costs associated with NuStar's requested dock modifications, as well as the likelihood of unanticipated changes, Staff is

requesting approval of an additional \$100,000 in contingency should it be needed throughout the remainder of the project.

In addition, the PCCA and Russell Marine are still negotiating a change order to terminate much of the mechanical, electrical, and instrumentation portions of the project originally in Russell Marine's scope of work, since NuStar and the PCCA agreed that it was in the best interest now for NuStar to construct that portion of the work. The change order will likely be brought to the Commission for action in September 2017, along with a proposed resolution of a claim of differing site conditions which Russell Marine believes impacted the dredging portion of the project.

ALTERNATIVES: N/A

CONFORMITY TO PORT POLICY: The project conforms to the PCCA's Strategic Plan (Strategic Goal #2 – Provide Facilities and Services to Meet Customer Needs, Strategic Objective #2B – Provide Public Docks and Support Private Facilities to Facilitate Maritime and Industrial Development, Action #2 – Upgrade and Maintain Existing Docks and Facilities).

EMERGENCY: While not an emergency, not approving may cause delay in approving future change orders, delaying the completion of the project.

FINANCIAL IMPACT: Budgeted project with an approved contingency of \$529,311.39. To date, \$509,961.01 of the contingency has been expended, leaving a current balance of \$19,350.38.

STAFF RECOMMENDATION: Staff requests approval of an increase in contingency in the amount of \$100,000 for work associated with the Construction of Oil Dock 15 should it be needed for the project.

DEPARTMENTAL CLEARANCES:

| | |
|------------------------|----------------------|
| Originating Department | Engineering Services |
| Reviewed & Approved | David Krams |
| | Dave Michaelsen |
| Legal | Dane Bruun |
| Senior Staff | John LaRue |
| | Sean Strawbridge |
| | Dennis DeVries |

LIST OF SUPPORTING DOCUMENTS: N/A

DATE: August 15, 2017

TO: Port Commission

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

**ANTICIPATED
STAFF PRESENTER:** Brett F. Flint, P.E.
Chief of Planning and Design

Approve a Consulting Services Contract with Freeman Schroeder Architects, LLC. in an Amount Not to Exceed \$230,000 for Coordinating Architect Services Associated with the Development of a New Port of Corpus Christi Authority Office Facility

SUMMARY: Staff requests Commission approval of a Consulting Services Contract with Freeman Schroder Architects, LLC. to provide Coordinating Architect Services for a new Port of Corpus Christi Authority (PCCA) Office Facility in an amount not to exceed \$230,000

BACKGROUND: At the June 20, 2017 meeting the Commission provided approval of a Design-Build delivery method for a new PCCA Office Facility, issuance of a Request for Qualifications to select a short list of Design-Build teams, and a Request for Proposals to make a final selection of a Design-Build team to design and construct a new office facility.

In light of the current staff workload, absence of a staff architect, and the unique nature of this project, staff has negotiated a Consulting Services Contract with Freeman Schroder Architects to provide Coordinating Architect Services to support staff from initial development of the project and procurement of a Design-Build Team through construction of the project. The Scope of Work for Freeman Schroder will include: revising and updating the space and needs study for the office building, providing assistance in preparing a Request for Qualifications to be used to develop a short list of Design-Build teams, developing a program of needs and performance requirements for the new office building (Bridging Document for the Design-Build Contract), assistance in developing the Request for Proposals, evaluation criteria, and presentation format for the short list of Design-Build Teams, development of a Design-Build Contract, technical support through the procurement and selection of the Design-Build Team, and technical support through the construction and commissioning of the new facility. Freeman Schroder Architects will act essentially as a staff extension to support this project and will work closely with PCCA staff and administration to ensure a successful project.

ALTERNATIVES: In following Commission direction, large PCCA projects are evaluated for Design-Build delivery over the traditional design-bid-build methods. Use of the service of a Coordinating Architect to support and oversee the Design-Build process is a common practice.

CONFORMITY TO PORT POLICY: The Design-Build project delivery method is an alternate method available for contracting as per Subchapter O of the Texas Water Code. The project conforms to the PCCA's Strategic Plan (Strategic Goal #2 – Provide Facilities and Services to Meet Customer Needs, Strategic Objective #3A – Build & Sustain Productive Stakeholder Relationships – Our Employees in this case).

EMERGENCY: No; however, current building conditions are rapidly deteriorating.

FINANCIAL IMPACT: This project is included in the 2017 Capital Budget with \$500,000 identified to be expended this year.

STAFF RECOMMENDATION: Staff recommends approval of a Consulting Services Contract with Freeman Schroder Architects to provide Coordinating Architect Services for a new Port of Corpus Christi (PCCA) Office Facility in an amount not to exceed \$230,000.

DEPARTMENTAL CLEARANCES:

| | |
|------------------------|--|
| Originating Department | Engineering Services |
| Reviewed & Approved | David Krams Brett Flint Sonya Lopez-Sosa |
| Legal | Standard Contract Form |
| Senior Staff | John LaRue Sean Strawbridge Dennis DeVries |

LIST OF SUPPORTING DOCUMENTS:

Consultant Services Contract

CONSULTING SERVICES CONTRACT

PROJECT NAME: COORDINATING ARCHITECT SERVICES FOR NEW PORT OFFICE FACILITY PROJECT NUMBER: 14-036A

THIS CONTRACT (the “Contract”) is made and entered into effective as of the 15th day of August, 2017 (“Effective Date”) by and between the Port of Corpus Christi Authority of Nueces County, Texas (“Authority”), and Freeman Schroeder Architects, LLC. (dba Fresch Architects) (“Consultant”), 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 Consultant and the Consultant hereby accepts its engagement for the purpose of providing to Authority the consulting services (“Services”) as are generally described in the “Scope of Services” set forth in Exhibit A to this Contract which is incorporated herein by reference. All designs, reports, drawings and specifications prepared hereunder will be sealed, if required by law, by a Consultant licensed to practice in the State of Texas.

2. PERIOD OF SERVICE: The Consultant shall complete the Services on or before March 31, 2020 (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 14. Time is of the essence in performance of this Contract. There will be no obligation established between Authority and the Consultant for performance of the Services until Authority provides the Consultant 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”) 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, in the opinion of Authority, all of the Services have been rendered, (3) the date on which this Contract is terminated by the Authority pursuant to Section 14, or (4) the date on which this Contract is terminated by the Consultant pursuant to Section 14.

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

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

Brett F. Flint, P.E.
222 Power Street
Corpus Christi, Texas 78401
Phone: 361.885.6125
E-mail: brett@pocca.com

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

4. 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: John P. LaRue
Executive Director
Port of Corpus Christi Authority
222 Power Street
Corpus Christi, Texas 78401
E-mail: john@pocca.com

If to the Consultant: Sheldon Schroeder, AIA
418 Peoples Street, Suite 101
Corpus Christi, Texas 78401
E-mail: sheldon@frescharch.com

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

5. CHANGES: This Contract may be changed or modified at the request of either the Consultant 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.

6. CONSULTANT'S RESPONSIBILITIES: In addition to all other obligations contained herein, the Consultant agrees, warrants, and represents that:

6.1 The Consultant 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;

6.2 The Consultant shall perform the Services with the professional skill and care ordinarily provided by competent consultants practicing in the same or similar locality and under the same or similar circumstances and professional license;

6.3 The Consultant 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;

6.4 The Consultant 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;

6.5 In performing the Services, the Consultant will not use any third party's confidential or proprietary information, or infringe the rights of another party, nor will the Consultant 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;

6.6 The Consultant 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;

6.7 Consultant is an independent contractor for the performance of his duties under this Contract. Accordingly, the Consultant shall be responsible for payment of all taxes including federal, state and local taxes arising out of the Consultant's activities in accordance with this Contract. Consultant is responsible for payment of the compensation, including any withholding, Social Security, or other taxes on such compensation, of any subcontractors retained by Consultant, or Consultant's employees performing Services consistent with its status as an independent contractor and in compliance with all applicable laws and regulations;

6.8 Consultant has and hereby retains full control of any supervision over the Consultant's obligations hereunder and over any persons employed or subcontracted by the Consultant for performing Services hereunder;

6.9 Consultant will in no way be considered an agent, partner, joint venturer, or employee of Authority at any time during the Term. Consultant will not undertake to commit Authority to any course of action in relation to a third party unless expressly requested and authorized to do so by the Authority in writing.

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

7. COMPENSATION: The compensation to be paid Consultant for providing the Services shall be the compensation described in Exhibit B hereto, which is incorporated herein by reference; provided, however, the total paid to Consultant for the Services shall not exceed TWO HUNDRED THIRTY THOUSAND DOLLARS (\$230,000). Consultant will obtain the approval of Authority's Project Representative relative to incurring travel and other expenses before incurring such costs.

8. INVOICE PROCEDURE AND PAYMENT: Consultant 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 in accordance with the Fee Schedule included in Exhibit B. Invoices shall also describe any work performed by subcontractors retained by Consultant and reimbursable costs. Consultant will provide sufficient detail with each invoice to substantiate the requested amount of monthly

payment. At the Authority's request, Consultant 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 Authority.

9. INSURANCE: Consultant shall procure and maintain at its sole expense, for as long as Consultant is obligated to provide Services under this Contract, the policies of insurance described in Exhibit C attached hereto and in at least the minimum amounts specified in Exhibit C to protect Consultant from claims which may arise out of or result from Consultant's Services pursuant to this Contract, whether such operations be by Consultant, by any subcontractor of Consultant, by anyone directly or indirectly employed by Consultant or Consultant's subcontractor, or by anyone for whose acts Consultant or Consultant's subcontractor may be liable. At least five (5) days prior to execution of this Contract, Consultant will provide to Authority's Risk Program Manager 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 minimum limits of liability and coverage for the insurance required are set forth in Exhibit C attached hereto, which is incorporated herein by reference.

10. INDEMNIFICATION AND RELEASE. Consultant 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 Consultant and the injury or death of any person employed by Consultant. Consultant 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 Consultant, its employees, agents, or subconsultants, or others for whom the Consultant is legally liable, in the performance of Services under this Contract. The Consultant is not obligated under this paragraph to indemnify the Authority Parties for the negligent acts of the Authority Parties.

Consultant's indemnity obligations under this Section 10 shall not be limited by a limitation on the amount or type of damages, compensation or benefits owed by Consultant to any employee of Consultant under workers' or workmen's compensation acts, disability benefit acts, or other employee benefit acts. The obligations of the Consultant under this Section 10 shall survive the end of the Term of the Contract.

11. LIMITATION OF LIABILITY: Except as otherwise expressly provided herein, neither Party shall be liable or responsible to the other Party for any indirect, incidental or consequential loss or damage of any nature whatsoever (including, but not limited to, contract, negligence or tort liability) of the other Party, including without limitation, any actual or anticipated profits, loss of time, inconvenience, commercial loss or any other damages, even if the Party has advance notice of the possibility of such damages.

12. DISCLOSURE OF INTERESTED PARTIES: Consultant 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 a Texas Form 1295, "Certificate of Interested Parties" and submitting the signed and notarized form to Authority at the time Consultant submits the signed contract to Authority. This provision will only apply to contracts approved by the Port of Corpus Christi Authority Port Commission.

13. ASSIGNMENT: Neither Authority nor Consultant 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 Consultant of such action. Upon termination of this Contract in accordance with this paragraph, Authority will have no further obligation to the Consultant hereunder except to pay the Consultant unpaid fees and expenses which the Consultant can reasonably show to have been earned under this Contract. **Under no circumstances may Consultant claim or recover consequential damages from Authority.**

In the event of suspension of Services, the Consultant 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 Consultant's negligence or failure to perform shall not affect the Consultant's compensation as provided for in this Contract. The schedule for performance of the Services shall be amended by a mutually agreed, written modification to 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 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 Consultant, 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 Consultant 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: Consultant 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. Consultant must notify Authority's Project Representative of any change in personnel assigned to perform work under this Contract, and the Authority's Project Representative has the right to reject the person or persons assigned to fill the position or positions. The Authority's Project Representative shall also have the right to require the removal of the Consultant's previously assigned personnel, including Consultant's project representative, 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, Consultant shall replace such personnel with personnel substantially equal in ability and qualifications for the positions and shall submit the proposed replacement personnel qualification and abilities to the Authority, in writing, for approval.

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

19. CONFIDENTIAL INFORMATION: It is understood that information developed by or communicated to Consultant in the performance of this Contract, as well as any and all information in whatever form or medium supplied to Consultant in connection herewith which is not generally available to the public is proprietary to the Authority and constitutes confidential information of the Authority. Consultant will make no oral or written disclosure of such information to third parties either during or after the term of this Contract, except as approved in writing by the Authority's Project Representative or as otherwise required by law. In the event the Consultant becomes aware that confidential information must be disclosed under a legal requirement, Consultant will notify Authority of the requirement and the affected information.

20. 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.

21. 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.

22. GOVERNING LAW: This Contract shall be governed by and construed in accordance with the laws of the State of Texas. The Parties agree that venue of all claims and lawsuits arising out of this Contract shall lie in Nueces County, Texas.

23. OPEN RECORDS: The Authority is a governmental body subject to the requirements of the Texas Public Information Act (Texas Government Code, chapter 552), and as such the Authority is required to disclose to the public (upon request) this Contract and certain other information and documents relating to the consummation of the transactions contemplated hereby. In this regard, the Consultant agrees that the disclosure of this Contract or any other information or materials related to the consummation of the transactions contemplated hereby to the public by the Authority as required by the Texas Public Information Act or any other applicable law will not expose the Authority (or any party acting by, through or under the Authority) to any claim, liability or action by the Consultant.

24. NO ORGANIZATIONAL CONFLICT OF INTEREST: Consultant hereby certifies that it has no actual or potential Organizational Conflict of Interest. “Organizational Conflict of Interest” means that because of other activities or relationships with other persons or entities, the Consultant is unable or potentially unable to render impartial assistance or advice to Authority or the Consultant’s objectivity in performing the services under this Contract is or might otherwise be impaired. Consultant agrees to immediately notify Authority of any actual or potential Organizational Conflict of Interest that develops during the term of this Contract. Consultant agrees that Authority may terminate this Contract immediately if it becomes aware of any Organizational Conflict of Interest during the term of the Contract.

25. DEFAMATION: The Parties covenant and agree that in no event, and at no time during the Term or at any time thereafter, shall either of them disparage, denigrate, slander, libel or otherwise defame the other or the other’s businesses, services, properties or assets, or employees, personnel, agents, or representatives.

26. HEADINGS: All Section headings or other titles used in this Contract are used solely for convenience and shall not affect or be used in connection with the interpretation or construction of this Contract.

27. 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: John P. LaRue
Title: Executive Director
Date: _____

“Authority”

FREEMAN SCHROEDER ARCHITECTS, LLC.

By: _____
Name: Sheldon Schroeder
Title: Principal
Date: _____

“Consultant”

EXHIBIT A

SCOPE OF SERVICES

The Consultant will perform the following services in accordance with the terms and conditions set forth in this Contract:

SCOPE OF WORK

Consultant shall provide professional consulting services to assist the Authority in developing and executing a selection process to identify the Best Value Design Build Entity (DBE) to construct a new Office Building adjacent to the Solomon P. Ortiz International Center. This agreement may be amended, expanded or otherwise altered as mutually agreed (in writing) by Authority and Consultant.

This agreement establishes the general scope of the Consultant responsibilities including services and associated compensation to coordinate Authority's Other Consultants (Consultants hired directly by the Authority under separate contract) specifically related to development of the DBE process and documents.

Services to be provided by the Consultant team may include but shall not be limited to the following:

General – Services provided throughout the process until construction completion:

1. Meet with Authority Staff and selected Port Commissioners to coordinate services and present information developed.
2. Provide regular updates to the Port Commission, Commission Committee, and Port Management and prepare and present updates at committee and public commission meetings as requested and directed by the Authority.

Pre-DBE Contract Phase - Development of DBE selection process and documents:

3. Coordinate and assist the Authority in development and execution of a selection process to identify the best value DBE. This process shall be a two-step selection process to include (1) a Request For Qualification (RFQ) process to identify a short list of 3 to 4 prospective DBE respondents and (2) a Request For Proposal (RFP) process to select the Best Value DBE.
4. With assistance from Authority, the Consultant shall develop a Program of Requirements (POR) for the Project. The foundation of the POR is the Basis of Design document which outlines the fundamental elements of the project as defined by the Authority. The Consultant shall coordinate development of Basis of Design with the Authority team and use it as the guide to defining and developing the POR and DB selection process.

5. As a component of the POR a space use program shall be developed. The Consultant shall utilize previously developed preliminary facility program information in conjunction with new information and interviews of Authority Administration and Staff to develop this space use program. This space use program shall serve as the basis for scoping the size and budget for the new facility.
6. The Consultant's team shall utilize the POR (particularly the space use program component) to develop a Conceptual Cost Estimate. This Conceptual Cost Estimate (early phase project budget) shall be utilized by the Authority and Consultant to prioritize the components of the POR within the RFP and provide a basis of expectation for the overall Design Build project.
7. The Consultant, with assistance from Authority's subconsultants, shall develop performance specifications supporting the POR. The performance specifications shall establish the parameters for building materials and systems available to the DBE in developing the design. In addition to applicable codes and ordinances the performance specifications shall establish the minimum standards for building systems and materials performance desired by the Authority.
8. Assist Authority in evaluating, selecting, and incorporating sustainable design objectives. At a minimum, the Consultant shall establish RFP requirements supporting compliance with the 2015 International Energy Conservation Code (IECC). NOTE: this contract scope does not include services necessary to manage, or document participation in any third party sustainable certification program. Should the Authority desire for the project to participate in a sustainable certification program an additional scope of service and commensurate compensation may be developed and added to this agreement.
9. Evaluate existing topographic, boundary and sub-surface information and make recommendations for additional topographic and subsurface surveys and investigations that may be necessary to support the design-build process.
10. Identify applicable code, ordinance and permitting requirements for inclusion in the RFP. Facilitate communication between the DBE and Authorities Having Jurisdiction (AHJ). Consultant shall, on behalf of the Authority, assist the DBE in navigating the permit application process. Final responsibility for procuring permits for the project shall be the responsibility of the DBE.
11. Develop with Authority input and direction:
 - a. A timeline for selecting a Design Build Team
 - b. Design Phase Milestone Dates
 - c. Construction Phase Milestone Dates
 - d. Other schedule dates and milestones as appropriate

12. Consultant shall coordinate development and execution of the RFQ / RFP documents and processes. Authority staff, legal counsel, subconsultants (contracted directly to the Authority), and other parties identified by the Authority as participants in the process shall be responsible for contributing or developing specific elements of the documents or process related to their expertise.
13. Consultant shall coordinate development of review, interview, and scoring criteria for the RFQ / RFP evaluation process. Authority staff, legal counsel and other parties designated by Authority shall contribute expertise in these review and scoring (ranking) processes. Consultant shall serve as a non-scoring advisory resource to the Authority selection committee during the RFQ and RFP evaluation and ranking processes. This includes review and technical support for questions submitted by responding Design Build Teams and preparation of Addendum to the RFQ and RFP, as appropriate and requested by Authority.
14. The Consultant shall be the primary coordinator in development of the RFP. The Consultant, in collaboration with the Authority's team shall vet the proposed Design / Build selection process with State of Texas "Water Code" and other laws and ordinances regulating Authority procurement. At minimum, the Authority RFP process intends to include the following elements and Consultant services consistent with the above procurement regulations:
 - a. A schematic design component illustrating the proposed building approach
 - b. Technical requirements for design and construction
 - c. Consultant shall coordinate and participate in one-on-one meetings between the Authority's designated team and each prospective DBE team to provide information and address specific questions, as allowable under applicable procurement regulations
 - d. Consultant shall provide technical assistance in responding to questions and comments on the RFP and preparation of addendums as may be necessary
 - e. Consultant shall facilitate presentations by each prospective DBE to the Selection Committee
 - f. Consultant shall develop, with input from Authority, evaluation and selection criteria which shall be utilized by the Selection Team in ranking the proposals from prospective DBE respondents
 - g. The RFP shall include a cost component as appropriate, and/or a timeline for establishing a Guaranteed Maximum Price
 - h. Stipend to be paid to unsuccessful teams
 - i. Best and Final offer from Design Build Teams (as appropriate)
15. Consultant shall select and negotiate scope of work with Authority's subconsultants as necessary to execute the project scope including creation of the RFQ, RFP, POR, and design and construction reviews. Subconsultants shall be contracted directly with the Authority and designated to work with the Consultant in preparing documentation for the specific scope of this contract. Scope and fee must be authorized by Authority staff prior to subconsultants participation. These subconsultants may include but shall not

be limited to: Civil, Structural, Mechanical, Electrical, Plumbing, Building systems commissioning, Data / Security, Landscaping, and Professional Cost Estimating.

16. Assist Authority in the development of the Design / Build Contract to control the design and construction of the new office facility.
17. Assist Authority staff in contract negotiations with the apparent successful Design Build Entity as requested by the Authority.

Post-DBE Contract Phase – Design and Construction Consulting:

*NOTE: The following outline of services for the contract phase and may be modified or expanded through an appropriate addendum to this agreement. Services requested by the Authority will consider the agreed upon fee and not-to-exceed amount as stated herein.

18. Meet regularly with Authority staff and DB team during Design and Construction phases to provide guidance to Authority team in design & construction process decision making.
19. Review design submittals provided by the DB team to evaluate their compliance with the standards established by the POR.
20. Review and coordinate response to Request for Information from the DBE.
21. Review regular design and construction schedule updates with Authority and DBE to monitor progress.
22. Review monthly DBE applications for payment, as requested by the Authority.

SCHEDULE

The following contract schedule is based on limited information available at time of Contract execution. This schedule shall be amended by mutual agreement between the Authority and Consultant, as necessary, through the course of project development.

| <u>Milestone</u> | <u>Weeks From Notice To Proceed (NTP)</u> |
|-------------------------------------|--|
| 1. Draft Request for Qualifications | Three Weeks |
| 2. Issue Request for Qualifications | Six Weeks |
| 3. Select Short List of DBE Firms | Thirteen Weeks |
| 4. Draft Program of Requirements | Eight Weeks |
| 5. Final Program of Requirements | Twelve Weeks |

| | |
|---------------------------------|----------------|
| 6. Draft Request for Proposals | Twelve Weeks |
| 7. Issue Request for Proposals | Thirteen Weeks |
| 8. Select DBE Firm | Thirty weeks |
| 9. Draft Design Build Contract | Ten Weeks |
| 10. Final Design Build Contract | Twenty Weeks |

DELIVERABLES

1. Draft Request for Qualifications
2. Final Request for Qualifications
3. Draft Program of Requirement
4. Final Program of Requirements
5. Draft Request for Proposals
6. Final Request for Proposals
7. Draft Design- Build Contract
8. Final Design Build Contract

Draft Deliverables will be provided in electronic reproducible format (PDF) and native file format as appropriate.

Final Deliverables will be provided in both electronic reproducible format and executable native file format, and no more than two bound hard copies, if requested by Authority.

EXHIBIT B

FEE SCHEDULE

The Consultant will perform the Services described in Exhibit A in accordance with the terms and conditions of this Contract on an hourly fee basis; provided, however, that the total fee for services rendered under this Contract will not exceed **\$230,000**, without Authority's written approval. Services provided by Consultant will be billed as specified in Exhibit B. These fees will cover all of Consultant's overhead costs, including but not limited to, office rent, long distance telephone charges, postage, payroll and copying charges.

The Authority agrees to reimburse the Consultant for certain authorized and approved travel expenses incurred by the Consultant during the Term and directly resulting from the Consultant's performance of the Services under this Contract. Reimbursement for lodging and meals may not exceed the maximum allowable per diem rates for domestic or foreign travel as set by the U.S. Department of Defense, Defense Travel Management Office. Lodging and meal per diem rates for specific locations (foreign and domestic) may be found at: <http://www.defensetravel.dod.mil/site/perdiemCalc.cfm>. Authority will also reimburse the Consultant for Direct Costs incurred by the Consultant in performing the Services. The Consultant shall submit proper documentation of any such approved travel expenses and Direct Costs to Authority from time to time, and such costs and expenses shall be billed to Authority at Consultant's actual cost.

Not later than the twentieth (20th) day of each calendar month, Consultant shall submit to Authority detailed invoices for all services performed and Direct Costs incurred, if any, pursuant to this Agreement during the prior calendar month. The invoices shall describe in detail the Services performed during the prior month and shall list the days and hours worked, approved Direct Costs, milestone achievements, tasks performed or completed, and the Services performed during each day of the prior month. Authority shall review the invoices and notify Consultant in writing (including email) within twenty (20) days of any disputed amounts.

Should this Contract be terminated for any reason, the Consultant will be paid all fees earned up to the termination date and any approved direct expenses incurred.

This base fee proposal for Consultant services is based on a time and materials not-to-exceed compensation structure. The Consultant rate is \$160 per hour. As of the initiation of this Consultant agreement the Project scope and budget are substantially undefined and the fee structure presented is generally based on an estimated project scope and budget.

COMPENSATION

| | |
|---|--------------------------|
| RFQ, POR, and RFP development phase | \$ 100,000 |
| DBE selection phase (including evaluation & DBE contract negotiation) | 30,000 |
| After execution of DBE agreement (Design & Construction phases*) | <u>100,000</u> |
| Total Not to Exceed Budget | <u>\$ 230,000</u> |

Should the Authority determine additional scope be added to the Consultant's services additional compensation shall be proposed by the Consultant based on a "not to exceed" budget of time estimated to complete the additional scope.

Compensation for additional scope of services shall be calculated based on the Consultant's hourly rate of \$160.

*Services proposed for Design and Construction Phase representation (period after DBE entity is under contract) presumes a 24 month Design and Construction schedule.

EXHIBIT C

INSURANCE

Without limiting the indemnity obligations or liabilities of Consultant or its insurers, provided herein, Consultant agrees to carry and maintain at its sole expense policies of insurance ("the Policies") of the types and in the minimum amounts as follows:

| | <u>TYPE OF INSURANCE</u> | <u>LIMITS OF LIABILITY</u> |
|----|------------------------------|---|
| A. | Workers' Compensation | Statutory |
| B. | Employer's Liability | \$500,000 per Occurrence \$500,000 Aggregate |
| C. | Commercial General Liability | \$1,000,000 per Occurrence \$2,000,000 Aggregate |

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

| | | |
|----|-------------------------------|--------------------------|
| D. | Business Automobile Liability | \$500,000 per Occurrence |
|----|-------------------------------|--------------------------|

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

| | | |
|----|------------------------|-------------|
| E. | Professional Liability | \$1,000,000 |
|----|------------------------|-------------|

Consultant will procure and maintain professional liability insurance for protection from claims arising out of performance of its Services under this Contract caused by any error, omission, or act for which the Consultant is legally liable. Policies written on a claims-made basis shall have an extended reporting period of at least two (2) years beyond termination of the Contract.

Each policy, except Professional Liability, must contain an endorsement to the effect that the issuer waives any claim or right of subrogation to recover against the Authority, its Port Commissioners, officers and employees ("Authority Parties"). Additionally, the Authority Parties shall be designated as an Additional Insured either by a blanket additional insured or a specific endorsement on all policies, except for Worker's Compensation, Employer's Liability, and Professional Liability. In the event that the work of Consultant's employees fall within the purview of the United States Longshoremen's and Harbor Workers' Compensation Act, the Jones Act or the Federal Employer's Liability Act, Consultant shall extend its insurance coverage to provide insurance against the liabilities imposed under the applicable Act or Acts.

Each policy, except Workers' Compensation and Professional Liability, must contain an endorsement that the policy is primary to any other insurance available to the Additional Insureds with respect to claims arising under this Contract.

The insurance required as listed above, shall apply to any contractor or subcontractor performing for or on behalf of Consultant, and Consultant shall ensure that any such subcontractor is aware of and is in compliance with the insurance requirements during any period such contractor is performing work under this Contract.

The minimum insurance required may be increased periodically upon request by Authority to commercially reasonable limits. The company writing each of the Policies must possess a current rating with A.M. Best Company of at least "A-, VII".

Consultant's liability shall not be limited to the specified amounts of insurance required herein.

DATE: August 15, 2017
TO: Port Commission
FROM: Lynn Angerstein
lynn@pocca.com
(361) 885-6142

AGENDA ITEM NO.

Approve Revised Procurement Policy for Port of Corpus Christi Authority

SUMMARY: Staff is seeking commission approval of revisions to Procurement Policy.

BACKGROUND: PCCA Procurement Services department presented a comprehensive procurement policy approved by Commission August 16, 2016. Among the Policy Responsibilities, the Audit Committee shall evaluate the policy and recommend updates as needed to the Port Commission. The Audit Committee met August 7, 2017 and reviewed certain revisions presented by the Procurement Services department.

ALTERNATIVES: None.

CONFORMITY TO PORT POLICY: Yes.

EMERGENCY: No.

FINANCIAL IMPACT: N/A

STAFF RECOMMENDATION: Staff recommends adoption of the revised Procurement Policy for the Port of Corpus Christi Authority.

DEPARTMENTAL CLEARANCES:

| | |
|------------------------|-----------------|
| Originating Department | Procurement |
| Reviewed & Approved | Lynn Angerstein |
| Legal | Dane Bruun |
| Senior Staff | Jarl Pedersen |

Dennis J. DeVries
Sean Strawbridge
John LaRue

Commission

Audit Committee

LIST OF SUPPORTING DOCUMENTS:

Procurement Policy (revised 08/2017) – clean
Procurement Policy (revised 08/2017) – redline

Port of Corpus Christi Authority
Procurement Policy
Approved by Commission 08/16/2016

I. Purpose

The Port Commission of the Port of Corpus Christi Authority (the “Port Authority”) hereby establishes this policy (the “Procurement Policy”) for the procurement of goods and services.

II. Policy Statement

It is the policy of the Port Authority that its procurement of goods and services should conform to the Port Authority’s mission and applicable law in a deliberate, fair, and ethical manner while providing every qualified provider with an equal opportunity to compete for Port Authority procurements.

III. Policy Authority

This procurement-related policy is in compliance with the following statutes:

- A. Texas Water Code, Chapters 60 and 62
- B. Texas Government Code, Chapter 2254, Subchapter A
- C. Texas Government Code, Chapter 2054
- D. Texas Local Government Code, Chapter 271, Subchapters D, F, and G

IV. Definitions

- A. “Best Bid” means the lowest responsive, responsible bid.
- B. “Best Value” means, with respect to any bid, proposal or procurement method, the bid, proposal or procurement method that is determined to be the most advantageous to the Port Authority when compared to other bids, proposals or procurement methods based on price and non-price factors.
- C. “Bidders/Proposers” means actual and prospective respondents (including their authorized representatives acting on their behalf) to a Formal Procurement solicitation.
- D. “Competitive Sealed Bids” means an advertised procurement method in which the award is made to the lowest responsive, responsible bidder. The use of competitive

sealed bids is a method of contracting for goods and nonprofessional services. In open competitive bidding, the sealed bids are opened in full view of all who may wish to witness the bid opening. Competitive bidding aims at obtaining goods and services at the lowest prices by stimulating competition and by preventing favoritism.

- E. “Competitive Sealed Proposals” means an advertised procurement method in which a selection is made of the proposal that offers the best value based on the published selection criteria and ranking evaluation, followed by contract negotiation. This method permits the consideration of non-price criteria and negotiation of scope of services.
- F. “Consulting Services” means professional services that are predominantly mental or intellectual, rather than physical or manual, in nature. Consulting Services, include, without limitation, services performed by members of disciplines requiring special knowledge or attainment of a high order of learning, skill, and intelligence
- G. “Cooperative Purchasing Program” means a volume purchasing program providing vetted competitive solicitation, selection and contract awards for goods and services available to participating public agencies eliminating other bidding requirements.
- H. “Formal Procurement” means the procurement of goods or services for more than \$50,000.
- I. “Informal Procurement” means the procurement of goods or services for not more than \$50,000.
- J. “Misconduct” means a violation of law or Port Authority’s procurement policy, standards, or procedures, by a Port Commissioner, employee, or third-party acting in connection with the Port Authority.
- K. “No-Contact Period” means the period commencing on public issuance by the Port Authority of a solicitation for Formal Procurement, and ending when the Port Authority publicly posts notice of the agenda for the Port Commission meeting during which award of the Formal Procurement is scheduled for action.
- L. “Professional Services” means services identified in the Professional Services Procurement Act (“PSPA”), Texas Government Code, Chapter 2254, including service within the scope of practice of accounting, architecture, landscape architecture, land surveying, medicine, optometry, professional engineering, real estate appraising; or professional nursing.

- M. “Request for Proposals” means an advertised procurement method in which the award is made to the lowest and best evaluated offer resulting from negotiation based on the published evaluation criteria.
- N. “Subchapter N” means Subchapter N of Chapter 60 of the Texas Water Code, which is entitled *Competitive Bidding Requirements*.
- O. “Subchapter O” means Subchapter O of Chapter 60 of the Texas Water Code, which is entitled *Purchase Contracts*.

V. Code of Ethics

- A. It is essential to our business that all parties act under the highest ethical and legal standards and maintain a reputation for honesty, integrity and lawful conduct. The Port Authority has established written guidelines for the sound business and ethical practices of Vendors, Port Commissioners and Employees of the Port Authority in conducting its business. These guidelines are detailed in the Vendors Code of Ethics Policy Statement.

VI. Authority of the Port Commission

- A. Port Authority procurement is under the control of the Port Commission, which oversees and approves Port Authority expenditures in conformity with the Texas Water Code, the Texas Government Code, the Texas Local Government Code, and this Procurement Policy. The Procurement Policy is not intended to restrict the authority of the Port Commission to act as may be permitted by law.
- B. The Port Commission must approve all Formal Procurements by the Port Authority.

VII. Adoption of Applicable Procurement Laws

- A. This policy supersedes all previous purchasing guidelines and/or purchasing policies adopted by the Port Commission. The Port Commission hereby reaffirms its prior adoption of Subchapter N “Competitive Bidding Requirements” for all Formal Procurements, unless the Port Commission approves one of the purchasing methods described in Subchapter O for a particular procurement.
- B. Notwithstanding anything to the contrary contained herein, the Port Authority may participate in cooperative purchasing programs approved by the State of Texas, other Texas local governments, or the United States General Services Administration without seeking competitive bids. Similarly, the Port Authority may purchase information technology products and services under the Texas Department of Information Resources Cooperative Contracts without the need for competitive bidding.

VIII. Procurement Communications

- A. Bidder/Proposer Restrictions. Except as provided below, during the No-Contact Period, Bidders/Proposers are prohibited from communicating with members of the Port Commission and Port Authority employees regarding a Formal Procurement.
- B. Port Commission and Port Authority Staff Restrictions. Except as provided below, during the No-Contact Period, any Port Commissioner and any Port Authority employee contacted by a Bidder/Proposer regarding a Formal Procurement shall instruct the Bidder/Proposer to contact the Manager of Procurement Services and shall not otherwise communicate with the Bidder/Proposer regarding such Formal Procurement.
- C. Exceptions. Notwithstanding the foregoing, the following types of communications are permitted during the No-Contact Period:
 - 1. Formal responses to the Port Authority's solicitation;
 - 2. Publicly-made communications at the Port Authority's pre-bid/pre-proposal conferences, and public meetings of the Port Commission and Port Commission committees;
 - 3. Written questions or clarification requests made to the Manager of Procurement Services or designee during the period designated by the Port Authority for such purpose, including questions or requests presented via electronic means;
 - 4. Communications during oral interviews and presentations conducted at the request of the Port Authority to assist with its evaluation of Formal Procurement proposals;
 - 5. Authorized negotiation of the contract that is the subject of the Formal Procurement, engaged in by designated Port Authority employees; and
 - 6. A report of Misconduct to a Port Commissioner and/or Port Authority employees.

IX. Methods of Making Formal Procurements

- A. Customary Formal Procurement Methods. Each Formal Procurement by the Port Authority which is not exempt from the requirements of Subchapter N will be made in accordance with the competitive bidding or request for proposal requirements set forth in Subchapter N, unless the Port Commission determines that making the procurement under one of the purchasing methods described in Subchapter O (each an "Alternative Procurement Method") will provide the best value to the Port Authority. Customary methods of Formal Procurements include:

1. Solicitation of “Competitive Sealed Bids,” for construction, repair, or renovation of a structure, road, highway, or other improvement or addition to real property and repair of facilities, including as may be required following damage caused by third parties.
2. Solicitation of “Requests for Proposals,” for procurement of insurance or high technology items.
3. Solicitation of “Requests for Qualifications,” where price is negotiated following selection. The selection and award must be based on demonstrated competence and qualification to perform the services for a fair and reasonable price. RFQ is used for certain professional services only as described in Texas Government Code, Chapter 2254, Subchapter A.

B. Alternative Formal Procurement Methods. The Port Commission may determine that making the procurement under one of the following purchasing methods described in Subchapter O (each an “Alternative Procurement Method”) will provide the best value to the Port Authority:

1. Solicitation of “Competitive Sealed Proposals,” for construction, repair, rehabilitation, or alteration of facilities (except as provided above), and for non-construction items.
2. Solicitation of “Request for Proposals,” for services and intangible items other than construction services.
3. Solicitation of “Design-Build,” for project delivery with a single entity to provide both design and construction services for the construction, rehabilitation, alteration, or repair of a facility. The design-build method can also be used for civil engineering construction projects such as roads, facilities, infrastructure, and drainage.
4. Solicitation of “Construction Manager-at-Risk,” or “Construction Manager-Agent” by which the PCCA contracts with an architect or engineer for design and construction phase services and contracts separately with a construction manager-at-risk to serve as the general contractor to provide consultation during the design and construction, rehabilitation, alteration, or repair of a facility.
5. Solicitation of “Job Order Contracts or JOC” method is unique to construction services and is limited to contracts for the minor construction, repair, rehabilitation, or alteration of a facility if the work is of a recurring nature but the delivery times are indefinite and indefinite quantities.

C. Procedure for Using an Alternative Procurement Method. The Port Commission shall approve in advance the use of an Alternative Procurement Method for making a Formal Procurement. In such cases the following processes shall be adhered to:

1. Port Authority staff shall request Port Commission Action at a Port Commission meeting authorizing the use of a particular Alternative Procurement Method for the Formal Procurement.
2. The Port Commission shall determine at a Port Commission meeting whether the recommended Alternative Procurement Method offers the best value to the Port Authority for the specified Formal Procurement.
3. If the Port Commission approves an Alternative Procurement Method for a Formal Procurement, the staff shall utilize the approved Alternative Procurement Method in making the procurement.

X. Informal Procurements

Informal Procurements. Except as may otherwise be provided by the Port Commission from time to time, the Executive Director or designee shall have the authority to make Informal Procurements in accordance with the following general purchasing guidelines:

1. Purchases less than \$5,000. No minimum number of quotes required. All purchases must be approved by the Department Director or designee.
2. Purchases of \$5,000 but less than \$50,000 including Construction or Repair of Port Facilities and Equipment (except marine and rail construction). A minimum of three quotes required. All purchases must be approved as appropriate according to the following levels of authority:

\$5,000 Department Director
\$20,000 Chief Commercial Officer
\$25,000 Chief Financial Officer
\$30,000 Deputy Executive Director & Chief Operating Officer
\$50,000 Executive Director (up to \$50,000)
3. Purchases for Marine and Rail Construction less than \$50,000. Exempt from a minimum of three quotes due to limited availability of local marine and rail contractors. All purchases must be approved for the dollar limits as outlined in items 1, and 2 above.

XI. Emergency Purchases

Except as may otherwise be provided by the Port Commission from time to time, the Executive Director shall have the authority to make emergency purchases or contracts or

emergency amendments to existing purchase orders or contracts as permitted by Texas Water Code Section 60.4035, including the Executive Director's spending authority for Pre-Readiness and Post-Storm Recovery Hurricane Expenditures.

XII. Professional Services Selection & Authorization.

- A. Authorization. The Port Commission shall approve each contract for Consultants and Professional Services with fixed or projected fees and expenses in excess of \$50,000. The executive director shall have the authority to approve any contract for Consultants and Professional Services with fixed or projected fees and expenses of not more than \$50,000.
- B. Formal Selection Process. Unless otherwise approved by the Executive Director, a formal selection process will be used to procure high cost (i.e., \$150,000 or more in anticipated fees and expenses) Professional Services subject to the Professional Services Procurement Act (Chapter 2254, Subchapter A of the Texas Government Code). A formal selection process shall be followed to ensure that all interested and qualified firms are permitted an opportunity to be considered and that the best qualified firm is selected. A Request for Qualifications (RFQ) statement shall be prepared identifying the services needed and the selection process to be used. A notice shall be published in a newspaper of general circulation for two (2) consecutive weeks prior to the opening date. A selection committee shall determine the most qualified firm and negotiate contract terms.
- C. Informal Selection Process. An informal selection process will be used to procure routine, low cost (i.e., under \$150,000 in fees and expenses anticipated) Professional Services subject to the Professional Services Procurement Act (Chapter 2254, Subchapter A of the Texas Government Code). The selection will be made on the basis of demonstrated competence and qualifications to perform the required services for a fair and reasonable price.

XIII. Contract Participation for Historically Underutilized and/or Disadvantaged Businesses

It is the policy of the Port Authority that reasonable opportunities are afforded to historically underutilized and/or disadvantaged businesses to participate in the performance of contracts awarded by the Port Authority, subject to federal and state laws. In furtherance of this Contract Participation policy, the Port Authority's objective will be to develop procedures to conduct outreach programs to encourage and maximize participation by historically underutilized and/or disadvantaged businesses, establish objectives and initiatives for such participation, and monitor the progress and effectiveness of such objectives.

XIV. Policy Responsibility

A. Staff Procurement Standards and Procedures.

1. The Procurement Services Department shall prepare and from time-to-time update a Procurement Manual designed as a resource of standards and procedures consistent with this Procurement Policy to be used as a resource of best practices by the Port Authority staff in the procurement of goods and services.
2. Standards and procedures developed by staff shall not contain restrictions on the authority of the Port Commission or impose obligations on the Port Commission.

B. Periodic Procurement Reports. The Executive Director or his designees shall periodically report to the Port Commission regarding Port Authority procurement and supply management activities.

C. Procurement Policy Updates. The Audit Committee shall evaluate this Procurement Policy's effectiveness at least annually and recommend updates as needed to the Port Commission for possible action at regularly scheduled meetings.

D. Staff Responsibility. The Manager of Procurement Services is responsible for implementation of this Procurement Policy, and is the contact for staff members seeking its interpretation.

Port of Corpus Christi Authority
Procurement Policy
Approved by Commission 08/16/2016

I. Purpose

The Port Commission of the Port of Corpus Christi Authority (the “Port Authority”) hereby establishes this policy (the “Procurement Policy”) for the procurement of goods and services.

II. Policy Statement

It is the policy of the Port Authority that its procurement of goods and services should conform to the Port Authority’s mission and applicable law in a deliberate, fair, and ethical manner while providing every qualified provider with an equal opportunity to compete for Port Authority procurements.

III. Policy Authority

This procurement-related policy is in compliance with the following statutes:

- A. Texas Water Code, Chapters 60 and 62
- B. Texas Government Code, Chapter 2254, Subchapter A
- C. Texas Government Code, Chapter 2054
- D. Texas Local Government Code, Chapter 271, Subchapters D, F, and G

IV. Definitions

- A. “Best Bid” means the lowest responsive, responsible bid.
- B. “Best Value” means, with respect to any bid, proposal or procurement method, the bid, proposal or procurement method that is determined to be the most advantageous to the Port Authority when compared to other bids, proposals or procurement methods based on price and non-price factors.
- C. “Bidders/Proposers” means actual and prospective respondents (including their authorized representatives acting on their behalf) to a Formal Procurement solicitation.
- D. “Competitive Sealed Bids” means an advertised procurement method in which the award is made to the lowest responsive, responsible bidder. The use of competitive

sealed bids is a method of contracting for goods and nonprofessional services. In open competitive bidding, the sealed bids are opened in full view of all who may wish to witness the bid opening. Competitive bidding aims at obtaining goods and services at the lowest prices by stimulating competition and by preventing favoritism.

- E. “Competitive Sealed Proposals” means an advertised procurement method in which a selection is made of the proposal that offers the best value based on the published selection criteria and ranking evaluation, followed by contract negotiation. This method permits the consideration of non-price criteria and negotiation of scope of services.
- F. “Consulting Services” means professional services that are predominantly mental or intellectual, rather than physical or manual, in nature. Consulting Services, include, without limitation, services performed by members of disciplines requiring special knowledge or attainment of a high order of learning, skill, and intelligence
- G. “Cooperative Purchasing Program” means a State of Texas volume purchasing program approved by the Port Commission and in compliance with competitive solicitation requirements by providing vetted competitive solicitation, selection and contract awards for goods and services available to participating public agencies eliminating other bidding requirements.
- H. “Formal Procurement” means the procurement of goods or services for more than \$50,000.
- I. “Informal Procurement” means the procurement of goods or services for not more than \$50,000.
- J. “Misconduct” means a violation of law or Port Authority’s procurement policy, standards, or procedures, by a Port Commissioner, employee, or third-party acting in connection with the Port Authority.
- K. “No-Contact Period” means the period commencing on public issuance by the Port Authority of a solicitation for Formal Procurement, and ending when the Port Authority publicly posts notice of the agenda for the Port Commission meeting during which award of the Formal Procurement is scheduled for action.
- L. “Professional Services” means services under the Professional Services Procurement Act (“PSPA”) of the Texas Government Code, Chapter 2254. Examples of PSPA Professional Services include Accounting, Architecture, Landscape architecture, Land surveying, Medicine, Optometry, Professional Engineering, Real estate appraising; or Professional nursing.

- M. “Request for Proposals” means an advertised procurement method in which the award is made to the lowest and best evaluated offer resulting from negotiation based on the published evaluation criteria.
- N. “Subchapter N” means Subchapter N of Chapter 60 of the Texas Water Code, which is entitled *Competitive Bidding Requirements*.
- O. “Subchapter O” means Subchapter O of Chapter 60 of the Texas Water Code, which is entitled *Purchase Contracts*.

V. Code of Ethics

- A. It is essential to our business that all parties act under the highest ethical and legal standards and maintain a complete reputation for honesty, integrity and lawful conduct. The Port Authority has established written guidelines for the sound business and ethical practices of Vendors, Port Commissioners and Employees of the Port Authority in conducting its business. These guidelines are detailed in the Vendors Code of Ethics Policy Statement.

VI. Authority of the Port Commission

- A. Port Authority procurement is under the control of the Port Commission, which oversees and approves Port Authority expenditures in conformity with the Texas Water Code, the Texas Government Code, the Texas Local Government Code, and this Procurement Policy. The Procurement Policy is not intended to restrict the authority of the Port Commission to act as may be permitted by law.
- B. The Port Commission must approve all Formal Procurements by the Port Authority.

VII. Adoption of Applicable Procurement Laws

- A. This policy supersedes all previous purchasing guidelines and/or purchasing policies adopted by the Port Commission. The Port Commission hereby reaffirms its prior adoption of Subchapter N “Competitive Bidding Requirements” for all Formal Procurements, unless the Port Commission approves one of the purchasing methods described in Subchapter O for a particular procurement.
- B. Notwithstanding anything to the contrary contained herein, the Port Authority may participate in cooperative purchasing programs approved by the State of Texas, other Texas local governments, or the United States General Services Administration without seeking competitive bids. Similarly, the Port Authority may purchase information technology products and services under the Texas Department of Information Resources Cooperative Contracts without the need for competitive bidding.

VIII. Procurement Communications

- A. Bidder/Proposer Restrictions. Except as provided below, during the No-Contact Period, Bidders/Proposers are prohibited from communicating with members of the Port Commission and Port Authority employees regarding a Formal Procurement.
- B. Port Commission and Port Authority Staff Restrictions. Except as provided below, during the No-Contact Period, any Port Commissioner and any Port Authority employee contacted by a Bidder/Proposer regarding a Formal Procurement shall instruct the Bidder/Proposer to contact the Manager of Procurement Services and shall not otherwise communicate with the Bidder/Proposer regarding such Formal Procurement.
- C. Exceptions. Notwithstanding the foregoing, the following types of communications are permitted during the No-Contact Period:
 - 1. Formal responses to the Port Authority's solicitation;
 - 2. Publicly-made communications at the Port Authority's pre-bid/pre-proposal conferences, and public meetings of the Port Commission and Port Commission committees;
 - 3. Written questions or clarification requests made to the Manager of Procurement Services or designee during the period designated by the Port Authority for such purpose, including questions or requests presented via electronic means;
 - 4. Communications during oral interviews and presentations conducted at the request of the Port Authority to assist with its evaluation of Formal Procurement proposals;
 - 5. Authorized negotiation of the contract that is the subject of the Formal Procurement, engaged in by designated Port Authority employees; and
 - 6. A report of Misconduct to a Port Commissioner and/or Port Authority employees.

IX. Methods of Making Formal Procurements

- A. Customary Formal Procurement Methods. Each Formal Procurement by the Port Authority which is not exempt from the requirements of Subchapter N will be made in accordance with the competitive bidding or request for proposal requirements set forth in Subchapter N. :
 - 1. Solicitation of "Competitive Sealed Bids," for construction, repair, or renovation of a structure, road, highway, or other improvement or addition

to real property and repair of facilities, including as may be required following damage caused by third parties.

2. Solicitation of “Requests for Proposals,” for procurement of high technology items, insurance, consulting services, and other intangible items, other than construction services.
3. Solicitation of “Requests for Qualifications,” where price is negotiated following selection. The selection and award must be based on demonstrated competence and qualification to perform the services for a fair and reasonable price. RFQ is used for certain professional services only.
- 4.

B. Alternative Formal Procurement Methods. The Port Commission shall determine that making the procurement under one of the following purchasing methods described in Subchapter O (each an “Alternative Procurement Method”) will provide the best value to the Port Authority:

1. Solicitation of “Competitive Sealed Proposals,” for construction, repair, rehabilitation, or alteration of facilities (except as provided above), and for non-construction items.
2. Solicitation of “Design-Build,” for project delivery with a single entity to provide both design and construction services for the construction, rehabilitation, alteration, or repair of a facility. The design-build method can also be used for civil engineering constructions project such as roads, facilities, infrastructure, and drainage.
3. Solicitation of “Construction Manager-at-Risk,” by which the PCCA contracts with an architect or engineer for design and construction phase services and contracts separately with a construction manager-at-risk to serve as the general contractor to provide consultation during the design and construction, rehabilitation, alteration, or repair of a facility.
4. Solicitation of “Job Order Contracts or JOC” method is unique to construction services and is limited to contracts for the minor construction, repair, rehabilitation, or alteration of a facility if the work is of a recurring nature but the delivery times are indefinite and indefinite quantities.

C. Procedure for Using an Alternative Procurement Method. The Port Commission may approve in advance the use of an Alternative Procurement Method for making a Formal Procurement. In such cases the following processes shall be adhered to:

1. Port Authority staff shall request Port Commission Action at a Port Commission meeting authorizing the use of a particular Alternative Procurement Method for the Formal Procurement.

2. The Port Commission shall determine at a Port Commission meeting whether the recommended Alternative Procurement Method offers the best value to the Port Authority for the specified Formal Procurement.
3. If the Port Commission approves an Alternative Procurement Method for a Formal Procurement, the staff shall utilize the approved Alternative Procurement Method in making the procurement.

X. Informal Procurements

Informal Procurements. Except as may otherwise be provided by the Port Commission from time to time, the Executive Director or designee shall have the authority to make Informal Procurements in accordance with the following general purchasing guidelines:

1. Purchases less than \$5,000. No minimum number of quotes required. All purchases must be approved by the Department Director or designee.
2. Purchases of \$5,000 but less than \$50,000 including Construction or Repair of Port Facilities and Equipment (except marine and rail construction). A minimum of three quotes required. All purchases must be approved as appropriate according to the following levels of authority: .
 - \$5,000 Department Director
 - \$20,000 Chief Commercial Officer
 - \$25,000 Chief Financial Officer
 - \$30,000 Deputy Executive Director & Chief Operating Officer
 - \$50,000 Executive Director
3. .
4. Purchases for Marine and Rail Construction less than \$50,000. Exempt from a minimum of three quotes due to limited availability of local marine and rail contractors. All purchases must be approved for the dollar limits as outlined in items 1, and 2above.
- 5.

XI. Emergency Purchases

Except as may otherwise be provided by the Port Commission from time to time, the Executive Director shall have the authority to make emergency purchases or contracts or emergency amendments to existing purchase orders or contracts as permitted by Texas Water Code Section 60.4035, including the Executive Director's spending authority for Pre-Readiness and Post-Storm Recovery Hurricane Expenditures.

XII. Professional Services Selection & Authorization.

- A. Authorization. The Port Commission shall approve each contract for Consultants and Professional Services with fixed or projected fees and expenses in excess of \$50,000. The executive director shall have the authority to approve any contract for Consultants and Professional Services with fixed or projected fees and expenses of not more than \$50,000.
- B. Formal Selection Process. Unless otherwise approved by the Executive Director, a formal selection process will be used to procure high cost (i.e., \$150,000 or more in anticipated fees and expenses) Professional Services subject to the Professional Services Procurement Act (Chapter 2254, Subchapter A of the Texas Government Code). A formal selection process shall be followed to ensure that all interested and qualified firms are permitted an opportunity to be considered and that the best qualified firm is selected. A Request for Qualifications (RFQ) statement shall be prepared identifying the services needed and the selection process to be used. A notice shall be published in a newspaper of general circulation for two (2) consecutive weeks prior to the opening date. A selection committee shall determine the most qualified firm and negotiate contract terms.
- C. Informal Selection Process. An informal selection process will be used to procure routine, low cost (i.e., under \$150,000 in fees and expenses anticipated) Professional Services subject to the Professional Services Procurement Act (Chapter 2254, Subchapter A of the Texas Government Code). The selection will be made on the basis of demonstrated competence and qualifications to perform the required services for a fair and reasonable price.

XIII. Contract Participation for Historically Underutilized and/or Disadvantaged Businesses

It is the policy of the Port Authority that reasonable opportunities are afforded to historically underutilized and/or disadvantaged businesses to participate in the performance of contracts awarded by the Port Authority, subject to federal and state laws. In furtherance of this Contract Participation policy, the Port Authority's objective will be to develop procedures to conduct outreach programs to encourage and maximize participation by historically underutilized and/or disadvantaged businesses, establish objectives and initiatives for such participation, and monitor the progress and effectiveness of such objectives.

XIV. Policy Responsibility

- A. Staff Procurement Standards and Procedures.
 - 1. The Procurement Services Department shall prepare and from time-to-time update a Procurement Manual designed as a resource of standards and procedures consistent with this Procurement Policy to be used as a resource

of best practices by the Port Authority staff in the procurement of goods and services.

2. Standards and procedures developed by staff shall not contain restrictions on the authority of the Port Commission or impose obligations on the Port Commission.

- B. Periodic Procurement Reports. The Executive Director or his designees shall periodically report to the Port Commission regarding Port Authority procurement and supply management activities.
- C. Procurement Policy Updates. The Audit Committee shall evaluate this Procurement Policy's effectiveness at least annually and recommend updates as needed to the Port Commission for possible action at regularly scheduled meetings.
- D. Staff Responsibility. The Manager of Procurement Services is responsible for implementation of this Procurement Policy, and is the contact for staff members seeking its interpretation.



DATE: August 15, 2017

TO: Port Commission

FROM: Angela Leyva, Safety Manager
angela@pocca.com
(361) 885-6107

Approve Amendment to Consulting Services Contract with EnSafe Inc. in an amount not to exceed \$201,500 for additional Scope of Work related to Occupational Health and Safety Management System and Safety Program Development through August 31, 2018.

SUMMARY: Staff requests the approval of amendment #1 to the Consulting Services Contract in an amount of \$201,500 and time extension through August 31, 2018, with EnSafe Inc. to address high hazards identified in the OHS Management System Gap Assessment and Hazard Survey performed May 18 - 21, 2017.

BACKGROUND: EnSafe Inc. was contracted April 18, 2017 to develop and assist in implementation of the Occupational Health & Safety Management System and Health & Safety Policies and Manuals as part of our Strategic Plan initiative # 6 Fostering a Safe and Healthy Workplace and to expedite the process improvement of PCCA's Safety Culture. EnSafe Inc. performed a thorough Gap Assessment and Hazard Survey May 18 - 21, 2017. In response to the gaps and high hazards identified, EnSafe will conduct work to assess and document risk, establish written programs, train personnel, and provide solutions for further corrective actions. These tasks support the Hazard Identification and Assessment of Risks, Operational Planning and Controls, Hierarchy of Controls, Employee Training and Competence, and Continuous Improvement elements of the Occupational Health and Safety Management System that is currently being developed; in a manner that would qualify the Port for ISO 45001 certification, therefore, staff requests Commission approval of an amendment to the Consulting Services Contract.

ALTERNATIVES: Seek separate contracts for assessing and documenting risk and hazard identification, establishing written programs, training personnel, and providing solutions for corrective actions or continue to develop in house.

CONFORMITY TO PORT POLICY: This conforms to PCCA's procurement policy as well as PCCA Strategic Plan Goal 6 (Grow Our People to Staff the Future), Strategic Objective 6B (Foster a Safe and Healthy Workplace) Action Item 1 (Develop/Implement Comprehensive OH&S Management System).

EMERGENCY: No

FINANCIAL IMPACT: Up to \$201,500 additional expense to Professional Services.

STAFF RECOMMENDATION: Staff recommends approval of the First Amendment to Consulting Services Contract with EnSafe Inc. in an amount not to exceed \$201,500 for additional Scope of Work and time extension through August 31, 2018, to address risk management gaps and high hazards identified in the OHS Management System Gap Assessment and Hazard Survey.

DEPARTMENTAL CLEARANCES:

| | |
|------------------------|-------------------|
| Originating Department | Safety Management |
| Reviewed & Approved | Angela Leyva |
| Procurement | Lynn Angerstein |
| Legal | Dane Bruun |
| Senior Staff | John LaRue |
| | Sean Strawbridge |

LIST OF SUPPORTING DOCUMENTS:

First Amendment to Consulting Services Contract

FIRST AMENDMENT OF CONSULTING SERVICES AGREEMENT

This First Amendment of Consulting Agreement (the “***Amendment***”) is made effective as of 15th August, 2017 (“***Amendment Date***”), by and between the Port of Corpus Christi Authority of Nueces County, Texas, a navigation district operating under Article XVI, Section 59 of the Texas Constitution (“***Authority***”), and EnSafe, Inc. (“***Consultant***”). Authority and Consultant are sometimes individually referred to herein as a “***Party***” and collectively as the “***Parties***”.

WHEREAS, Authority and Consultant entered into a Consulting Agreement dated April 18, 2017 (the “***Agreement***”), under the terms of which the Consultant agreed to perform the services described in the Scope of Services attached to the Agreement as **Exhibit A**; and

WHEREAS, the Authority and Consultant have agreed (i) to expand the Services to be provided under the Agreement, (ii) to increase the compensation payable to Consultant under the Agreement, and (iii) to extend the deadline for performing the Services;

NOW, THEREFORE, for a good and valuable consideration, the Parties hereby agree as follows:

- A.** Section 1 of the Agreement is amended to include additional scope of services described in and set forth in **Exhibit A-1** to this Amendment which is incorporated herein by reference.
- B.** Section 2 of the Agreement is amended to complete the Services on or before August 31, 2018 (the “***Amended Deadline***”).
- C.** Section 7 of the Agreement is amended to read as follows:

7. COMPENSATION: The compensation to be paid Consultant for providing the Services shall be the compensation described in **Exhibit B** and **Exhibit B-1** hereto, which are incorporated herein by reference; provided, however, the total paid to Consultant for the Services shall not exceed Two Hundred Eighty-Seven Thousand Eight Hundred Eight Dollars (\$287,808). Consultant will obtain the approval of Authority's Project Representative relative to incurring travel and other expenses before incurring such costs.

- D.** This Amendment shall be binding on the successors and assigns of the Parties.
- E.** Except as specifically amended hereby, all terms and conditions of the Agreement shall remain in full force and effect. In the event of any conflict between the terms and conditions of this Amendment and the terms and conditions of the Agreement, the terms and conditions of this Amendment shall control.
- F.** This Amendment may be executed in multiple counterparts, each of which will be considered to be an original. Signature pages may be detached from the

counterparts and attached to a single copy of this document to physically form one document. The Parties may provide signatures to this Amendment by facsimile or Adobe “.pdf” file and such facsimile or Adobe “.pdf” file signatures shall be deemed to be the same as original signatures.

In Witness Whereof, the Parties have caused this Amendment to be executed by their duly authorized representatives effective for all purposes as of the 15th day of August, 2017.

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

By: _____
John P. LaRue, Executive Director

Date: _____

EnSafe, Inc.

By: _____
Sharon E. Hooper
VP, Contracts & Risk Management

Date: _____

Exhibit A-1

The Consultant will perform the following professional services in accordance with the terms and conditions set forth in this Agreement:

SCOPE OF WORK

Consultant will conduct the following work to assess and document risk, establish written programs, train personnel, and provide solutions for further corrective actions as identified. These tasks support the Hazard Identification and Assessment of Risks, Operational Planning and Controls, Hierarchy of Controls, Employee Training and Competence, and Continuous Improvement elements of the Occupational Health and Safety Management System that is currently being developed.

Specific tasks include: Task 1 — Fall Protection

- Conduct a fall hazard survey of all POCCA facilities to identify current gaps in the physical fall prevention infrastructure and provide a summary report and quote to provide engineering controls to correct those deficiencies.
- Conduct training for Bulk Terminal and Maintenance Department personnel regarding fall hazard awareness and use of fall protection equipment.
 - Consultant will provide the training materials and conduct training for an unlimited number of employees in four sessions over two days.
 - Consultant will provide the training materials in electronic format and sign in sheets for each class.

Task 2 — Electrical Safety Program

- Conduct an Electrical hazard assessment (per National Fire Protection Association (NFPA) 70E), including:
 - Arc Flash labeling of disconnects and panels
 - Creating single line diagrams
 - Providing the Arc Flash Hazard Assessment final report in electronic copy plus three hard copies of the electrical One-Line drawing. The report will be delivered as one master report for multiple physical building locations.
- Train “Qualified” personnel to the most current NFPA 70E Arc Flash standard requirements and safe work practices. This training is based on Occupational Safety and Health Administration (OSHA), NFPA70E, IEEE 1584, NFPA70, and American National Standards Institute requirements. This will be one two-day session for up to 15 employees. Detailed individual documentation of competence and knowledge will be provided.

Qualified Electrical Worker Training includes:

- Individual Student Hands-on Exercises to Include:
 - Hands-on demonstration of skills
 - Hazard Risk Assessment
 - Proper Voltage testing procedures
 - Personal Protective Equipment (PPE) Don Doff exercises, including Arc Flash PPE and Proper Category and fitting of voltage rated gloves
 - Field testing of voltage rated gloves
 - Performing Lockout/Tagout exercises
 - Interpretation of Arc Flash Labeling
 - Proper use of NFPA70E PPE tables and Shock Boundaries
 - Release of victim's hands-on exercise
 - Skills demonstration hands on exam
- OSHA Regulations and Requirements
- NFPA70E
- NEC Article 110.16
- Positive Electrical Safety Culture
- General Requirements for Electrical Safety-Related Work Practices
- Host and Contract Employer Responsibilities
- Emergency procedures
- Electrical Safety Program (ESP)
- Job Briefing
- Shock Hazards and Shock Hazard Analysis
- Insulated Tools and Equipment
- Meter Safety
- Arc Flash/Blast Hazards
- Electrically Safe Work Condition and Working within Limited Approach Boundary
- PPE
- Understanding Arc Flash and Shock Hazard Labeling Requirements
- Written exam showing retention of knowledge

NOTE: The Arc Flash Hazard assessment results will determine the proper PPE requirements and will be used for the training.

Task 3 — Machine Energy Control (Lockout/Tagout) Program

- Consultant will conduct a survey of machinery owned by the Port and determine which machine require machine specific Energy Control Procedures. These will be created using Consultant's InfoPath tool, to develop visual work instructions that meet the intent of the OSHA Lockout/Tagout program.

- Develop a written Electrical Safe Work Practices program that includes Machine Energy Control, safe work practices, and appropriate PPE.
- Train and qualify applicable personnel that would have to conduct Lockout/Tagout operations, in the program requirements, and safe work practices.
 - Consultant will provide the training materials and conduct training for up to 15 employees per session, in four sessions over two days.
 - Consultant will provide the training materials in electronic format, quizzes if applicable, and sign in sheets for each class.

Task 4 — Machine Guarding Program

- Conduct a machine hazard assessment to identify uncontrolled machine related hazards associated with the point of operation, in-running nip points, shear points, entanglement, impact, and other related hazards. The bulk terminal conveyor system is included in this assessment.

NOTE: This assessment will serve as the basis to prepare a separate quote to implement controls to minimize or eliminate these hazards.

- Conduct machine safety training for employees that work on or around fixed machines.
 - Consultant will provide the training materials and conduct training for an unlimited number of employees in four sessions over two days.
 - Consultant will provide the training materials in electronic format and sign in sheets for each class.

Task 5 — Confined Space Entry Program

- Consultant will assess POCCA controlled operations to identify Confined Spaces, which may contain hazards to entrants. This assessment will be conducted per the OSHA 29 CFR 1910.146 Confined Space Standard. Confined Spaces will be labeled with bi-lingual Warning Signs (Vinyl Adhesive or Aluminum as appropriate to the environment).
 - Assessments and an inventory of Confined Spaces will be provided in electronic format.
- Create a written Confined Space Entry program based on applicable requirements of 29 CFR 1910.146 and 1915.4.
- Train personnel who may enter confined spaces, serve as attendants, or supervise these employees on the requirements of the written program, confined space entry safe work practices.

- Consultant will provide the training materials and conduct training for up to 12 employees per class session, for two sessions over two consecutive days.
- Consultant will provide the training materials in electronic format, copies of quizzes, and sign in sheets for each class.

Task 6 — Industrial Hygiene Exposure Control

- Consultant will conduct industrial hygiene quantitative sampling to determine which processes may expose employees to harmful chemicals or loud noise near or over industry accepted exposure limits.
 - Sampling plan includes monitoring two painters, four welder/grinders, 12 employees for noise exposure. This assumes that sampling will be done on two consecutive days.
- Develop a written industrial hygiene control program, that includes requirements to manage employees that wear respirators and/or are exposed to loud noise over recommend exposure limits.
- Conduct training for voluntary respirator users. (Assumes up to 15 employees and all will be available on one day).
 - Consultant will provide the training materials, and employee acknowledgment forms.
- Conduct an assessment to determine scenarios where air monitoring may be needed, including potential emergency response scenarios. Consultant will recommend options for direct reading multi-gas or other meters and train applicable personnel in their use.

Task 7 — Incident Investigation Training

Consultant will provide a Senior Safety Professional to conduct two classroom sessions on two consecutive days, to train selected Port Authority personnel on the practices and principles of Incident Investigation. This training will utilize the current incident investigation form and will include the use of 5-Whys and Fishbone Diagram tools for determining the root cause(s). Consultant will provide the training materials and documentation of course completion, in an electronic format, for your records.

Task 8 — Risk Assessment Training

Consultant will provide a senior safety professional to conduct two, three-day Risk Assessment training sessions to select Port Authority personnel on the practices and principals of Safety Risk Assessment. Training will include the use of the Port Authority JSA tool and will divide the group into small teams that complete several risk assessments of Port Authority Processes.

Exhibit B-1

The Consultant will perform the Services described in Exhibit A-1 in accordance with the terms and conditions of this Amendment on a fixed rate or an hourly fee basis; provided, however, that the total fee for services rendered under the Contract and First Amendment will not exceed Two Hundred Eighty-Seven Thousand Eight Hundred Eight Dollars (\$287,808.00), without Authority's written approval. Services provided by Consultant will be billed as specified in Exhibit B-1. These fees will cover all of Consultant's overhead costs, including but not limited to, office rent, long distance telephone charges, postage, payroll, and copying charges.

| TASKS, LABOR, MATERIALS, AND TRAVEL EXPENSES | |
|--|--|
| Task 1 — Fall Protection | |
| Conduct a fall hazard survey of POCCA facilities and provide a detailed summary report and quote for engineering controls to address inadequately controlled fall hazard risks. | Firm Fixed Fee \$12,000 |
| Conduct training for Bulk Terminal and Maintenance Department personnel regarding fall hazard awareness and use of fall protection equipment. Provide training materials and evidence of completion of training. | |
| Task 2 — Electrical Safety | |
| Conduct an Arc Flash Hazard assessment and install NFPA 70E Hazard labeling on applicable equipment. Provide the Arc Flash Hazard Assessment final report in electronic copy plus three hard copies of the electrical One-Line drawing | Time and Materials Not to Exceed \$83,000* |
| Provide one, two-day training session for "Electrical Qualified" personnel to the most current NFPA 70E Arc Flash standard requirements and safe work practices. This training is based on OSHA, NFPA70E, IEEE 1584, NFPA70, and American National Standards Institute requirements. Provide evidence oc completion of and completion of training. | Firm Fixed Fee \$12,000 |
| * Cost based on equipment data provided by the Port Authority personnel | \$95,000 |
| Task 3 — Machine Energy Control (Lock Out Tag Out) Program | |
| Develop a written Lockout/Tagout Program document. Create up to 50 Machine Specific Lockout/Tagout energy control procedures and produce them in a weather resistant PVC mountable format to be posted at the equipment. Install the final procedures | Firm Fixed Fee \$17,500 |
| Conduct two training sessions for Lockout/Tagout authorized employees. Provide training materials and evidence of completion of training. | |
| Task 4 — Machine Guarding Program | |
| Conduct and provide documentation of machine hazard risk assessments. Provide a budgetary quote for corrective actions. Conduct machine safety training. | Firm Fixed Fee \$12,000 |
| Task 5 — Confined Space Entry Program | |
| Prepare Confined Space Hazard Assessments and label permit required spaces. | Time & Materials Not to Exceed \$14,500 |
| Create a written Confined Space Entry program. | |
| Train confined space entrants, attendants, permit writers, and supervisors. (2 x 8-hour classes, up to 15 attendees/class). Provide training materials and evidence of training completion. | Firm Fixed Fee \$8,500 |

| TASKS, LABOR, MATERIALS, AND TRAVEL EXPENSES | |
|--|--|
| \$23,000 | |
| Task 6 — Industrial Hygiene Program | |
| Conduct industrial hygiene quantitative sampling. Provide a detailed report and | Firm Fixed Fee \$15,500 |
| Develop a written industrial hygiene control program that includes respiratory protection and hearing conservation | |
| Conduct voluntary use respirator training. | |
| Conduct an air monitoring needs assessment to identify monitoring equipment needs. | |
| Task 7 — Incident Investigation Training | |
| Conduct two classes on two consecutive days for up to 30 employees. Provide training materials and evidence of completion. | Time & Materials not to exceed \$8,750 |
| Task 8 — Risk Assessment Training | |
| Conduct two, three-day classes for up to 20 people per class, including conducting multiple risk assessments. Provide training materials and evidence of completion. | Firm Fixed Fee \$17,750 |
| TOTAL | \$201,500 |

The Authority agrees to reimburse the Consultant for certain authorized and approved travel expenses incurred by the Consultant during the Term and directly resulting from the Consultant's performance of the Services under this Contract. Reimbursement for lodging and meals may not exceed the maximum allowable per diem rates for domestic or foreign travel as set by the U.S. Department of Defense, Defense Travel Management Office. Lodging and meal per diem rates for specific locations (foreign and domestic) may be found at: <http://www.defensetravel.dod.mil/site/perdiemCalc.cfm>. Authority will also reimburse the Consultant for Direct Costs incurred by the Consultant in performing the Services. The Consultant shall submit proper documentation of any such approved travel expenses and Direct Costs to Authority from time to time, and such costs and expenses shall be billed to Authority at Consultant's actual cost.

Not later than the twentieth (20th) day of each calendar month, Consultant shall submit to Authority detailed invoices for all services performed and Direct Costs incurred, if any, pursuant to this Agreement during the prior calendar month. The invoices shall describe in detail the Services performed during the prior month and shall list the days and hours worked, approved, Direct Costs, milestone achievements, tasks performed or completed, and the Services performed during each day of the prior month. Authority shall review the invoices and notify Consultant in writing (including email) within twenty (20) days of any disputed amounts.

Should this Contract be terminated for any reason, the Consultant will be paid all fees earned up to the termination date and any approved direct expenses incurred.



DATE: August 15, 2017

TO: Port Commission

FROM: David L. Krams, P.E.
Director of Engineering Services
krams@pocca.com
361-885-6134

**ANTICIPATED
STAFF PRESENTER:** Brett F. Flint, P.E.
Chief of Planning and Design

Approve a Professional Engineering Services Contract in the amount of \$121,590 with Freese and Nichols, Inc. for Engineering Services associated with the Rincon B Rail Improvements Project.

SUMMARY: Staff requests approval of a Professional Engineering Services Contract with Freese and Nichols, Inc., at a cost not to exceed \$121,590 for professional engineering services associated with the design of extending two new railroad tracks into the Rincon Industrial Park.

BACKGROUND: Emerging market conditions and ongoing development at the port have increased both rail traffic and the need for rail car storage space. The 2012 Port Rail Master Plan originally included construction of a 6000' long rail spur on property located on the west side of Rincon Road which is fronted by Rincon Canal B. The current project, included in the 2017 budget, now envisions a double track configuration totaling approximately 11,000 linear feet of track. See attached exhibit.

In February 2017, the PCCA issued a Request for Statements of Interest and Qualifications (RFQ) for Major and Minor Engineering/Architectural Projects included in the 2017 Capital Budget. The RFQ included the Rincon B Rail Improvement project. The PCCA selected respondent Freese and Nichols, Inc. for this project and have since negotiated the attached Professional Engineering Services Contract for an hourly, not to exceed amount of \$121,590.

The scope of work generally includes professional engineering services and contract document preparation related to performing preliminary and final track alignment and railroad design and providing opinion of probable construction costs, including provisions for rail connections, signals and switches, road crossings, drainage improvements, traffic control, and accommodating any existing utilities for the project.

Included in the \$121,590 are allowances to perform any required topographic surveying (up to \$9,576) and geotechnical investigations (up to \$4,725), should it be determined they are necessary during the design phase, and a 5% contingency should it be needed for any changes or additions to the original scope of work.

CONFORMITY TO PORT POLICY: The project conforms to the PCCA's Strategic Plan (Strategic Goal #2 – Provide Facilities and Services to Meet Customer Needs, Strategic Objective #2B – Provide Public Docks and Support Private Facilities to Facilitate Maritime and Industrial Development, Action #4 – Develop Process to Support Private Customer Projects). This project is included in the 2017 Capital Budget and is identified in the 2012 Port Rail Master Plan.

EMERGENCY: N/A

FINANCIAL IMPACT: The 2017 Budget includes \$220,000 for design of this project.

STAFF RECOMMENDATION: Staff recommends approval of a Professional Engineering Services Contract with Freese and Nichols, Inc., for engineering services associated with Rincon B Rail Improvements at a cost not to exceed \$121,590.

DEPARTMENTAL CLEARANCES:

| | |
|------------------------|---|
| Originating Department | Engineering |
| Reviewed & Approved | David Krams Brett Flint Sonya Lopez-Sosa Carlos Martinez |
| Legal | Standard Professional Services Contract |
| Senior Staff | John LaRue Sean Strawbridge Dennis DeVries |

LIST OF SUPPORTING DOCUMENTS:

Map Exhibit
Professional Engineering Services Contract

PROFESSIONAL ENGINEERING SERVICES CONTRACT

PROJECT NAME: RINCON B RAIL IMPROVEMENTS

PROJECT NUMBER: 17-030A

THIS CONTRACT (the “Contract”) is made and entered into effective as of the 15th day of August, 2017 (“Effective Date”) by and between the Port of Corpus Christi Authority of Nueces County, Texas (“Authority”), and Freese and Nichols, Inc. (“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 Exhibit A to this Contract which is incorporated herein by reference. 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.

2. PERIOD OF SERVICE: The Engineer shall complete the Services on or before August 31, 2018 (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 14. 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”) 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, in the opinion of Authority, all of the Services have been rendered, (3) the date on which this Contract is terminated by the Authority pursuant to Section 14, or (4) the date on which this Contract is terminated by the Engineer pursuant to Section 14.

3. 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:

Carlos Martinez, P.E.
222 Power Street
Corpus Christi, Texas 78401
Phone: (361) 885-6692
E-mail: carlos@pocca.com

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

4. 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: John P. LaRue
Executive Director
Port of Corpus Christi Authority
222 Power Street
Corpus Christi, Texas 78401
E-mail: john@pocca.com

If to the Engineer: Ron Guzman, P.E.
Vice President/Principal
Freese and Nichols, Inc.
800 N. Shoreline, Ste 1600N
Corpus Christi, Texas 78401
E-mail: rg@freese.com

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

5. 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.

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

6.1 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;

6.2 The Engineer shall perform the Services with the professional skill and care ordinarily provided by competent engineers practicing in the same or similar locality and under the same or similar circumstances and professional license;

6.3 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;

6.4 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;

6.5 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;

6.6 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;

6.7 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;

6.8 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 subcontractors retained by Engineer, or Engineer's employees performing work on the Project;

6.9 Engineer has and hereby retains full control of any supervision over the Engineer's obligations hereunder and over any persons employed or subcontracted by the Engineer for performing Services hereunder;

6.10 Engineer will in no way be considered an agent, partner, joint venturer, or employee of Authority at any time during the Term. Engineer will only render advice to Authority and will not undertake to commit Authority to any course of action in relation to a third party unless expressly requested and authorized to do so by the Authority in writing.

6.11 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 consistent with its status as an independent contractor and in compliance with all applicable laws and regulations;

6.12 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.

7. COMPENSATION: The compensation to be paid Engineer for providing the Services shall be the compensation described in Exhibit B hereto, which is incorporated herein by reference; provided, however, the total paid to Engineer for the Services shall not exceed One Hundred Twenty-One Thousand Five Hundred Ninety Dollars (\$121,590). Engineer will obtain the approval of Authority's Project Representative relative to incurring travel and other expenses before incurring such costs.

8. 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 in accordance with the Fee Schedule included in Exhibit B. Invoices shall also describe any work performed by subcontractors retained by Engineer and reimbursable costs. Subcontractor cost mark-up shall not exceed five percent (5%). 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 Authority.

9. INSURANCE: Engineer shall procure and maintain at its sole expense, for as long as Engineer is obligated to provide Services under this Contract, the policies of insurance described in Exhibit C attached hereto and in at least the minimum amounts specified in Exhibit C to protect Engineer from claims which may arise out of or result from Engineer's Services pursuant to this Contract, whether such operations be by Engineer, by any subcontractor of Engineer, by anyone directly or indirectly employed by Engineer or Engineer's subcontractor, or by anyone for whose acts Engineer or Engineer's subcontractor may be liable. At least five (5) days prior to execution of this Contract, Engineer will provide to Authority's Risk Program Manager 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 minimum limits of liability and coverage for the insurance required are set forth in Exhibit C attached hereto, which is incorporated herein by reference.

10. 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 10 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 10 shall survive the end of the Term of the Contract.

11. LIMITATION OF LIABILITY: Except as otherwise expressly provided herein, neither Party shall be liable or responsible to the other Party for any indirect, incidental or consequential loss or damage of any nature whatsoever (including, but not limited to, contract, negligence or tort liability) of the other Party, including without limitation, any actual or anticipated profits, loss of time, inconvenience, commercial loss or any other damages, even if the Party has advance notice of the possibility of such damages.

12. 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 a Texas Form 1295, "Certificate of Interested Parties" and submitting the signed and notarized form to Authority at the time Engineer submits the signed contract to Authority.

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 to 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 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. Engineer must notify Authority’s Project Representative of any change in personnel assigned to perform work under this Contract, and the Authority’s Project Representative has the right to reject the person or persons assigned to fill the position or positions. The Authority’s Project Representative shall also have the right to require the removal of the Engineer’s previously assigned personnel, including Engineer’s project representative, 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 and shall submit the proposed replacement personnel qualification and abilities to the Authority, in writing, for approval.

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.

19. CONFIDENTIAL INFORMATION: It is understood that information developed by or communicated to Engineer in the performance of this Contract, as well as any and all information in whatever form or medium supplied to Engineer in connection herewith which is not generally available to the public is proprietary to the Authority and constitutes confidential information of the Authority. Engineer will make no oral or written disclosure of such information to third parties either during or after the term of this Contract, except as approved in writing by the Authority’s Project Representative or as otherwise required by law. In the event the Engineer becomes aware that confidential information must be disclosed under a legal requirement, Engineer will notify Authority of the requirement and the affected information.

20. 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.

21. 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.

22. GOVERNING LAW: This Contract shall be governed by and construed in accordance with the laws of the State of Texas. The Parties agree that venue of all claims and lawsuits arising out of this Contract shall lie in Nueces County, Texas.

23. OPEN RECORDS: The Authority is a governmental body subject to the requirements of the Texas Public Information Act (Texas Government Code, chapter 552), and as such the Authority is required to disclose to the public (upon request) this Contract and certain other information and documents relating to the consummation of the transactions contemplated hereby. In this regard, the Engineer agrees that the disclosure of this Contract or any other information or materials related to the consummation of the transactions contemplated hereby to the public by the Authority as required by the Texas Public Information Act or any other applicable law will not expose the Authority (or any party acting by, through or under the Authority) to any claim, liability or action by the Engineer.

24. NO ORGANIZATIONAL CONFLICT OF INTEREST: Engineer hereby certifies that it has no actual or potential Organizational Conflict of Interest. “Organizational Conflict of Interest” means that because of other activities or relationships with other persons or entities, the Engineer is unable or potentially unable to render impartial assistance or advice to Authority or the Engineer’s objectivity in performing the services under this Contract is or might otherwise be impaired. Engineer agrees to immediately notify Authority of any actual or potential Organizational Conflict of Interest that develops during the term of this Contract. Engineer agrees that Authority may terminate this Contract immediately if it becomes aware of any Organizational Conflict of Interest during the term of the Contract.

25. DEFAMATION: The Parties covenant and agree that in no event, and at no time during the Term or at any time thereafter, shall either of them disparage, denigrate, slander, libel or otherwise defame the other or the other’s businesses, services, properties or assets, or employees, personnel, agents, or representatives.

26. HEADINGS: All Section headings or other titles used in this Contract are used solely for convenience and shall not affect or be used in connection with the interpretation or construction of this Contract.

27. 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: John P. LaRue
Title: Executive Director
Date: _____

“Authority”

FREESE AND NICHOLS, INC.

By: _____
Name: Ron Guzman, P.E.
Title: Vice President / Principal
Date: _____

“Engineer”

EXHIBIT A

SERVICES

The Engineer will perform the following services in accordance with the terms and conditions set forth in this Contract:

Provide professional engineering design services related to the preliminary and final design, development of bid documents, construction plans and specifications, and opinion of probable construction cost for construction of two parallel rail tracks (approximately 11,000 LF total) along the west side of Rincon Road within the Rincon Industrial Park. Services anticipated include design of rail alignment, base, ballast materials, rails, ties, switches, road crossing, connection to existing rail, related drainage improvements, traffic control, and accommodating any existing utilities for the project. Additional scope of work includes reviewing existing record geotechnical investigations and record topographic surveys and recommending additional services required to complete the design.

DESIGN – Not to exceed \$91,300

1. Coordinate a kick-off meeting with Authority staff to establish project goals and identify any special needs or considerations necessary to establish the requirements for design.
2. Review of information provided by Authority to include:
 - a. Available geotechnical data
 - b. Available survey data
 - c. Available data regarding pipelines and utilities in the area
3. Evaluate existing site survey and geotechnical data for adequacy in supporting the design and, recommend additional survey, geotechnical or other site investigations necessary to support development of final designs.
4. Identification of permitting requirements to support the anticipated construction and use.
5. Design elements include rail alignment, base preparation, ballast material, selection of ties, plates, rail, connection to PCCA track #730, and at grade road crossings.
6. Engineer will prepare construction plans and specifications and provide 60% and 90% review sets and final Issued for Bid Documents incorporating Authority comments.
7. Preparation of project schedule and construction sequencing.
8. Preparation of bid and construction drawings, specifications and documents.
9. Preparation of an opinion of probable costs with updates provided with each submittal, if necessary.

BID – If necessary, not to exceed \$10,199

1. Provide technical support for the pre-bid meeting.
 - a. Respond to bidder questions and provide technical support for preparation of bid addendums, as requested by Authority.
 - b. Provide technical review of bids, as requested and incorporate issued addendums into drawings and technical specifications to produce issued for Construction documents and update the Opinion of Probable Cost and Construction Schedule, as necessary.

TOPOGRAPHIC SURVEY – If necessary, not to exceed \$9,576

GEOTECHNICAL INVESTIGATION – If necessary, not to exceed \$4,725

DELIVERABLES:

1. If necessary, survey work completed in conjunction with this project. Final reports to be sealed by a Registered Professional Surveyor.
2. If necessary, geotechnical investigation completed in conjunction with this project. Final reports to be sealed by a Registered Professional Engineer.
3. 60% Submittal to include layouts and details, preliminary technical specifications, Opinion of Probable Cost (OPC) and a conceptual construction schedule.
 - a. Drawings, Specifications, and OPC (1 - 11x17 copy).
 - b. Drawings, Specifications, and OPC (PDF).
4. 90% Submittal to include final layouts, details and specifications for final review, include phase alternatives as necessary. The Engineer's Opinion of Probable Cost and construction schedule should be updated to reflect the final design.
 - a. Drawings, Specifications, and OPC (1 - 11x17 copy).
 - b. Drawings, Specifications, and OPC (PDF).
5. Issued for Bid Drawing and Specifications sealed by a Registered Professional Engineer licensed to practice in the state of Texas.
 - a. Drawings, Specifications, and OPC (3 - 11x17 copies).
 - b. Drawings, Specifications, and OPC (PDF).
 - c. Drawings, Specifications, and OPC (Native File).
6. Issued for Construction Drawings and Specifications incorporating addendums and modifications resulting from bidder questions. Construction Drawings and Specifications sealed by a Registered Professional Engineer licensed to practice in the state of Texas and updated opinion of probable cost, as appropriate.

- a. Drawings, Specifications, and OPC (3 - 11x17 copies)
- b. Drawings, Specifications, and OPC (PDF)
- c. Drawings, Specifications, and OPC (Native File)

SCHEDULE:

- Data Collection Deliverable - 2 weeks after Notice to Proceed
- Topographic Survey - 2 weeks after Authority Authorization
- Preliminary Design (Rail Alignment) - 3 weeks after Kickoff Meeting
- Final Design 60% Review - 6 weeks after Authority Preliminary Design approval
- Final Design 90% Review - 3 weeks after 60% Authority Review comments transmitted
- Final Design IFC Package - 1 week after 90% Authority Review comments transmitted

EXHIBIT B

FEE SCHEDULE

The Engineer will perform the Services described in Exhibit A in accordance with the terms and conditions of this Contract on an hourly fee basis; provided, however, that the total fee for services rendered under this Agreement will not to exceed \$121,590, without Authority's written approval. Services provided by Engineer will be billed at the hourly rates specified in Exhibit B. These fees will cover all of Engineer's overhead costs, including but not limited to, office rent, long distance telephone charges, postage, payroll and copying charges.

The Authority agrees to reimburse the Engineer for certain authorized and approved travel expenses incurred by the Engineer during the Term and directly resulting from the Engineer's performance of the Services under this Contract. Reimbursement for lodging and meals may not exceed the maximum allowable per diem rates for domestic or foreign travel as set by the U.S. Department of Defense, Defense Travel Management Office. Lodging and meal per diem rates for specific locations (foreign and domestic) may be found at: <http://www.defensetravel.dod.mil/site/perdiemCalc.cfm>. Authority will also reimburse the Engineer for document production costs and other direct costs (collectively, "Direct Costs") incurred by the Engineer in performing the Services. The Engineer shall submit proper documentation of any such approved travel expenses and Direct Costs to Authority from time to time, and such costs and expenses shall be billed to Authority at Engineer's actual cost.

Not later than the twentieth (20th) day of each calendar month, Engineer shall submit to Authority detailed invoices for all services performed and Direct Costs incurred, if any, pursuant to this Agreement during the prior calendar month. The invoices shall describe in detail the Services performed during the prior month and shall list the days and hours worked, the hourly rates charged, pre-approved Direct Costs, milestone achievements, tasks performed or completed, and the Services performed during each day of the prior month. Authority shall review the invoices and notify Engineer in writing (including email) within twenty (20) days of any disputed amounts.

Should this Contract be terminated for any reason, the Engineer will be paid all fees earned up to the termination date and any approved direct expenses incurred.

The fees listed on Exhibit B will remain in effect throughout the duration of this contract.

The fee breakdown is as follows:

| | | |
|--|------------------|---------------|
| Design Phase | \$ 91,300 | Not to exceed |
| Bid Phase, if necessary | 10,199 | Not to exceed |
| Survey, if necessary | 9,576 | Not to exceed |
| Geotechnical investigation, if necessary | 4,725 | Not to exceed |
| Total Fees | \$115,800 | |
| Contingency (<i>as approved by PCCA</i>) | 5,790 | |
| TOTAL AMOUNT | \$121,590 | |

EXHIBIT B

Schedule of Charges:

| <u>Position</u> | <u>Rate</u> |
|-------------------------------|-------------|
| Professional - 1 | 113 |
| Professional - 2 | 137 |
| Professional - 3 | 156 |
| Professional - 4 | 178 |
| Professional - 5 | 209 |
| Professional - 6 | 240 |
| Construction Manager - 1 | 91 |
| Construction Manager - 2 | 117 |
| Construction Manager - 3 | 138 |
| Construction Manager - 4 | 173 |
| CAD Technician/Designer - 1 | 96 |
| CAD Technician/Designer - 2 | 126 |
| CAD Technician/Designer - 3 | 153 |
| Corporate Project Support - 1 | 92 |
| Corporate Project Support - 2 | 111 |
| Corporate Project Support - 3 | 148 |
| Intern/ Coop | 57 |

Rates for In-House Services

Technology Charge

\$8.50 per hour

Travel

Standard IRS Rates

Bulk Printing and Reproduction

| | <u>B&W</u> | <u>Color</u> |
|----------------------------|----------------|--------------|
| Small Format (per copy) | \$0.10 | \$0.25 |
| Large Format (per sq. ft.) | | |
| Bond | \$0.25 | \$0.75 |
| Glossy / Mylar | \$0.75 | \$1.25 |
| Vinyl / Adhesive | \$1.50 | \$2.00 |
| Mounting (per sq. ft.) | \$2.00 | |
| Binding (per binding) | \$0.25 | |

EXHIBIT C

INSURANCE

Without limiting the indemnity obligations or liabilities of Engineer or its insurers, provided herein, Engineer agrees to carry and maintain at its sole expense policies of insurance ("the Policies") of the types and in the minimum amounts as follows:

| | <u>TYPE OF INSURANCE</u> | <u>LIMITS OF LIABILITY</u> |
|----|------------------------------|---|
| A. | Workers' Compensation | Statutory |
| B. | Employer's Liability | \$500,000 per Occurrence \$500,000 Aggregate |
| C. | Commercial General Liability | \$1,000,000 per Occurrence \$2,000,000 Aggregate |

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

| | | |
|----|-------------------------------|----------------------------|
| D. | Business Automobile Liability | \$1,000,000 per Occurrence |
|----|-------------------------------|----------------------------|

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

| | | |
|----|------------------------|-------------|
| E. | Professional Liability | \$2,000,000 |
|----|------------------------|-------------|

Engineer will procure and maintain professional liability insurance for protection from claims arising out of performance of its Services under this Contract caused by any error, omission, or act for which the Engineer is legally liable. Policies written on a claims-made basis shall have an extended reporting period of at least two (2) years beyond termination of the Contract.

| | | |
|----|--------------------|----------------------------|
| F. | Umbrella Liability | \$5,000,000 per Occurrence |
|----|--------------------|----------------------------|

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

Each policy, except Professional Liability, must contain an endorsement to the effect that the issuer waives any claim or right of subrogation to recover against the Authority, its Port Commissioners, officers and employees ("Authority Parties"). Additionally, the Authority Parties shall be designated as an Additional Insured either by a blanket additional insured or a specific endorsement on all policies, except for Worker's Compensation, Employer's Liability, and Professional Liability. In the event that the work of Engineer's employees fall within the purview of the United States Longshoremen's and Harbor Workers' Compensation Act, the Jones Act or

the Federal Employer's Liability Act, Engineer shall extend its insurance coverage to provide insurance against the liabilities imposed under the applicable Act or Acts.

Each policy, except Workers' Compensation and Professional Liability, must contain an endorsement that the policy is primary to any other insurance available to the Additional Insureds with respect to claims arising under this Contract.

The insurance required as listed above, shall apply to any contractor or subcontractor performing for or on behalf of Engineer, and Engineer shall ensure that any such subcontractor is aware of and is in compliance with the insurance requirements during any period such contractor is performing work under this Contract.

The minimum insurance required may be increased periodically upon request by Authority to commercially reasonable limits. The company writing each of the Policies must possess a current rating with A.M. Best Company of at least "A-, VII".

Engineer's liability shall not be limited to the specified amounts of insurance required herein.

DATE: August 15, 2017
TO: Port Commission
FROM: Darrin Aldrich, Director of Real Estate
Darrin@pocca.com
(361) 885-6169

Approve an Easement and Right of Way Agreement with AEP Texas, Inc. for the Installation of Underground Electric Service on a 72.476 Acre Tract of Land Located East of Farm to Market Road 2986, San Patricio County, Texas.

SUMMARY: AEP Texas, Inc. (AEP) representatives have requested an Easement and Right-of-Way agreement for the installation of underground electric service on a 72.476-acre tract of land located east of FM road 2986 in San Patricio County, Texas. The project includes installation of electric distribution lines together with conduits, static wires, communication circuits and other appurtenances. Transitions from above-ground lines will be at as steep a slope as practical. AEP will place caution markers at all transition points of the Distribution Line from above ground to below ground. The term of the easement is 30 years or upon AEP's cessation of the easement area, or abandonment of the same for a period of twelve consecutive months, the easements and right of ways shall automatically cease and terminate and the rights granted shall revert automatically to the PCCA.

BACKGROUND: In 2016, the PCCA purchased a 72.476 acre tract of land west of U.S. Hwy 181 for future development in the vicinity of La Quinta Terminal in San Patricio County, Texas. In April 2017, ExxonMobil and SABIC selected a site adjacent to the 72.476 acre La Quinta Terminal tract to build a \$10 Billion, 1,300 acre plastic manufacturing complex. The development plan for the PCCA property west of U.S. 181 includes rail, heavy haul road and drainage improvements to facilitate the construction of the ExxonMobil and SABIC project. The intent of this AEP easement is to remove aerial obstruction that hinder the development plan for the property.

ALTERNATIVES: None

CONFORMITY TO PORT POLICY: This project is consistent with the PCCA Strategic Plan (Strategic Goal #2 – Provide facilities and services to meet customer needs to provide surface infrastructure and services to support maritime and industrial development).

EMERGENCY: N/A

FINANCIAL IMPACT: None – No fees are assessed for AEP electrical service easements granted to serve PCCA customers.

STAFF RECOMMENDATION: Staff recommends approval of the Easement and Right of Way Agreement with AEP Texas, Inc.

DEPARTMENTAL CLEARANCES:

| | |
|------------------------|---|
| Originating Department | Real Estate |
| Reviewed & Approved | Darrin Aldrich David Krams, P.E. |
| Legal | R. Bryan Stone |
| Senior Staff | John LaRue Sean Strawbridge Jarl Pedersen |

LIST OF SUPPORTING DOCUMENTS:

Memo Exhibit
Easement and Right of Way Agreement
Easement and Right of Way Agreement Summary

Approve an Easement and Right of Way Agreement with AEP Texas, Inc. for the Installation of Underground Electric Service on a 72.476 Acre Tract of Land Located East of Farm to Market Road 2986, San Patricio County, Texas.



**PORT OF CORPUS CHRISTI AUTHORITY
RIGHT OF WAY SUMMARY**

Grantee: AEP Texas Inc.
P.O. Box 2121
Corpus Christi, TX 78403

Easement Location: As depicted on the attached drawing

Use: For the distribution of electrical service

Term: The terms of the agreements are contingent upon AEP's operation of the distribution line. Upon AEP's cessation of the easement area, or abandonment of the same for a period of twelve consecutive months, the easements and right of ways shall automatically cease and terminate and the rights granted shall revert automatically to the PCCA.

Options: None

Start Date: August 15, 2017
End Date: August 14, 2047

Fee: For and in consideration of Ten&00/100 Dollars (\$10.00), and other good and valuable consideration to Grantor

Easement Contact: AEP Texas Inc.
P.O. Box 2121
Corpus Christi, TX 78403
Robert Saenz, Right of Way Agent
Office: 361-881-5419
Cell: 361-537-7650
rasaenz@aep.com

REASEMENT AND RIGHT-OF-WAY AGREEMENT

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS, acting herein by and through its Port Commissioners hereunto duly authorized (hereinafter called "Authority") for and in consideration of Ten and NO/100 Dollars (\$10.00) and other good and valuable considerations, including the covenants and conditions herein made and provided to be kept and performed by Grantee, has GRANTED AND CONVEYED and by these presents does GRANT AND CONVEY to **AEP TEXAS INC.**, a Delaware Corporation (hereinafter, together with its successor and assigns, called "Grantee"), an easement and right-of-way (hereinafter called the "Easement") over, across and upon the property depicted in Exhibit "A" attached hereto for the purpose of constructing, operating, reconstructing, enlarging, replacing, upgrading, inspecting, patrolling, repairing, maintaining, and removing electric distribution lines consisting of poles or towers made of wood, metal or other materials, wires, circuits, static wires, communication circuits, crossarms, insulators, guy wires, and all other necessary or desirable appurtenances (the "Distribution Line").

The easement width (i) for the underground utilities shall be the exterior dimensions of the conduit/casing laid, and (ii) the overhead utilities will be an aerial easement based on location of the line as described on Exhibit "A" attached hereto, and which is incorporated herein by reference for all purposes.

TO HAVE AND TO HOLD unto Grantee, its successors and assigns, the rights and privileges hereby conveyed for a term of 30 years, and subject to the exceptions and reservations herein set forth, and upon the following covenants and conditions which are a part of the consideration for this grant, which covenants and conditions are and shall be construed as covenants running with the land, and which covenants and conditions, by its acceptance hereof, Grantee covenants and agrees to keep and perform.

This Easement is granted subject to the following:

A. Type of Distribution Line. The Distribution Line shall be electric distribution cables together with conduits, static wires, communication circuits and other appurtenances as deemed appropriate by Grantee. The Distribution Line running underground is to be encased in red concrete. Transitions to above-ground lines shall be at as steep a slope as practical. Grantee shall place caution markers at all transition points of the Distribution Line from above ground to below ground. All electrical conductors shall be installed and operated with a minimum ground level clearance of thirty-six feet (36'). Any damage or disruption of fiber service or other utilities will be corrected immediately at the Grantee's cost and to the satisfaction of the Grantor.

B. Access. The rights of ingress and egress hereinabove referred to given to Grantee shall be confined to the above-described easement area. Grantee shall have the right to cross Authority's adjacent land, store materials or equipment thereon or to conduct any of its operations thereon only if the prior consent of the Authority is obtained in writing, which consent will not be unreasonably withheld. Except in the case of an emergency, Grantee agrees to notify the Authority not less than 72 hours prior to its employees, agents or contractors entering upon the easement area for construction, maintenance, repairs or other operations.

C. Construction, Maintenance and Use. Grantee shall construct and maintain the Distribution Line in a good and workmanlike manner and in compliance with all applicable governmental and industry standards for construction and maintenance of the same, and in accordance with the Grantor's current requirements as detailed in the Port of Corpus Christi Authorities current Project Manual.

Grantee's use of the Easement herein granted and its operations in relation to it shall at all times comply with all laws, statutes, rules and regulations of federal, state and local government.

Grantee shall furnish the Authority upon completion of the installation of the Distribution Line or any modification thereof an as-built drawing of the location of the Distribution Line and any such modification.

Grantee shall be responsible for coordination of its construction and use in the easement area with any other existing users and easement holders near the Easement. Grantee shall promptly restore any portion of the easement area damaged by Grantee to substantially its original condition. All restoration work shall be appropriately tested at Grantee's expense.

Grantee must submit to Authority plans for any proposed improvements on the easement area ("Plans"), and the Plans must be approved in writing by the Director of Engineering Services of Authority prior to the commencement of construction of the same, which approval shall not be unreasonably denied, delayed or conditioned. To facilitate the Authority's review, two sets of final for-construction plans that clearly define the project must be submitted to Authority along with electronic files for its prior approval. The drawings must be prepared on a standard engineering format (24" x 36" drawings) and show all physical features and improvements in and around the project site and must be signed and sealed by a Professional Engineer registered in the State of Texas. Any approval, comments or denial of the Plans by the Authority shall be promptly made to Grantee within 30 Business Days after submittal. Further, Authority shall prepare detailed comments or responses to the Plans in order to direct Grantee on the action needed to have the Plans revised and approved. Within 60 days of the completion of the work depicted on the Plans, Grantee will provide Authority with one set of As-Built or Record Drawings on a standard engineering format (24" x 36" drawings) and in an electronic file format acceptable to the Authority.

D. Reservations and Exceptions. The Easement is further made subject to any restrictions, covenants, easements, rights-of-way, encumbrances, and mineral or royalty reservations or interests affecting the Easement whether or not appearing of record in the Official Public Records of Nueces County, Texas, to the extent that said items and matters are in effect and validly enforceable.

E. Indemnity. GRANTEE HEREBY RELEASES AND DISCHARGES AUTHORITY FROM LIABILITY FOR, AND ASSUMES THE RISK OF LOSS OR DAMAGE TO THE PROPERTY OF GRANTEE, AND THE PERSONAL INJURY OR DEATH OR ANY PERSON EMPLOYED BY GRANTEE, AND GRANTEE EXPRESSLY AGREES TO DEFEND, INDEMNIFY, REIMBURSE AND HOLD AUTHORITY, ITS AGENTS, SERVANTS, EMPLOYEES AND COMMISSIONERS, HARMLESS FROM ALL CLAIMS, CAUSES OF ACTION, DEMANDS, DAMAGES AND LIABILITIES OF ANY KIND OR CHARACTER, INCLUDING BUT NOT LIMITED TO CLAIMS, CAUSES OF ACTION, DEMANDS, DAMAGES AND LIABILITIES IN ANY MATTER RESULTING FROM, ARISING OUT OF OR CAUSED, IN WHOLE OR IN PART, BY GRANTEE'S WILLFUL MISCONDUCT, NEGLIGENCE, GROSS NEGLIGENCE, DELIBERATE ACTS, STRICT LIABILITY IN TORT, BREACH OF WARRANTY, EXPRESS OR IMPLIED, OR BREACH OF ANY TERM OR CONDITION OF THIS EASEMENT, INCLUDING THAT CAUSED BY ANY OF THE GRANTEE'S AGENTS, CONTRACTORS, EMPLOYEES, INVITEES OR LICENSEES, ACTIVITIES DIRECTLY RELATED TO THIS EASEMENT OCCURRING IN, DURING OR AFTER THE TERM OF THIS EASEMENT, SAVE AND EXCEPT SUCH DAMAGES AS MAY BE CAUSED BY THE NEGLIGENCE OF THE AUTHORITY, ITS AGENTS, CONTRACTORS, EMPLOYEES, INVITEES OR LICENSEES IT BEING INTENDED THAT GRANTEE WILL INDEMNIFY AUTHORITY FOR GRANTEE'S PROPORTIONATE FAULT, INCLUDING BUT NOT LIMITED TO, NEGLIGENCE, WHICH CAUSES SUCH DAMAGES. IT IS EXPRESSLY AGREED THAT SHOULD GRANTEE FAIL OR REFUSE TO PARTICIPATE IN THE SETTLEMENT OF A CLAIM FOR DAMAGES, THEN AUTHORITY MAY SETTLE WITH THE CLAIMANT WITHOUT PREJUDICE TO AUTHORITY'S INDEMNITY RIGHTS SET FORTH HEREIN, IT BEING EXPRESSLY RECOGNIZED THAT A SETTLEMENT AFTER DEMAND ON GRANTEE WILL CONSTITUTE A SETTLEMENT OF THE PROPORTIONATE FAULT, INCLUDING BUT NOT LIMITED TO NEGLIGENCE, OF BOTH GRANTEE AND AUTHORITY, WHICH SETTLEMENT MAY LATER BE APPORTIONED BETWEEN AUTHORITY AND GRANTEE.

TO THE EXTENT PERMITTED BY LAW, AUTHORITY HEREBY RELEASES AND DISCHARGES GRANTEE FROM LIABILITY FOR, AND ASSUMES THE RISK OF LOSS OR DAMAGE TO THE PROPERTY OF AUTHORITY, AND THE PERSONAL INJURY OR DEATH OF ANY PERSON EMPLOYED BY AUTHORITY, AND AUTHORITY EXPRESSLY AGREES TO DEFEND, INDEMNIFY, REIMBURSE AND HOLD GRANTEE, ITS AGENTS, SERVANTS, EMPLOYEES AND COMMISSIONERS, HARMLESS FROM ALL CLAIMS, CAUSES OF ACTION, DEMANDS, DAMAGES AND LIABILITIES OF ANY KIND OR CHARACTER, INCLUDING BUT NOT LIMITED TO CLAIMS, CAUSES OF ACTION, DEMANDS, DAMAGES AND LIABILITIES IN ANY MATTER RESULTING FROM, ARISING OUT OF OR CAUSED, IN WHOLE OR IN PART, BY AUTHORITY'S WILLFUL

MISCONDUCT, NEGLIGENCE, GROSS NEGLIGENCE, DELIBERATE ACTS, STRICT LIABILITY IN TORT, BREACH OF WARRANTY, EXPRESS OR IMPLIED, OR BREACH OF ANY TERM OR CONDITION OF THIS EASEMENT, INCLUDING THAT CAUSED BY ANY OF THE AUTHORITY'S AGENTS, CONTRACTORS, EMPLOYEES, INVITEES OR LICENSEES, ACTIVITIES DIRECTLY OR INDIRECTLY RELATED TO AUTHORITY'S USE OF THE EASEMENT OR ITS SURROUNDING PROPERTIES AND OCCURRING IN, DURING OR AFTER THE TERM OF THIS EASEMENT, SAVE AND EXCEPT SUCH DAMAGES AS MAY BE CAUSED BY THE NEGLIGENCE OF THE GRANTEE, ITS AGENTS, CONTRACTORS, EMPLOYEES, INVITEES OR LICENSEES, IT BEING INTENDED THAT AUTHORITY WILL INDEMNIFY GRANTEE FOR AUTHORITY'S PROPORTIONATE FAULT, INCLUDING BUT NOT LIMITED TO, NEGLIGENCE, WHICH CAUSES SUCH DAMAGES. IT IS EXPRESSLY AGREED THAT SHOULD AUTHORITY FAIL OR REFUSE TO PARTICIPATE IN THE SETTLEMENT OF A CLAIM FOR DAMAGES, THEN GRANTEE MAY SETTLE WITH THE CLAIMANT WITHOUT PREJUDICE TO GRANTEE'S INDEMNITY RIGHTS SET FORTH HEREIN, IT BEING EXPRESSLY RECOGNIZED THAT A SETTLEMENT AFTER DEMAND ON AUTHORITY WILL CONSTITUTE A SETTLEMENT OF THE PROPORTIONATE FAULT, INCLUDING BUT NOT LIMITED TO NEGLIGENCE, OF BOTH AUTHORITY AND GRANTEE, WHICH SETTLEMENT MAY LATER BE APPORTIONED BETWEEN AUTHORITY AND GRANTEE.

EXCEPT AS OTHERWISE EXPRESSLY LIMITED HEREIN, IT IS THE INTENT OF THE PARTIES HERETO THAT ALL INDEMNITY OBLIGATIONS AND LIABILITIES ASSUMED UNDER THE TERMS OF THIS EASEMENT BE WITHOUT MONETARY LIMIT. THE INDEMNITY CONTAINED IN THIS PARAGRAPH APPLIES, WITHOUT LIMITATION, TO ANY VIOLATION OF ANY APPLICABLE ENVIRONMENTAL LAW IN EFFECT DURING THE TERM OF THIS EASEMENT, INCLUDING ANY EXTENSION, AND ANY AND ALL MATTERS ARISING OUT OF ANY ACT, OMISSION, EVENT OR CIRCUMSTANCE EXISTING OR OCCURRING DURING THE TERM OF THIS EASEMENT, INCLUDING ANY EXTENSIONS, REGARDLESS OF WHETHER THE ACT, OMISSION, EVENT OR CIRCUMSTANCE CONSTITUTED A VIOLATION OF ANY APPLICABLE ENVIRONMENTAL LAW AT THE TIME OF ITS EXISTENCE OR OCCURRENCE.

F. Assignment. The rights herein granted may not be assigned without the prior written consent of the Authority, which consent will not be unreasonably withheld; if the Authority withholds consent, the Authority will provide written notice within 30 days from date of notice of assignment to third parties by Grantee; failure to provide such written notice within the said 30 days shall constitute acceptance of assignment.

The Authority, however, consents to the assignment of the Easement to any corporation that is an affiliate of and controlled by, Grantee, or to a parent corporation of Grantee or a subsidiary corporation of such parent corporation.

The Easement shall be deemed a covenant running with the land and shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns. Assignment in

accordance with this paragraph shall relieve Grantee from liability for the performance of the covenants and indemnities hereof.

G. Relocation. The Authority may require Grantee to remove, lower, raise, or relocate the Distribution Line, equipment, facilities and appurtenances situated in the Easement in the event the Authority wants to use the Easement property for construction of Authority facilities or other Authority uses and the Distribution Line becomes a hindrance or interferes with any such future uses of the property. In such event, the cost of such removal, lowering, raising or relocation shall be paid solely by Grantee. In the event of such removal, lowering, raising, or relocation, the Authority will provide Grantee with an alternate easement, using its best efforts, on Authority land in a location that is reasonably acceptable to Grantee and at no additional cost to Grantee.

H. Compliance with all Laws. The rights and privileges associated with the Easement granted under this agreement shall not be exercised in a manner so as to violate any standards or provisions of any applicable common law or legislation, or the rules, regulations or policies of any regulatory body, whether Federal, State municipal or county, including without limitation, applicable standards, legislation, rules and regulations relating to the protection of the environment.

I. Exhibits. All exhibits attached hereto are hereby incorporated herein by this reference and made a part hereof for all purposes.

J. Notice. Any notice or demand which either party hereto may desire to serve upon the other shall be sufficiently served if deposited in the United States mail, postage prepaid and certified or registered, or delivered by a regularly established courier service, or hand delivered, addressed, in the instances of Authority to:

If to Authority: Port of Corpus Christi Authority
Attn: Executive Director
222 Power Street
P.O. Box 1541
Corpus Christi, Texas 78403
Fax: (361) 881-5155

If to Grantee: AEP Texas Inc.
c/o Distribution Right-of-Way Agent
P.O. Box 2121
Corpus Christi, Texas 78403

or to such other address which a party may notify in writing to the other. Such notice shall be deemed to have been served upon receipt thereof by the party to whom such notice is given.

K. Termination. The Easement herein granted shall terminate if Grantee shall fail to complete the construction of the Distribution Line within three (3) years from the date hereof, or at any time during the term hereof abandon the use of the same for the purposes herein granted for twelve (12) consecutive months. In addition to the immediate sentence above, this Easement

Agreement and all of Grantee's interest hereunder, at the option of Grantor, shall forthwith terminate upon breach by Grantee of any of the covenants or conditions hereof and the failure of Grantee to remedy the same within ninety (90) days after written notice from the Grantor to do so. However, if such breach cannot be reasonably remedied within ninety (90) days, this Easement Agreement and Grantee's interest hereunder shall not terminate if Grantee furnishes Grantor a plan, reasonably acceptable to Grantor, for remedying such breach as expeditiously as reasonably possible and thereafter diligently and continuously prosecutes reasonable and prudent corrective measures to completion in accordance with such plan. Grantee agrees it will within one hundred twenty (120) days after the termination of this Easement Agreement remove the Distribution Line (including poles, towers and guy wires) in the Easement and shall restore Grantor's lands in the Easement to the condition in which same existed prior to the existence of the Distribution Line. In the event Grantee fails to so remove the Distribution Line, the Grantor may either declare the termination of Grantee's interest in the Distribution Line and all of Grantee's interest therein shall thereupon terminate, or the Grantor may cause the Distribution Line, or any part thereof at Grantor's election, to be removed and the lands of the Grantor restored at the cost of Grantee.

L. Severability/Interpretation. In case any one or more of the provisions contained in this agreement shall for any reason be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. Whenever required by the context, as used in this agreement, the singular number shall include the plural and the neuter shall include the masculine or feminine gender, and vice versa.

M. Counterparts. This agreement may be executed and acknowledged in counterparts, all of which executed and acknowledged counterparts shall together constitute a single document. Signature and acknowledgement pages may be detached from the counterparts and attached to a single copy of this document to physically form one document, which may be recorded.

N. Governing Law. THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICT-OF-LAWS RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR THE CONSTRUCTION OF THIS AGREEMENT TO THE LAW OF ANOTHER JURISDICTION.

The execution of this Easement shall be conclusive of the agreement of the Authority and Grantee to all of the terms and conditions hereof, whereupon the Easement and all of its provisions shall extend to and be binding upon the legal representatives, successors and assigns of Grantee and the Authority, respectively.

[Signature and acknowledgement pages follow this page]

WITNESS this _____ day of _____, 2017.

GRANTOR:

PORT OF CORPUS CHRISTI AUTHORITY

By: _____
John P. LaRue, Executive Director

GRANTEE:

AEP TEXAS INC.

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

 This instrument was acknowledged before me on the _____ day of _____,
2017, by John P. LaRue, Executive Director of Port of Corpus Christi Authority of Nueces County,
Texas, on behalf of the Port.

NOTARY PUBLIC, STATE OF TEXAS

My Commission Expires: _____

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

 This instrument was acknowledged before me on the _____ day of _____,
2017, by _____,
of AEP Texas Inc., a Delaware corporation, on behalf of the corporation.

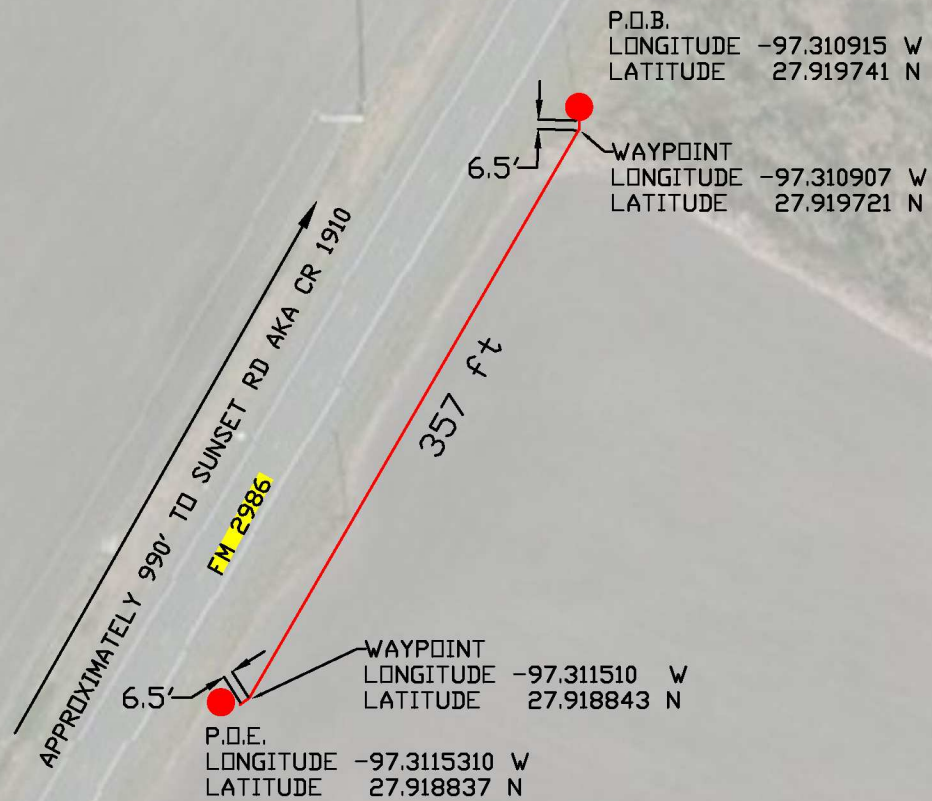
NOTARY PUBLIC, STATE OF TEXAS

My Commission Expires: _____



EXHIBIT A

WR# : 63825328
S.S. : 08/01/2017
CITY : GREGORY
COUNTY : SAN PATRICIO
SYSTEM : LAT/LONG
DATUM : WGS1984



DATE: August 15, 2017
TO: Port Commission
FROM: Darrin Aldrich, Director of Real Estate
Darrin@pocca.com
(361) 885-6169

Approve an Easement and Right of Way Agreement with AEP Texas, Inc. for Electric Service to a NuStar Scraper Trap and Valve Site Located South of Navigation Boulevard on the East Side Texaco Road, Nueces County, Texas.

SUMMARY: AEP Texas Central Company (AEP) representatives have requested an easement and right of way agreement to provide electrical service to a NuStar scraper trap and valve site located south of Navigation Boulevard on the east side of Texaco Road. The easement will be five (5') in width and contain an aerial distribution line to service the scraper trap and valve site, as depicted in the attached map. The term of the easement will be for 30 years or upon AEP's cessation of the easement area, or abandonment of the same for a period of twelve consecutive months, the easements and right of ways shall automatically cease and terminate and the rights granted shall revert automatically to the PCCA.

BACKGROUND: On March 21, 2017, the Commission approved an easement agreement with Nustar logistics, L.P. for a 30-inch pipeline and a 100' by 125' valve site to connect the Oil Dock 15 lease site to Nustar's existing pipeline connecting to the Nustar's 10-acre terminal facility lease site. The equipment and appurtenance for the operation of the valve site are scheduled to be completed at the end of September. This electrical distribution easement will grant AEP the right to install electrical service to NuStar's valve site to begin operation.

ALTERNATIVES: None

CONFORMITY TO PORT POLICY: This project is consistent with the PCCA Strategic Plan (Strategic Goal #2 – Provide facilities and services to meet customer needs to provide surface infrastructure and services to support maritime and industrial development).

EMERGENCY: N/A

FINANCIAL IMPACT: None – No fees are assessed for AEP electrical service easements granted for the PCCA.

STAFF RECOMMENDATION: Staff recommends approval of the Easement and Right of Way Agreements with AEP- Texas Central Company.

DEPARTMENTAL CLEARANCES:

| | |
|------------------------|-------------------|
| Originating Department | Real Estate |
| Reviewed & Approved | David Krams, P.E. |
| Legal | R. Bryan Stone |
| Senior Staff | John LaRue |
| | Sean Strawbridge |
| | Jarl Pedersen |

LIST OF SUPPORTING DOCUMENTS:

Memo Exhibit
Easement Agreement
Easement Summary

Approve an Easement and Right of Way Agreement with AEP Texas, Inc. for Electric Service to a NuStar Scraper Trap and Valve Site Located South of Navigation Boulevard on the East Side Texaco Road, Nueces County, Texas.



**PORT OF CORPUS CHRISTI AUTHORITY
RIGHT OF WAY SUMMARY**

Grantee: AEP Texas Inc.
P.O. Box 2121
Corpus Christi, TX 78403

Easement Location: South of Navigation Boulevard on the East Side Texaco Road, Nueces County, Texas and as depicted on the attached drawing

Use: For the distribution of electrical service

Term: The terms of the agreements are contingent upon AEP's operation of the distribution line. Upon AEP's cessation of the easement area, or abandonment of the same for a period of twelve consecutive months, the easements and right of ways shall automatically cease and terminate and the rights granted shall revert automatically to the PCCA.

Options: None

Start Date: August 15, 2017
End Date: August 14, 2047

Fee: For and in consideration of Ten&00/100 Dollars (\$10.00), and other good and valuable consideration to Grantor

Easement Contact: AEP Texas Inc.
P.O. Box 2121
Corpus Christi, TX 78403
Robert Saenz, Right of Way Agent
Office: 361-881-5419
Cell: 361-537-7650
rasaenz@aep.com

EASEMENT AND RIGHT-OF-WAY AGREEMENT

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS, acting herein by and through its Port Commissioners hereunto duly authorized (hereinafter called "Authority") for and in consideration of Ten and NO/100 Dollars (\$10.00) and other good and valuable considerations, including the covenants and conditions herein made and provided to be kept and performed by Grantee, has GRANTED AND CONVEYED and by these presents does GRANT AND CONVEY to **AEP TEXAS INC.**, a Delaware Corporation (hereinafter, together with its successor and assigns, called "Grantee"), an easement and right-of-way (hereinafter called the "Easement") over, across and upon the property described in Exhibit "A" attached hereto and depicted on Exhibit "B" attached hereto for the purpose of constructing, operating, reconstructing, enlarging, replacing, upgrading, inspecting, patrolling, repairing, maintaining, and removing electric distribution lines consisting of poles or towers made of wood, metal or other materials, wires, circuits, static wires, communication circuits, crossarms, insulators, guy wires, and all other necessary or desirable appurtenances (the "Distribution Line").

TO HAVE AND TO HOLD unto Grantee, its successors and assigns, the rights and privileges hereby conveyed for a term of 30 years, and subject to the exceptions and reservations herein set forth, and upon the following covenants and conditions which are a part of the consideration for this grant, which covenants and conditions are and shall be construed as covenants running with the land, and which covenants and conditions, by its acceptance hereof, Grantee covenants and agrees to keep and perform.

This Easement is granted subject to the following:

A. Type of Distribution Line. The Distribution Line shall be electric distribution cables together with conduits, static wires, communication circuits and other appurtenances as deemed appropriate by Grantee. All electrical conductors shall be installed and operated with a minimum ground clearance of thirty-six feet (36'). Notwithstanding anything herein to the contrary, the Distribution Line is hereby restricted to solely an aerial easement within the Easement where indicated on Exhibit "B". Any damage or disruption of fiber service or other utilities will be corrected immediately at the Grantee's cost and to the satisfaction of the Grantor.

B. Access. The rights of ingress and egress hereinabove referred to given to Grantee shall be confined to the above-described easement area. Grantee shall have the right to cross Authority's adjacent land, store materials or equipment thereon or to conduct any of its operations thereon only if the prior consent of the Authority is obtained in writing, which consent will not be unreasonably withheld. Except in the case of an emergency, Grantee agrees to notify the Authority not less than 72 hours prior to its employees, agents or contractors entering upon the easement area for construction, maintenance, repairs or other operations.

C. Construction, Maintenance and Use. Grantee shall construct and maintain the Distribution Line in a good and workmanlike manner and in compliance with all applicable governmental and industry standards for construction and maintenance of the same, and in accordance with the Grantor's current requirements as detailed in the Port of Corpus Christi Authorities current Project Manual.

Grantee's use of the Easement herein granted and its operations in relation to it shall at all times comply with all laws, statutes, rules and regulations of federal, state and local government.

Grantee shall furnish the Authority upon completion of the installation of the Distribution Line or any modification thereof an as-built drawing of the location of the Distribution Line and any such modification.

Grantee shall be responsible for coordination of its construction and use in the easement area with any other existing users and easement holders near the Easement. Grantee shall promptly restore any portion of the easement area damaged by Grantee to substantially its original condition. All restoration work shall be appropriately tested at Grantee's expense.

Grantee must submit to Authority plans for any proposed improvements on the easement area ("Plans"), and the Plans must be approved in writing by the Director of Engineering Services of Authority prior to the commencement of construction of the same, which approval shall not be unreasonably denied, delayed or conditioned. To facilitate the Authority's review, two sets of final for-construction plans that clearly define the project must be submitted to Authority along with electronic files for its prior approval. The drawings must be prepared on a standard engineering format (24" x 36" drawings) and show all physical features and improvements in and around the project site and must be signed and sealed by a Professional Engineer registered in the State of Texas. Any approval, comments or denial of the Plans by the Authority shall be promptly made to Grantee within 30 Business Days after submittal. Further, Authority shall prepare detailed comments or responses to the Plans in order to direct Grantee on the action needed to have the Plans revised and approved. Within 60 days of the completion of the work depicted on the Plans, Grantee will provide Authority with one set of As-Built or Record Drawings on a standard engineering format (24" x 36" drawings) and in an electronic file format acceptable to the Authority.

D. Reservations and Exceptions. The Easement is further made subject to any restrictions, covenants, easements, rights-of-way, encumbrances, and mineral or royalty reservations or interests affecting the Easement whether or not appearing of record in the Official Public Records of Nueces County, Texas, to the extent that said items and matters are in effect and validly enforceable.

E. Indemnity. GRANTEE HEREBY RELEASES AND DISCHARGES AUTHORITY FROM LIABILITY FOR, AND ASSUMES THE RISK OF LOSS OR DAMAGE TO THE PROPERTY OF GRANTEE, AND THE PERSONAL INJURY OR DEATH OR ANY PERSON EMPLOYED BY GRANTEE, AND GRANTEE EXPRESSLY AGREES TO DEFEND, INDEMNIFY, REIMBURSE AND HOLD AUTHORITY, ITS AGENTS, SERVANTS, EMPLOYEES AND COMMISSIONERS, HARMLESS FROM ALL CLAIMS,

CAUSES OF ACTION, DEMANDS, DAMAGES AND LIABILITIES OF ANY KIND OR CHARACTER, INCLUDING BUT NOT LIMITED TO CLAIMS, CAUSES OF ACTION, DEMANDS, DAMAGES AND LIABILITIES IN ANY MATTER RESULTING FROM, ARISING OUT OF OR CAUSED, IN WHOLE OR IN PART, BY GRANTEE'S WILLFUL MISCONDUCT, NEGLIGENCE, GROSS NEGLIGENCE, DELIBERATE ACTS, STRICT LIABILITY IN TORT, BREACH OF WARRANTY, EXPRESS OR IMPLIED, OR BREACH OF ANY TERM OR CONDITION OF THIS EASEMENT, INCLUDING THAT CAUSED BY ANY OF THE GRANTEE'S AGENTS, CONTRACTORS, EMPLOYEES, INVITEES OR LICENSEES, ACTIVITIES DIRECTLY RELATED TO THIS EASEMENT OCCURRING IN, DURING OR AFTER THE TERM OF THIS EASEMENT, SAVE AND EXCEPT SUCH DAMAGES AS MAY BE CAUSED BY THE NEGLIGENCE OF THE AUTHORITY, ITS AGENTS, CONTRACTORS, EMPLOYEES, INVITEES OR LICENSEES IT BEING INTENDED THAT GRANTEE WILL INDEMNIFY AUTHORITY FOR GRANTEE'S PROPORTIONATE FAULT, INCLUDING BUT NOT LIMITED TO, NEGLIGENCE, WHICH CAUSES SUCH DAMAGES. IT IS EXPRESSLY AGREED THAT SHOULD GRANTEE FAIL OR REFUSE TO PARTICIPATE IN THE SETTLEMENT OF A CLAIM FOR DAMAGES, THEN AUTHORITY MAY SETTLE WITH THE CLAIMANT WITHOUT PREJUDICE TO AUTHORITY'S INDEMNITY RIGHTS SET FORTH HEREIN, IT BEING EXPRESSLY RECOGNIZED THAT A SETTLEMENT AFTER DEMAND ON GRANTEE WILL CONSTITUTE A SETTLEMENT OF THE PROPORTIONATE FAULT, INCLUDING BUT NOT LIMITED TO NEGLIGENCE, OF BOTH GRANTEE AND AUTHORITY, WHICH SETTLEMENT MAY LATER BE APPORTIONED BETWEEN AUTHORITY AND GRANTEE.

TO THE EXTENT PERMITTED BY LAW, AUTHORITY HEREBY RELEASES AND DISCHARGES GRANTEE FROM LIABILITY FOR, AND ASSUMES THE RISK OF LOSS OR DAMAGE TO THE PROPERTY OF AUTHORITY, AND THE PERSONAL INJURY OR DEATH OF ANY PERSON EMPLOYED BY AUTHORITY, AND AUTHORITY EXPRESSLY AGREES TO DEFEND, INDEMNIFY, REIMBURSE AND HOLD GRANTEE, ITS AGENTS, SERVANTS, EMPLOYEES AND COMMISSIONERS, HARMLESS FROM ALL CLAIMS, CAUSES OF ACTION, DEMANDS, DAMAGES AND LIABILITIES OF ANY KIND OR CHARACTER, INCLUDING BUT NOT LIMITED TO CLAIMS, CAUSES OF ACTION, DEMANDS, DAMAGES AND LIABILITIES IN ANY MATTER RESULTING FROM, ARISING OUT OF OR CAUSED, IN WHOLE OR IN PART, BY AUTHORITY'S WILLFUL MISCONDUCT, NEGLIGENCE, GROSS NEGLIGENCE, DELIBERATE ACTS, STRICT LIABILITY IN TORT, BREACH OF WARRANTY, EXPRESS OR IMPLIED, OR BREACH OF ANY TERM OR CONDITION OF THIS EASEMENT, INCLUDING THAT CAUSED BY ANY OF THE AUTHORITY'S AGENTS, CONTRACTORS, EMPLOYEES, INVITEES OR LICENSEES, ACTIVITIES DIRECTLY OR INDIRECTLY RELATED TO AUTHORITY'S USE OF THE EASEMENT OR ITS SURROUNDING PROPERTIES AND OCCURRING IN, DURING OR AFTER THE TERM OF THIS EASEMENT, SAVE AND EXCEPT SUCH DAMAGES AS MAY BE CAUSED BY THE NEGLIGENCE OF THE GRANTEE, ITS AGENTS, CONTRACTORS, EMPLOYEES, INVITEES OR LICENSEES, IT BEING INTENDED THAT AUTHORITY WILL INDEMNIFY GRANTEE FOR AUTHORITY'S PROPORTIONATE FAULT, INCLUDING BUT NOT LIMITED TO, NEGLIGENCE, WHICH CAUSES SUCH DAMAGES. IT IS EXPRESSLY AGREED THAT SHOULD AUTHORITY

FAIL OR REFUSE TO PARTICIPATE IN THE SETTLEMENT OF A CLAIM FOR DAMAGES, THEN GRANTEE MAY SETTLE WITH THE CLAIMANT WITHOUT PREJUDICE TO GRANTEE'S INDEMNITY RIGHTS SET FORTH HEREIN, IT BEING EXPRESSLY RECOGNIZED THAT A SETTLEMENT AFTER DEMAND ON AUTHORITY WILL CONSTITUTE A SETTLEMENT OF THE PROPORTIONATE FAULT, INCLUDING BUT NOT LIMITED TO NEGLIGENCE, OF BOTH AUTHORITY AND GRANTEE, WHICH SETTLEMENT MAY LATER BE APPORTIONED BETWEEN AUTHORITY AND GRANTEE.

EXCEPT AS OTHERWISE EXPRESSLY LIMITED HEREIN, IT IS THE INTENT OF THE PARTIES HERETO THAT ALL INDEMNITY OBLIGATIONS AND LIABILITIES ASSUMED UNDER THE TERMS OF THIS EASEMENT BE WITHOUT MONETARY LIMIT. THE INDEMNITY CONTAINED IN THIS PARAGRAPH APPLIES, WITHOUT LIMITATION, TO ANY VIOLATION OF ANY APPLICABLE ENVIRONMENTAL LAW IN EFFECT DURING THE TERM OF THIS EASEMENT, INCLUDING ANY EXTENSION, AND ANY AND ALL MATTERS ARISING OUT OF ANY ACT, OMISSION, EVENT OR CIRCUMSTANCE EXISTING OR OCCURRING DURING THE TERM OF THIS EASEMENT, INCLUDING ANY EXTENSIONS, REGARDLESS OF WHETHER THE ACT, OMISSION, EVENT OR CIRCUMSTANCE CONSTITUTED A VIOLATION OF ANY APPLICABLE ENVIRONMENTAL LAW AT THE TIME OF ITS EXISTENCE OR OCCURRENCE.

F. Assignment. The rights herein granted may not be assigned without the prior written consent of the Authority, which consent will not be unreasonably withheld; if the Authority withholds consent, the Authority will provide written notice within 30 days from date of notice of assignment to third parties by Grantee; failure to provide such written notice within the said 30 days shall constitute acceptance of assignment.

The Authority, however, consents to the assignment of the Easement to any corporation that is an affiliate of and controlled by, Grantee, or to a parent corporation of Grantee or a subsidiary corporation of such parent corporation.

The Easement shall be deemed a covenant running with the land and shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns. Assignment in accordance with this paragraph shall relieve Grantee from liability for the performance of the covenants and indemnities hereof.

G. Relocation. The Authority may require Grantee to remove, lower, raise, or relocate the Distribution Line, equipment, facilities and appurtenances situated in the Easement in the event the Authority wants to use the Easement property for construction of Authority facilities or other Authority uses and the Distribution Line becomes a hindrance or interferes with any such future uses of the property. In such event, the cost of such removal, lowering, raising or relocation shall be paid solely by Grantee. In the event of such removal, lowering, raising, or relocation, the Authority will provide Grantee with an alternate easement, using its best efforts, on Authority land in a location that is reasonably acceptable to Grantee and at no additional cost to Grantee.

H. Compliance with all Laws. The rights and privileges associated with the Easement granted under this agreement shall not be exercised in a manner so as to violate any standards or provisions of any applicable common law or legislation, or the rules, regulations or policies of any regulatory body, whether Federal, State municipal or county, including without limitation, applicable standards, legislation, rules and regulations relating to the protection of the environment.

I. Exhibits. All exhibits attached hereto are hereby incorporated herein by this reference and made a part hereof for all purposes.

J. Notice. Any notice or demand which either party hereto may desire to serve upon the other shall be sufficiently served if deposited in the United States mail, postage prepaid and certified or registered, or delivered by a regularly established courier service, or hand delivered, addressed, in the instances of Authority to:

If to Authority: Port of Corpus Christi Authority
Attn: Executive Director
222 Power Street
P.O. Box 1541
Corpus Christi, Texas 78403
Fax: (361) 881-5155

If to Grantee: AEP Texas Inc.
c/o Distribution Right-of-Way Agent
P.O. Box 2121
Corpus Christi, Texas 78403

or to such other address which a party may notify in writing to the other. Such notice shall be deemed to have been served upon receipt thereof by the party to whom such notice is given.

K. Termination. The Easement herein granted shall terminate if Grantee shall fail to complete the construction of the Distribution Line within three (3) years from the date hereof, or at any time during the term hereof abandon the use of the same for the purposes herein granted for twelve (12) consecutive months. In addition to the immediate sentence above, this Easement Agreement and all of Grantee's interest hereunder, at the option of Grantor, shall forthwith terminate upon breach by Grantee of any of the covenants or conditions hereof and the failure of Grantee to remedy the same within ninety (90) days after written notice from the Grantor to do so. However, if such breach cannot be reasonably remedied within ninety (90) days, this Easement Agreement and Grantee's interest hereunder shall not terminate if Grantee furnishes Grantor a plan, reasonably acceptable to Grantor, for remedying such breach as expeditiously as reasonably possible and thereafter diligently and continuously prosecutes reasonable and prudent corrective measures to completion in accordance with such plan. Grantee agrees it will within one hundred twenty (120) days after the termination of this Easement Agreement remove the Distribution Line (including poles, towers and guy wires) in the Easement and shall restore Grantor's lands in the Easement to the condition in which same existed prior to the existence of the Distribution Line. In the event Grantee fails to so remove the Distribution Line, the Grantor may either declare the

termination of Grantee's interest in the Distribution Line and all of Grantee's interest therein shall thereupon terminate, or the Grantor may cause the Distribution Line, or any part thereof at Grantor's election, to be removed and the lands of the Grantor restored at the cost of Grantee.

L. Severability/Interpretation. In case any one or more of the provisions contained in this agreement shall for any reason be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. Whenever required by the context, as used in this agreement, the singular number shall include the plural and the neuter shall include the masculine or feminine gender, and vice versa.

M. Counterparts. This agreement may be executed and acknowledged in counterparts, all of which executed and acknowledged counterparts shall together constitute a single document. Signature and acknowledgement pages may be detached from the counterparts and attached to a single copy of this document to physically form one document, which may be recorded.

N. Governing Law. THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICT-OF-LAWS RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR THE CONSTRUCTION OF THIS AGREEMENT TO THE LAW OF ANOTHER JURISDICTION.

The execution of this Easement shall be conclusive of the agreement of the Authority and Grantee to all of the terms and conditions hereof, whereupon the Easement and all of its provisions shall extend to and be binding upon the legal representatives, successors and assigns of Grantee and the Authority, respectively.

[Signature and acknowledgement pages follow this page]

WITNESS this _____ day of _____, 2017.

GRANTOR:

PORT OF CORPUS CHRISTI AUTHORITY

By: _____
John P. LaRue, Executive Director

GRANTEE:

AEP TEXAS INC.

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

 This instrument was acknowledged before me on the _____ day of _____,
2017, by John P. LaRue, Executive Director of Port of Corpus Christi Authority of Nueces County,
Texas, on behalf of the Port.

NOTARY PUBLIC, STATE OF TEXAS

My Commission Expires: _____

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

 This instrument was acknowledged before me on the _____ day of _____,
2017, by _____,
of AEP Texas Inc., a Delaware corporation, on behalf of the corporation.

NOTARY PUBLIC, STATE OF TEXAS

My Commission Expires: _____

**EXHIBIT A
5 FOOT WIDE
ELECTRICAL
EASEMENT LEGAL
DESCRIPTION**

**STATE OF TEXAS
COUNTY OF NUECES**

BEING a 5 foot wide electrical easement situated in the J.M. Bargas Survey, Abstract No. 17, Nueces County, Texas and being out of Tract One described in deed dated March 26, 1928 from W.E. Pope to Nueces County Navigation District No. 1 and recorded in Volume 178, Page 52 of the Deed Records of said county, and this electrical easement being more particularly described by metes and bounds as follows;

BEGINNING at a set 5/8 inch iron rod for the southeast corner of the herein described electrical easement, said iron rod having a Texas State Plane coordinate NAD 83 Texas South Zone of X = 1,339,789.23 and Y = 17,187,800.83, and being located North 43° 48' 56" West a distance of 1,487.25 feet from PCCA monument "RORO (1998)";

THENCE South 89° 04' 31" West for a distance of 5.00 feet to a set 5/8 inch iron rod for the southwest corner of the herein described electrical easement;

THENCE North 00° 55' 29" West for a distance of 141.22 feet to a set 5/8 inch iron rod for the northwest corner of the herein described electrical easement;

THENCE North 89° 04' 31" East for a distance of 5.00 feet to a set 5/8 inch iron rod for the northeast corner of the herein described electrical easement;

THENCE South 00° 55' 29" East for a distance of 12.15 feet to a set 5/8 inch iron rod for an interior corner of the herein described electrical easement;

THENCE North 89° 04' 31" East for a distance of 22.26 feet to a set 5/8 inch iron rod for a southerly northeast corner of the herein described electrical easement;

THENCE South 01° 00' 58" East for a distance of 5.00 feet to a set 5/8 inch iron rod for a southerly southeast corner of the herein described electrical easement;

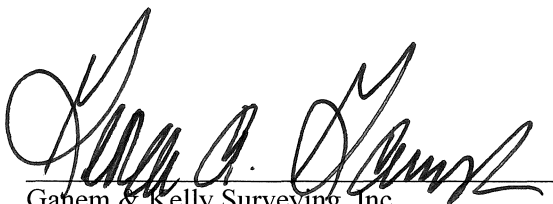
THENCE South 89° 04' 31" West for a distance of 22.27 feet to a set 5/8 inch iron rod for an interior corner of the herein described electrical easement;

THENCE South 00° 55' 29" East for a distance of 124.07 feet to the **POINT OF BEGINNING**, Containing 817.43 square feet or 0.019 acre of land.

Reference is made to that plat accompanying this legal description.

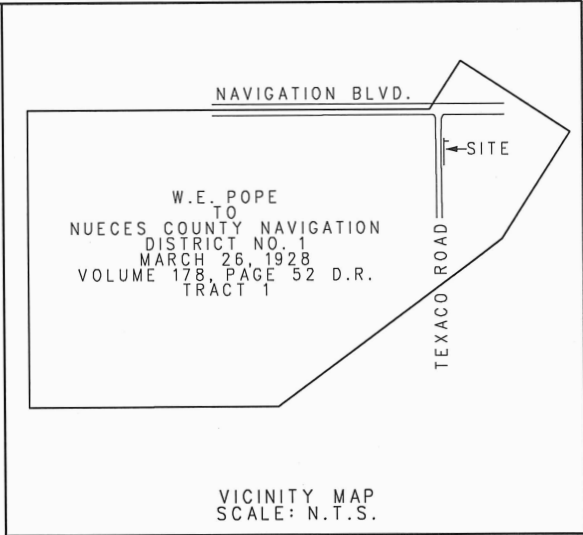
Bearings are based on GPS Observation NAD83 Texas South Zone. Coordinates and distances shown hereon are grid.

The above legal description is based on an actual survey made on the ground under my supervision.

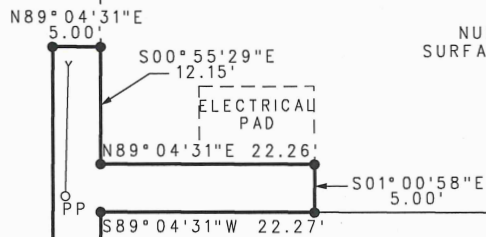


Ganem & Kelly Surveying, Inc.
By: George A. Ganem, Jr.
Registered Professional Land Surveyor
Texas No. 4681

Date 7/20/2017



TEXACO ROAD



0.019 ACRE
817.43 SQ.FT.

J.M. BARGAS SURVEY
A-17

W.E. POPE
TO
NUECES COUNTY NAVIGATION
DISTRICT NO. 1
MARCH 26, 1928
VOLUME 178, PAGE 52 D.R.
TRACT 1



GRAPHIC SCALE
SCALE 1" = 20'

THIS SURVEY WAS COMPLETED WITHOUT THE BENEFIT OF AN ABSTRACT OF TITLE. THERE MAY BE EASEMENTS OR OTHER MATTERS OF RECORD NOT SHOWN.

THIS PLAT IS NOT INTENDED TO REPRESENT A BOUNDARY SURVEY AS DEFINED BY THE TEXAS BOARD OF PROFESSIONAL LAND SURVEYING.

BEARINGS ARE BASED ON GPS OBSERVATION NAD 83 TEXAS SOUTH ZONE. COORDINATES AND DISTANCES SHOWN HEREON ARE GRID

THE ABOVE PLAT WAS PREPARED FROM AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION. A LEGAL DESCRIPTION OF EVEN DATE ACCOMPANIES THIS PLAT.

George A. Ganem, Jr. 7/20/2017

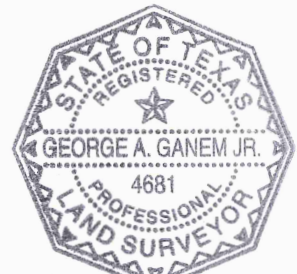
GEORGE A. GANEM, JR.
GANEM & KELLY SURVEYING, INC.
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS NO. 4681

POB
X=1339789.23
Y=17187800.83

S89°04'31"W 5.00'

N43°48'56"W 1487.25'
FROM PCCA MONUMENT
(1998)

EXHIBIT B



5' WIDE ELECTRICAL EASEMENT

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

NUECES COUNTY, TEXAS

192



19003 IH-10 WEST
SAN ANTONIO, TEXAS 78257
Tel: (210) 918-2000
1-800-531-7911

| | |
|---------------------|------------------|
| DRAWN BY : G.K.S. | SCALE: 1" = 20' |
| CHECKED BY: G.A.G. | DATE: 07/14/2017 |
| APPROVED BY: G.A.G. | JOB NO. PC17-030 |



GANEM & KELLY SURVEYING, INC.
LAMAR STREET, SUITE 5
POINT COMFORT, TEXAS 77978
(361) 987-2011
FIRM NO. 10080300

| | |
|-----------|------------|
| DWG. NO. | PC17-030 |
| REVISION: | |
| REV A: | 07/19/2017 |

DATE: August 15, 2017
TO: Port Commission
FROM: Darrin Aldrich, Director of Real Estate
Darrin@pocca.com
(361) 885-6169

Approve an Easement and Right of Way Agreement with AEP Texas, Inc. for the Installation of Underground Electric Service on a 138.47 Acre Tract of Land West of US Highway 181 Frontage Road, San Patricio County, Texas.

SUMMARY: AEP Texas, Inc. (AEP) representatives have requested an Easement and Right-of-Way agreement for the installation of underground electric service on a 138.47-acre tract of land located east of U.S Hwy 181 in San Patricio County, Texas. The project includes the burial of electric distribution lines together with conduits, static wires, communication circuits and other appurtenances. Transitions from above-ground lines will be at as steep a slope as practical. AEP will place caution markers at all transition points of the Distribution Line from above ground to below ground. The term of the easement is 30 years or upon AEP's cessation of the easement area, or abandonment of the same for a period of twelve consecutive months, the easements and right of ways shall automatically cease and terminate and the rights granted shall revert automatically to the PCCA.

BACKGROUND: In 2015, the PCCA purchased a 138.47-acre tract of land west of U.S. Hwy 181 for future development in the vicinity of La Quinta Terminal in San Patricio County, Texas. In April 2017, ExxonMobil and SABIC selected a site adjacent to the 72.476 acre La Quinta Terminal tract to build a \$10 Billion, 1,300-acre plastic manufacturing complex. The development plan for the PCCA property west of U.S. 181 includes rail, heavy haul road and drainage improvements to facilitate the construction of the ExxonMobil and SABIC project. The intent of this AEP easement is to remove aerial obstruction that hinder the development plan for the property.

ALTERNATIVES: None

CONFORMITY TO PORT POLICY: This project is consistent with the PCCA Strategic Plan (Strategic Goal #2 – Provide facilities and services to meet customer needs to provide surface infrastructure and services to support maritime and industrial development).

EMERGENCY: N/A

FINANCIAL IMPACT: None – No fees are assessed for AEP electrical service easements granted to serve PCCA customers.

STAFF RECOMMENDATION: Staff recommends approval of the Easement and Right of Way Agreement with AEP Texas, Inc.

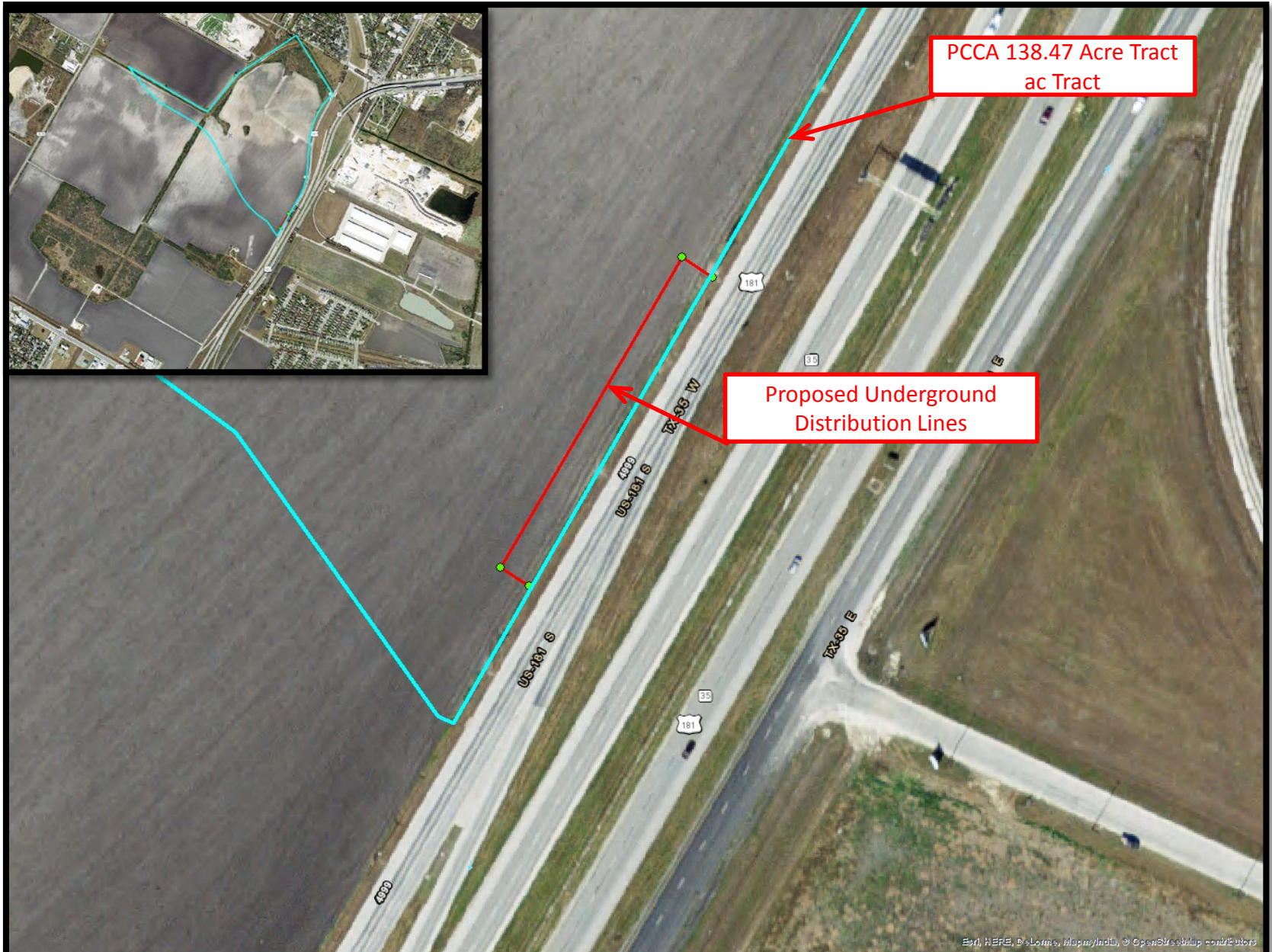
DEPARTMENTAL CLEARANCES:

| | |
|------------------------|---|
| Originating Department | Real Estate |
| Reviewed & Approved | Darrin Aldrich David Krams, P.E. |
| Legal | R. Bryan Stone |
| Senior Staff | John LaRue Sean Strawbridge Jarl Pedersen |

LIST OF SUPPORTING DOCUMENTS:

Memo Exhibit
Easement and Right of Way Agreement
Easement and Right of Way Agreement Summary

Approve an Easement and Right of Way Agreement with AEP Texas, Inc. for the Installation of Underground Electric Service on a 138.47 Acre Tract of Land West of US Highway 181 Frontage Road, San Patricio County, Texas.



**PORT OF CORPUS CHRISTI AUTHORITY
RIGHT OF WAY SUMMARY**

Grantee: AEP Texas Inc.
P.O. Box 2121
Corpus Christi, TX 78403

Easement Location: As depicted on the attached drawing

Use: For the distribution of electrical service

Term: The terms of the agreements are contingent upon AEP's operation of the distribution line. Upon AEP's cessation of the easement area, or abandonment of the same for a period of twelve consecutive months, the easements and right of ways shall automatically cease and terminate and the rights granted shall revert automatically to the PCCA.

Options: None

Start Date: July 18, 2017
End Date: July 17, 2047

Fee: For and in consideration of Ten&00/100 Dollars (\$10.00), and other good and valuable consideration to Grantor

Easement Contact: AEP Texas Inc.
P.O. Box 2121
Corpus Christi, TX 78403
Robert Saenz, Right of Way Agent
Office: 361-881-5419
Cell: 361-537-7650
rasaenz@aep.com

EASEMENT AND RIGHT-OF-WAY AGREEMENT

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS, acting herein by and through its Port Commissioners hereunto duly authorized (hereinafter called "Authority") for and in consideration of Ten and NO/100 Dollars (\$10.00) and other good and valuable considerations, including the covenants and conditions herein made and provided to be kept and performed by Grantee, has GRANTED AND CONVEYED and by these presents does GRANT AND CONVEY to **AEP TEXAS INC.**, a Delaware Corporation (hereinafter, together with its successor and assigns, called "Grantee"), an easement and right-of-way (hereinafter called the "Easement") over, across and upon the property described in Exhibit "A" attached hereto for the purpose of constructing, operating, reconstructing, enlarging, replacing, upgrading, inspecting, patrolling, repairing, maintaining, and removing electric distribution lines consisting of poles or towers made of wood, metal or other materials, wires, circuits, static wires, communication circuits, crossarms, insulators, guy wires, and all other necessary or desirable appurtenances (the "Distribution Line").

The easement width (i) for the underground utilities shall be the exterior dimensions of the conduit/casing laid, and (ii) the overhead utilities will be an aerial easement based on location of the line as described on Exhibit "A" attached hereto, and which is incorporated herein by reference for all purposes.

TO HAVE AND TO HOLD unto Grantee, its successors and assigns, the rights and privileges hereby conveyed for a term of 30 years, and subject to the exceptions and reservations herein set forth, and upon the following covenants and conditions which are a part of the consideration for this grant, which covenants and conditions are and shall be construed as covenants running with the land, and which covenants and conditions, by its acceptance hereof, Grantee covenants and agrees to keep and perform.

This Easement is granted subject to the following:

A. Type of Distribution Line. The Distribution Line shall be electric distribution cables together with conduits, static wires, communication circuits and other appurtenances as deemed appropriate by Grantee. The Distribution Line running underground is to be encased in red concrete. Transitions to above-ground lines shall be at as steep a slope as practical. Grantee shall place caution markers at all transition points of the Distribution Line from above ground to below ground. All electrical conductors shall be installed and operated with a minimum ground level clearance of thirty-six feet (36'). Any damage or disruption of fiber service or other utilities will be corrected immediately at the Grantee's cost and to the satisfaction of the Grantor.

B. Access. The rights of ingress and egress hereinabove referred to given to Grantee shall be confined to the above-described easement area. Grantee shall have the right to cross Authority's adjacent land, store materials or equipment thereon or to conduct any of its operations thereon only if the prior consent of the Authority is obtained in writing, which consent will not be unreasonably withheld. Except in the case of an emergency, Grantee agrees to notify the Authority not less than 72 hours prior to its employees, agents or contractors entering upon the easement area for construction, maintenance, repairs or other operations.

C. Construction, Maintenance and Use. Grantee shall construct and maintain the Distribution Line in a good and workmanlike manner and in compliance with all applicable governmental and industry standards for construction and maintenance of the same, and in accordance with the Grantor's current requirements as detailed in the Port of Corpus Christi Authorities current Project Manual.

Grantee's use of the Easement herein granted and its operations in relation to it shall at all times comply with all laws, statutes, rules and regulations of federal, state and local government.

Grantee shall furnish the Authority upon completion of the installation of the Distribution Line or any modification thereof an as-built drawing of the location of the Distribution Line and any such modification.

Grantee shall be responsible for coordination of its construction and use in the easement area with any other existing users and easement holders near the Easement. Grantee shall promptly restore any portion of the easement area damaged by Grantee to substantially its original condition. All restoration work shall be appropriately tested at Grantee's expense.

Grantee must submit to Authority plans for any proposed improvements on the easement area ("Plans"), and the Plans must be approved in writing by the Director of Engineering Services of Authority prior to the commencement of construction of the same, which approval shall not be unreasonably denied, delayed or conditioned. To facilitate the Authority's review, two sets of final for-construction plans that clearly define the project must be submitted to Authority along with electronic files for its prior approval. The drawings must be prepared on a standard engineering format (24" x 36" drawings) and show all physical features and improvements in and around the project site and must be signed and sealed by a Professional Engineer registered in the State of Texas. Any approval, comments or denial of the Plans by the Authority shall be promptly made to Grantee within 30 Business Days after submittal. Further, Authority shall prepare detailed comments or responses to the Plans in order to direct Grantee on the action needed to have the Plans revised and approved. Within 60 days of the completion of the work depicted on the Plans, Grantee will provide Authority with one set of As-Built or Record Drawings on a standard engineering format (24" x 36" drawings) and in an electronic file format acceptable to the Authority.

D. Reservations and Exceptions. The Easement is further made subject to any restrictions, covenants, easements, rights-of-way, encumbrances, and mineral or royalty reservations or interests affecting the Easement whether or not appearing of record in the Official Public Records of Nueces County, Texas, to the extent that said items and matters are in effect and validly enforceable.

E. Indemnity. GRANTEE HEREBY RELEASES AND DISCHARGES AUTHORITY FROM LIABILITY FOR, AND ASSUMES THE RISK OF LOSS OR DAMAGE TO THE PROPERTY OF GRANTEE, AND THE PERSONAL INJURY OR DEATH OR ANY PERSON EMPLOYED BY GRANTEE, AND GRANTEE EXPRESSLY AGREES TO DEFEND, INDEMNIFY, REIMBURSE AND HOLD AUTHORITY, ITS AGENTS, SERVANTS, EMPLOYEES AND COMMISSIONERS, HARMLESS FROM ALL CLAIMS, CAUSES OF ACTION, DEMANDS, DAMAGES AND LIABILITIES OF ANY KIND OR CHARACTER, INCLUDING BUT NOT LIMITED TO CLAIMS, CAUSES OF ACTION, DEMANDS, DAMAGES AND LIABILITIES IN ANY MATTER RESULTING FROM, ARISING OUT OF OR CAUSED, IN WHOLE OR IN PART, BY GRANTEE'S WILLFUL MISCONDUCT, NEGLIGENCE, GROSS NEGLIGENCE, DELIBERATE ACTS, STRICT LIABILITY IN TORT, BREACH OF WARRANTY, EXPRESS OR IMPLIED, OR BREACH OF ANY TERM OR CONDITION OF THIS EASEMENT, INCLUDING THAT CAUSED BY ANY OF THE GRANTEE'S AGENTS, CONTRACTORS, EMPLOYEES, INVITEES OR LICENSEES, ACTIVITIES DIRECTLY RELATED TO THIS EASEMENT OCCURRING IN, DURING OR AFTER THE TERM OF THIS EASEMENT, SAVE AND EXCEPT SUCH DAMAGES AS MAY BE CAUSED BY THE NEGLIGENCE OF THE AUTHORITY, ITS AGENTS, CONTRACTORS, EMPLOYEES, INVITEES OR LICENSEES IT BEING INTENDED THAT GRANTEE WILL INDEMNIFY AUTHORITY FOR GRANTEE'S PROPORTIONATE FAULT, INCLUDING BUT NOT LIMITED TO, NEGLIGENCE, WHICH CAUSES SUCH DAMAGES. IT IS EXPRESSLY AGREED THAT SHOULD GRANTEE FAIL OR REFUSE TO PARTICIPATE IN THE SETTLEMENT OF A CLAIM FOR DAMAGES, THEN AUTHORITY MAY SETTLE WITH THE CLAIMANT WITHOUT PREJUDICE TO AUTHORITY'S INDEMNITY RIGHTS SET FORTH HEREIN, IT BEING EXPRESSLY RECOGNIZED THAT A SETTLEMENT AFTER DEMAND ON GRANTEE WILL CONSTITUTE A SETTLEMENT OF THE PROPORTIONATE FAULT, INCLUDING BUT NOT LIMITED TO NEGLIGENCE, OF BOTH GRANTEE AND AUTHORITY, WHICH SETTLEMENT MAY LATER BE APPORTIONED BETWEEN AUTHORITY AND GRANTEE.

TO THE EXTENT PERMITTED BY LAW, AUTHORITY HEREBY RELEASES AND DISCHARGES GRANTEE FROM LIABILITY FOR, AND ASSUMES THE RISK OF LOSS OR DAMAGE TO THE PROPERTY OF AUTHORITY, AND THE PERSONAL INJURY OR DEATH OF ANY PERSON EMPLOYED BY AUTHORITY, AND AUTHORITY EXPRESSLY AGREES TO DEFEND, INDEMNIFY, REIMBURSE AND HOLD GRANTEE, ITS AGENTS, SERVANTS, EMPLOYEES AND COMMISSIONERS, HARMLESS FROM ALL CLAIMS, CAUSES OF ACTION, DEMANDS, DAMAGES AND LIABILITIES OF ANY KIND OR CHARACTER, INCLUDING BUT NOT LIMITED TO CLAIMS, CAUSES OF ACTION, DEMANDS, DAMAGES AND LIABILITIES IN ANY MATTER RESULTING FROM, ARISING OUT OF OR CAUSED, IN WHOLE OR IN PART, BY AUTHORITY'S WILLFUL

MISCONDUCT, NEGLIGENCE, GROSS NEGLIGENCE, DELIBERATE ACTS, STRICT LIABILITY IN TORT, BREACH OF WARRANTY, EXPRESS OR IMPLIED, OR BREACH OF ANY TERM OR CONDITION OF THIS EASEMENT, INCLUDING THAT CAUSED BY ANY OF THE AUTHORITY'S AGENTS, CONTRACTORS, EMPLOYEES, INVITEES OR LICENSEES, ACTIVITIES DIRECTLY OR INDIRECTLY RELATED TO AUTHORITY'S USE OF THE EASEMENT OR ITS SURROUNDING PROPERTIES AND OCCURRING IN, DURING OR AFTER THE TERM OF THIS EASEMENT, SAVE AND EXCEPT SUCH DAMAGES AS MAY BE CAUSED BY THE NEGLIGENCE OF THE GRANTEE, ITS AGENTS, CONTRACTORS, EMPLOYEES, INVITEES OR LICENSEES, IT BEING INTENDED THAT AUTHORITY WILL INDEMNIFY GRANTEE FOR AUTHORITY'S PROPORTIONATE FAULT, INCLUDING BUT NOT LIMITED TO, NEGLIGENCE, WHICH CAUSES SUCH DAMAGES. IT IS EXPRESSLY AGREED THAT SHOULD AUTHORITY FAIL OR REFUSE TO PARTICIPATE IN THE SETTLEMENT OF A CLAIM FOR DAMAGES, THEN GRANTEE MAY SETTLE WITH THE CLAIMANT WITHOUT PREJUDICE TO GRANTEE'S INDEMNITY RIGHTS SET FORTH HEREIN, IT BEING EXPRESSLY RECOGNIZED THAT A SETTLEMENT AFTER DEMAND ON AUTHORITY WILL CONSTITUTE A SETTLEMENT OF THE PROPORTIONATE FAULT, INCLUDING BUT NOT LIMITED TO NEGLIGENCE, OF BOTH AUTHORITY AND GRANTEE, WHICH SETTLEMENT MAY LATER BE APPORTIONED BETWEEN AUTHORITY AND GRANTEE.

EXCEPT AS OTHERWISE EXPRESSLY LIMITED HEREIN, IT IS THE INTENT OF THE PARTIES HERETO THAT ALL INDEMNITY OBLIGATIONS AND LIABILITIES ASSUMED UNDER THE TERMS OF THIS EASEMENT BE WITHOUT MONETARY LIMIT. THE INDEMNITY CONTAINED IN THIS PARAGRAPH APPLIES, WITHOUT LIMITATION, TO ANY VIOLATION OF ANY APPLICABLE ENVIRONMENTAL LAW IN EFFECT DURING THE TERM OF THIS EASEMENT, INCLUDING ANY EXTENSION, AND ANY AND ALL MATTERS ARISING OUT OF ANY ACT, OMISSION, EVENT OR CIRCUMSTANCE EXISTING OR OCCURRING DURING THE TERM OF THIS EASEMENT, INCLUDING ANY EXTENSIONS, REGARDLESS OF WHETHER THE ACT, OMISSION, EVENT OR CIRCUMSTANCE CONSTITUTED A VIOLATION OF ANY APPLICABLE ENVIRONMENTAL LAW AT THE TIME OF ITS EXISTENCE OR OCCURRENCE.

F. Assignment. The rights herein granted may not be assigned without the prior written consent of the Authority, which consent will not be unreasonably withheld; if the Authority withholds consent, the Authority will provide written notice within 30 days from date of notice of assignment to third parties by Grantee; failure to provide such written notice within the said 30 days shall constitute acceptance of assignment.

The Authority, however, consents to the assignment of the Easement to any corporation that is an affiliate of and controlled by, Grantee, or to a parent corporation of Grantee or a subsidiary corporation of such parent corporation.

The Easement shall be deemed a covenant running with the land and shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns. Assignment in

accordance with this paragraph shall relieve Grantee from liability for the performance of the covenants and indemnities hereof.

G. Relocation. The Authority may require Grantee to remove, lower, raise, or relocate the Distribution Line, equipment, facilities and appurtenances situated in the Easement in the event the Authority wants to use the Easement property for construction of Authority facilities or other Authority uses and the Distribution Line becomes a hindrance or interferes with any such future uses of the property. In such event, the cost of such removal, lowering, raising or relocation shall be paid solely by Grantee. In the event of such removal, lowering, raising, or relocation, the Authority will provide Grantee with an alternate easement, using its best efforts, on Authority land in a location that is reasonably acceptable to Grantee and at no additional cost to Grantee.

H. Compliance with all Laws. The rights and privileges associated with the Easement granted under this agreement shall not be exercised in a manner so as to violate any standards or provisions of any applicable common law or legislation, or the rules, regulations or policies of any regulatory body, whether Federal, State municipal or county, including without limitation, applicable standards, legislation, rules and regulations relating to the protection of the environment.

I. Exhibits. All exhibits attached hereto are hereby incorporated herein by this reference and made a part hereof for all purposes.

J. Notice. Any notice or demand which either party hereto may desire to serve upon the other shall be sufficiently served if deposited in the United States mail, postage prepaid and certified or registered, or delivered by a regularly established courier service, or hand delivered, addressed, in the instances of Authority to:

If to Authority: Port of Corpus Christi Authority
Attn: Executive Director
222 Power Street
P.O. Box 1541
Corpus Christi, Texas 78403
Fax: (361) 881-5155

If to Grantee: AEP Texas Inc.
c/o Distribution Right-of-Way Agent
P.O. Box 2121
Corpus Christi, Texas 78403

or to such other address which a party may notify in writing to the other. Such notice shall be deemed to have been served upon receipt thereof by the party to whom such notice is given.

K. Termination. The Easement herein granted shall terminate if Grantee shall fail to complete the construction of the Distribution Line within three (3) years from the date hereof, or at any time during the term hereof abandon the use of the same for the purposes herein granted for twelve (12) consecutive months. In addition to the immediate sentence above, this Easement

Agreement and all of Grantee's interest hereunder, at the option of Grantor, shall forthwith terminate upon breach by Grantee of any of the covenants or conditions hereof and the failure of Grantee to remedy the same within ninety (90) days after written notice from the Grantor to do so. However, if such breach cannot be reasonably remedied within ninety (90) days, this Easement Agreement and Grantee's interest hereunder shall not terminate if Grantee furnishes Grantor a plan, reasonably acceptable to Grantor, for remedying such breach as expeditiously as reasonably possible and thereafter diligently and continuously prosecutes reasonable and prudent corrective measures to completion in accordance with such plan. Grantee agrees it will within one hundred twenty (120) days after the termination of this Easement Agreement remove the Distribution Line (including poles, towers and guy wires) in the Easement and shall restore Grantor's lands in the Easement to the condition in which same existed prior to the existence of the Distribution Line. In the event Grantee fails to so remove the Distribution Line, the Grantor may either declare the termination of Grantee's interest in the Distribution Line and all of Grantee's interest therein shall thereupon terminate, or the Grantor may cause the Distribution Line, or any part thereof at Grantor's election, to be removed and the lands of the Grantor restored at the cost of Grantee.

L. Severability/Interpretation. In case any one or more of the provisions contained in this agreement shall for any reason be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. Whenever required by the context, as used in this agreement, the singular number shall include the plural and the neuter shall include the masculine or feminine gender, and vice versa.

M. Counterparts. This agreement may be executed and acknowledged in counterparts, all of which executed and acknowledged counterparts shall together constitute a single document. Signature and acknowledgement pages may be detached from the counterparts and attached to a single copy of this document to physically form one document, which may be recorded.

N. Governing Law. THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICT-OF-LAWS RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR THE CONSTRUCTION OF THIS AGREEMENT TO THE LAW OF ANOTHER JURISDICTION.

The execution of this Easement shall be conclusive of the agreement of the Authority and Grantee to all of the terms and conditions hereof, whereupon the Easement and all of its provisions shall extend to and be binding upon the legal representatives, successors and assigns of Grantee and the Authority, respectively.

[Signature and acknowledgement pages follow this page]

WITNESS this _____ day of _____, 2017.

GRANTOR:

PORT OF CORPUS CHRISTI AUTHORITY

By: _____
John P. LaRue, Executive Director

GRANTEE:

AEP TEXAS INC.

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

 This instrument was acknowledged before me on the _____ day of _____,
2017, by John P. LaRue, Executive Director of Port of Corpus Christi Authority of Nueces County,
Texas, on behalf of the Port.

NOTARY PUBLIC, STATE OF TEXAS

My Commission Expires: _____

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

 This instrument was acknowledged before me on the _____ day of _____,
2017, by _____,
of AEP Texas Inc., a Delaware corporation, on behalf of the corporation.

NOTARY PUBLIC, STATE OF TEXAS

My Commission Expires: _____



EXHIBIT A

WR# : 66534371
S.S. : 08/03/2017
CITY : GREGORY
COUNTY : SAN PATRICIO
SYSTEM : LAT/LONG
DATUM : WGS1984



DATE: August 15, 2017

TO: Port Commission

FROM: Darrin Aldrich, Director of Real Estate
Darrin@pocca.com
(361) 885-6169

Approve an Easement and Right of Way Agreement with AEP Texas, Inc. for Electric Service to EOG Resources, Inc., 4.65 acre Production Facility located on the South Side of Joe Fulton Corridor and Westerly side of the Bulk Terminal, Nueces County, Texas

SUMMARY: AEP Texas, Inc. (AEP) representatives have requested an easement and right of way agreements to provide electrical service to EOG Resources, Inc. (EOG) 4.65 acre production facility located on the south side of the Joe Fulton Corridor (Fulton Corridor) and west of the Bulk Terminal. The project includes installation of electric distribution lines together with conduits, static wires, communication circuits and other appurtenances. The Distribution Line running underground is to be encased in red concrete and located on the EOG production facility. Transitions from above-ground lines will be at as steep a slope as practical. AEP will place caution markers at all transition points of the Distribution Line from above ground to below ground. All electrical conductors shall be installed and operated with a minimum ground level clearance of thirty-six feet (36')

BACKGROUND: On July 12, 2007 EOG and the Port of Corpus Christi Authority (PCCA) entered into a Surface Agreement and Damage Release for a 2.57-acre drill site out of State Tract 750A (Bulk Terminal). On November 13, 2007 PCCA and EOG amended the agreement to increase the site to a 3.86 acre site. Subsequently, on March 8, 2011 PCCA and EOG again amended the agreement to increase the site to a 4.65 acre. The 4.65-acre site is located south of the Fulton Corridor and on the westerly side of the Bulk Terminal. To date, EOG has operated the site by generator power and due to cost and reliability issues is seeking electrical service from AEP. This electrical distribution easement will grant AEP the right to install electrical service to EOG's site to Power the production facility.

ALTERNATIVES: Do not approve

CONFORMITY TO PORT POLICY: This project is consistent with the PCCA Strategic Plan (Strategic Goal #2 – Provide facilities and services to meet customer needs to provide surface infrastructure and services to support maritime and industrial development).

EMERGENCY: N/A

FINANCIAL IMPACT: None – No fees are assessed for AEP electrical service easements granted to serve PCCA customers.

STAFF RECOMMENDATION: Staff recommends approval of the Easement and Right of Way Agreement with AEP Texas, Inc.

DEPARTMENTAL CLEARANCES:

| | |
|------------------------|---|
| Originating Department | Real Estate |
| Reviewed & Approved | Darrin Aldrich David Krams, P.E. |
| Legal | R. Bryan Stone |
| Senior Staff | John LaRue Sean Strawbridge Jarl Pedersen |

LIST OF SUPPORTING DOCUMENTS:

Memo Exhibit
Easement and Right of Way Agreement
Easement and Right of Way Agreement Summary

Approve an Easement and Right of Way Agreement with AEP Texas, Inc. for Electric Service to EOG Resources, Inc., 4.65 acre Production Facility located on the South Side of Joe Fulton Corridor and Westerly side of the Bulk Terminal, Nueces County, Texas



**PORT OF CORPUS CHRISTI AUTHORITY
RIGHT OF WAY SUMMARY**

Grantee: AEP Texas Inc.
P.O. Box 2121
Corpus Christi, TX 78403

Easement Location: EOG Resources, Inc., 4.65 acre production facility located on the South Side of Joe Fulton Corridor and Westerly side of the Bulk Terminal, Nueces County, Texas

Use: For the distribution of electrical service to EOG Resources 4.65 acre production facility.

Term: The terms of the agreements are contingent upon AEP's operation of the distribution line. Upon AEP's cessation of the easement area, or abandonment of the same for a period of twelve consecutive months, the easements and right of ways shall automatically cease and terminate and the rights granted shall revert automatically to the PCCA.

Options: None

Start Date: August 15, 2017
End Date: August 14, 2047

Fee: For and in consideration of Ten&00/100 Dollars (\$10.00), and other good and valuable consideration to Grantor

Easement Contact: AEP Texas Inc.
P.O. Box 2121
Corpus Christi, TX 78403
Robert Saenz, Right of Way Agent
Office: 361-881-5419
Cell: 361-537-7650
rasaenz@aep.com

**EASEMENT AND
RIGHT-OF-WAY AGREEMENT**

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS, acting herein by and through its Port Commissioners hereunto duly authorized (hereinafter called "Authority") for and in consideration of Ten and NO/100 Dollars (\$10.00) and other good and valuable considerations, including the covenants and conditions herein made and provided to be kept and performed by Grantee, has GRANTED AND CONVEYED and by these presents does GRANT AND CONVEY to **AEP TEXAS INC.**, a Delaware Corporation (hereinafter, together with its successor and assigns, called "Grantee"), an easement and right-of-way (hereinafter called the "Easement") over, across and upon the property described in Exhibit "A" attached hereto and depicted on Exhibit "B" attached hereto for the purpose of constructing, operating, reconstructing, enlarging, replacing, upgrading, inspecting, patrolling, repairing, maintaining, and removing electric distribution lines consisting of poles or towers made of wood, metal or other materials, wires, circuits, static wires, communication circuits, crossarms, insulators, guy wires, and all other necessary or desirable appurtenances (the "Distribution Line").

The easement width (i) for the underground utilities shall be the exterior dimensions of the conduit/casing laid, and (ii) the overhead utilities will be an aerial easement based on location of the line as described on Exhibit "A" attached hereto, and which is incorporated herein by reference for all purposes.

TO HAVE AND TO HOLD unto Grantee, its successors and assigns, the rights and privileges hereby conveyed for a term of 30 years, and subject to the exceptions and reservations herein set forth, and upon the following covenants and conditions which are a part of the consideration for this grant, which covenants and conditions are and shall be construed as covenants running with the land, and which covenants and conditions, by its acceptance hereof, Grantee covenants and agrees to keep and perform.

This Easement is granted subject to the following:

A. Type of Distribution Line. The Distribution Line shall be electric distribution cables together with conduits, static wires, communication circuits and other appurtenances as deemed appropriate by Grantee. The Distribution Line running underground is to be encased in red concrete. Transitions to above-ground lines shall be at as steep a slope as practical. Grantee shall place caution markers at all transition points of the Distribution Line from above ground to below ground. All electrical conductors shall be installed and operated with a minimum ground level clearance of thirty-six feet (36'). Any damage or disruption of fiber service or other utilities will be corrected immediately at the Grantee's cost and to the satisfaction of the Grantor.

B. Access. The rights of ingress and egress hereinabove referred to given to Grantee shall be confined to the above-described easement area. Grantee shall have the right to cross Authority's adjacent land, store materials or equipment thereon or to conduct any of its operations thereon only if the prior consent of the Authority is obtained in writing, which consent will not be unreasonably withheld. Except in the case of an emergency, Grantee agrees to notify the Authority not less than 72 hours prior to its employees, agents or contractors entering upon the easement area for construction, maintenance, repairs or other operations.

C. Construction, Maintenance and Use. Grantee shall construct and maintain the Distribution Line in a good and workmanlike manner and in compliance with all applicable governmental and industry standards for construction and maintenance of the same, and in accordance with the Grantor's current requirements as detailed in the Port of Corpus Christi Authorities current Project Manual.

Grantee's use of the Easement herein granted and its operations in relation to it shall at all times comply with all laws, statutes, rules and regulations of federal, state and local government.

Grantee shall furnish the Authority upon completion of the installation of the Distribution Line or any modification thereof an as-built drawing of the location of the Distribution Line and any such modification.

Grantee shall be responsible for coordination of its construction and use in the easement area with any other existing users and easement holders near the Easement. Grantee shall promptly restore any portion of the easement area damaged by Grantee to substantially its original condition. All restoration work shall be appropriately tested at Grantee's expense.

Grantee must submit to Authority plans for any proposed improvements on the easement area ("Plans"), and the Plans must be approved in writing by the Director of Engineering Services of Authority prior to the commencement of construction of the same, which approval shall not be unreasonably denied, delayed or conditioned. To facilitate the Authority's review, two sets of final for-construction plans that clearly define the project must be submitted to Authority along with electronic files for its prior approval. The drawings must be prepared on a standard engineering format (24" x 36" drawings) and show all physical features and improvements in and around the project site and must be signed and sealed by a Professional Engineer registered in the State of Texas. Any approval, comments or denial of the Plans by the Authority shall be promptly made to Grantee within 30 Business Days after submittal. Further, Authority shall prepare detailed comments or responses to the Plans in order to direct Grantee on the action needed to have the Plans revised and approved. Within 60 days of the completion of the work depicted on the Plans, Grantee will provide Authority with one set of As-Built or Record Drawings on a standard engineering format (24" x 36" drawings) and in an electronic file format acceptable to the Authority.

D. Reservations and Exceptions. The Easement is further made subject to any restrictions, covenants, easements, rights-of-way, encumbrances, and mineral or royalty reservations or interests affecting the Easement whether or not appearing of record in the Official

Public Records of Nueces County, Texas, to the extent that said items and matters are in effect and validly enforceable.

E. Indemnity. GRANTEE HEREBY RELEASES AND DISCHARGES AUTHORITY FROM LIABILITY FOR, AND ASSUMES THE RISK OF LOSS OR DAMAGE TO THE PROPERTY OF GRANTEE, AND THE PERSONAL INJURY OR DEATH OR ANY PERSON EMPLOYED BY GRANTEE, AND GRANTEE EXPRESSLY AGREES TO DEFEND, INDEMNIFY, REIMBURSE AND HOLD AUTHORITY, ITS AGENTS, SERVANTS, EMPLOYEES AND COMMISSIONERS, HARMLESS FROM ALL CLAIMS, CAUSES OF ACTION, DEMANDS, DAMAGES AND LIABILITIES OF ANY KIND OR CHARACTER, INCLUDING BUT NOT LIMITED TO CLAIMS, CAUSES OF ACTION, DEMANDS, DAMAGES AND LIABILITIES IN ANY MATTER RESULTING FROM, ARISING OUT OF OR CAUSED, IN WHOLE OR IN PART, BY GRANTEE'S WILLFUL MISCONDUCT, NEGLIGENCE, GROSS NEGLIGENCE, DELIBERATE ACTS, STRICT LIABILITY IN TORT, BREACH OF WARRANTY, EXPRESS OR IMPLIED, OR BREACH OF ANY TERM OR CONDITION OF THIS EASEMENT, INCLUDING THAT CAUSED BY ANY OF THE GRANTEE'S AGENTS, CONTRACTORS, EMPLOYEES, INVITEES OR LICENSEES, ACTIVITIES DIRECTLY RELATED TO THIS EASEMENT OCCURRING IN, DURING OR AFTER THE TERM OF THIS EASEMENT, SAVE AND EXCEPT SUCH DAMAGES AS MAY BE CAUSED BY THE NEGLIGENCE OF THE AUTHORITY, ITS AGENTS, CONTRACTORS, EMPLOYEES, INVITEES OR LICENSEES IT BEING INTENDED THAT GRANTEE WILL INDEMNIFY AUTHORITY FOR GRANTEE'S PROPORTIONATE FAULT, INCLUDING BUT NOT LIMITED TO, NEGLIGENCE, WHICH CAUSES SUCH DAMAGES. IT IS EXPRESSLY AGREED THAT SHOULD GRANTEE FAIL OR REFUSE TO PARTICIPATE IN THE SETTLEMENT OF A CLAIM FOR DAMAGES, THEN AUTHORITY MAY SETTLE WITH THE CLAIMANT WITHOUT PREJUDICE TO AUTHORITY'S INDEMNITY RIGHTS SET FORTH HEREIN, IT BEING EXPRESSLY RECOGNIZED THAT A SETTLEMENT AFTER DEMAND ON GRANTEE WILL CONSTITUTE A SETTLEMENT OF THE PROPORTIONATE FAULT, INCLUDING BUT NOT LIMITED TO NEGLIGENCE, OF BOTH GRANTEE AND AUTHORITY, WHICH SETTLEMENT MAY LATER BE APPORTIONED BETWEEN AUTHORITY AND GRANTEE.

TO THE EXTENT PERMITTED BY LAW, AUTHORITY HEREBY RELEASES AND DISCHARGES GRANTEE FROM LIABILITY FOR, AND ASSUMES THE RISK OF LOSS OR DAMAGE TO THE PROPERTY OF AUTHORITY, AND THE PERSONAL INJURY OR DEATH OF ANY PERSON EMPLOYED BY AUTHORITY, AND AUTHORITY EXPRESSLY AGREES TO DEFEND, INDEMNIFY, REIMBURSE AND HOLD GRANTEE, ITS AGENTS, SERVANTS, EMPLOYEES AND COMMISSIONERS, HARMLESS FROM ALL CLAIMS, CAUSES OF ACTION, DEMANDS, DAMAGES AND LIABILITIES OF ANY KIND OR CHARACTER, INCLUDING BUT NOT LIMITED TO CLAIMS, CAUSES OF ACTION, DEMANDS, DAMAGES AND LIABILITIES IN ANY MATTER RESULTING FROM, ARISING OUT OF OR CAUSED, IN WHOLE OR IN PART, BY AUTHORITY'S WILLFUL MISCONDUCT, NEGLIGENCE, GROSS NEGLIGENCE, DELIBERATE ACTS, STRICT LIABILITY IN TORT, BREACH OF WARRANTY, EXPRESS OR IMPLIED, OR BREACH OF ANY TERM OR CONDITION OF THIS EASEMENT, INCLUDING THAT CAUSED BY

ANY OF THE AUTHORITY'S AGENTS, CONTRACTORS, EMPLOYEES, INVITEES OR LICENSEES, ACTIVITIES DIRECTLY OR INDIRECTLY RELATED TO AUTHORITY'S USE OF THE EASEMENT OR ITS SURROUNDING PROPERTIES AND OCCURRING IN, DURING OR AFTER THE TERM OF THIS EASEMENT, SAVE AND EXCEPT SUCH DAMAGES AS MAY BE CAUSED BY THE NEGLIGENCE OF THE GRANTEE, ITS AGENTS, CONTRACTORS, EMPLOYEES, INVITEES OR LICENSEES, IT BEING INTENDED THAT AUTHORITY WILL INDEMNIFY GRANTEE FOR AUTHORITY'S PROPORTIONATE FAULT, INCLUDING BUT NOT LIMITED TO, NEGLIGENCE, WHICH CAUSES SUCH DAMAGES. IT IS EXPRESSLY AGREED THAT SHOULD AUTHORITY FAIL OR REFUSE TO PARTICIPATE IN THE SETTLEMENT OF A CLAIM FOR DAMAGES, THEN GRANTEE MAY SETTLE WITH THE CLAIMANT WITHOUT PREJUDICE TO GRANTEE'S INDEMNITY RIGHTS SET FORTH HEREIN, IT BEING EXPRESSLY RECOGNIZED THAT A SETTLEMENT AFTER DEMAND ON AUTHORITY WILL CONSTITUTE A SETTLEMENT OF THE PROPORTIONATE FAULT, INCLUDING BUT NOT LIMITED TO NEGLIGENCE, OF BOTH AUTHORITY AND GRANTEE, WHICH SETTLEMENT MAY LATER BE APPORTIONED BETWEEN AUTHORITY AND GRANTEE.

EXCEPT AS OTHERWISE EXPRESSLY LIMITED HEREIN, IT IS THE INTENT OF THE PARTIES HERETO THAT ALL INDEMNITY OBLIGATIONS AND LIABILITIES ASSUMED UNDER THE TERMS OF THIS EASEMENT BE WITHOUT MONETARY LIMIT. THE INDEMNITY CONTAINED IN THIS PARAGRAPH APPLIES, WITHOUT LIMITATION, TO ANY VIOLATION OF ANY APPLICABLE ENVIRONMENTAL LAW IN EFFECT DURING THE TERM OF THIS EASEMENT, INCLUDING ANY EXTENSION, AND ANY AND ALL MATTERS ARISING OUT OF ANY ACT, OMISSION, EVENT OR CIRCUMSTANCE EXISTING OR OCCURRING DURING THE TERM OF THIS EASEMENT, INCLUDING ANY EXTENSIONS, REGARDLESS OF WHETHER THE ACT, OMISSION, EVENT OR CIRCUMSTANCE CONSTITUTED A VIOLATION OF ANY APPLICABLE ENVIRONMENTAL LAW AT THE TIME OF ITS EXISTENCE OR OCCURRENCE.

F. Assignment. The rights herein granted may not be assigned without the prior written consent of the Authority, which consent will not be unreasonably withheld; if the Authority withholds consent, the Authority will provide written notice within 30 days from date of notice of assignment to third parties by Grantee; failure to provide such written notice within the said 30 days shall constitute acceptance of assignment.

The Authority, however, consents to the assignment of the Easement to any corporation that is an affiliate of and controlled by, Grantee, or to a parent corporation of Grantee or a subsidiary corporation of such parent corporation.

The Easement shall be deemed a covenant running with the land and shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns. Assignment in accordance with this paragraph shall relieve Grantee from liability for the performance of the covenants and indemnities hereof.

G. Relocation. The Authority may require Grantee to remove, lower, raise, or relocate the Distribution Line, equipment, facilities and appurtenances situated in the Easement in the event the Authority wants to use the Easement property for construction of Authority facilities or other Authority uses and the Distribution Line becomes a hindrance or interferes with any such future uses of the property. In such event, the cost of such removal, lowering, raising or relocation shall be paid solely by Grantee. In the event of such removal, lowering, raising, or relocation, the Authority will provide Grantee with an alternate easement, using its best efforts, on Authority land in a location that is reasonably acceptable to Grantee and at no additional cost to Grantee.

H. Compliance with all Laws. The rights and privileges associated with the Easement granted under this agreement shall not be exercised in a manner so as to violate any standards or provisions of any applicable common law or legislation, or the rules, regulations or policies of any regulatory body, whether Federal, State municipal or county, including without limitation, applicable standards, legislation, rules and regulations relating to the protection of the environment.

I. Exhibits. All exhibits attached hereto are hereby incorporated herein by this reference and made a part hereof for all purposes.

J. Notice. Any notice or demand which either party hereto may desire to serve upon the other shall be sufficiently served if deposited in the United States mail, postage prepaid and certified or registered, or delivered by a regularly established courier service, or hand delivered, addressed, in the instances of Authority to:

If to Authority: Port of Corpus Christi Authority
Attn: Executive Director
222 Power Street
P.O. Box 1541
Corpus Christi, Texas 78403
Fax: (361) 881-5155

If to Grantee: AEP Texas Inc.
c/o Distribution Right-of-Way Agent
P.O. Box 2121
Corpus Christi, Texas 78403

or to such other address which a party may notify in writing to the other. Such notice shall be deemed to have been served upon receipt thereof by the party to whom such notice is given.

K. Termination. The Easement herein granted shall terminate if Grantee shall fail to complete the construction of the Distribution Line within three (3) years from the date hereof, or at any time during the term hereof abandon the use of the same for the purposes herein granted for twelve (12) consecutive months. In addition to the immediate sentence above, this Easement Agreement and all of Grantee's interest hereunder, at the option of Grantor, shall forthwith terminate upon breach by Grantee of any of the covenants or conditions hereof and the failure of

Grantee to remedy the same within ninety (90) days after written notice from the Grantor to do so. However, if such breach cannot be reasonably remedied within ninety (90) days, this Easement Agreement and Grantee's interest hereunder shall not terminate if Grantee furnishes Grantor a plan, reasonably acceptable to Grantor, for remedying such breach as expeditiously as reasonably possible and thereafter diligently and continuously prosecutes reasonable and prudent corrective measures to completion in accordance with such plan. Grantee agrees it will within one hundred twenty (120) days after the termination of this Easement Agreement remove the Distribution Line (including poles, towers and guy wires) in the Easement and shall restore Grantor's lands in the Easement to the condition in which same existed prior to the existence of the Distribution Line. In the event Grantee fails to so remove the Distribution Line, the Grantor may either declare the termination of Grantee's interest in the Distribution Line and all of Grantee's interest therein shall thereupon terminate, or the Grantor may cause the Distribution Line, or any part thereof at Grantor's election, to be removed and the lands of the Grantor restored at the cost of Grantee.

L. Severability/Interpretation. In case any one or more of the provisions contained in this agreement shall for any reason be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. Whenever required by the context, as used in this agreement, the singular number shall include the plural and the neuter shall include the masculine or feminine gender, and vice versa.

M. Counterparts. This agreement may be executed and acknowledged in counterparts, all of which executed and acknowledged counterparts shall together constitute a single document. Signature and acknowledgement pages may be detached from the counterparts and attached to a single copy of this document to physically form one document, which may be recorded.

N. Governing Law. THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICT-OF-LAWS RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR THE CONSTRUCTION OF THIS AGREEMENT TO THE LAW OF ANOTHER JURISDICTION.

The execution of this Easement shall be conclusive of the agreement of the Authority and Grantee to all of the terms and conditions hereof, whereupon the Easement and all of its provisions shall extend to and be binding upon the legal representatives, successors and assigns of Grantee and the Authority, respectively.

WITNESS this _____ day of _____, 2017.

GRANTOR:

PORT OF CORPUS CHRISTI AUTHORITY

By: _____
John P. LaRue, Executive Director

GRANTEE:

AEP TEXAS INC.

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

 This instrument was acknowledged before me on the _____ day of _____,
2017, by John P. LaRue, Executive Director of Port of Corpus Christi Authority of Nueces County,
Texas, on behalf of the Port.

NOTARY PUBLIC, STATE OF TEXAS

My Commission Expires: _____

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

 This instrument was acknowledged before me on the _____ day of _____,
2017, by _____,
of AEP Texas Inc., a Delaware corporation, on behalf of the corporation.

NOTARY PUBLIC, STATE OF TEXAS

My Commission Expires: _____

Exhibit A

STATE OF TEXAS
COUNTY OF NUECES

Port of
Corpus Christi

CENTERLINE DESCRIPTION
PROPOSED POWERLINE RIGHT-OF-WAY EASEMENT
NUECES COUNTY, TEXAS

CENTERLINE DESCRIPTION of a proposed powerline easement 5 feet on each side of centerline, in, over, across, and through a tract of land known as the Port of Corpus Christi. Also being out of State Tract 750A out of and part of *NUECES COUNTY NAVIGATION DISTRICT NO. 1* Abstract 2677. Situated approximately 4.2 miles Northwest of Corpus Christi, Nueces County, Texas. The centerline description of this easement being more particularly described as follows, to-wit:

BEGINNING at a point, for an existing power pole near Joe Fulton Corridor, for the North end and **POINT OF BEGINNING**, for this centerline description, for this tract of land, with a NAD-27 South Zone coordinate of X=2333518.21 and Y=785013.39. This easement is a continuation of an easement coming from the North.

THENCE S 55° 07' 04" E, a distance of 137.7 feet to a point, for a deflection angle of this easement;

THENCE S 00° 25' 14" E, a distance of 166.7 feet to a point, inside of an EOG Resources, Inc. existing drill pad, for the South end and **POINT OF TERMINATION**, for this powerline easement, with a NAD-27 South Zone coordinate of X=2333632.37 and Y=784767.94, for this easement.

TOTAL LENGTH: 304.4 Lineal feet or 18.45 Rods, more or less.

- Notes:
- 1. All bearings, distances and coordinate values contained hereon are grid based upon the Texas State Plane Coordinate System, South Zone of the North American Datum 1927, U.S. Survey Feet as derived by GPS measurements from Western Data Systems RTK Cooperative Network Control Station CURB_g1012 (Corpus Christi) with a coordinate of X=2355126.32 & Y=763233.55 is based upon NAD-27.
 - 2. Elevations shown hereon are NAVD 88 (Geoid 12) as derived by GPS measurements.
 - 3. This plat may not show all crossings of pipelines or cables Solum Surveying, Inc. assumes no Responsibility to locate pipeline or cable crossings.

I, the undersigned, a Registered Professional Land Surveyor in the State of Texas, do hereby certify that the Metes and Bounds Description was prepared from an actual survey of the property made under my supervision on the ground, and that the corner monuments described were either found or placed under my supervision. This the 17th of July, 2017.



Jose R. Lopez, RPLS No. 6054
Solum Surveying, Inc.

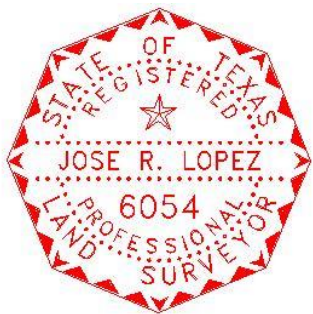
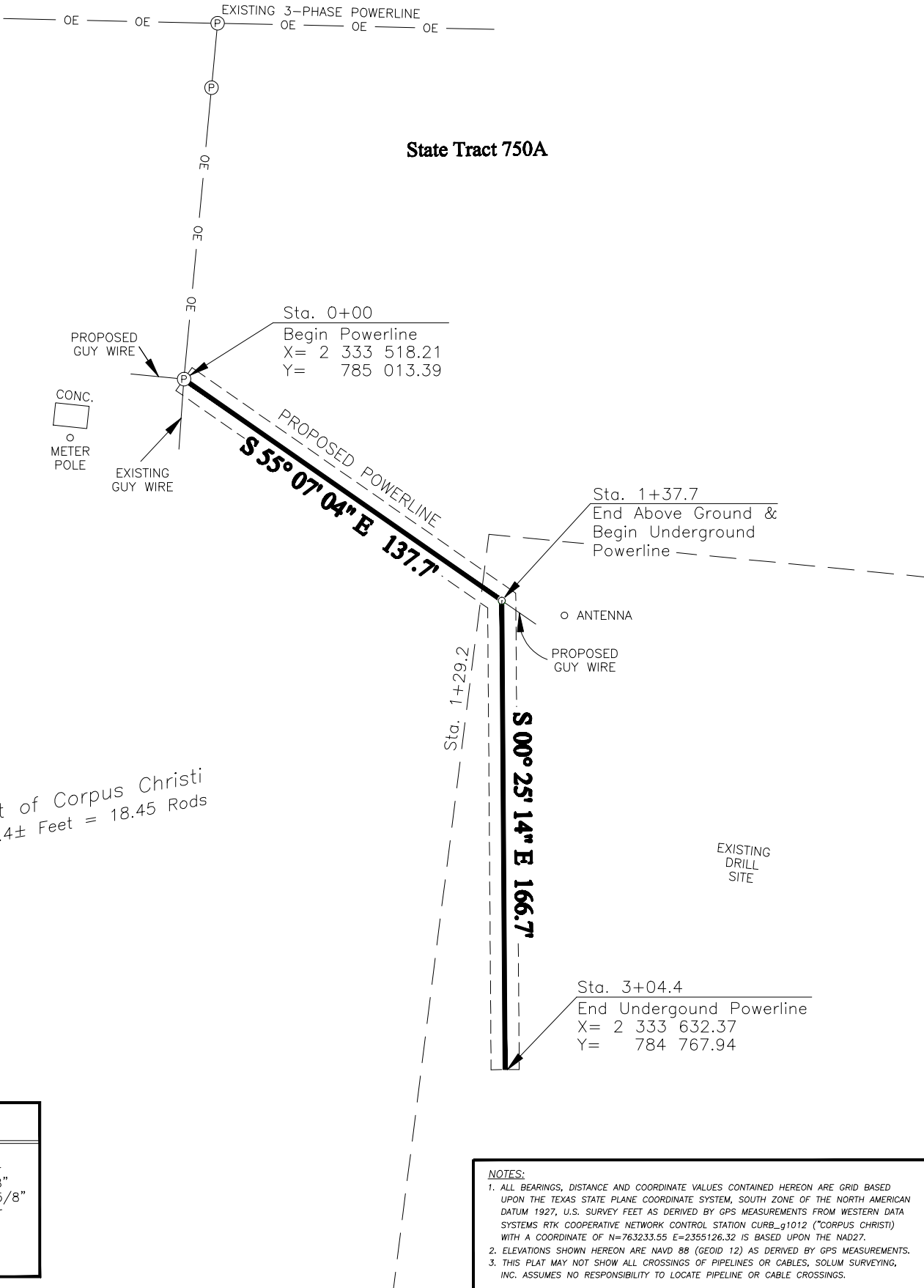
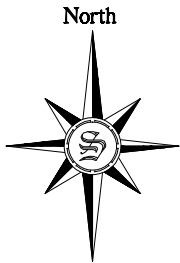


Exhibit B

NUECES COUNTY NAVIGATION DISTRICT NO. 1
A-2677



LEGEND

- ⊙ Iron Pipe Found
- ▣ Pipe-Fence Corner
- Iron Rod Set-5/8"
- Iron Rod Found-5/8"
- Post-Fence Corner
- ⊙ Water Meter
- Ⓟ Power Pole
- Point

NOTES:

1. ALL BEARINGS, DISTANCE AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH ZONE OF THE NORTH AMERICAN DATUM 1927, U.S. SURVEY FEET AS DERIVED BY GPS MEASUREMENTS FROM WESTERN DATA SYSTEMS RTK COOPERATIVE NETWORK CONTROL STATION CURB_g1012 ("CORPUS CHRISTI") WITH A COORDINATE OF N=763233.55 E=2355126.32 IS BASED UPON THE NAD27.

2. ELEVATIONS SHOWN HEREON ARE NAVD 88 (GEOID 12) AS DERIVED BY GPS MEASUREMENTS.

3. THIS PLAT MAY NOT SHOW ALL CROSSINGS OF PIPELINES OR CABLES, SOLUM SURVEYING, INC. ASSUMES NO RESPONSIBILITY TO LOCATE PIPELINE OR CABLE CROSSINGS.

PLAT

Showing a proposed powerline 304.4± Feet (18.45 Rods) from a point at an existing power pole to a point at an existing drill pad. Being out of NUECES COUNTY NAVIGATION DISTRICT NO. 1 Survey Abstract 2677. Also being out of Nueces Bay State Tract 750A. Situated approx. 4.2 miles Northwest of Corpus Christi, Nueces County, Texas.

Drawn For:

EOG RESOURCES, INC.

Solum Surveying, Inc.

SURVEYING & MAPPING

P.O. BOX 2220 ALICE, TX 78333

solumsurveying@att.net

TBPLS Firm No. 10193847

Scale: 1" = 50'

Date: Jan 17, 2017

Blk & Pg.: 17-289

Drawn by: J/E

219

I, Jose R. Lopez, a Registered Professional Land Surveyor, Do Hereby Certify That This Drawing Represents A Survey Made On The Ground Under My Supervision and Is Correct To The Best Of My Knowledge And Belief.

Registered Professional Land Surveyor
Texas Registration Number 6054



DATE: August 15, 2017

TO: Port Commission

FROM: Beatriz Rivera, P.E., Environmental Engineer
brivera@pocca.com
(361) 885-6639

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

Authorize Purchase of Additional Lighting Retrofit Supplies for the Ortiz Center from Facility Solutions Group Through a Co-Op Contract Under the State of Texas BuyBoard Cooperative Program in the Amount of \$38,420.

SUMMARY: Staff requests authorization to purchase additional lighting retrofit supplies for the Ortiz Center from Facilities Solutions Group through a Co-Op Contract under the State of Texas BuyBoard Cooperative Program in the amount of \$38,420. Previous purchases under the same contract total \$23,693.

BACKGROUND: A project to retrofit the existing lighting at the Ortiz Center to LED lighting was scheduled in the 2017 budget and commenced earlier this year. The retrofit is expected to reduce power consumption, reduce maintenance costs, and reduce environmental footprint. The project supplies were purchased but prior to installation Port staff determined that the specified lightbulb replacements were not compatible with the dimming lights. This additional purchase of supplies is for retrofit kits that are compatible with the existing dimming systems.

CONFORMITY TO PORT POLICY: Conforms to Strategic Plan Goal #5 (Be An Environmental Leader), Strategic Objective 5B (Continue to Meet and Exceed Regulatory Standards), Action Item 1 (Implement Environmental Standards Port-wide).

EMERGENCY: No.

FINANCIAL IMPACT: The project will reduce power consumption, maintenance cost and environmental impacts.

STAFF RECOMMENDATION: Staff recommends an additional purchase order be issued to Facility Solutions Group in the amount of \$38,420 for purchase of retrofit kits that support use of existing dimming system.

DEPARTMENTAL CLEARANCES:

| | |
|------------------------|-------------------------------------|
| Originating Department | Environmental Planning & Compliance |
| Reviewed By | Sarah Garza |
| | Beatriz Rivera |
| | Carol Rodriguez |
| Legal | N/A |
| Senior Staff | John LaRue |
| | Sean Strawbridge |

LIST OF SUPPORTING DOCUMENTS:

None

DATE: August 15, 2017
TO: Port Commission
FROM: John LaRue, Executive Director
john@pocca.com
361.816.3604

EXECUTIVE DIRECTOR'S REPORT

SAFETY

OH&S Management System

EnSafe is reviewing OHSMS program policy, document and procedure comments provided by Port staff. The incident notification and investigation forms are under final draft review. EnSafe presented a webex to demonstrate options on SharePoint for Risk Assessment and Management of Change tools. Maintenance and Bulk Terminal have been tasked with providing information regarding electrical equipment to Ensafe for development of the arc flash/electrical training.

Professional Development


The Safety Manager, Coordinator and Intern have participated in Emergency communications overview and Emergency Action Plan Coordination. The Safety Manager and Coordinator have participated in defensive driving course and Intelex design workshop in conjunction with OHSMS development and implementation process.


Safety Committee

The Safety Committee developed and now utilizes a monthly Safety Communications that is emailed to all employees as well as posted at each outer facility. Every month will address a new topic. The month of July focused on being weather ready. Below is a sample of the educational communications that was disseminated:





SafetyMirror

Updates to our JSA form now include the four safety elements that the workforce have been trained against to assist in hazard identification and mitigation practices.


PORT OF CORPUS CHRISTI


TEAMWORK • BE AWARE • PLAY IT SAFE

connect with us:
portofcc.com



MARCH SAFETY TOPIC OF THE MONTH: BE WEATHER READY

DID YOU KNOW

Advisory, Watch, Warning... What's the Difference?

Many people are confused by the meanings of "Advisories", "Watches", and "Warnings" in relation to weather statements issued by the National Weather Service. Only the National Weather Service can issue these three statements; if you hear the Weather Channel or other media outlet mentioning them it is because they were issued by the National Weather Service first. Each of these three statements have different meanings, and as such you should react differently to each.

| | |
|-----------------|---|
| Advisory | Advisories are informational statements. They are a "head's up" that you may want to take the weather into account when planning your day. Examples are Snow Advisories in the winter; they aren't dangerous, but they may make you change your travel plans. |
| Watch | Watches are issued when conditions are favorable for a severe weather event. When a Watch is in effect for your area, you should begin preparing for any actions you may need to take should the severe weather event occur. |
| Warning | Warnings are issued when a severe weather event is occurring or is imminent. If a Warning is issued for your area immediately take action. If it is a Flood Warning, get to higher ground. If it is a Tornado Warning, get to the lowest point in your home. |



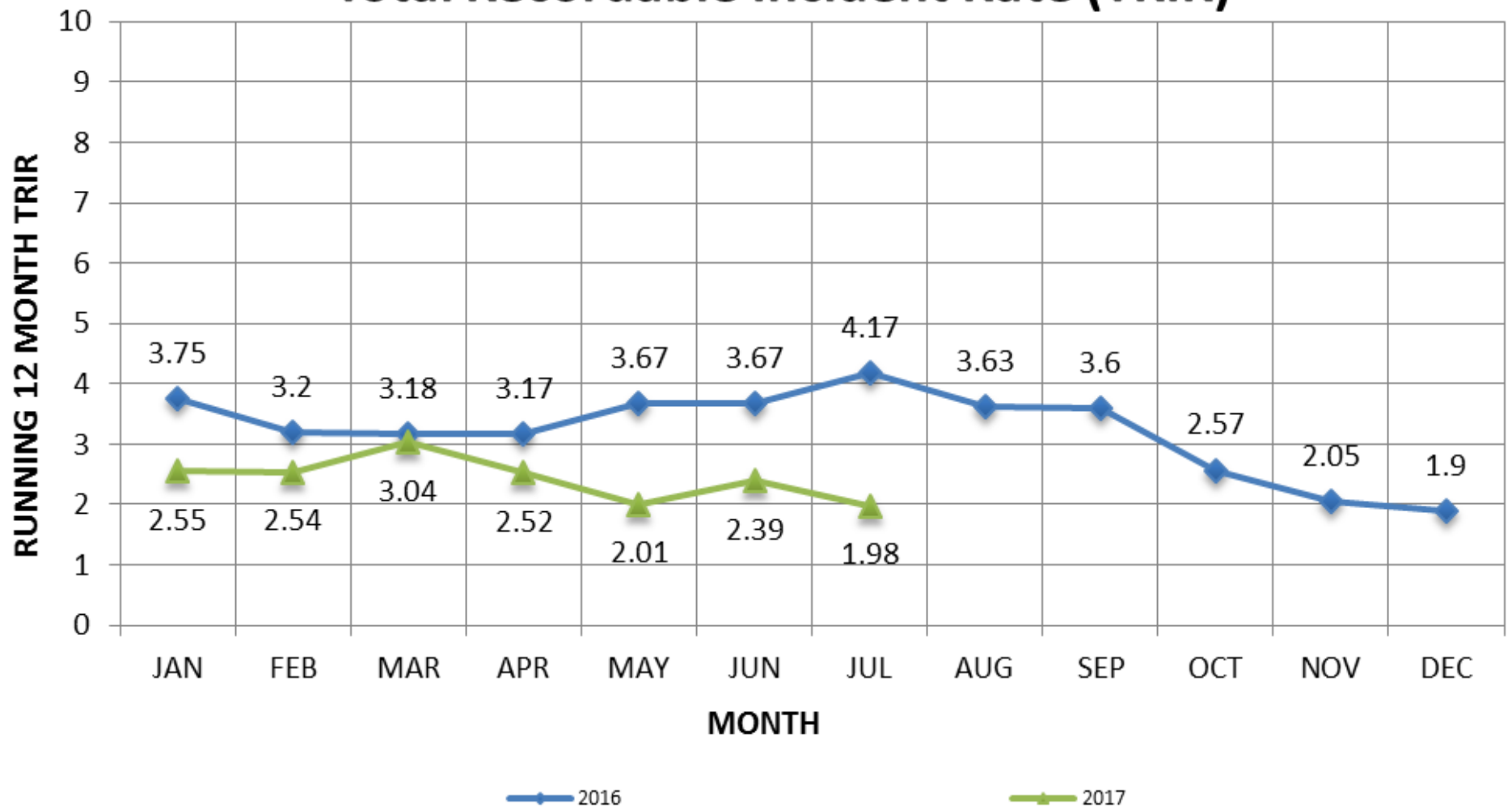
Port of Corpus Christi Authority

Monthly Safety Data Report

July 2017

| | POCCA Employees | | BMD | | Maintenance | | PD | | Admin. & Annex | |
|--------------------------------|---------------------------------|---------|-----------|---|-------------|--------|--|-----------------|----------------|---------|
| | Total | | Personnel | | Personnel | | Personnel | | Personnel | |
| Safety | Month | YTD | Month | YTD | Month | YTD | Month | YTD | Month | YTD |
| Number of Employees | 226 | | 21 | | 43 | | 47 | | 115 | |
| Work Hours | 31,552 | 234,482 | 4,078 | 27,302 | 5,791 | 45,003 | 7,271 | 54,556 | 14,412 | 107,622 |
| First Aid Cases | 1 | 9 | 1 | 4 | 0 | 2 | 0 | 2 | 0 | 1 |
| Recordable Injuries | 0 | 4 | 0 | 1 | 0 | 2 | 0 | 1 | 0 | 0 |
| Recordable Illnesses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lost Time Cases | 0 | 3 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 0 |
| Number of Days Lost | 0 | 8 | 0 | 3 | 0 | 3 | 0 | 2 | 0 | 0 |
| Restricted Cases | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of Days Restricted | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL RECORDABLES | 0 | 4 | 0 | 1 | 0 | 2 | 0 | 1 | 0 | 0 |
| INCIDENT RATE (YTD) | | 3.41 | | 7.33 | | 8.89 | | 3.67 | | 0.00 |
| | | | | | | | | | | |
| Types of Injuries | | | | | | | | | | |
| Slips/Trips/Falls | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| Struck By | 1 | 2 | 1 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| Strains/Sprains | 0 | 3 | 0 | 0 | 0 | 2 | 0 | 1 | 0 | 0 |
| Cuts/Lacerations/Punctures | 0 | 2 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 |
| Back Injuries | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Heat Stress | 0 | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| Insect Bites | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 3 | 0 | 1 | 0 | 2 | 0 | 0 | 0 | 0 |
| TOTAL | 1 | 13 | 1 | 2 | 0 | 7 | 0 | 3 | 0 | 1 |
| | | | | | | | | | | |
| Days Since Last Lost Time Case | Hours Since Last Lost Time Case | | | Days Since Last Recordable Injury/Illness | | | Hours Since Last Recordable Injury/Illness | | | |
| 41 | 328 | | | 42 | | | 336 | | | |
| | | | | | | | | | | |
| Date of Last Lost Time Case | Date of Last Recordable | | | 12 Month Rolling Average | | | | | | |
| Wednesday, June 21, 2017 | Tuesday, June 20, 2017 | | | August 2016 - July 2017: | | | 403,380 | Manhours Worked | | |

12 MONTH AVG Total Recordable Incident Rate (TRIR)





Incident Report for the Month of June

Incident 1

An employee was moving sections of stage flooring to a different location. In the process the employee was struck by a piece of flooring. Employee immediately reported the incident to their supervisor.

Injury Prevention

- Exhibits caution
- Aware of surroundings
- Stays in control

Incident 2

An employee was servicing a weed eater in the maintenance department when he began to feel the effects of heat exhaustion. The employee immediately advised his supervisor of his illness.

Injury Prevention

- Exhibits caution
- Stays in control

Incident 3

An employee was transiting the ship channel through rough seas in the PD boat, the employee struck a large swell. After being jolted back and forth from the impact, the employee began to feel discomfort in his left shoulder. Employee immediately reported the incident to their supervisor.

Injury Prevention

- Stays in control
- Aware of surroundings
- Exhibits caution

June Port TRIR: 2.39

2017 Injuries:

Slips/Trips/Falls = 2

Struck By = 2

Strain/Sprain = 2

Cuts/Lacerations = 2

Safety Suggestions

- Place surveillance cameras in stairwells.

Status: Researching

- Have the Port offer a Self-Defense class

Status: Researching

- Maintenance to install notification lights to alert drivers of crosswalk

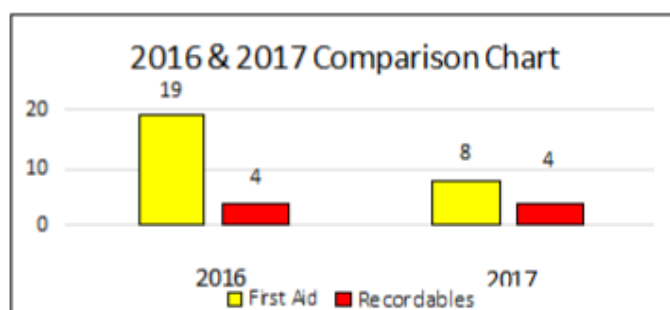
Status: In Process

- Storm water drain at Maintenance is galvanized, suggest Stainless Steel. Also needs a ladder to access Storm Water Filter System

Status: Researching

- Car lift needs an alarm when raising/lowering so employees can hear beeps

Status: Complete



July 2017



MEMORANDUM

To: Nelda Olivo
From: Hugo Berlanga
Re: July Report
Date: August 8, 2017

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 what has become the new normal in the battle over differing agendas, the Lieutenant Governor Dan Patrick and House Speaker Joe Straus moved their respected legislative chambers during the first called 85th Special Session in distinctly different ways. The Lt. Governor moved the Senate as fast as possible voting to speed up the process and bypass the traditional Senate procedure, while the House methodically moved through the 20 legislative items the Governor added to the call plus some issues the House deemed important not on the Governor's call.

In regards to school finance, Lt. Governor Patrick calls House's plan a "ponzi scheme" while unveiling a plan to provide teachers with increased bonuses and increase retirement benefits using money from the Texas lottery. Straus responded to the criticism by saying he was encouraged by the Lt. Governor's newfound focus on the issue. The House Committee on Public Education passed HB 21 out of committee, the same school finance bill the House passed during the regular session and rejected by the Senate.

Governor Abbott expanded the call to include school finance and retired teacher benefits to the call of the special session. The Governor is asking for the improvement of the state-run health care plan for retired teachers and reforming the school finance system.

Thus far none of the legislation considered a priority by the Governor has been passed by both the House and Senate. The Senate passed their version of each item placed on the call by the Governor, while the House has done the same minus a few but have passed other legislation they deem important in hopes the Governor will add the issues to the call, such as ethics reform, restoring therapy cuts for children with disabilities, and water regulation.

At the halfway mark of the special session both the House and Senate passed the primary issue they were called back to address, sunset legislation to keep certain state agencies from

shutting down such as the Texas Medical Board. In regards to SB 3, HB 46, and HB 50, the “bathroom bills,” the House and Senate disagree on the need. Many businesses and the Texas Association of Business agree with House on this issue. It is no surprise that the same issue of contention during the regular session would be a problem during the called special session. More than halfway through the special session the House has still not scheduled a committee hearing for the House version of the “bathroom” bill. The Senate version, SB 3, has been passed out of the Senate and is in the House awaiting referral to a committee. The chair of the committee, where the House bill was referred, does plan on holding a hearing on the bill.

- Attended the NAACP meet & greet held in Corpus Christi on July 13, 2017;
- Attended a meeting held in Rep Hunter’s office, by telephone on July 24, 2017;
- Attended a meeting with Rep Terry Canales staff on July 26, 2017;
- Attended a meeting with Rep. Hunter on July 31, 2017;
- 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.

BORSKI ASSOCIATES, LLC

5023 South Convent Lane, Unit J
Philadelphia, PA 19114
(215) 327-5600 (Cell)

1655 North Fort Myer Drive
Suite 950
Arlington, VA 22209
(202) 459-0804 (Office)

MEMO

To: Port of Corpus Christi
From: Borski Associates
Date: August 4, 2017
Re: Monthly Report

Ship Channel Improvement Project

We lent our thoughts to POCCA on strategy for securing FY18 Work Plan funding in a conference call this month. We believe that it is imperative that Senator Cornyn personally raise this matter with the Administration at the highest levels. It is clear that the Army Corps and Office of Management and Budget do not have a problem-solving mindset regarding this project. Resolving the remaining issues will require the personal involvement of elected officials.

We also provided guidance on meetings with members of the White House staff, including our experiences with particular staffers.

FY18 Appropriations

It is almost certain the FY18 Appropriations process will be delayed again this year. Congress has several issues that require immediate attention and only three legislative weeks in September to address them before the fiscal year ends. It is expected that Congress will adopt a short term continuing resolution to complete a global agreement on not only FY18 appropriations, but also a debt limit increase and modifications to the Budget Control Act of 2011 (which govern annual spending on defense and non-defense programs).

However, both the House and Senate Subcommittees produced their FY18 Energy and Water Appropriations bills. The Senate bill included an additional \$211 million for navigation construction, which is the account that would fund the CCSCIP. The House included nearly \$161 million in additional funding for navigation construction. Thus, we expected a final agreement to include roughly \$185 million in additional funding for navigation - although we would not be surprised if that number was higher and matched previous years' allocations of more than \$200

million

Both bills included report language that outlined expectations for an FY18 Work Plan - the Senate included an extra sentence, which is bolded, that requires Committee approval before the Work Plan is released. Below please find the report language:

Work Plan.—Not later than 60 days after the date of enactment of this act, the Corps shall provide to the Committees on Appropriations of both Houses of Congress a work plan consistent with the following general guidance, as well as the specific direction the Committee provides within each account: (1) a detailed description of the rating system(s) developed and used to evaluate studies and projects; (2) delineation of how these funds are to be allocated; (3) a summary of the work to be accomplished with each allocation, including phase of work; and (4) a list of all studies and projects that were considered eligible for funding but did not receive funding, including an explanation of whether the study or project could have used funds in fiscal year 2018 and the specific reasons each study or project was considered as being less competitive for an allocation of funds. **The Corps is directed not to obligate any funding above the budget request for studies or projects until the Committees have approved the work plan for fiscal year 2018.**

BUSINESS DEVELOPMENT

WIND ENERGY CARGO

- Vessel calls during July: Wind energy cargo vessels: 3
- Staff continued regular communications regarding on-going projects with designated carriers, agents and logistics providers towards seamless operational procedures.
- Staff continued collaboration with Chinese wind manufacturer regarding 2017 project near Austin and worked with logistics provider towards on-site meeting in early August
- Staff attended regular update meetings with local stevedore for cooperative planning purposes
- Staff continued collaboration with external wind consultant regarding future projections.
- Staff collaborated with stevedore and internal departments regarding laydown opportunities at industrial park site.
- Staff collaborated with stevedore, wind cargo surveyor and internal department regarding grounds upkeep of Rincon laydown site.
- Staff collaborated with 2 wind manufacturers, stevedore and internal department regarding long-term storage of import wind components at industrial park site
- Staff continued investigation of new direct discharge opportunity for major OEM including collaboration with Class I Railroad regarding clearances from POCC

PROJECT CARGO

- Those entities constructing manufacturing plants within our area continue to send vessels with large and heavy cargo/equipment through our docks.
- Vessel calls during July: Project cargo vessels: 3

DRY BULK CARGO

- Analyzed Bulk Terminal Strategic Plan Draft with staff and make recommendations
- Completed final design for brochures with Communications Dept.
- Working with logistic company for dry bulk in super sacks
- Met with UP about doubling exports to MX via rail on HBI
- Met with potential crane manufacturer
- Possible barge loadouts for bi-products at Rincon
- Continue to receive requests for petrochemical refined products from different logistics providers domiciled in Mexico. These entities seeking to handle products via rail as well as ocean going barges.

GENERAL CARGO

- Continue to work with pipe coating entity on storage needs for construction of new facility in Robstown and imports of pipe for 2017 delivery.
- Finalizing Valley Crossing Pipe project for Northside terminal.
- Support Military deployment out of CD 8 for future deployments in Aug. Working on logistics and storage requirements
- Working to support mooring relocation of barges due to bridge development
- Meetings with BNSF with Port tour and update
- More continued interest for pipeline logistic companies visiting for major pipeline
- Port our and region on possible fabrication in connection with Exxon
- Continue to support EDC with information on logistic costs
- Staff assisted with wind and project cargo identification for accurate billing of monthly open yard and covered storage.
- Staff continued conference calls with external consultant regarding tariff review towards Final Draft Report. Staff coordinated consultant presentation at August Commission Meeting.
- Staff continued collaboration with Commercial team member towards successful laydown yard projection report
- Staff provided Port tour to reporter for Texas Monthly.
- Staff attended Portland Chamber of Commerce Legislative Briefing with internal director.
- Staff attended meeting with Class I Railroad for mutual update briefing.
- Staff collaborated with internal department towards initiation of new rail fee

LATIN AMERICA TRADE

- Received comments from the Colombian port terminal (with whom we have an MOU) stating that the government could start allowing to drill for petroleum alongside the Magdalena river. This may become a potential area to export bulk products, machinery and pipe from this port.

GENERAL ACTIVITIES

- Continue to support environmental and Business Development strategic plans
- Met with Military Command for 842nd in Corpus Christi,
- Managing Bd3 opportunities for liquid bulk cargo with various clients
- Support HEP with Engineering and Operations

FOREIGN TRADE ZONE

A meeting with Foreign Trade Zone (FTZ) operators and local Customs and Border Protection (CBP) officers was held on Thursday, July 20, 2017. CBP updated Operators on zone operation procedures and advised them of recent cargo processing issues. Zone operators were also updated on the status proposed changes to FTZ and Customs regulations.

Voestalpine has requested a 4th production and interim authority request to add another raw material substance to their HBI production process. FTZ Manager continues to work with FTZ Board and CBP for this approval and authorization request.

FTZ Manager continues to work with M&G and CBP to move all FTZ cargo from Warehouse 26 & 27 to new temporary FTZ site at Cargo Dock# 14.

FTZ Manager continues to work and coordinate meetings with companies interested in doing business in the area and Port Corpus Christi.

ORTIZ CENTER - OVATIONS

As usual, the months of July and August are our slow months of the year where we focus on special projects and detail cleaning around the center that can be difficult to fit in during the busy months of the year.

In July, we were pleased to welcome to the Ortiz Center for the first time the Center for American and International Law and Onyx Engineering,

We also welcomed back Higginbotham Annual Meeting, the TX Dot/Harbor Bridge Meeting, Freese & Nichols Annual Meeting, and the Christus Spohn Joint Leadership Meeting. We were also pleased to welcome our friends from the Texas Workforce Solutions for the annual Childcare Symposium.

As part of our commitment to the community, we are pleased to report that Spectra and the Ortiz Center provided just over \$11,000 in discounts and sponsorships to various not for profit and Community Based Organizations this month. The support given by the Ortiz Center assists these wonderful groups in their ability to generate the resources needed to provide their services throughout the Coastal Bend region.

Below are 2016 totals and numbers to-date for 2017 activity.

| 2016 | Guest Attendance | Number of Events | Revenue |
|--------------------|-------------------------|-------------------------|--------------------|
| January | 4,621 | 41 | \$149,911 |
| February | 4,366 | 39 | \$204,819 |
| March | 4,553 | 59 | \$199,597 |
| 1st Quarter | 13,540 | 139 | \$554,327 |
| April | 5,033 | 47 | \$207,522 |
| May | 5,980 | 47 | \$190,851 |
| June | 4,342 | 44 | \$213,748 |
| 2nd Quarter | 15,355 | 138 | \$612,121 |
| July | 2,634 | 33 | \$113,642 |
| August | 5,045 | 53 | \$183,800 |
| September | 4,490 | 39 | \$180,273 |
| 3rd Quarter | 12,169 | 125 | \$477,715 |
| October | 4,732 | 38 | \$125,957 |
| November | 6,008 | 54 | \$249,715 |
| December | 4,722 | 35 | \$214,650 |
| 4th Quarter | 15,462 | 127 | \$590,322 |
| YTD Total | 56,526 | 529 | \$2,234,485 |

| 2017 | Guest Attendance | Number of Events | Revenue |
|--------------------|-------------------------|-------------------------|--------------------|
| January | 3,712 | 40 | \$152,998 |
| February | 5,875 | 45 | \$227,214 |
| March | 6,761 | 56 | \$296,571 |
| 1st Quarter | 16,348 | 141 | \$676,783 |
| April | 5,019 | 42 | \$190,831 |
| May | 4,998 | 54 | \$187,993 |
| June | 6,504 | 60 | \$238,244 |
| 2nd Quarter | 16,521 | 156 | \$617,068 |
| July | 2,172 | 34 | \$90,695.11 |
| August | | | |
| September | | | |
| 3rd Quarter | 2,172 | 34 | \$90,695.11 |
| October | | | |
| November | | | |
| December | | | |
| 4th Quarter | | | |
| YTD Total | 35,041 | 331 | \$1,384,546 |

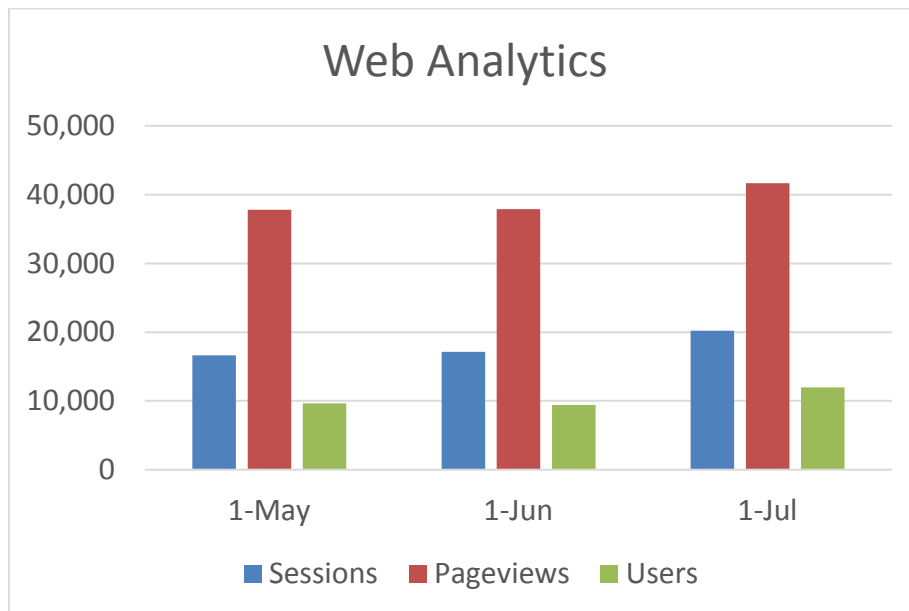
COMMUNICATIONS

May Staff & Employee Events:

- Wellness luncheon
- Worked on Interns Summer Program
- Worked on Hillcrest TXDOT monthly report
- Various wellness related meetings
- Planning of annual golf tournament
- Strategic Plan update Goal 3 team meetings
- Working on planning of upcoming participation at FALL conferences and tradeshow
- Working on filming new set of videos for the Port
- Working of a new set of clips for interns in social media
- Supported different interviews with local TV stations
- Participated in various staff leadership training events
- Supported staff for different conferences and events local, regional and international (see attached file)

New Media Marketing Management

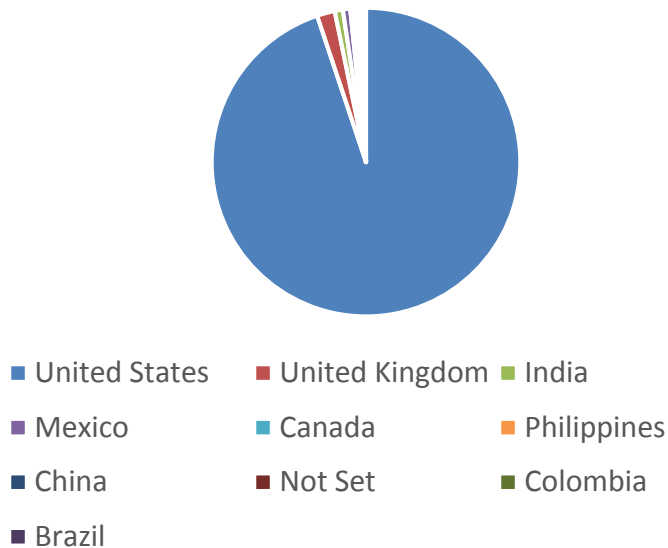
- **PortOfCorpusChristi.com (July 1 – 31, 2017)**
 - Website Analytics
 - 20,222 Sessions
 - 41,654 Pageviews
 - 11,997 Users



- User Profiles

| Country | Sessions | % Sessions |
|----------------|-----------------|-------------------|
| United States | 18,594 | 91.95% |
| United Kingdom | 366 | 1.81% |
| India | 167 | 0.83% |
| Mexico | 151 | 0.75% |
| Canada | 70 | 0.35% |
| Philippines | 67 | 0.33% |
| China | 53 | 0.26% |
| Not Set | 51 | 0.25% |
| Colombia | 41 | 0.20% |
| Brazil | 38 | 0.19% |

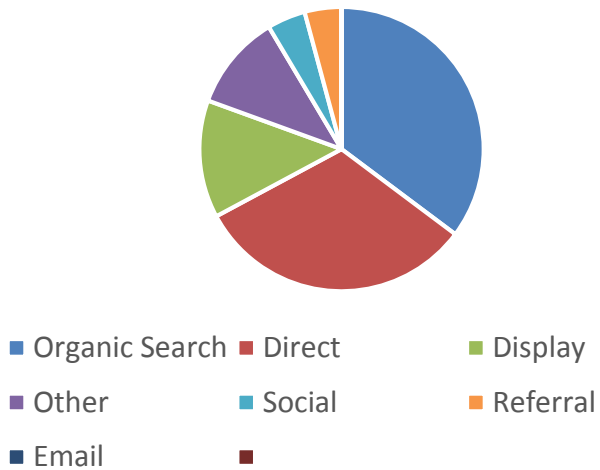
User Profiles July 2017



- Top Traffic Source

| Source | Sessions |
|----------------|-----------------|
| Organic Search | 7,123 |
| Direct | 6,459 |
| Display | 2,707 |
| Other | 2,206 |
| Social | 880 |
| Referral | 841 |
| Email | 6 |

Top Traffic Source July 2017

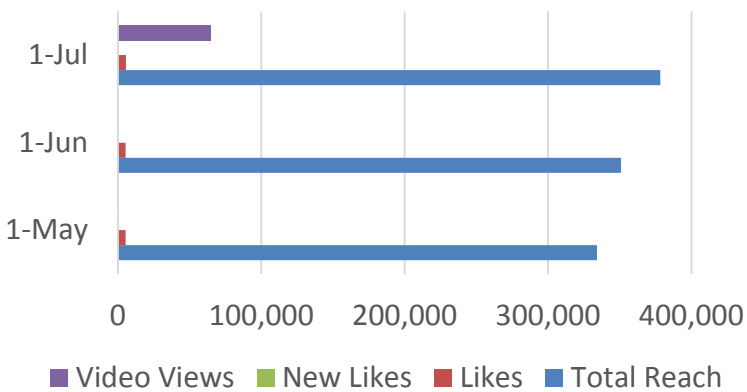


○ SOCIAL MEDIA – (July 1 - 31, 2017)

○ Facebook

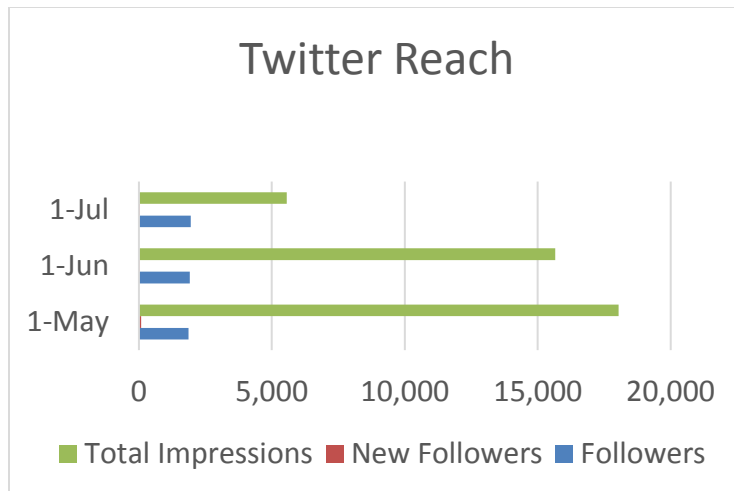
- 5,585 Likes
- 142 New Likes
- 378,337 Total Reach
- 64,764 Video Views

Facebook Reach

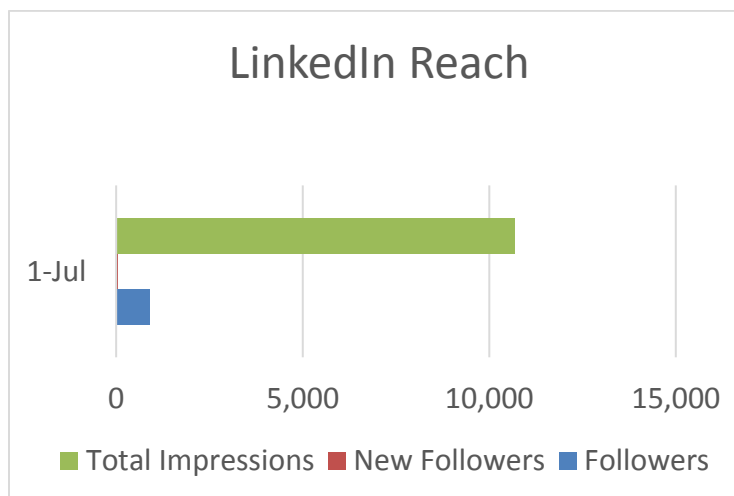


○ Twitter

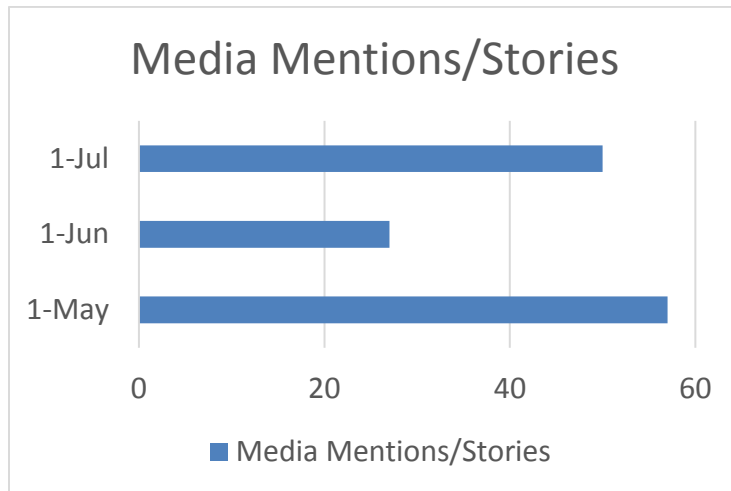
- 1,944 Followers
- 30 New Followers
- 5,562 Impressions (Organic)



- LinkedIn
 - 10,687 Impressions
 - 883 Followers
 - 26 New Followers



- Media Mentions/Web Stories (July 1 - 31, 2017)
 - 50 Mentions (Communications - News and Social - EDR – June 2017)



Photo/Video/Documentary

- Employee images
- Operations
- UAV photos of Inner Harbor areas

Media, Marketing, Community & Public Relations

- Coordinating interviews with media
- Coordinating Publication/Release of Employee Newsletter
- Publishing original content on portofcc.com
- Publishing news releases

Agency

Marketing Recap: Here are some projects worked on by MDR in July:

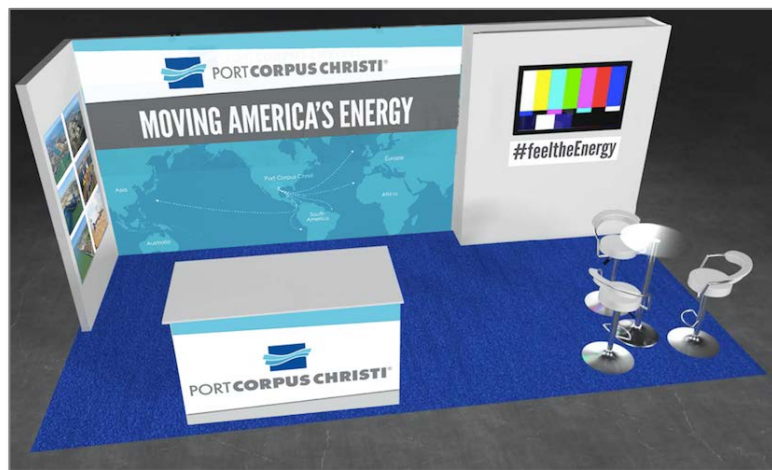
- Breakbulk Conference Booth Design
- Ship Channel Infographic
- Employee Picnic Invitation
- Bulk Terminal One Sheet
- Intern Videos
- Rapport Newspaper Ads
- Core Values Posters
- Corpus Christi Leadership Celebration Invite
- July & August Media Planning & Ads

Upcoming projects include the AAPA booth designs and planning/production for State of the Port.

The Summer Intern videos have been running for a few weeks and public engagement and reception of the videos has gone very well.

Jorge Canavati praised the Communications Department on the Expo Carga booth design.

Breakbulk Booth Design Concept



CC Leadership Celebration Invite



Ship Channel Project Infographic (In Review Process)

Moving America's Energy – Business to Business Ad Campaign

2017 Digital Campaign: Purchased \$93,735 | 2017 Negotiated Added Value \$64,468

| May '17 | Jun '17 | Jul '17 |
|--|--|--|
| ajot.com America Economia eNewsletter breakbulk.com International Transport Journal eNewsleter Latin Trade eNewsletter NACleanEnergy.com seatrade-maritime.com T21.com.mx | ajot.com America Economia eNewsletter breakbulk.com DryCargoMag.com Expo Carga Conference Targeting International Transport Journal eNewsleter Latin Trade eNewsletter NACleanEnergy.com seatrade-maritime.com T21.com.mx | America Economia eNewsletter breakbulk.com Latin Trade eNewsletter NACleanEnergy.com seatrade-maritime.com T21.com.mx |
| Impressions: 1,408,283 Avg. CPM: \$5.11 | Impressions: 1,038,986 Avg. CPM: \$8.09 | Impressions: TBD* Avg. CPM: TBD* |

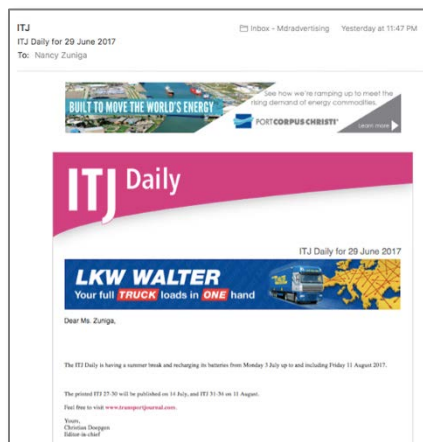
*Reports not available at the time of this report.

2017 Print Campaign: Purchased \$70,035 | 2017 Negotiated Added Value \$35,160

| <i>May '17</i> | <i>June '17</i> | <i>July '17</i> |
|--|---|---|
| AWEA Member Directory NASCO Brochure North American Clean Energy SHALE Magazine Site Selection Magazine T21 Revista | Global Trade – Why We Love These 20 Ports Journal of Commerce – Panama Canal 1 Yr Ltr Maritime Logistics Professionals | Breakbulk Magazine –Dist. at Asia Conference SHALE Magazine |
| Circulation: 109,511 Avg. CPM: \$99.52 | Circulation: 77,058 Avg. CPM: \$81.73 | Circulation: 52,500 Avg. CPM: \$62.75 |

CPM = Cost Per Thousand

International Transport Journal -



SHALE Magazine – Jul/Aug Issue









Feel the Energy – Community Awareness Campaign

The Feel the Energy campaign is a community campaign that runs in the Corpus Christi Designated Market Area (DMA). The campaign includes: 15 videos and online banner ads featuring port operations, values, and statistics.

Media Recap (as of 7.31.17)

| | <i>Videos</i> | <i>Online Banners</i> |
|-------------------------|---------------|-----------------------|
| April – Commerce | | |

| | | |
|---------------------------|---|---|
| May – Efficiency |  <p>A WIDER CHANNEL CAN TAKE IN BIGGER SHIPS</p> |  <p>SO BIGGER SHIPS CAN MOVE MORE IN FEWER TRIPS</p> |
| June - Reliability |  <p>AND ACHIEVING THE HIGHEST STANDARDS IS OUR #1 PRIORITY</p> |  <p>AS OUR OPERATIONS GROW SO DO OUR STANDARDS</p> |
| July - Solutions |  <p>NEW CHALLENGES TAKE INNOVATIVE SOLUTIONS</p> |  <p>AS WE FORGE NEW PATHS, THE WORLD IS TAKING NOTICE.</p> |

| <i>Print</i> | <i>Online</i> | <i>Ride in Theater Outdoor Movie Sponsorship</i> | <i>HOOKS Homestands</i> | <i>Movie Theaters</i> |
|--|---------------------------------------|---|---|------------------------------------|
| <i>Caller-Times</i> <i>Aransas Pass Progress</i> <i>Ingleside Index</i> <i>Portland News</i> <i>San Patricio News</i> <i>Coastal Bend Herald</i> <i>Port A South Jetty</i> <i>Island Moon</i> <i>Nueces County Record Star</i> | Facebook Brand Exchange YouTube | July – Teen Witch | April - July 10 th 40 games | Century 16 NorthShore Cinema |
| Circulation: 57,753 CPM: \$232.17 | Impressions: 1,976,270 CPM: \$3.26 | Attendees: 370 Social Media Reach: 69,000 CPM: \$22.16 | Attendees: 201,826 CPM: \$42,12 | Not available at time of report |



PORTCORPUS CHRISTI

EDR Major Event Tracker: July 2017

| Date | Event | Location |
|---------------|---------------------------------------|-----------------|
| July 3, 2017 | Wellness Luncheon | Ortiz Center |
| July 5, 2017 | Security Committee Meeting | Port Facilities |
| July 5, 2017 | Long Range Planning Committee Meeting | Port Facilities |
| July 6, 2017 | Dr. Quintanilla Port Tour | Port Facilities |
| July 6, 2017 | Mayor's Interagency Meeting | External |
| July 8, 2017 | Career Development | Ortiz Center |
| July 10, 2017 | Hosting Texas FFA Group | Port Facilities |
| July 11, 2017 | Safety Luncheon | Ortiz Center |
| July 12, 2017 | Crude Export Hub Presentation | Houston |
| July 14, 2017 | Presentation to City Council | Port Facilities |
| July 15, 2017 | Commission Meeting | Ortiz Center |
| July 16, 2017 | Eagle Ford Shale Consortium | Ortiz Center |
| July 16, 2017 | RAPPORT #2 | Del Mar College |
| July 18, 2017 | Commission Meeting | Ortiz Center |
| July 19, 2017 | Presentation to HEB | Port Facilities |
| July 20, 2017 | Delegation to Taiwan | Taipei, Taiwan |
| July 27, 2017 | 842nd Transportation Batallion | Port Facilities |

1.1 Port of Corpus Christi

(a) Summary of activities

In July, we presented offers on 26 parcels bringing the new total offers presented to 124. In addition 10 offers were accepted during the month of July (4 from offers presented in July) bringing the new total offers accepted to 92. The total number of parcels acquired by the Port, through July 2017, is 18 (8 additional parcels closed in July) .

Personal meetings with the community are continuing with Team DRA and each owner or occupant was provided with information and guidance to address each inquiry.

Below is a summary of meetings and events held in addition to the walk-in and telephone calls received from community members.

| Date | Activity |
|-----------|---|
| 7/3/2017 | Staff meeting to discuss Hillcrest project |
| 7/6/2017 | Hillcrest Voluntary Acquisition & Relocation Program weekly conference call |
| 7/07/2017 | Offer presented parcel #0845 |
| 7/07/2017 | Offer presented parcel #0944 |
| 7/07/2017 | Offer presented parcel #M001 |
| 7/10/2017 | Offer presented parcel #0593 |
| 7/10/2017 | Offer presented parcel #0675 |
| 7/10/2017 | Citizen Alliance Meeting |
| 7/10/2017 | Closed parcel #0722 |
| 7/12/2017 | July 13th CAB issue meeting walkthrough |
| 7/13/2017 | Hillcrest Voluntary Acquisition pre meeting of issues raised by the CAB |

| | |
|-----------|---|
| 7/13/2017 | Hillcrest Voluntary Acquisition meeting of issues raised by the CAB |
| 7/13/2017 | Hillcrest/Harbor Bridge Project Stake Holder meeting |
| 7/15/2017 | Offer presented parcel #0644 |
| 7/17/2017 | Offer presented parcel #0833 |
| 7/20/2017 | Hillcrest Voluntary Acquisition & Relocation Program weekly conference call |
| 7/20/2017 | Offer presented parcel #0468 |
| 7/20/2017 | Offer presented parcel #0560 |
| 7/20/2017 | Offer presented parcel #0634 |
| 7/20/2017 | Offer presented parcel #0678 |
| 7/20/2017 | Offer presented parcel #0824 |
| 7/20/2017 | Offer presented parcel #0839 |
| 7/20/2017 | Offer presented parcel #0840 |
| 7/20/2017 | Offer presented parcel #0858 |
| 7/20/2017 | Offer presented parcel #0879 |
| 7/20/2017 | Offer presented parcel #1018 |
| 7/22/2017 | Offer presented parcel #0885 |
| 7/24/2017 | Offer presented parcel #0526 |
| 7/24/2017 | Closed parcel #0660 |
| 7/26/2017 | Closed parcel #1187 |
| 7/26/2017 | Offer presented parcel #1100 |

| | |
|-----------|--|
| 7/27/2017 | Offer presented parcel #0954 |
| 7/27/2017 | Closed parcel #0702 |
| 7/27/2017 | PORT/DRA Hillcrest Harbor Bridge Program Status Call |
| 7/27/2017 | Hillcrest/Harbor Bridge Project Conference Call |
| 7/28/2017 | Offer presented parcel #0981 |
| 7/29/2017 | Offer presented parcel #0612 |
| 7/29/2017 | Offer presented parcel #0950 |
| 7/29/2017 | Offer presented parcel #0983 |
| 7/30/2017 | Offer presented parcel #1161 |
| 7/31/2017 | Meeting with Richard Luna of Camacho Dumpsters |
| 7/31/2017 | Closed parcel #0430 |
| 7/31/2017 | Closed parcel #0565 |
| 7/31/2017 | Closed parcel #1051 |
| 7/31/2017 | Closed parcel #0961 |

(b) Total parcels acquired by ROW Contractor /total eligible parcels

18 parcels have been purchased

(c) Information on appraisals performed on specific properties

Approved Appraisals

| No. | Owner Ref. |
|-------------|--------------|
| 0410 | Tovar- |
| 0420 | Cursillo Inc |
| 0430 | Milligan |

| | |
|-------------|----------|
| 0437 | Allen |
| 0460 | Mumphord |
| 0468 | Robledo |
| 0470 | Cortez |

| | |
|-------------|----------|
| 0473 | Mazeda |
| 0477 | Banda |
| 0481 | Drake |
| 0487 | Aguilar- |

| | |
|-------------|---------------|
| 0488 | Aguilar |
| 0491 | Silva-Garcia |
| 0492 | Rodriguez |
| 0493 | Barragan- |
| 0501 | Alcorta- |
| 0508 | Internal |
| 0510 | Hill, et al. |
| 0515 | Alviar |
| 0517 | Lloyd |
| 0521 | Robbins- |
| 0526 | Ortiz |
| 0533 | Banda |
| 0536 | Bradley |
| 0541 | Fuentes |
| 0544 | Casarez |
| 0545 | Brown |
| 0547 | Lopez |
| 0548 | Flores |
| 0560 | Flores (prev. |
| 0562 | Enriquez |
| 0565 | Ray |
| 0567 | Block Realty |
| 0573 | Marroquin |
| 0579 | Coleman |
| 0581 | Jenkins |
| 0582 | Jefferson |
| 0587 | Coleman |
| 0590 | Lopez |
| 0593 | Garcia |
| 0594 | Odoms |
| 0611 | Rangel |
| 0612 | Guzman |
| 0615 | Gonzalez |
| 0616 | Martinez |
| 0617 | Martinez |
| 0619 | Quintero |
| 0621 | Rodrigues |
| 0634 | Wilson |
| 0637 | Jenkins |

| | |
|-------------|---------------|
| 0644 | Vazquez |
| 0650 | Reyes |
| 0654 | Smith |
| 0659 | Olivarez |
| 0660 | Trevino |
| 0661 | Berry- |
| 0667 | Rodriguez |
| 0670 | Ross |
| 0671 | Yancey |
| 0675 | Carter |
| 0678 | Wolfson |
| 0681 | Martinez |
| 0683 | Gonzales- |
| 0691 | Taylor (prev. |
| 0696 | Alvarez |
| 0699 | Alvarez |
| 0702 | Ovalle |
| 0705 | Blanco |
| 0708 | Ayala |
| 0709 | Banda |
| 0710 | Marruffo |
| 0715 | Mosquera- |
| 0718 | Chapa |
| 0722 | Garcia |
| 0744 | Sanchez- |
| 0748 | Garza |
| 0752 | Garza- |
| 0765 | Lawson |
| 0769 | SeecLOUDS |
| 0775 | Escobar |
| 0777 | Horcol Inc |
| 0780 | McGray |
| 0793 | Ramirez- |
| 0796 | Perez-Rivera |
| 0797 | Izaguirre- |
| 0802 | Pittman- |
| 0803 | Gutierrez |
| 0810 | Guy |
| 0817 | Hudgens |

| | |
|-------------|----------------|
| 0818 | Dominguez |
| 0824 | Wolfson |
| 0826 | Porter |
| 0828 | Jackson |
| 0830 | Thomas |
| 0833 | Double Dare |
| 0836 | Guy |
| 0837 | Castillo |
| 0839 | Orshanski |
| 0840 | Orshanski |
| 0845 | Lott |
| 0856 | Guzman |
| 0858 | Wolfson |
| 0859 | Cornelius |
| 0860 | Grande |
| 0862 | Kinney |
| 0863 | Jones |
| 0865 | Grant |
| 0867 | Hicks |
| 0875 | Delagarza |
| 0876 | Perez |
| 0879 | Wolfson |
| 0885 | Washington |
| 0888 | Guerrero- |
| 0892 | Perez Estate |
| 0898 | James |
| 0909 | Johnson |
| 0911 | Johnson |
| 0912 | Bolden |
| 0923 | Clark |
| 0938 | Banda |
| 0940 | Lozano |
| 0944 | Ortiz |
| 0946 | Urrutia, et al |
| 0948 | Torres |
| 0949 | Padron |
| 0950 | Fry |
| 0951 | Osswald- |
| 0952 | Villarreal |

| | |
|-------------|--------------|
| 0953 | Salas |
| 0954 | Calderon |
| 0961 | DKJS Invest |
| 0968 | Clacken |
| 0969 | Clacken |
| 0974 | Reyna |
| 0978 | Youngblood |
| 0981 | Johnson |
| 0982 | Aranda |
| 0983 | Livingston |
| 0984 | Claeys |
| 0993 | Williams |
| 1000 | Ramirez |
| 1002 | Smith, et al |
| 1012 | Hernandez- |
| 1014 | Rodriguez |
| 1015 | Rodriguez |
| 1016 | Barrera |

| | |
|-------------|---------------|
| 1018 | Block Realty, |
| 1024 | Perez |
| 1031 | Williams |
| 1032 | Naranjo |
| 1034 | Perry |
| 1035 | West |
| 1036 | Heirs of |
| 1041 | Valdez, et al |
| 1042 | Sanchez |
| 1043 | Rodgers |
| 1045 | Mircovich- |
| 1046 | Hall |
| 1049 | Stingley- |
| 1051 | Osswald |
| 1052 | Ayala |
| 1099 | Mungia |
| 1100 | Powell |
| 1104 | Armstead- |

| | |
|-------------|-----------|
| 1118 | Garcia |
| 1120 | Salinas |
| 1148 | Maxwell |
| 1158 | Martinez |
| 1160 | Alvarado- |
| 1161 | Cervantes |
| 1162 | Rosales |
| 1163 | Aranda |
| 1178 | Galvan |
| 1179 | Galvan |
| 1186 | Galvan |
| 1187 | Galvan |
| 1189 | Galvan |
| M001 | Navarro |
| M003 | Parra |
| | |

Count 179 (7/31/17)

Appraisals Initiated and in Process and/or Not Yet Approved by TxDOT

| No. | Owner Ref. |
|-------------|----------------|
| 0486 | Washington |
| 0507 | Bocanegra |
| 0550 | Moreno |
| 0584 | Martinez |
| 0896 | Pettis |
| 1103 | Vasquez (prev. |
| | |

Count 6 (7/31/17)

- (d) Relocation assistance provided and to whom (owner or tenant)

“Mandatory Tenants”: (defined as tenants of landlords who have accepted offers and were not categorized earlier as “elective” by their own choice). The relocation team is interviewing tenants and preparing eligibility and entitlement packages for these tenants. To date there are 41 tenant

families considered “mandatory tenants”; 0 notices of eligibility have been approved and presented.

“Elective Tenants”: (defined as eligible tenants who wish to move regardless of their landlord’s participation). In accordance with updated project direction the “July 1 tenant letter” was mailed out and approximately 84 families have been to the Field Office seeking additional information and/or to initiate the relocation process. To date there are 16 tenant families considered “elective tenants”; 0 notices of eligibility have been approved and presented.

“Owner-Occupants”: (defined as owners who will selling their home to the Port and moving into a new residence). Owner-occupants are continuing to want to secure a new home before committing to sell their property to the Port but their 60 days to accept/reject is starting to come due. Searching for comparable and actual replacement housing is an ongoing activity. Through July, 2017, 47 Notices of Eligibility have been presented to date and 11 families have relocated (note: in previous report, we combined owners/landlord numbers; this report, we separated these).

“Landlords”: (defined as off-site owners with occupied homes/units). Through July, 71 Notices of Eligibility have been delivered to landlords outlining their entitlement to move benefits for their personal property and offering advisory assistance. Interviews with the landlords are ongoing to determine need for assistance.

(e) Title work performed

To date a total of 294 title commitments have been ordered and 294 have been received and under review. In the pre-appraisal phase, we are working with property owners to resolve heirship issues that should be cleared before they elect to sell to the Port. In the post-offer phases, preparing for closing, we have been working with the assigned title companies and aiding owners with heirship, liens, and other title clearance issues to enable closing. So far, no title issues have prevented closing but we do anticipate that there will be.

Other services related to relocation during reporting period. None this period.

(f) Summary of Port's ROW Contractor Disadvantaged Business Enterprise (DBE) % Goal

DRA is not aware of a DBE goal set for this project. However, it should be noted that DRA and one of its subcontractors are both certified DBE firms.

Community Outreach

No community outreach events were conducted in the month of July. The next quarterly event is scheduled for August.

In July the community outreach team focused on the intake of July eligible tenants, mediation of family title issues, and standard program eligibility verification.

Community outreach has created relationships with local lenders, real estate agents, and third party investors to assist the unconventional home owners in the Hillcrest area navigate the home purchase process.

The DRA office had 298 visitors in July versus 260 visitors in June, an increase of over 10%, despite the 4th of July Holiday lowering our standard daily volume the first week of the month. DRA received 326 calls in July down from 364 phone calls received in June.

Acquisition

In July, we presented offers on 26 parcels bringing the new total offers presented to 124. In addition 10 offers were accepted during the month of July (4 from offers presented in July) bringing the new total offers accepted to 92. The total number of parcels acquired by the Port, through July 2017, is 18 (8 additional parcels closed in July) .

The Acquisition Team has been working with Stewart, Bay Area, San Jacinto and First Title to focus primarily on acquisition curative items needed to close or get to appraisal. We continue to follow up with title companies on Heirship Affidavits and other Statements of Information and Affidavits. We are clearing many title issues before appraisals are ordered (a function the typically occurs after offers are accepted but for the limited timeline available to close.)

Relocation

During the month of July, the relocation team continued to meet and interview on-site owners whose properties are currently being appraised and provided eligibility and resources to owners contemplating selling their property to the Port. Additionally, because some landlords have accepted purchase offers, the team have started to interview tenants (“Mandatory Tenants”) who must move in order for their landlords to close. “Elective Tenants” have expressed their willingness to participate in the program absent the participation of their landlord and the relocation team is interviewing them and preparing eligibility packages.

The DRA team continues to update the “Comp Book” twice weekly. Because of the rapid pace of the market, the contents of the comp book changes frequently but generally contain:

| No. Bedrooms | No. of <i>Active</i> , DSS Listings in Comp Book | Range of Ask Prices |
|--------------|--|---|
| 2 | About 30 | \$72.5k-\$149k (normal distribution within range) |
| 3 | About 200 | \$75k to \$175k (50% between \$115k-149k) |
| 4 | About 150 | \$85k to \$225k |
| 5+ | About 10 | \$140k-\$270k (generally above \$200k) |

There are 1043 properties in the comp book many of which are unavailable due to sale, pending contracts, or not being DSS. The team is working with 410 useable active “for sale” properties that have been determined to be DSS.

Additionally, there are 263 active SFR rental comps in the comp book ranging in price from \$500 to \$2,200 according to size, quality, and bedroom count.

The relocation team continues to prepare relocation packages for TXDOT to review and approve. A total of 124 NOE’s have been approved and presented to date, an increase of 20 this month. Relocation activities continue to consist of; preparing and presenting relocation packages, conducting inspections on comparable housing, processing claims, monitoring moves, and delivering benefits checks.

Of the 20 NOEs issued in the month of July, 5 were to onsite owners and 15 to landlords. Agents have also met with tenants and continue to gather information on tenants in preparation for tenant relocation.

Appendix B: Port of Corpus Christi Supplemental Information

Attachments provided

- B.1. 7.06.17 Hillcrest Pre-Conference Call Agenda
- B.2. 7.20.17 Hillcrest Conference Call Agenda
- B.3. 7.27.17 Hillcrest Pre-Conference Call Agenda
- B.4. Monthly Finance Report

COMMUNITY RELATIONS

INTERNAL AND COMMUNITY EVENTS/MEETINGS

- United Corpus Christi Chamber of Commerce-Government Affairs meeting
- Mayor's Big Bang Celebration 4th of July
- Weekly Chamber of Commerce transition meeting
- United Corpus Christi Chamber of Commerce Foundation Board of Trustees Meeting
- Mandela Day Celebration
- Port Aransas 2016 Deep Sea Roundup
- Corpus Christi Seamen's Center Barbeque
- Education is our Freedom Scholarship Banquet
- United Corpus Christi: Mano A Mano Scholarship
- Industry Meeting
- PICC-Public Affairs meeting
- PICC-Manager's meeting: roundtable discussion with Mayor Joe McComb
- Alzheimer's Walk Kick Off Party
- CCREDC Board of Director's meeting
- Safety Lunch N Learn
- Del Mar College-Liz Cantu and Crystal Martinez
- July Mayor's Interagency Meeting, sponsored by the Port of Corpus Christi
- South Texas Military Facilities Task Force Quarterly meeting
- Zack Smith Internship presentation
- United States Hispanic Chamber of Commerce Institute
- Senator Juan Chuy Hinojosa Open House
- Meeting with Chairman Todd Hunter
Del Mar College-Small Business Development Center
- Meeting with Rep. Robert Alonzo, Dallas
- State of the County-Aransas Pass Chamber
- NAACP Youth Forum meeting
- World Affairs Council monthly luncheon
- LULAC Scholarship Banquet
- LULAC Feria de las Flores
- Wesley Community Center
- NAACP-Meet Corpus Christi's newest leaders
- Cheniere-meeting to discuss air monitoring
- Briefing of Corpus Christi City Councilwoman Debbie Lindsey-Opal and Councilman Ben Molina

- Small Business Open House with Cleo Rodriguez, President/CEO, Corpus Christi United Chamber of Commerce, Councilman Rudy Garza and Councilwoman Paulette Guajardo
- Port briefing and tour with Dr. Kelly Quintanilla, Texas A&M University-Corpus Christi
- Corpus Christi Chamber of Commerce-Salute to the Military
- Hispanic Woman's Network Open Meeting
- Coaching sessions with Peter McLees
- GPISD Board Meeting
- Tree For All meeting
- Ingleside Chamber Luncheon with STEER President Omar Garcia
- STEER meeting with Omar Garcia and Sean Strawbridge
- Del Mar College Foundation Board of Trustees meeting
- KEDT: Myra Lombardo and Liz Cantu
- Corpus Christi Hispanic Chamber of Commerce Board of Directors meeting
- H2O4 Texas Statewide Luncheon and Town Hall Meeting
- Texas A&M University-Corpus Christi-Kimberly Becerra
- Review of Development Plan with Peter McLees
- Good Samaritan Rescue Mission
- Port Aransas Boatmen, Inc.
- Wellness Lunch N Learn
- Hillcrest/Washington Coles Neighborhood Action Plan conference call
- Hillcrest Buyout Neighborhood Action Plan Stakeholder Meeting

INFORMATION TECHNOLOGY

Status of Information Technology Programs & Initiatives

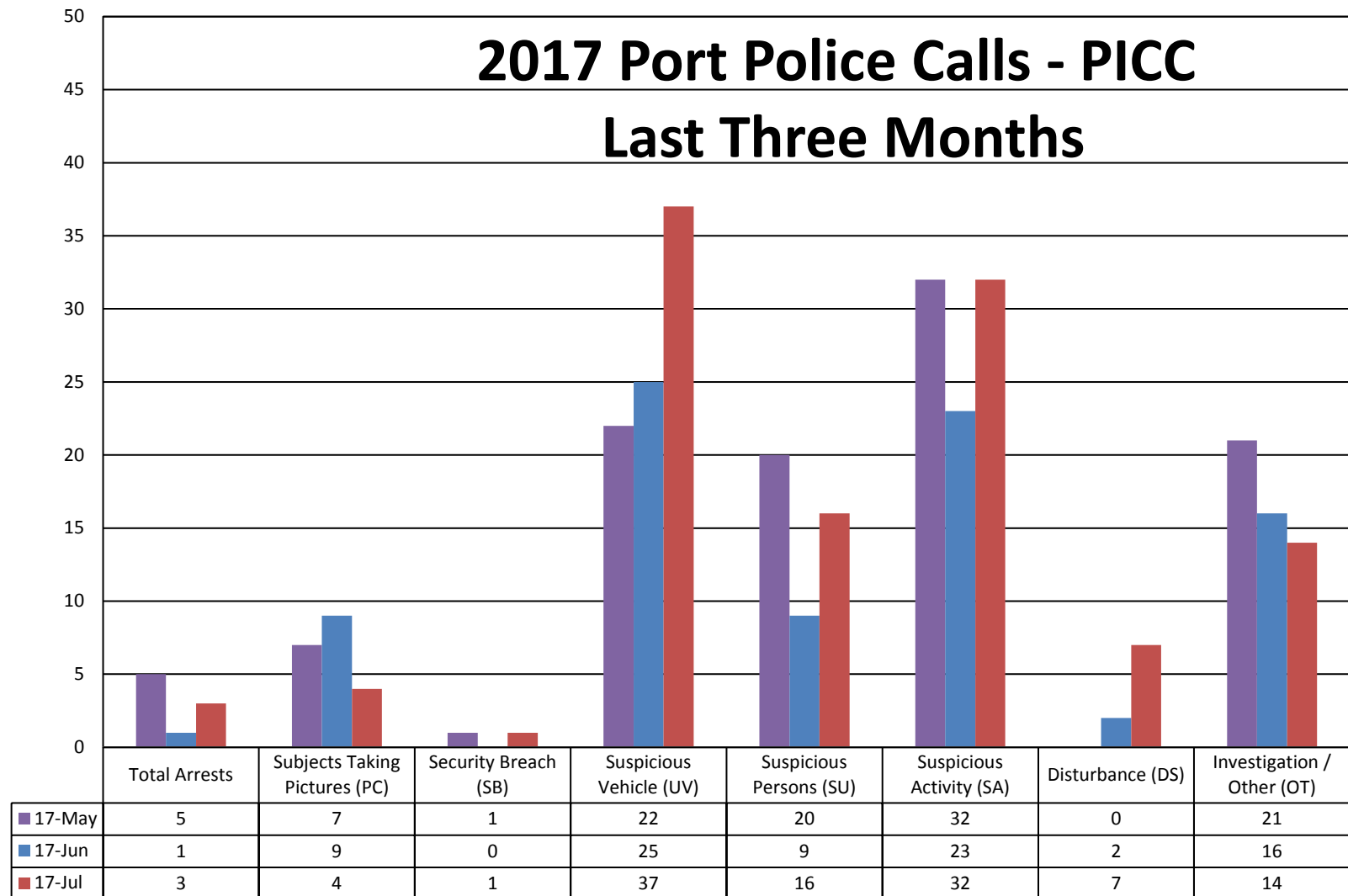
- Helpdesk – 285 IT helpdesk tickets submitted and 258 tickets resolved in July.
- Vessel Traffic Information System (VTIS) – The existing VTIS has reached its end of life and the company who supported it is no longer in business. The system is in need of immediate replacement. IT and HMO staff are conducting a needs analysis to build an RFP for VTIS selection. The goal is to select and install the replacement system by the end of 2017. Request for Letters of Interest went out August 4 and vendor presentations will be held on August 28 and 29.
- HMO Radio Upgrade – New radio system for the Harbormasters office has been designed. The final pieces of the network integration are being developed to be included in the proposal. This project will be brought to the September Commission meeting for approval.
- Video Conferencing – IT staff are currently evaluating three video conferencing systems to be used for commission meetings and general business. Product demonstrations and hands on testing have been conducted for Cisco, Polycom and LifeSize systems. The Cisco system was selected and is currently being procured. Cisco provided the best integration with our existing systems and was competitively priced to the others compared.
- JD Edwards Upgrade – Reviewing upgrade options for the JD Edwards Platform (JDE). IT staff is evaluating JDE upgrade assessment proposals from three Texas DIR vendors. The assessment will conduct a detailed analysis of existing system and what it will take to upgrade to JDE Enterprise One. Goal of project is to update system for an improved user interface, improve business processes for efficiency and add additional modules to accomplish strategic plan goals such project and asset management. Vendor list has been narrowed down to two and final selection will be made by August 11.
- NIST 800-53 Controls – Implementation of the National Institute of Standards and Technology security controls. NIST 800-53 are catalog of security controls designed for federal information systems. While the Port is not required to adopt these controls, we feel it's important to follow a control set for the department's policies and procedures. Relevant controls have been selected and adapted to port operations. Final documents are complete and implementations into IT procedures is underway.
- PD Network Redesign – Network redesign to convert analog network to digital has begun. The first phase is complete and new switches and cameras at Oil Dock 14 and the PD data center have been installed. A digital network will improve image quality, allow for easier software and firmware maintenance and replace the existing aging equipment. This project is on hold due to clarity needed on Department of Public Safety (DPS) Texas Law Enforcement Telecommunications System (TLETS) regulations. IT is in the process of receiving DPS approval for the section of the network that interfaces with TLETS. IT continues to struggle with DPS approval for the TLETS system. This has held up the project so PD Command staff along with IT decided to remove TLETS from the network and operate on its own. This now allows for the network redesign to proceed.

- Network Redundancy – The Admin building and all remote facilities are connected via a single fiber optic cable that routes through PD. This single point of failure would ideally be backed up with a leased line from a telecommunications provider. However, to receive adequate bandwidth the link would cost as much as \$5000 per month. IT is evaluating wireless options with no reoccurring costs for this solution.
- Data Center Colocation – All equipment from the on premise backup data center has been moved to Cyrus One. Data between Cyrus One and our local data center is in sync and ready for a data center fail over should the need arise. A bubble test failover has successfully been completed from the primary data center (Corpus Christi) to the backup data center (San Antonio). The next step is to conduct a live data center fail over in the production environment. The fail over test initially scheduled for September has been moved to later this year.
- Phone System Replacement – Phase one of project is complete. Phase two will occur in 2017 to migrate service from AT&T PRI (Phone Rate Interface) to SIP (Session Initiation Protocol) trunks.

2017 Budgeted Projects

- HMO Radio Upgrade – Replacement of dated radio system for the Harbormasters Office. Radios have reached end of life and it is becoming harder to find parts for repair. *Estimated project completion: 05/01/17*
- VTIS/AIS Replacement – This project will replace the Vessel Traffic Information System/ Automatic Identification System (VITS/AIS). The existing system is no longer supported by the manufacturer and parts are not available. Modern VTIS/AIS systems have the ability to integrate with our existing vessel management system for greater efficiencies. Both HMO and security departments will utilize the new system for greater awareness. *Estimated project completion: 11/01/17*
- JD Edwards Upgrade – Upgrade from JD Edwards World to JD Edwards Enterprise One. The existing JDE installation has a 'green screen' user interface that is not intuitive. This system run on IBM hardware that is ready for replacement. JDE Enterprise One greatly improves the user interface and expands our financial system into other areas are existing JDE World could not accommodate. In addition to all existing functions we will look to JDE Enterprise one to handle capital program management, asset management and a more streamlined procurement workflow. *Estimated project completion: TBD*
- Network Replacement (Port PD) – 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 completion: 08/01/17*

SECURITY



EMERGENCY MANAGEMENT

Planning, Organization, Equipment, Training, Exercises (POETE)

Planning

- Coordinated a joint meeting between Flatiron/Dragados, Safety, Environmental, EM and Port PD to review Emergency Action Plan and notification procedures
- Disaster finance planning team continues to meet
- Ongoing planning and coordination activities related to spill/release notification and response procedures (jointly with Environmental, Risk, Safety and Port PD)
- Attended Engineering meetings to discuss Tule Lift Bridge demolition
- Participated in direct planning and coordination activities with the following partners:
 - Aransas-Corpus Christi Pilots
 - United States Coast Guard
 - Coastal Plains LEPC
 - Texas State Aquarium
- Documents Submitted for Review:
 - Texas State Aquarium Hurricane Plan
- Documents in Progress:
 - Hazard Mitigation Action Plan- pending approval
 - Hurricane Readiness Plan Revision- pending approval
 - Emergency Action Plan Revision
 - Marine Firefighting Standard Operating Procedure
 - Disaster Finance Plan

Organization

- Participated in strategic plan review with Risk
- Participated in a risk assessment and management of change webinar with Safety
- Committees/Boards Attended
 - City of Corpus Christi-Nueces County LEPC Executive Committee
 - MetroCom System Operations Committee
 - Healthcare Preparedness Coalition
 - Coastal Plains LEPC Executive Committee
 - Coastal Bend Emergency Management Association
 - Coastal Plains LEPC General Membership
 - City of Corpus Christi-Nueces County Emergency Response & Communications
 - Port Readiness Committee

Equipment

- Updated the following distribution and user accounts: Satellite Phones, Government Emergency Telecommunications Service (GETS), WebEOC and Port Alert

Training

- NIMS Implementation IS 200 & 800 Online Training Ongoing
- Training/Outreach Conducted
 - Port Alert Familiarization Training for Port PD (multiple sessions)
 - Emergency Communications Familiarization Training for Managers & Directors (two sessions, joint presentation with Information Technology)
- Attended
 - Disaster Accounting 101 Module Two- July 10
 - Safety Lunch & Learn- July 11
 - World Affairs Council of South Texas Luncheon- July 12

Exercises

- Coordination and ongoing discussions with USCG for 2018 exercise schedule.
- Provided exercise support for Bee County LEPC Full Scale Exercise- July 18
- Preparations ongoing for upcoming Communications Drill- July 7-10

Incident Coordination

- Weather Potential/Awareness- 2
- MOL- 1
- Traffic Advisory- 1
- Industry- 1

Emergency Management in the Community

Members of the Coastal Bend Emergency Management Association traveled to Beeville to assist the local LEPC conduct a full scale exercise. The scenario tested the local response to a hazardous materials emergency including a school evacuation and Emergency Operations Center (EOC) activation. Port Emergency Manager, Danielle Hale, is one of several trained observer/controllers from throughout the region that assists communities deliver Homeland Security Exercise & Evaluation Program (HSEEP) compliant exercises. The regional approach to exercise delivery helps ensure all communities have access to qualified individuals without the expense of outside consultants. The additional benefit is that the lessons learned from these exercises are brought back and incorporated into the Port's preparedness activities and this team will be available to reciprocate whenever requested.



Emergency Management Activity Report- July 2017

Environmental Planning and Compliance Monthly Report

Environmental Stewardship Measurements

| Program Area | July 2017 |
|--|--------------|
| Electrical – Green Energy Purchased (10% of Total KWHs) – (thru July 2017) After August 1, 100% of electric purchased is green energy. | 335,920 KWHs |
| Spent Liquids Recycled | 236 gallons |
| Materials Recycled | 4,4,560 lbs |
| Components Recycled | 172 |
| Regional Air Quality (EPA Standard of 70 ppb) | ~64 ppb |
| Community Complaints Regarding Port Operations | 0 |
| Notice of Violations Against Port Operations | 0 |
| Tenant Audits Completed | 16 |
| Bulk Terminal Air Monitoring Alerts (North Network-Bulk Terminal) | 18 |
| Bulk Terminal Air Monitoring Alerts (South Network-Dona Park) | 4 |

It was reported last month that the Governor vetoed the Rider 17 funding which provided funding for the regional air monitoring network that Texas A&M University – Kingsville is currently operating and maintaining, as well as, the outreach efforts that the Pollution Prevention Partnership through Texas A&M – Corpus Christi, including the AutoCheck program. In the meantime, the TCEQ has provided announcement on the Texas Emission Reduction Program which includes allocating dollars for community air monitoring.

Additionally, the Port received official notification of the third-party certification of our Green Marine self-evaluation and recommendation for certification through May 2018. The Green Marine Performance Report is attached at the end of this report.

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 |
|---------------------------------|--|------------------------|------------|-------------|
| Environmental Management System | Development of updated EMS video. | 8/31/2017 | 35% | Ongoing |
| | ISO 14001 Certification: Surveillance Audit | 7/2/2017 | 100% | Completed |
| | Green Marine Self Evaluation | 4/30/2016 | 100% | Completed |
| Tenant Audit Program | Conduct routine annual audits of all leases on PCCA facilities. | 12/31/2017 | 15% | Ongoing |
| | Conduct routine lease-ending audits of terminated or completed lease agreements. | 12/31/2017 | 15% | Ongoing |
| | Conduct baseline assessments of properties as applicable for new lease agreements. | 12/31/2017 | 5% | Not Started |
| Storm Water | Conduct routine inspections and monitoring and sampling in accordance with applicable permits. | 12/31/2017 | 50% | Ongoing |
| | Complete annual reports for previous year in accordance with applicable permits. | 1/30/2017 | 100% | Completed |

| Program | Description of Activities | Target Completion Date | % Complete | Status |
|----------------|--|-------------------------------|-------------------|---------------|
| Ozone Advance | Participation in Air Quality Committee and Ozone Advance Working Groups. | 12/31/2017 | 75% | Ongoing |
| | Provide input to Annual Ozone Advance Report. | 4/30/2017 | 100% | Completed |

Environmental Projects Dashboard

Listed below are the budgeted capital, maintenance and professional services projects and the status of each:

| <u>Project Description (Proj. #)</u> | <u>Consultant Agreement Type</u> | <u>Description of Activities</u> | <u>Target Completion Date</u> | <u>% Complete</u> | <u>Status</u> |
|---|--|--|--------------------------------------|--------------------------|------------------------|
| Purchase of Software for EMS Recordkeeping (15-057A) | MA 05-14 E2 ManageTech, SO#4,5,6 | RFP for software vendors. | 1/29/2016 | 100% | Completed |
| | | Vendor demonstrations. | 3/11/2017 | 100% | Completed |
| | | Negotiations with Successful Vendor. | 4/15/2016 | 100% | Completed |
| | | Commission approval of software purchase and implementation contract with successful vendor. | 6/21/2016 | 100% | Completed |
| | | Purchase/implementation of EMIS software. | 8/31/2017 | 45% | Ongoing |
| General Electrical Consumption Reduction Projects (13-013A/16-704A) | Pending | Negotiating project scope with electrical engineering firm. | 03/31/2016 | NA | Cancelled – Not Needed |
| | | Design electrical consumption reduction improvements. | 06/30/2016 | 15% | Started |
| | | Advertise RFQ for design-build. | 6/30/2017 | 75% | Started |
| | | Award contract. | 8/15/2017 | 0% | Not Started |
| | | Construction of project. | 12/31/2017 | 0% | Not Started |
| Investigation and Remediation of Contamination from La Quinta Pipeline Removal/Relocation (14-002B) | MA –Platinum Environmental Solutions, LLC, SO# 1 | Prepare and submit Groundwater Classification and Drinking Water Survey Reports to TCEQ. | 3/7/2016 | 100% | Completed |
| | | Prepare and submit APAR to TCEQ. | 01/31/2017 | 100% | Completed |
| | | Receive and respond to TCEQ comments. | 9/7/2017 | 50% | Started |
| | | Submit Response Action Plan | 9/7/2017 | 0% | Not Started |
| | | Response Action Implementation | 9/7/2019 | 0% | Not Started |
| | | Case closure with TCEQ. | 12/31/2019 | 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% | Completed |
| | | Prepare and submit APAR to TCEQ. | 5/31/2016 | 100% | Completed |
| | | Respond to TCEQ comments. | 9/22/2017 | 100% | Completed |
| | | Case closure with TCEQ. | 6/1/2018 | 0% | Not Started |
| Bulk Terminal Master Plan (16-009A) | Professional Services Agreements – Market Study Moffitt Nichol led by Commercial and Master Plan Cardno, Inc. led by Internal Bulk Terminal Project Team | Commission Approval for RFP for Market Study. | 4/19/2016 | 100% | Completed |
| | | Advertise RFP for Market Study | 4/30/2016 | 100% | Completed |
| | | Shortlist firms and negotiate scope of work and fees. | 5/25/2016 | 100% | Completed |
| | | Commission approval of agreement | 6/17/2016 | 100% | Completed |
| | | Market Study Final Report | 8/31/2016 | 100% | Completed |
| | | Advertise RFQ for Master Plan | 9/30/2016 | 100% | Completed |
| | | Shortlist firms and negotiate scope of work and fees. | 10/6/2016 | 100% | Completed |
| | | Commission approval of agreement | 10/18/2016 | 100% | Completed |
| | | Master Plan | 6/30/2017 | 90% | Ongoing |
| | MA 04-14 RSA, SO# 8 | Fieldwork to conduct upland sampling per sampling plan. | 10/1/2016 | 100% | Completed |

| <u>Project Description</u> <u>(Proj. #)</u> | <u>Consultant Agreement</u> <u>Type</u> | <u>Description of Activities</u> | <u>Target Completion</u> <u>Date</u> | <u>% Complete</u> | <u>Status</u> |
|--|--|--|---|--------------------------|----------------------|
| Sampling to Support OD-3 Expansion Plans (14-058A) | | Prepare final report including recommendations for management of upland soils during construction project. | 12/31/2016 | 100% | Completed |
| | | Conduct source investigation/delineation of hot spots. | 6/30/2016 | 5% | Placed On Hold |
| | | Develop final report summarizing source investigation and delineation of hot spots. | 7/31/2016 | 0% | Placed On Hold |
| 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. | 5/4/2017 | 100% | Ongoing |
| | | Advertise for bid. | 5/15/2017 | 100% | Completed |
| | | Commission approval for construction. | 7/18/2017 | 100% | Completed |
| Bulk Dock 2 Air Permit (16-030A) | Pending Commission Approval | Construction completed. | 8/31/2018 | 0% | Not Started |
| | | Negotiate Master Agreement and Service Order. | 3/15/2016 | 100% | Completed |
| | | Prepare and submit air permit authorization for salt at Bulk Dock 1. | 5/31/2016 | 100% | Completed |
| | | Prepare technical memo regarding removal/lowering of moisture content from existing permits. | 6/30/2017 | 20% | Started |
| | | Support Master Planning activities at the Bulk Terminal. | 6/30/2017 | 50% | Started |

Environmental Consultant Master Agreements and Service Orders

Listed below are the Environmental Consultant Master Agreements and associated Service Order values:

| <i>Consultant (MA#)</i> | <i>2016 Service Order Amounts</i> | <i>2017 Service Order Amounts</i> |
|--|--|--|
| RPS, Inc. (02-14) | \$49,918 | \$3,690 |
| Trinity Consultants (03-14) | \$48,000 | \$0 |
| Rosengarten Smith and Associates, Inc. (04-14) | \$0 | \$49,783 |
| E2 ManageTech Inc. (05-14) | \$140,622 | \$0 |
| Apex TITAN, Inc. (06-14) | \$119,844 | \$0 |
| TRICORD Consulting, LLC (07-16) | \$76,069 | \$30,900 |
| Alan Plummer Associates, Inc. (08-16) | \$62,604 | \$29,800 |
| Cardno (09-16) | \$49,343 | \$0 |
| Platinum Environmental Solutions, LLC (10-16) | \$96,837 | \$110,844 |
| Total MA's | \$643,237 | \$138,948 |



**GREEN
MARINE**

2016

PERFOR
MANCE
REPORT

CHAIRMAN'S ADDRESS



As Green Marine celebrates its 10th anniversary, I am delighted to present the progress report by ship owners, port authorities, terminal and shipyard operators, and Seaway corporations participating in the organization's environmental certification program. In the following pages, you will see the results that participants reported on their 2016 environmental performance.

Continuous improvement is the trend that emerges the longer participants are involved in the program—a real testimony to Green Marine's strength. For example, participants reporting for the years 2008 through 2016 saw their global environmental performance average rise to 3.4 from an initial 2.0 average level. It is also worth mentioning that each participant's results are reviewed and confirmed by independent verifiers on a regular basis. The verification process was recently subject to a complete review by Green Marine and has been improved to ensure consistency.

Green Marine's clear tracking of environmental progress on specified fronts helps the industry convey its ongoing sustainability efforts in a straightforward manner. It facilitates proper measurement and comparisons that encourage all to do better by sharing knowledge, experience, and best practices.

One of Green Marine's challenges going forward will be for the program to remain a catalyst for ongoing environmental improvement. The more sustainable the overall maritime sector becomes, the more demanding it may be to implement new ways to exceed the industry's advancing standards.

Green Marine's participants are striving to perform beyond existing and forthcoming regulations. The program must be kept current in terms of regulations, with criteria revised or adapted as required to maintain ambitious but feasible goals at each of the higher performance levels.

The annual review of all of the program's criteria is a major undertaking. It is led by Green Marine's relatively small team in consultation with several regional advisory committees whose members represent the industry, NGOs, regulators, and scientific experts. The success of this yearly comprehensive review is only possible because of the involvement and long hours of work that the organization's members and supporters voluntarily dedicate to the program.

Green Marine also continues to be proactive in addressing environmental issues that emerge as new challenges for its participants—the new underwater noise performance indicators, for instance. Within a two-year period, Green Marine recognized underwater noise as an emerging issue, thoroughly examined the existing research on the subject, and developed two new performance indicators.

As chair, as well as the president of a company that has been involved with Green Marine since the program's outset, I am tremendously proud of the progress to date by this voluntary initiative. I also look forward to see what Green Marine will accomplish over the next decade as it continues to expand its membership, support base, and potential resources.

I also wish to underline the excellent work done by Green Marine's management and staff. It is amazing what this small team manages to accomplish every year.

Finally, I want to thank my fellow board members for their extremely valuable participation and insights, which are so pivotal to our success.

Paul Gourdeau

EXPANDING MEMBERSHIP

Green Marine has significantly enlarged its North American reach over the past decade, more than tripling its original participation and overall membership. The program achieved a 10% increase in participants last year alone, and is further building on its binational character with a steadily increasing U.S. membership.

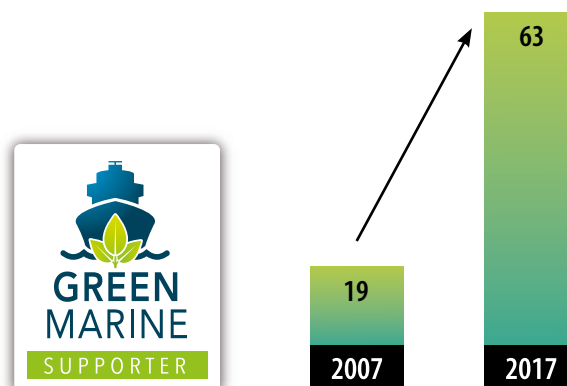
Ports in particular have been joining the program in significant numbers as their administrators become aware of the benefits of Green Marine's framework to benchmark their environmental improvements. Attendance at various North American events, as well as the organization of a seminar in New Orleans, Louisiana, raised awareness about Green Marine among potential members.

One of the program's core strengths comes from being responsive to regional concerns related to the maritime industry's environmental footprint. Industry representatives and Green Marine supporters (representing government, the academic/scientific community, NGOs, and environmental groups) serve on three regional advisory committees. Each committee assesses local concerns and discusses feasible solutions. These recommendations often lead to the program's evolution. Other regional committees may be formed as soon as a region's membership numbers warrant one.

Green Marine is strengthening its key pillars of support as the industry, various levels of government, the academic/scientific community, and environmental organizations become increasingly aware of the program's merits. We're honoured to have the Chamber of Shipping of America join Green Marine as an association member this past year, along with several new supporters that include The Washington State Department of Ecology, as well as Clean Foundation, and Nova Scotia Environment.

| | 2007 | 2017* | |
|---------------------|-----------|------------|--|
| PARTICIPANTS | 34 | 110 | Participants are ship owners, ports, terminals, shipyards and the Seaway corporations that have officially committed to continually work towards reducing their environmental footprint. |
| PARTNERS | 23 | 81 | Green Marine's partners assist participants in constantly improving their environmental performance through maritime-related expertise, technology, equipment and services. |
| ASSOCIATIONS | 7 | 21 | Associations play a pivotal role as ambassadors for Green Marine, recommending it to their respective memberships and making governments and other relevant stakeholders better aware of the program and its progress. |
| Total | 64 | 212 | |

* As of May 1, 2017.



Green Marine supporters play a key role by endorsing the program and contributing to its evolution with their participation on regional advisory committees.

HOLDING STEADY

The overall average of the participants for all performance indicators has remained steady over the last few years at approximately 3.1 (on a scale where 1 demonstrates monitoring of regulations and 5 stands for excellence and leadership). This overall average has been maintained in 2016, even as Green Marine:

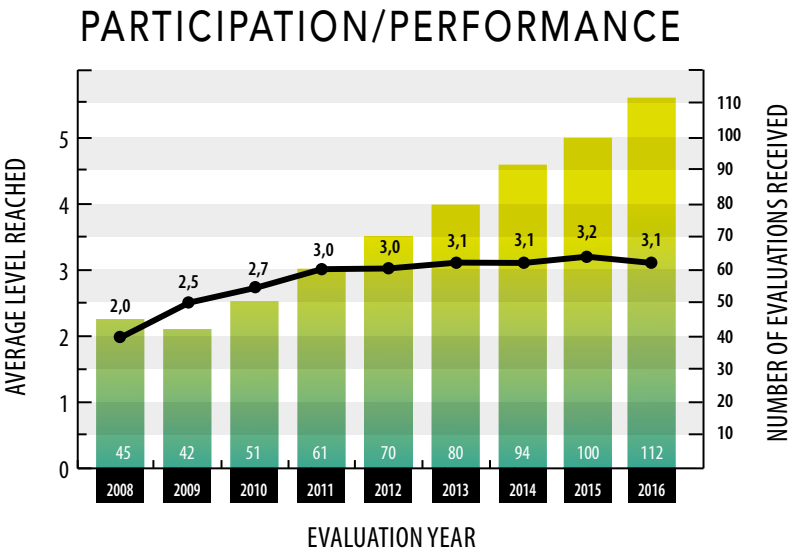
- added a new performance indicator on waste management for landside participants
- raised the bar for criteria on air emissions and aquatic invasive species for ship owners
- retired the high-scoring performance indicator on dry bulk cargo residues
- welcomed new participants whose initial results tend to be lower.

The fact that the overall average has remained fairly constant despite all of these demanding changes is testament to the serious and successful pursuit of continual improvement by Green Marine’s participants. The very few participants that have achieved and retained Level 5 across the board over the past decade are a clear indication of the program’s stringent demands and continual evolution. The program is reviewed annually to ensure that each tier beyond Level 1 is sufficiently challenging vis-à-vis new or imminent regulations, improved best practices, or the emergence of new technologies that facilitate better environmental performance.

Committed to genuinely challenging its membership, Green Marine retired the performance indicator for cargo residues in 2016 as one of the program’s success stories. Green Marine initially developed the indicator in 2007 to raise awareness about the issue and to spur participants to improve their performance. The participants rose to the challenge.

The seven member companies transporting dry bulk in the Great Lakes-St. Lawrence Region that reported on this indicator collectively obtained an overall Level 4 average by 2015 – the highest average recorded for any performance indicator. This advanced performance, along with the fact that both Canada and the U.S. have implemented legislation to regulate cargo residues, prompted the decision to retire this indicator.

However, a zero discharge policy has been maintained by Green Marine for all international ship owners operating within the Great Lakes-St. Lawrence Region, and this policy is a prerequisite for any new international ship owner joining the program. The program update allows Green Marine to turn more of its attention to new environmental issues, such as waste management and underwater noise.



Note: Green Marine received a total of 112 self-evaluations for 2016. A few participants submitted more than one evaluation to report on varying operations (e.g. ferries and terminals, or tugs and shipyards), while others chose not to submit an evaluation in their first year of joining Green Marine, as is permitted to give new participants a year to become acquainted with the program.

NEW THREE-YEAR ROLLING ACTION PLAN

Green Marine has launched its second three-year action plan following a year of consultation with all of the corporation's advisory committees. The new plan is ambitious in its goals to further improving and expanding the program.

Enhancing the quantitative metrics for the air emissions performance indicators is one of the priorities. The board has already voted in favor of a change that would require ports to conduct a port-wide emissions inventory to qualify for Level 4 in the greenhouse gas and air pollutants performance indicator. The new requirement will be optional for 2017 reporting but mandatory thereafter.

ADDITIONAL INDICATORS PLANNED

New issues are being discussed, such as handling ship-generated waste at Canadian ports. An indicator to assess and recognize how ports and terminals manage aquatic ecosystems within their vicinity is also envisioned.

The action plan calls for developing a stand-alone performance indicator on social responsibility for ports and will encompass the existing criteria on community engagement. This will leave the existing performance indicator to focus on reducing community impacts such as dust, noise, light and other possible nuisances.

Consultative processes to develop new criteria for ship owners regarding ship recycling and a vessel's end-of-life management are likewise on the agenda.

NEW CRITERIA ENACTED

This past year also saw new waste management performance indicators become mandatory for all participating landside facilities. Ports, terminals and shipyards evaluated their efforts to minimize, recycle and properly dispose of waste generated by their 2016 operations.

New indicators for minimizing underwater noise and its impacts on marine life will be optional for 2017 reporting and compulsory thereafter. The new criteria will apply to ship owners and ports operating in salt water. The indicators are the result of two years of intensive research, discussions and awareness-building about underwater noise. These performance indicators aim to improve the industry's understanding of the issue and to promote a better coexistence between maritime activities and marine mammals. Green Marine is preparing a list of the vulnerable areas in Canadian and American waters so that participants can determine whether they operate within these areas and, if so, consider implementing mitigation measures to the extent possible.

All of the environmental issues and performance criteria in the Green Marine program are detailed on the Program page of Green Marine's website.

2017 ENVIRONMENTAL PROGRAM

| PERFORMANCE INDICATORS | SHIP OWNERS | PORTS & SEAWAY | TERMINALS & SHIPYARDS |
|-----------------------------------|-------------|----------------|-----------------------|
| Aquatic invasive species | | | |
| Community impacts | | | |
| Dry bulk handling and storage | | | |
| Environmental leadership | | | |
| Garbage management | | | |
| Greenhouse gas emissions | | | |
| Oily water | | | |
| Pollutant air emissions NOx | | | |
| Pollutant air emissions SOx & PM | | | |
| Prevention of spills and leakages | | | |
| Underwater noise | | | |
| Waste management | | | |

SETTING HIGHER SIGHTS

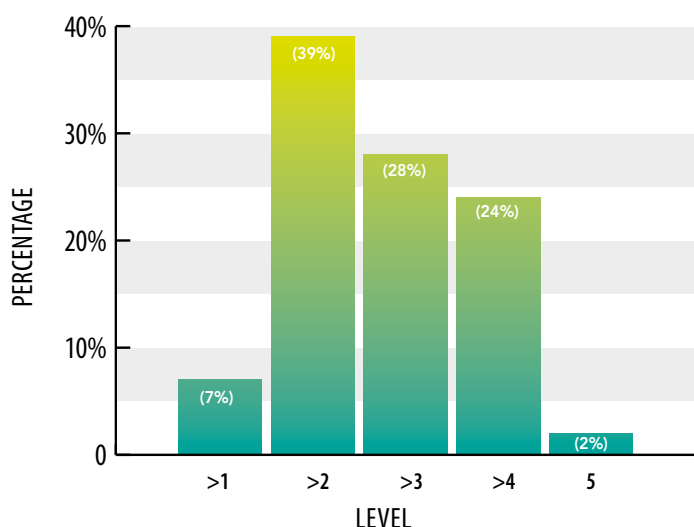
Staying the course within a context of more comprehensive and stringent criteria, as well as a steadily increasing membership, demonstrates that Green Marine's participants are continually improving their performance to meet a bar that keeps being set higher and wider.

For example, all of the indicators related to air emissions – sulfur oxides (SO_x), greenhouse gases (GHG), as well as particulate matter (PM) – were made tougher with the introduction of a new criteria at Level 2 for ship owners. The criteria require specific actions to optimize speed and fuel efficiency.

The performance indicator for preventing aquatic invasive species is now more robust as well. It calls for more actions to address biofouling. The bar is also raised for both domestic and international ship owners regarding ballast water management to reflect the increasing availability of new technology for effective onboard treatment as well as imminent new global regulations.

Participating in Green Marine over the long run generates lasting overall improvement, as this graph indicates with its generally upward trend over time despite broader and more challenging performance criteria.

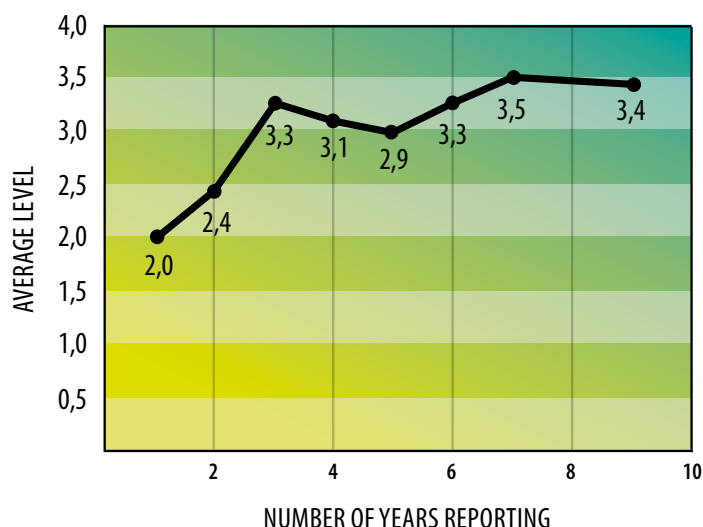
PERFORMANCE BY LEVEL



Performance by level:

Percentage of all reporting participants with an average at or above levels 1, 2, 3, 4, and 5

CONTINUAL IMPROVEMENT



VERIFICATION TRAINING AND OVERVIEW

The demand for verifiers to review the submitted results has increased significantly with the growing membership. The geographic expanse of the larger membership also necessitates having verifiers in more regions so they are available within reasonable proximity and, thereby, cost. To meet these needs, Green Marine launched a recruiting and training program for verifiers this past year. Only applicants who are certified auditors in Compliance, Environmental Management Systems or the International Safety Management (ISM) Code were considered for Green Marine's verification training.

Green Marine hired an external consultant to review one report from each accredited verifier last year to assess the consistency in the content and quality of the reports. Additional training will take place annually in the future to update verifiers on key changes in the Green Marine program.

PROVIDING NEW TOOLS AND RESOURCES

Green Marine signed a license agreement with Transport Canada so that all its member ports in both Canada and the United States will be able to use the Port Emissions Inventory Tool (PEIT) for free. The PEIT facilitates input data collection and calculates emissions within the user-defined port and terminal boundaries.

Another new resource developed this past year makes Green Marine's partners and their innovative products and expert services just a click away. The new online directory on Green Marine's website profiles every partner with a brief company description, logo, contact information and website link. Participants can search for what they need to advance their environmental performance by the key words provided in English and French.

ADDRESSING EMERGING ISSUES

Green Marine's actions regarding underwater noise are an example of how the environmental program uniquely responds to emerging issues. After the issue was first raised by a supporter three years ago, Green Marine convened a working group. A few months later, Green Marine entered into partnership with Transport Canada to survey existing worldwide research. The partnership afforded Green Marine the resources to study the subject thoroughly, while Transport Canada benefitted from Green Marine's broad network of knowledgeable resources, as well as the expertise of the marine biologist on Green Marine's staff.

Canada's Minister of Transport Marc Garneau praised Green Marine for entering into the innovative partnership with Transport Canada to improve the overall understanding of underwater noise as an issue. He commended Green Marine for its first-of-its-kind leadership globally in working with industry, governments, environmental organizations and scientific experts to establish criteria to reduce underwater noise and its impacts on marine mammals.

WWF-Canada, a Green Marine supporter, also commended Green Marine for its stewardship in addressing underwater noise and its impacts from vessel and port activities.



OVERALL PERFORMANCE BY PARTICIPANT TYPE

This year's results indicate more than half (54%) of the reporting participants achieved Level 3 or higher for all the applicable performance indicators combined.

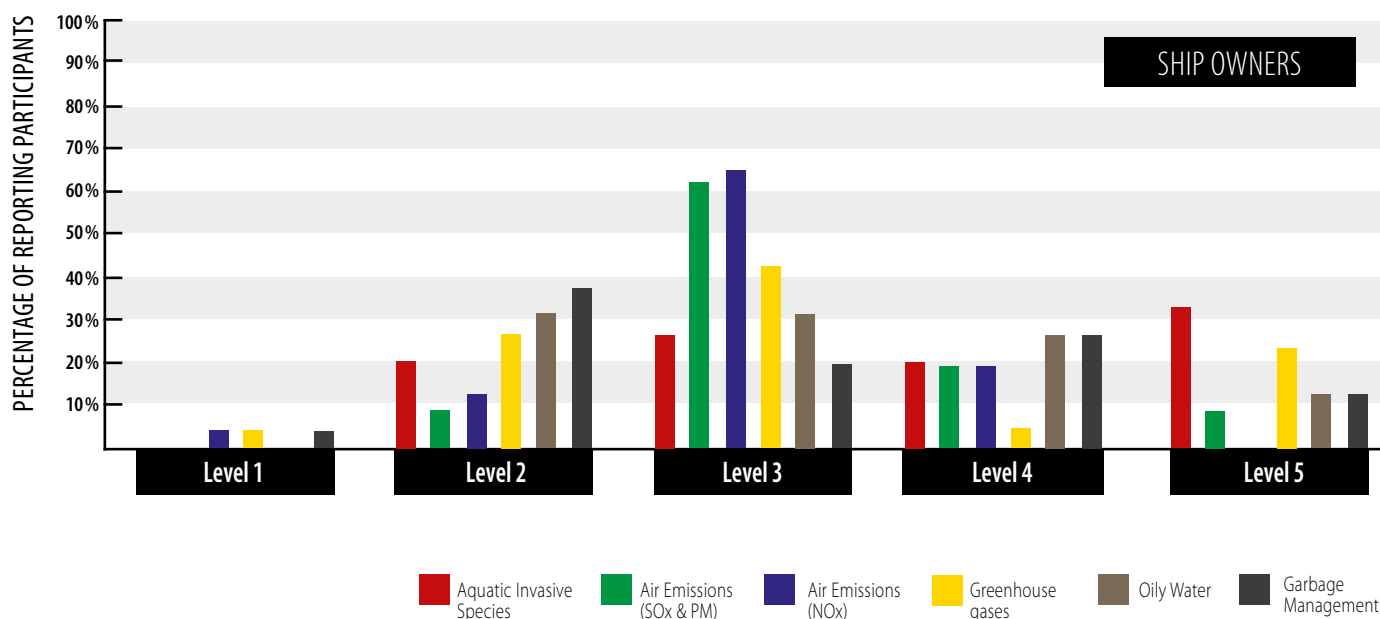
Despite more stringent criteria, almost two-thirds (65%) of the 26 **ship owners** that submitted evaluations for 2016 obtained an overall average of Level 3 or higher, including 23% that achieved Level 4 or higher in 2016.

Ports, terminals and shipyards had to benchmark their performance against the new criteria for the waste management performance indicator that became obligatory for reporting on their 2016 operations. Having new mandatory performance indicators usually lowers the overall average slightly because the criteria are new to participants and it can take some time, effort and resources to implement actions and reach higher levels.

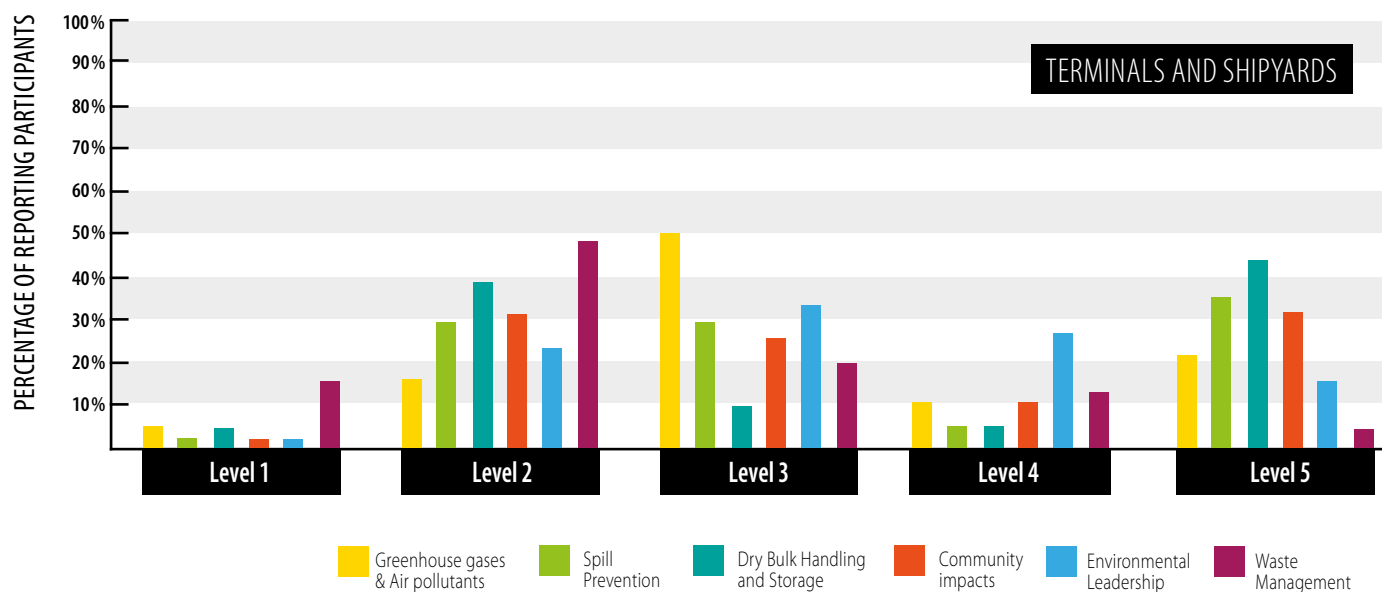
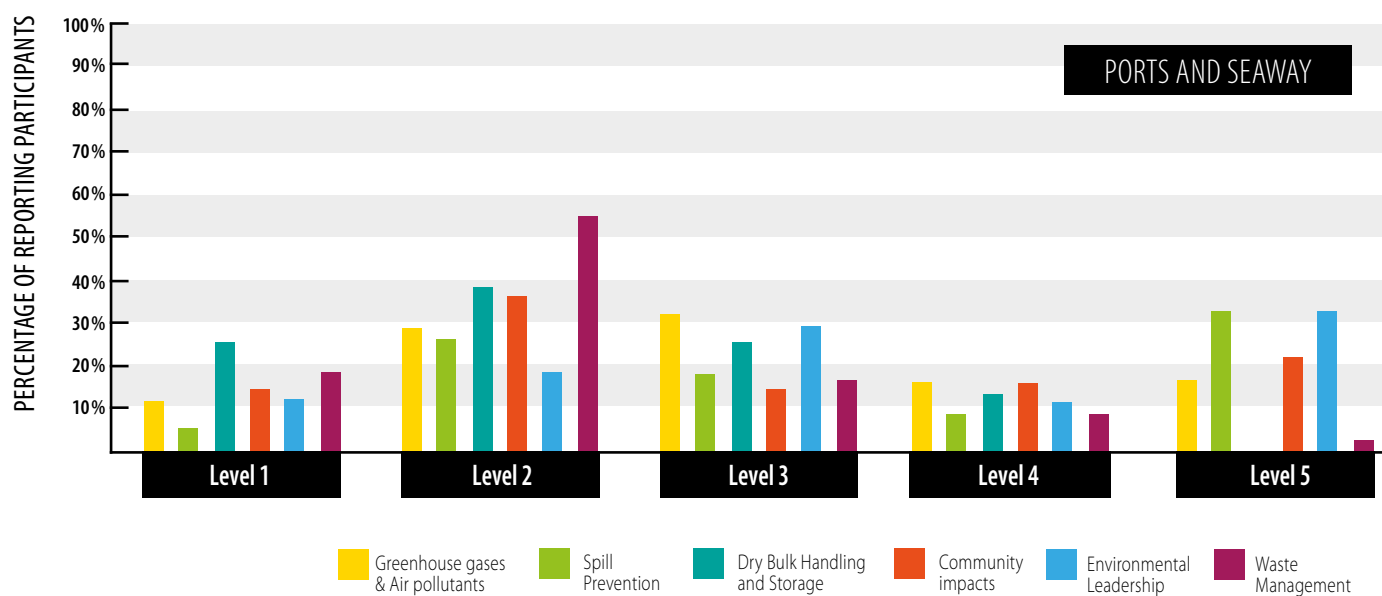
Even with the new waste management performance indicator, however, the 36 reporting **ports** went up a combined total of 34 levels in their 2016 reporting, with 44% of them attaining Level 3 or higher. Almost one-quarter (23%) reached Level 4 or higher.

The participating **terminals** succeeded in advancing their overall average performance by a total of 41 levels. More than half (52%) attained Level 3 or higher, including more than one-quarter (28%) at Level 4 or higher.

The following graphs illustrate the percentage of reporting participants at each of the program's five achievement levels for each of the 11 performance indicators based on the 2016 self-evaluations.




All the graphs and statistics are based on the results submitted by participants as of May 5, 2017. Minor updates due to late verification confirmations will be made in the online version of the report after the GreenTech 2017 conference.



2016 RESULTS




| SHIP OWNERS  | AQUATIC INVASIVE SPECIES | AIR EMISSIONS (SOx & PM) | AIR EMISSIONS (NOx) | GREENHOUSE GASES | OILY WATER | GARBAGE MANAGEMENT |
|---|--------------------------|--------------------------|---------------------|------------------|------------|--------------------|
| Algoma Central Corporation | 4 | 4 | 4 | 5 | 5 | 4 |
| Atlantic Towing Limited | 5 | 5 | 3 | 5 | 3 | 4 |
| British Columbia Ferry Services Inc. | n.a. | 3 | 3 | 3 | 4 | 2 |
| Canada Steamship Lines | 4 | 5 | 4 | 5 | 4 | 5 |
| Canfornav Inc. | 5 | 3 | 3 | 5 | 5 | 5 |
| COGEMA | n.a. | 3 | 3 | 2 | 3 | 4 |
| Croisières AML | n.a. | 3 | 3 | 3 | 3 | 2 |
| CSL International | 5 | 3 | 3 | 3 | 3 | 4 |
| Fednav Limited | 5 | 3 | 4 | 5 | 4 | 3 |
| Groupe CTMA | 2 | 3 | 2 | 2 | 2 | 2 |
| Groupe Desgagnés Inc. | 5 | 4 | 4 | 5 | 4 | 5 |
| Ledcor Resources and Transportation LP* | n.a. | 1 | 1 | 1 | 2 | 1 |
| Lower Lakes Towing Ltd. | 3 | 3 | 3 | 2 | 2 | 2 |
| Marine Atlantic Inc. | n.a. | 2 | 2 | 2 | 2 | 2 |
| McAsphalt Marine Transportation Ltd. | 4 | 3 | 3 | 3 | 3 | 3 |
| McKeil Marine Limited | 3 | 3 | 3 | 3 | 4 | 4 |
| North Arm Transportation Ltd. | n.a. | 3 | 3 | 2 | 4 | 3 |
| Ocean | n.a. | 4 | 3 | 4 | 4 | 2 |
| Oceanex Inc. | 3 | 3 | 3 | 3 | 5 | 4 |
| Owen Sound Transportation Company | 2 | 2 | 2 | 2 | 2 | 2 |
| Reformar | 2 | 3 | 3 | 3 | 2 | 3 |
| Saam Smit Canada | n.a. | 3 | 3 | 3 | 2 | 2 |
| Seaspan ULC | n.a. | 4 | 3 | 3 | 3 | 4 |
| Société des traversiers du Québec | n.a. | 3 | 3 | 3 | 2 | 2 |
| Svitzer Canada Ltd. | n.a. | 3 | 3 | 2 | 3 | 2 |
| TBS Ship Management Inc. | 3 | 3 | 3 | 3 | 3 | 3 |

n.a.: not applicable

* New participant whose results have not yet been verified.


INTERPRETATION NOTES

The term n.a. (not applicable) appears several times in the report's tables because the environmental issues addressed by the program do not necessarily apply to all participants. For example, most tugs and ferries do not discharge ballast water. An n.a. denotation could also refer to a situation in which a participant does not have full control over the operations on its premises. For example, a port cannot apply the Green Marine criteria where a terminal operator is in charge of facilities. Most port authorities oversee the leasing of port property and do not themselves operate terminals. The published results indicate each participant's self-reported and verified performance within the Green Marine program's indicators. While the program's self-evaluation is comprehensive, it is not an exhaustive assessment of all environmental matters related to a participant's maritime operations. Green Marine has not itself evaluated the environmental performance of the participating enterprises. Each participant is required to submit all of the documentation for the performance level claimed for each indicator to an external verifier every two years for verification.


| PORT AUTHORITIES  | GREENHOUSE GASES & AIR POLLUTANTS | SPILL PREVENTION | DRY BULK HANDLING AND STORAGE | COMMUNITY IMPACTS | ENVIRONMENTAL LEADERSHIP | WASTE MANAGEMENT |
|--|-----------------------------------|------------------|-------------------------------|-------------------|--------------------------|------------------|
| Alabama State Port Authority* | 1 | 2 | 2 | 1 | 2 | 2 |
| Bécancour Waterfront Industrial Park | 4 | 2 | n.a. | 2 | 4 | 2 |
| Canaveral Port Authority | 2 | 5 | n.a. | 2 | 1 | 2 |
| Cleveland-Cuyahoga County Port Authority | 3 | 5 | 3 | 2 | 4 | 2 |
| Duluth Seaway Port Authority | 5 | 5 | 4 | 2 | 5 | 2 |
| Greater Victoria Harbour Authority | 3 | 5 | n.a. | 5 | 3 | 3 |
| Halifax Port Authority | 3 | 5 | n.a. | 4 | 5 | 4 |
| Hamilton Port Authority | 3 | 3 | n.a. | 3 | 3 | 2 |
| Illinois International Port District | 3 | 2 | n.a. | 3 | 3 | 1 |
| Montreal Port Authority | 5 | 5 | n.a. | 5 | 5 | 3 |
| Nanaimo Port Authority | 2 | 2 | n.a. | 2 | 3 | 2 |
| Northwest Seaport Alliance* | 2 | 2 | n.a. | 2 | 3 | 2 |
| Oshawa Port Authority | 2 | 3 | n.a. | 3 | 2 | 2 |
| Port Alberni Port Authority | 1 | 2 | n.a. | 1 | 1 | 1 |
| Port Everglades | 5 | 2 | 3 | 2 | 5 | 2 |
| Port of Albany | 2 | 1 | n.a. | 1 | 2 | 1 |
| Port of Corpus Christi | 1 | 2 | 1 | 1 | 1 | 1 |
| Port of Gulfport | 2 | 3 | 2 | 2 | 2 | 2 |
| Port of Hueneme | 3 | 5 | n.a. | 5 | 5 | 4 |
| Port of Indiana - Burns Harbor | 2 | 3 | n.a. | 3 | 2 | 2 |
| Port of Milwaukee | 3 | 2 | n.a. | 2 | 3 | 2 |
| Port of New Orleans | 3 | 3 | n.a. | 2 | 5 | 2 |
| Port of Olympia* | 1 | 2 | 1 | 1 | 1 | 1 |
| Port of Seattle | 4 | 4 | n.a. | 5 | 5 | 4 |
| Port of Valleyfield | 3 | 2 | n.a. | 2 | 3 | 2 |
| Prince Rupert Port Authority | 4 | 4 | n.a. | 5 | 5 | 3 |
| Quebec Port Authority | 5 | 5 | n.a. | 5 | 5 | 3 |
| Saguenay Port Authority | 3 | 5 | n.a. | 4 | 2 | 2 |
| Saint John Port Authority, NB | 2 | 2 | n.a. | 2 | 2 | 2 |
| Sept-Îles Port Authority | 3 | 3 | n.a. | 3 | 4 | 2 |
| St. John's Port Authority, NL | 3 | 3 | n.a. | 4 | 3 | 2 |
| Thunder Bay Port Authority | 4 | 2 | n.a. | 2 | 3 | 1 |
| Toronto Port Authority | 4 | 2 | 2 | 2 | 4 | 1 |
| Trois-Rivières Port Authority | 2 | 5 | n.a. | 4 | 3 | 2 |
| Vancouver Fraser Port Authority | 5 | 4 | n.a. | 5 | 5 | 3 |
| Windsor Port Authority | 2 | 2 | n.a. | 4 | 3 | 2 |

n.a.: not applicable

* New participant whose results have not yet been verified.


| SAINT LAWRENCE SEAWAY  | GREENHOUSE GASES & AIR POLLUTANTS | SPILL PREVENTION | COMMUNITY IMPACTS | ENVIRONMENTAL LEADERSHIP | WASTE MANAGEMENT |
|---|-----------------------------------|------------------|-------------------|--------------------------|------------------|
| Saint Lawrence Seaway Development Corporation / St. Lawrence Seaway Management Corporation † | 4,1 | 5 | 4,1 | 5 | 3,3 |

† Each Seaway corporation filed an individual self-evaluation report to Green Marine and had its results separately verified, but they both opted to publish their results jointly to reflect their allied efforts in achieving environment excellence. The published results are the weighted average of the individual results based on the number of locks managed by each Seaway corporation..

| TERMINALS AND STEVEDORING COMPANIES  | GHG AND AIR POLLUTANTS | SPILL PREVENTION | DRY BULK HANDLING AND STORAGE | COMMUNITY IMPACTS | ENVIRONMENTAL LEADERSHIP | WASTE MANAGEMENT |
|--|------------------------|------------------|-------------------------------|-------------------|--------------------------|------------------|
| British Columbia Ferry Services Inc. | 2 | 3 | n.a. | 2 | 3 | 2 |
| Ceres Terminals Inc. (Baltimore, Charleston, Halifax, Houston, and Savannah) | 3 | 5 | n.a. | 3 | 4 | 3 |
| DP World Prince Rupert Inc. | 3 | 2 | n.a. | 2 | 2 | 2 |
| Empire Stevedoring Co. Ltd. (Montreal) | 3 | 3 | n.a. | 3 | 2 | 2 |
| Federal Marine Terminals Inc. (Burns Harbor, Cleveland, Hamilton, Milwaukee, Thorold, Albany, Eastport, Port Manatee, Tampa, Lake Charles) | 5 | 5 | 5 | 5 | 4 | 2 |
| Fraser Surrey Docks | 5 | 5 | 5 | 5 | 4 | 2 |
| G3 Canada Limited (Trois-Rivières) | 3 | 2 | 2 | 2 | 3 | 2 |
| G3 Canada Limited (Quebec) | 4 | 3 | 3 | 3 | 3 | 1 |
| GCT Global Container Terminals Inc. (GCT Bayonne) | 5 | 5 | n.a. | 5 | 5 | 4 |
| GCT Global Container Terminals Inc. (GCT Deltaport) | 5 | 5 | n.a. | 5 | 5 | 4 |
| GCT Global Container Terminals Inc. (GCT New York) | 4 | 5 | n.a. | 5 | 5 | 4 |
| GCT Global Container Terminals Inc. (GCT Vanterm) | 4 | 5 | n.a. | 5 | 5 | 4 |
| Glencore (Quebec) | 3 | 3 | 5 | 4 | 4 | 2 |
| Groupe Desgagnés Inc. (Relais Nordik, Sept-Îles) | 3 | 3 | n.a. | 2 | 3 | 3 |
| Iron Ore Company of Canada | 3 | 5 | 5 | 5 | 4 | 3 |
| Kinder Morgan Canada (Westridge Terminal) | 3 | 3 | 3 | 3 | 4 | 3 |
| Logistec Corporation (Montreal, Contrecoeur, Halifax, Saint John, Sydney, Trois-Rivières, Rideau Bulk, Sept-Îles, Thunder Bay, Toronto) | 5 | 3 | 5 | 3 | 3 | 2 |
| Marine Atlantic Inc. | 2 | 2 | n.a. | 4 | 3 | 2 |
| McAsphalt Industries Ltd. (Eastern Passage, Valleyfield, Oshawa, Hamilton, Port Stanley) | 2 | 3 | n.a. | 4 | 3 | 3 |
| Montreal Gateway Terminals Partnership | 5 | 3 | n.a. | 5 | 5 | 2 |
| Neptune Bulk Terminals (Canada) Ltd. | 5 | 5 | 5 | 5 | 5 | 4 |
| New Orleans Terminal LLC | 2 | 5 | n.a. | 2 | 3 | 2 |
| Norcan Petroleum Group Inc. | 3 | 3 | n.a. | 2 | 3 | 2 |
| Northern Stevedoring Company Inc. (Sept-Îles) | 3 | 3 | 4 | 3 | 3 | 2 |
| Pacific Coast Terminals Co. Ltd. | 3 | 3 | 5 | 5 | 4 | 3 |
| Pinnacle Renewable Energy Inc. | 3 | 2 | 2 | 3 | 2 | 1 |
| Porlier Express | 3 | 3 | n.a. | 3 | 3 | 3 |
| QSL (Anse au Foulon) | 2 | 2 | 2 | 2 | 3 | 2 |
| QSL (Beauport) | 3 | 2 | 2 | 2 | 3 | 2 |
| QSL (Bécancour)* | 3 | 1 | 2 | 2 | 3 | 1 |
| Richardson International (Hamilton) | 5 | 5 | 5 | 4 | 4 | 3 |
| Ridley Terminals Inc. | 5 | 5 | 5 | 5 | 4 | 2 |
| Rio Tinto (Port Alfred) | 5 | 5 | 5 | 5 | 5 | 5 |
| Squamish Terminals Ltd. | 3 | 3 | n.a. | 5 | 4 | 2 |
| Sterling Fuels Limited | 3 | 5 | n.a. | 3 | 4 | 3 |
| Termont Montréal Inc. | 2 | 2 | n.a. | 2 | 2 | n.a. |
| Tidal Coast Terminals Ltd. | 3 | 2 | 2 | 2 | 2 | 2 |
| Tymac Launch Service Ltd. | 2 | 2 | 2 | 3 | 2 | 2 |
| Valero Energy Inc. (Jean-Gaulin Refinery) | 5 | 5 | n.a. | 5 | 3 | 5 |
| Valleytank Inc. | 3 | 4 | n.a. | 2 | 2 | 1 |
| Valport Maritime Services Inc. | 3 | 2 | 2 | 2 | 2 | 2 |
| Waterfront Petroleum Terminal Company | 1 | 2 | 1 | 1 | 1 | 1 |
| West Coast Reduction Ltd. | 3 | 5 | n.a. | 3 | 2 | 2 |
| Westshore Terminals Ltd. | 3 | 2 | 2 | 3 | 2 | 2 |
| Yellowline Asphalt Products Limited | 3 | 5 | n.a. | 5 | 4 | 2 |

n.a.: not applicable

* New participant whose results have not yet been verified.

| SHIPYARDS  | GHG AND AIR POLLUTANTS | SPILL PREVENTION | COMMUNITY IMPACTS | ENVIRONMENTAL LEADERSHIP | WASTE MANAGEMENT |
|---|------------------------|------------------|-------------------|--------------------------|------------------|
| British Columbia Ferry Services Inc. | 1 | 2 | 2 | 2 | 2 |
| Ocean Industries Inc. | 3 | 2 | 2 | 3 | 1 |
| Seaspan Shipyards and Terminals | 4 | 4 | 4 | 4 | 4 |

EMBRACING THE FUTURE...

As Green Marine celebrates its 10th anniversary, its members and supporters are already looking ahead to what the environmental certification program might achieve over the next decade.

“Green Marine will continue to gain in size and credibility as a sustainability leader as its members demonstrate that the program’s framework clearly identifies and measures accomplishments and opportunities.”

– Brandy D. Christian, president and CEO, Port of New Orleans.

“Goods travel the world, ships ecologically linking the continents. There is great logic to Green Marine following cargo routes, while retaining the program’s rigor. Since the beginning, we have ensured the program’s credibility in the face of expansion, but we must consolidate this rigor in the program, criteria and evaluation.”

– Sylvie Vachon, Montreal Port Authority’s president and CEO.

“The pace of Green Marine’s expansion has permitted us to evolve and consolidate our concepts of growth and continuous improvement in a meritorious way.”

– Nicole Trépanier, St. Lawrence Economic Development Council (SODES) president and CEO.

“Underwater noise is an example of a scientific concern that is becoming more widely known and addressed because Green Marine has created new performance indicators for it.”

– Allister Paterson, Canada Steamship Lines’ executive vice-president and CEO.

“Working with Green Marine shows that a company is environmentally forward-looking, willing to learn new ways. We also appreciate that all relevant stakeholders are invited to the discussion table.”

– Kathy J. Metcalf, Chamber of Shipping of America’s president and CEO.

TEAMING WITH ENTHUSIASM

The Green Marine secretariat now consists of a full-time staff of five members to:

- coordinate the program and respond to the membership’s requirements
- communicate the program’s developments, achievements, resources and activities
- pursue strategic partnerships
- recruit new participants, partners and supporters.

David Bolduc has led the secretariat as Green Marine’s executive director since the program’s inception a decade ago. **Manon Lanthier** continues in her role as the communications manager. The large responsibility of the program’s coordination is now divided among three program managers: **Eleanor Kirtley** (West Coast and U.S.), **Thomas Grégoire** (East Coast and Great Lakes), and **Véronique Nolet** (St. Lawrence). The recent addition of a third program manager to the staff will make it more feasible for each of them to handle the increasing demands of the program’s criteria and expanding membership.

277

Visit our website:
GREEN-MARINE.ORG



Follow us on Twitter:
@GMarine_AVerte



QUÉBEC CITY OFFICE

25, du Marché-Champlain, Suite 402
Quebec City, Quebec G1K 4H2

418 649-6004
info@green-marine.org

SEATTLE OFFICE

1201 Alaskan Way, Suite 200
Seattle, WA 98101

206 409-3943
eleanor.kirtley@green-marine.org

HALIFAX OFFICE

1949 Upper Water Street, Suite 201
Halifax, Nova Scotia B3J 3N3

902 680-6348
thomas.gregoire@green-marine.org

ENGINEERING SERVICES

As of July 26, 2017 (billing through June 30, 2017), the Port of Corpus Christi Authority Department of Engineering Services had invoicing of \$7,360,640 for projects in progress. These projects consist of 69 Capital, 29 Maintenance, and 24 Professional Service projects. Below is a table detailing the 2017 budgeted amounts and the expended amount "to date" for on-going capital, maintenance, and professional services projects.

| Engineering Services June 2017 Activity Report | | |
|---|---------------------------|-------------------------|
| Project Type | 2017 Budget Amount | Expended to Date |
| Capital | \$65,133,769 | \$33,769,174 |
| Maintenance | 5,080,000 | \$289,192 |
| Professional Services | 834,000 | \$727,427 |
| Total | \$71,047,769 | \$34,785,793 |

**Includes federal, state & other grants/funds by others – No land or software.*

UPCOMING BIDS (PROJECTS > \$50,000)

| | |
|---|-----------|
| Mike Carrell Road Construction | (15-050A) |
| Fire System Pressurization Upgrades at North Bank Oil Terminal Facilities | (14-023A) |
| Viola Barge Basin Maintenance | (17-018A) |
| General Improvements to Cargo Dock 9 Transfer Facility | (16-032A) |

MASTER AGREEMENTS AND SERVICE ORDERS**

Listed below are the Master Agreements implemented, including values of Service Orders, Contracts, and Amendments issued per year:

| | <u>2016*</u> | <u>2017*</u> |
|--|---------------------|---------------------|
| HDR, Inc. (13-01) | \$363,100 | \$56,921 |
| Freese and Nichols, Inc. (13-02) | \$491,303 | \$469,493 |
| Govind Development, LLC (13-03) | \$49,900 | \$649,700 |
| Hanson Professional Services, Inc. (formerly Naismith) (13-04) | \$51,760 | -- |
| CH2M Hill (13-05) | \$1,623,780 | \$649,225 |
| LNV, Inc. (13-07) | \$137,690 | -- |
| Coast & Harbor Engineering d/b/a Mott MacDonald (14-03) | \$107,097 | \$43,589 |
| LJA Engineering, Inc. (16-01) | \$198,724 | \$35,000 |

**Includes separate Professional Services Contracts*

**** as of 7/24/17**

Corpus Christi Ship Channel - Channel Improvement Project (CCSC-CIP)

- 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:
 - Construction of Ecosystem Restoration Complete (2012)
 - La Quinta Extension Complete (2013)
 - Memorandum of Understanding with the Galveston District of the Corps of Engineers to Perform Sediment Testing Services Associated with Dredging the Entrance Channel of the Corpus Christi Ship Channel Channel Improvement Project (September 2016)
 - Allows for sediment sampling and analysis for dredge material from Contract 1 (Gulf of Mexico to Harbor Island) to be performed by the PCCA and those PCCA expenditures to be eligible for credit toward the PCCA's cost-share requirement for the CCSC-CIP.
 - Cooperative Research and Development Agreement with U.S. Army Engineer Research and Development Center (November 2016)
 - Sediment Testing and Analysis for Entrance Channel Reach
 - Start Date: January 3, 2017
 - Estimated Completion Date: September, 2017
 - Project Partnership Agreement (PPA) for Construction of Remaining Project Elements
 - Received draft PPA and formal notice to begin negotiations from Corps of Engineers June, 2017
- Authorizations:
 - Water Resources Development Act (WRDA) of 2007 - Project Authorized
 - Water Resources Reform and Development Act (WRRDA) of 2014 - Project Re-Authorized
 - Water Infrastructure Improvements for the Nation (WIIN) Act signed into Law December 16, 2016
 - Increases the channel depth for the 25% non-federal cost share from 20' – 45' to 20' – 50'
 - Increases the channel depth for the 50% non-federal cost share from depths in excess of 45' to depths in excess of 50'.
 - Includes language that clarifies the remaining separable elements of the Channel Improvement Project which will allow the Army Corps of Engineers to continue work on the Channel Improvement Project and allow it to be considered for construction appropriations during the Federal budget process.

- Authorizes feasibility studies to investigate the widening and deepening of the La Quinta Channel from 45 feet to 52 feet and construction of a new turning basin near the entrance to the Inner Harbor, to provide a more effective, safe and efficient waterway.

Ongoing Ship Channel and PCCA Dock Slip Maintenance Dredging

- Corpus Christi Ship Channel to Viola Turning Basin/La Quinta Channel
 - Includes Upper Bay, Portions of Inner Harbor, Portions of La Quinta and PCCA Oil Docks 1, 2, 4, 7, 8, & 11, Cargo Docks 8 & 9, and Bulk Terminal Dock 2
 - Current Schedule:
 - Start Date: December, 2016
 - Estimated Completion Date: September, 2017

PCCA Channel Improvement Business Plan Study

- Develop a planning document and business plan for the Corpus Christi Ship Channel System to provide a cogent, codified planning and informational document to assist PCCA in making planning decisions for the PCCA's waterways, dredge material placement areas and beneficial use sites.
 - Start Date: November, 2016
 - Estimated Completion Date August, 2017

La Quinta Property Buffer Area Development

Design is 65% complete. Final design scheduled to be complete in September, 2017. Construction contract award scheduled in October, 2017.

2016/2017 ENGINEERING PROJECTS WITH IN-HOUSE STAFF DESIGN

| Project Name | Project Manager(s) | Project Status |
|--|---------------------------------|---|
| Partial Removal of Harbor Island Docks | Dave Michaelsen | Work complete |
| Bulk Terminal New Pad 6 | Lou Donato / Dave Michaelsen | Conceptual plans/on hold pending BT study completion |
| Rehabilitation & Upgrades to Rail 855 @ Sam Rankin Street | Bert Perez | Design and Construction Complete |
| Repair/Replace Expansion Joint @ BD1 | Lou Donato / Dave Michaelsen | Design and Construction Complete |
| Storm Water Drainage Improvements @ Public Fishing Areas | Lou Donato / Dave Michaelsen | Design and Construction Complete |
| Bulk Dock 1 Storage Building Upgrades | Lou Donato / Dave Michaelsen | Bids rejected; project rescoped |
| Bulk Dock 1 Building Demolition and Storage Containers | Lou Donato / Dave Michaelsen | Quote package in progress |
| Concrete Paving under Conveyor Belt 2 | Lou Donato / Dave Michaelsen | 60% Design |
| Repairs on the East Trestle @ BD1 | Lou Donato / Dave Michaelsen | Design complete, construction in progress |
| Nueces Bay Shoreline Revetment | Eileen Mink Dave Michaelsen | Design and construction complete |
| Kay Bailey Hutchinson Road Maintenance | Lou Donato / Dave Michaelsen | Quotes received; will be under construction by mid-August |
| Concrete Repairs @ Ortiz Center | Eileen Mink Dave Michaelsen | Quote; project to be completed in 2 weeks |
| Resurfacing of North Side Storage Area | Eileen Mink Dave Michaelsen | On hold to minimize cargo disruption; non-critical area |
| Replace Conveyor Idlers | Eileen Mink Dave Michaelsen | Design and Construction Complete |
| Purchase of Dock Fenders & Panels | Eileen Mink Dave Michaelsen | Contract awarded; fender and panels pending delivery |
| Demolition of Harbor Island Docks | Eileen Mink Dave Michaelsen | Under design |
| Site work for Security/IT modular buildings | Eileen Mink Dave Michaelsen | Will be complete late August |
| Installation of Fence/Gate @ Security Center | Eileen Mink Dave Michaelsen | Will be complete late August |
| Aids to Navigation Improvements @ La Quinta Channel Extension | David Krams Carlos Martinez | Design and Construction Complete |
| Relocation of IT trailer (Harbor Bridge) | Danielle Caro Brett Flint | Design and Construction Complete |
| Maintenance Painting @ Bulk Terminal | Jacob Morales | Design complete, construction in progress |
| Rincon B 25-acre improvements | Danielle Caro Brett Flint | Design and Construction Complete |
| Oil Dock 12 Mooring Dolphin Repairs & Maintenance | Jacob Morales | Currently in design |
| Purchase of Explosion Proof A/C Units | Jacob Morales | Items spec'd for procurement; items ordered pending delivery |
| Maintenance Painting @ Bulk Terminal | Jacob Morales | Contract awarded in April |
| Viola Turning Basin Bulkhead Maintenance | Danielle Caro Brett Flint | 60% Design work complete |

Department of Engineering Services

Project Design & Construction Status Report

DESIGN PROJECTS

| Project No. | Project Title | Project Manager | % Completed |
|--------------------|---|-----------------|-------------|
| Capital | | | |
| 14-036A | Ortiz Center Redevelopment Project (Preliminary Phase) | BF | 20 |
| 14-061A | Maintenance Building Relocation | BF | 10 |
| 15-016A | Tule Lake Rail Yard Upgrades and Modifications | BF | 30 |
| 14-023A | Fire Pressurization Upgrades at Oil Docks 1, 2 & 15 | BP | 90 |
| 14-030A | Public Storage Pads Upgrade | BP | 80 |
| 15-047A | Chiller Replacement at Ortiz Center | BP | |
| 16-032A | General Improvements to Cargo Dock 9 Transfer Facility | BP | 90 |
| 14-037A | La Quinta Terminal 600-FT Dock Development and 10-AC Yard | CM | 90 |
| 09-019A | New Access Road to Good Hope DMPA | DJK | 90 |
| 14-045B | Construction of 8-inch Water Line at La Quinta Property | DJK | 50 |
| 15-043A | New Operator's Cab for Gantry Crane | DLM | 90 |
| 15-050A | Mike Carrell Road Construction | DLM | 100 |
| 15-061D | Security Grant 15 - Security Lighting along Fulton Corridor (25/75) | DLM | 60 |
| 14-030B | Improvements to Pad 6 at the Bulk Terminal | LGD | 10 |
| 15-040A | Concrete Paving Under Conveyor Belt 2 | LGD | 60 |
| 16-039A | Construction of Acceleration & Deceleration Lanes at La Quinta Terminal | LGD | 90 |
| 15-041A | Improvements to Fire Protection Systems at Oil Docks 4, 7, 11 | NEF | 50 |
| 14-047A | La Quinta Gateway Terminal Upland Buffer Area | PDC | 60 |
| Maintenance | | | |
| 16-018A | Roadway and Parking Lot Repairs (2016) | EM | 60 |
| 16-047A | Resurfacing of North Side Open Storage Area | EM | 40 |
| 14-024A | Structural Repairs and Cathodic Protection at Oil Dock 7 | JEM | 60 |
| 16-023A | Main Water Line Vault Valves (\$100,000) Replacement at Ortiz Center | JEM | 50 |
| 17-008A | Electrical Upgrades at Various Public Oil Docks | JEM | 10 |
| 17-016B | Structural Repairs and Cathodic Protection at Oil Dock 4 | JEM | |
| 15-032A | Bulk Dock 1 (\$120,000) Storage Building Upgrades | LGD | 100 |
| 15-032B | Bulk Dock 1 Storage Building Demolition | LGD | 90 |
| 16-027A | Kay Bailey Hutchinson Road Maintenance | LGD | 100 |

Department of Engineering Services
Project Design & Construction Status Report
CONSTRUCTION PROJECTS

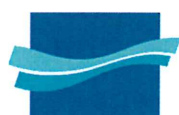
| Project No. | Project Title | Project Manager | % Completed |
|---------------------------|--|-----------------|-------------|
| <u>Capital</u> | | | |
| 14-028A | Bulk Terminal Office Renovation | BP | 100 |
| 15-053A | Reconstruction of Sam Rankin Road (24/76) | BP | 100 |
| 16-033A | New Public Oil Dock 15 | BP | 40 |
| 15-061C | Security Grant 15 – Perimeter Fencing at Bulk Terminal (25/75) | CM | 100 |
| 16-067A | Bulk Terminal Paving Improvements (2016) | CM | |
| 07-046C | Tule Lake Foundation Removal | DLM | 20 |
| 13-032A | Construction of Oil Dock 14 | DLM | 100 |
| 13-043A | Nueces River Rail Yard Phase - II | DLM | 100 |
| 15-035A | Upgrades and Repairs to Bulk Dock 2 Marine Structures | EM | 70 |
| 15-030A | General Improvements to Oil Dock 6 | JEM | 100 |
| 16-035A | Viola Barge Basin Bulkhead Addition | JEM | 10 |
| 12-031B | La Quinta Terminal Mitigation – Aquatic Habitat – Phase II | PDC | 80 |
| <u>Maintenance</u> | | | |
| 15-037B | Repair Bridge to Oil Dock 12 | EM | 20 |
| 15-039B | Marine Improvements at Oil Dock 2 | JEM | 90 |
| 16-049A | Maintenance Painting at BT | JEM | 100 |

Port of Corpus Christi Authority

MONTHLY FINANCIAL RESULTS

| | |
|--|----|
| ● KEY METRICS | 1 |
| ● STATEMENT OF NET POSITION | 2 |
| ● STATEMENT OF REVENUES AND EXPENSES | 3 |
| ● STATEMENT OF REVENUES AND EXPENSES-BY DIVISION | 4 |
| ● TONNAGE | 8 |
| ● SHIP AND BARGE MOVEMENTS | 9 |
| ● RAIL CARS | 10 |
| ● CAPITAL PROJECTS | 11 |
| ● BOND PROJECT PROCEEDS | 12 |

June 2017



PORTCORPUSCHRISTI™

PORT OF CORPUS CHRISTI AUTHORITY

FINANCIAL RESULTS

KEY METRICS

| OPERATING REVENUES | OPERATING EXPENSES | NET INCOME(LOSS) | TONNAGE | SHIPS AND BARGES | CAPITAL PROJECTS |
|--------------------|--------------------|------------------|--------------|------------------|------------------|
| \$ 44,607,168 | \$ 25,995,212 | \$ 13,731,455 | 51,060,363 | 3,258 | \$ 32,939,994 |
| ↑ 17% Actual | ↓ -6% Actual | ↑ 110% Actual | ↑ 13% Actual | ↑ 6% Actual | |
| ↓ -3% Budget | ↓ -17% Budget | ↑ 40% Budget | | | ↓ -7% Budget |

ALL METRICS

| METRIC | YTD 2017 ACTUAL | YTD 2016 ACTUAL | % CHANGE | YTD 2017 BUDGET | % CHANGE |
|----------------------------------|-----------------|-----------------|----------|-----------------|----------|
| ASSETS | \$ 705,242,543 | \$ 638,766,555 | ↑ 10% | | |
| CASH & INVESTMENTS | \$ 194,464,413 | \$ 168,632,164 | ↑ 15% | | |
| ACCOUNTS RECEIVABLE | \$ 24,093,281 | \$ 11,874,048 | ↑ 103% | | |
| RESTRICTED ASSETS | \$ 67,794,367 | \$ 79,985,537 | ↓ -15% | | |
| LIABILITIES | \$ 169,958,967 | \$ 141,596,031 | ↑ 20% | | |
| NET POSITION | \$ 540,631,825 | \$ 499,129,413 | ↑ 8% | | |
| OPERATING REVENUES | \$ 44,607,168 | \$ 38,047,332 | ↑ 17% | \$ 45,954,082 | ↓ -3% |
| OPERATING EXPENSES | \$ 25,995,212 | \$ 27,514,295 | ↓ -6% | \$ 31,297,060 | ↓ -17% |
| NET OPERATING INCOME (LOSS) | \$ 18,611,956 | \$ 10,533,037 | ↑ 77% | \$ 14,657,022 | ↑ 27% |
| NON OPERATING REVENUE (EXPENSES) | \$ (4,880,501) | \$ (3,999,060) | ↓ -22% | \$ (4,839,069) | ↑ 1% |
| NET INCOME (LOSS) | \$ 13,731,455 | \$ 6,533,977 | ↑ 110% | \$ 9,817,953 | ↑ 40% |
| TONNAGE | 51,060,363 | 45,283,732 | ↑ 13% | | |
| SHIPS | 940 | 780 | ↑ 21% | | |
| BARGES | 2,318 | 2,308 | ↑ 0% | | |
| SHIPS & BARGES | 3,258 | 3,088 | ↑ 6% | | |
| RAIL CARS | 18,919 | 8,666 | ↑ 118% | | |
| CAPITAL PROJECTS | \$ 32,939,994 | | | \$ 35,415,222 | ↓ -7% |

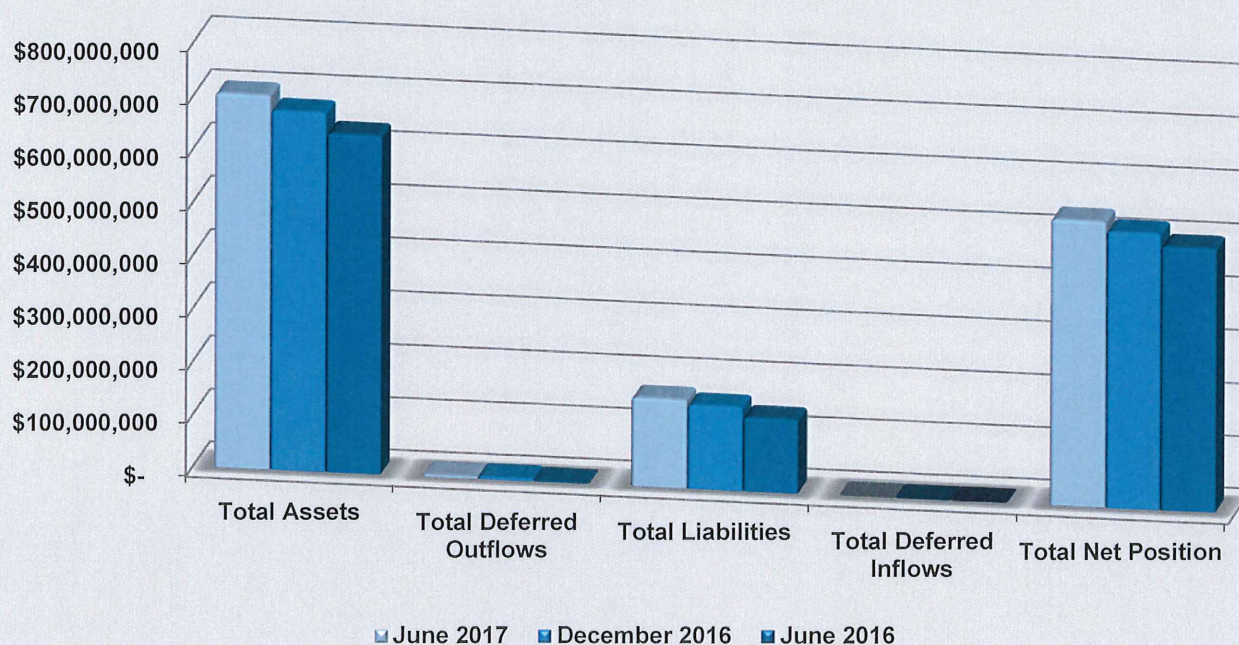
PORT OF CORPUS CHRISTI AUTHORITY

FINANCIAL RESULTS

STATEMENT OF NET POSITION

| | June | December | Annual Change | % | June | Year-Over-Year Change | % |
|--------------------------------|-----------------------|-----------------------|----------------------|-----------|-----------------------|-----------------------|-------------|
| | 2017 | 2016 | | | 2016 | | |
| Cash/ Investments | \$ 194,464,413 | \$ 185,629,316 | \$ 8,835,097 | 5% | \$ 168,632,164 | \$ 25,832,249 | 15% |
| A/R | \$ 24,093,281 | \$ 28,733,764 | \$ (4,640,483) | -16% | \$ 11,874,048 | \$ 12,219,233 | 103% |
| Restricted Assets | \$ 67,794,367 | \$ 70,859,926 | \$ (3,065,559) | -4% | \$ 79,985,537 | \$ (12,191,170) | -15% |
| P P & E, net | \$ 416,769,589 | \$ 390,123,868 | \$ 26,645,721 | 7% | \$ 373,715,673 | \$ 43,053,916 | 12% |
| Other | \$ 2,120,893 | \$ 1,772,905 | \$ 347,988 | 20% | \$ 4,559,133 | \$ (2,438,240) | -53% |
| Total Assets | \$ 705,242,543 | \$ 677,119,779 | \$ 28,122,764 | 4% | \$ 638,766,555 | \$ 66,475,988 | 10% |
| Deferred Outflows-Pension | \$ 5,529,207 | \$ 5,529,207 | \$ - | 0% | \$ 1,958,889 | \$ 3,570,318 | 182% |
| Total Deferred Outflows | \$ 5,529,207 | \$ 5,529,207 | \$ - | 0% | \$ 1,958,889 | \$ 3,570,318 | 182% |
| Current Liabilities | \$ 8,743,559 | \$ 9,817,273 | \$ (1,073,714) | -11% | \$ 7,938,590 | \$ 804,969 | 10% |
| Unearned Income | \$ 44,733,071 | \$ 34,146,050 | \$ 10,587,021 | 31% | \$ 14,190,991 | \$ 30,542,080 | 215% |
| Long-term Debt | \$ 110,640,000 | \$ 110,640,000 | \$ - | 0% | \$ 115,000,000 | \$ (4,360,000) | -4% |
| Other | \$ 5,842,337 | \$ 5,781,876 | \$ 60,461 | 1% | \$ 4,466,450 | \$ 1,375,887 | 31% |
| Total Liabilities | \$ 169,958,967 | \$ 160,385,199 | \$ 9,573,768 | 6% | \$ 141,596,031 | \$ 28,362,936 | 20% |
| Deferred Inflows-Pension | \$ 180,958 | \$ 180,958 | \$ - | 0% | \$ - | \$ 180,958 | 100% |
| Total Deferred Inflows | \$ 180,958 | \$ 180,958 | \$ - | 0% | \$ - | \$ 180,958 | 100% |
| Investment in Net Assets | \$ 329,193,560 | \$ 306,107,673 | \$ 23,085,887 | 8% | \$ 294,234,451 | \$ 34,959,109 | 12% |
| Restricted Net Position | \$ 36,754,709 | \$ 36,031,915 | \$ 722,794 | 2% | \$ 36,034,033 | \$ 720,676 | 2% |
| Unrestricted Net Position | \$ 174,683,556 | \$ 179,943,241 | \$ (5,259,685) | -3% | \$ 168,860,929 | \$ 5,822,627 | 3% |
| Total Net Position | \$ 540,631,825 | \$ 522,082,829 | \$ 18,548,996 | 4% | \$ 499,129,413 | \$ 41,502,412 | 8% |

Statement of Net Position



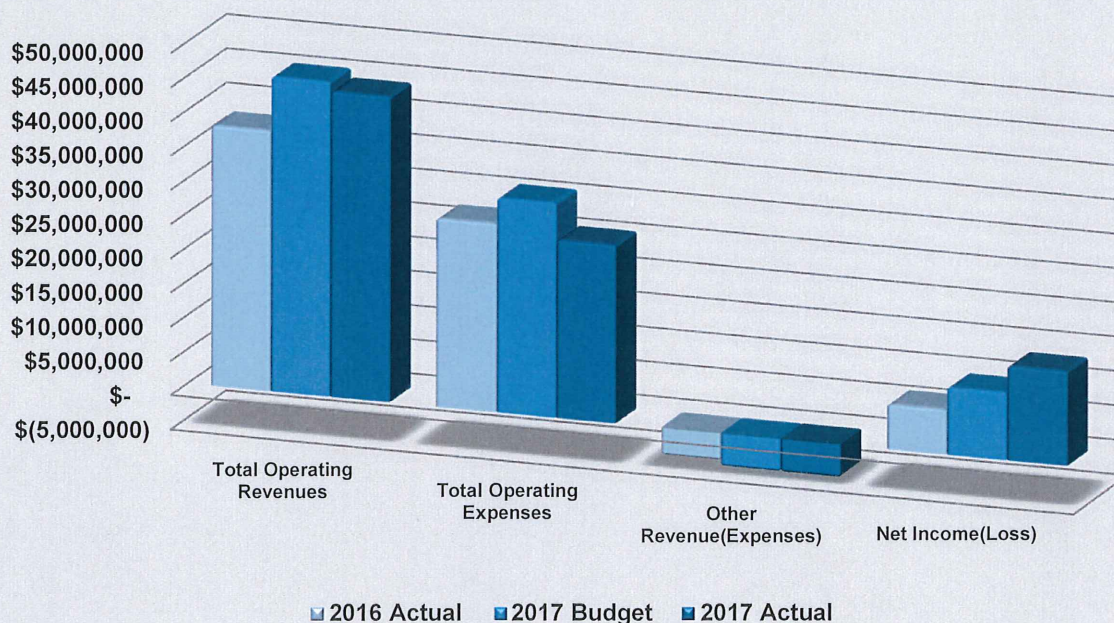
PORT OF CORPUS CHRISTI AUTHORITY

FINANCIAL RESULTS

STATEMENT OF REVENUES AND EXPENSES

| | June YTD | | | Change | | | |
|-----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------|-----------------------|-------------|
| | 2017 | | 2016 | Budget | % | Actual | % |
| | Actual | Budget | Actual | | | | |
| Wharfage | \$ 23,490,965 | \$ 24,364,317 | \$ 19,822,718 | \$ (873,352) | -4% | \$ 3,668,247 | 19% |
| Dockage | \$ 6,650,807 | \$ 6,573,840 | \$ 5,759,603 | \$ 76,967 | 1% | \$ 891,204 | 15% |
| Security | \$ 3,331,480 | \$ 3,939,120 | \$ 2,862,341 | \$ (607,640) | -15% | \$ 469,139 | 16% |
| Other Shipping Services | \$ 5,063,033 | \$ 4,987,673 | \$ 3,757,176 | \$ 75,360 | 2% | \$ 1,305,857 | 35% |
| Building and Land Rental | \$ 6,070,883 | \$ 6,089,132 | \$ 5,845,494 | \$ (18,249) | 0% | \$ 225,389 | 4% |
| Total Operating Revenues | \$ 44,607,168 | \$ 45,954,082 | \$ 38,047,332 | \$ (1,346,914) | -3% | \$ 6,559,836 | 17% |
| Employee Services | \$ 10,443,540 | \$ 11,711,601 | \$ 10,098,085 | \$ (1,268,061) | -11% | \$ 345,455 | 3% |
| Maintenance | \$ 1,635,327 | \$ 4,417,874 | \$ 3,062,043 | \$ (2,782,547) | -63% | \$ (1,426,716) | -47% |
| Utilities/ Telephone | \$ 710,062 | \$ 633,757 | \$ 664,097 | \$ 76,305 | 12% | \$ 45,965 | 7% |
| Insurance | \$ 740,574 | \$ 832,657 | \$ 841,878 | \$ (92,083) | -11% | \$ (101,304) | -12% |
| Prof/ Contracted Services | \$ 3,192,431 | \$ 4,092,568 | \$ 3,534,328 | \$ (900,137) | -22% | \$ (341,897) | -10% |
| Operator/ Event Expenses | \$ 909,772 | \$ 819,375 | \$ 797,453 | \$ 90,397 | 11% | \$ 112,319 | 14% |
| Admin/Trade Dvlp/Other | \$ 2,082,824 | \$ 2,225,192 | \$ 1,943,873 | \$ (142,368) | -6% | \$ 138,951 | 7% |
| Depreciation | \$ 6,280,682 | \$ 6,564,036 | \$ 6,572,538 | \$ (283,354) | -4% | \$ (291,856) | -4% |
| Total Operating Expenses | \$ 25,995,212 | \$ 31,297,060 | \$ 27,514,295 | \$ (5,301,848) | -17% | \$ (1,519,083) | -6% |
| Net Operating Income(Loss) | \$ 18,611,956 | \$ 14,657,022 | \$ 10,533,037 | \$ 3,954,934 | 27% | \$ 8,078,919 | 77% |
| Interest Income | \$ 1,870,584 | \$ 811,350 | \$ 999,044 | \$ 1,059,234 | 131% | \$ 871,540 | 87% |
| Other Revenue | \$ 108,097 | \$ 127,122 | \$ 77,468 | \$ (19,025) | -15% | \$ 30,629 | 40% |
| Gain(Loss) Disposal of Assets | \$ (1,728) | \$ - | \$ - | \$ (1,728) | -100% | \$ (1,728) | -100% |
| Interest/Bond Expense | \$ (2,058,440) | \$ (2,058,787) | \$ (2,075,572) | \$ 347 | 0% | \$ 17,132 | -1% |
| Other Expense | \$ (4,799,014) | \$ (3,718,754) | \$ (3,000,000) | \$ (1,080,260) | 29% | \$ (1,799,014) | 60% |
| Other Revenue(Expenses) | \$ (4,880,501) | \$ (4,839,069) | \$ (3,999,060) | \$ (41,432) | -1% | \$ (881,441) | -22% |
| Net Income(Loss) | \$ 13,731,455 | \$ 9,817,953 | \$ 6,533,977 | \$ 3,913,502 | 40% | \$ 7,197,478 | 110% |

Statement of Revenues & Expenses



PORT OF CORPUS CHRISTI AUTHORITY

FINANCIAL RESULTS

| <u>Public Oil Docks</u> | June YTD | | |
|-----------------------------------|----------------------|----------------------|------------------|
| | 2017 | | Variance |
| | Actual | Budget | |
| Operating Revenues | \$ 12,764,791 | \$ 13,430,721 | \$ (665,930) |
| Operating Expenses | \$ (938,719) | \$ (1,670,953) | \$ 732,234 |
| Net Operating Income(Loss) | \$ 11,826,072 | \$ 11,759,768 | \$ 66,304 |
| Other Revenue(Expenses) | \$ (499,827) | \$ (499,827) | \$ - |
| Net Income(Loss) | \$ 11,326,245 | \$ 11,259,941 | \$ 66,304 |

| <u>Private Oil Docks</u> | June YTD | | |
|-----------------------------------|---------------------|---------------------|-------------------|
| | 2017 | | Variance |
| | Actual | Budget | |
| Operating Revenues | \$ 9,493,069 | \$ 9,148,956 | \$ 344,113 |
| Operating Expenses | \$ (23,862) | \$ (25,712) | \$ 1,850 |
| Net Operating Income(Loss) | \$ 9,469,207 | \$ 9,123,244 | \$ 345,963 |
| Other Revenue(Expenses) | \$ - | \$ - | \$ - |
| Net Income(Loss) | \$ 9,469,207 | \$ 9,123,244 | \$ 345,963 |

| <u>Dry Cargo Docks</u> | June YTD | | |
|-----------------------------------|---------------------|---------------------|---------------------|
| | 2017 | | Variance |
| | Actual | Budget | |
| Operating Revenues | \$ 5,226,971 | \$ 6,019,259 | \$ (792,288) |
| Operating Expenses | \$ (1,240,486) | \$ (1,292,469) | \$ 51,983 |
| Net Operating Income(Loss) | \$ 3,986,485 | \$ 4,726,790 | \$ (740,305) |
| Other Revenue(Expenses) | \$ - | \$ - | \$ - |
| Net Income(Loss) | \$ 3,986,485 | \$ 4,726,790 | \$ (740,305) |

| <u>Bulk Terminal</u> | June YTD | | |
|-----------------------------------|---------------------|-------------------|---------------------|
| | 2017 | | Variance |
| | Actual | Budget | |
| Operating Revenues | \$ 5,180,447 | \$ 4,694,205 | \$ 486,242 |
| Operating Expenses | \$ (2,885,669) | \$ (4,407,532) | \$ 1,521,863 |
| Net Operating Income(Loss) | \$ 2,294,778 | \$ 286,673 | \$ 2,008,105 |
| Other Revenue(Expenses) | \$ 38 | \$ 498 | \$ (460) |
| Net Income(Loss) | \$ 2,294,816 | \$ 287,171 | \$ 2,007,645 |

| <u>Conference Center</u> | June YTD | | |
|-----------------------------------|--------------------|---------------------|------------------|
| | 2017 | | Variance |
| | Actual | Budget | |
| Operating Revenues | \$ 1,322,491 | \$ 1,137,554 | \$ 184,937 |
| Operating Expenses | \$ (1,366,669) | \$ (1,240,255) | \$ (126,414) |
| Net Operating Income(Loss) | \$ (44,178) | \$ (102,701) | \$ 58,523 |
| Other Revenue(Expenses) | \$ 6,490 | \$ 3,240 | \$ 3,250 |
| Net Income(Loss) | \$ (37,688) | \$ (99,461) | \$ 61,773 |

PORT OF CORPUS CHRISTI AUTHORITY

FINANCIAL RESULTS

| <u>Property and Buildings</u> | June YTD | | |
|-----------------------------------|---------------------|---------------------|---------------------|
| | 2017 | | Variance |
| | Actual | Budget | |
| Operating Revenues | \$ 4,321,137 | \$ 4,384,155 | \$ (63,018) |
| Operating Expenses | \$ (2,002,363) | \$ (2,944,809) | \$ 942,446 |
| Net Operating Income(Loss) | \$ 2,318,774 | \$ 1,439,346 | \$ 879,428 |
| Other Revenue(Expenses) | \$ (2,619,261) | \$ (1,543,147) | \$ (1,076,114) |
| Net Income(Loss) | \$ (300,487) | \$ (103,801) | \$ (196,686) |

| <u>Other Facilities</u> | June YTD | | |
|-----------------------------------|-----------------------|-----------------------|--------------------|
| | 2017 | | Variance |
| | Actual | Budget | |
| Operating Revenues | \$ 2,393,829 | \$ 2,657,894 | \$ (264,065) |
| Operating Expenses | \$ (860,396) | \$ (1,042,888) | \$ 182,492 |
| Net Operating Income(Loss) | \$ 1,533,433 | \$ 1,615,006 | \$ (81,573) |
| Other Revenue(Expenses) | \$ (3,736,888) | \$ (3,728,644) | \$ (8,244) |
| Net Income(Loss) | \$ (2,203,455) | \$ (2,113,638) | \$ (89,817) |

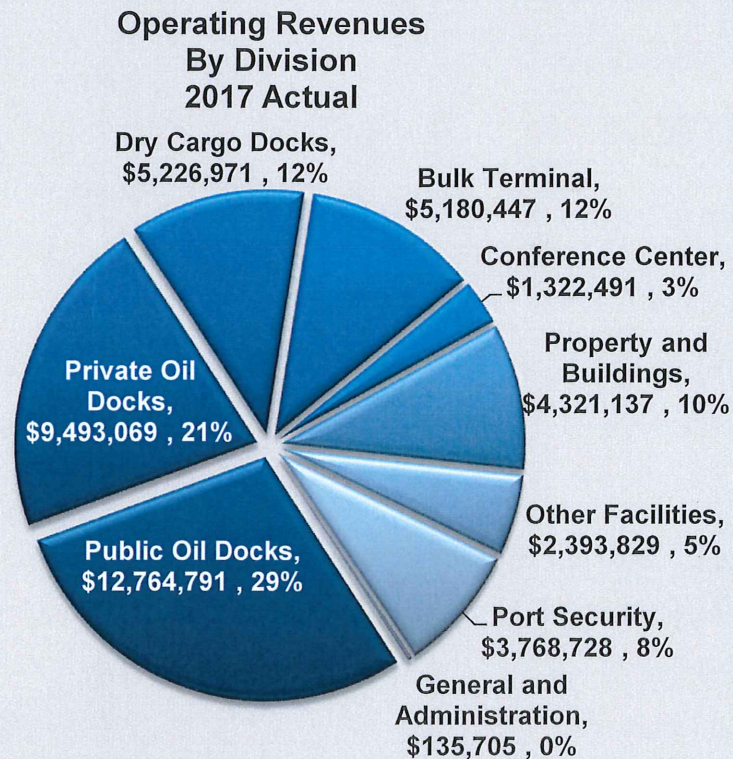
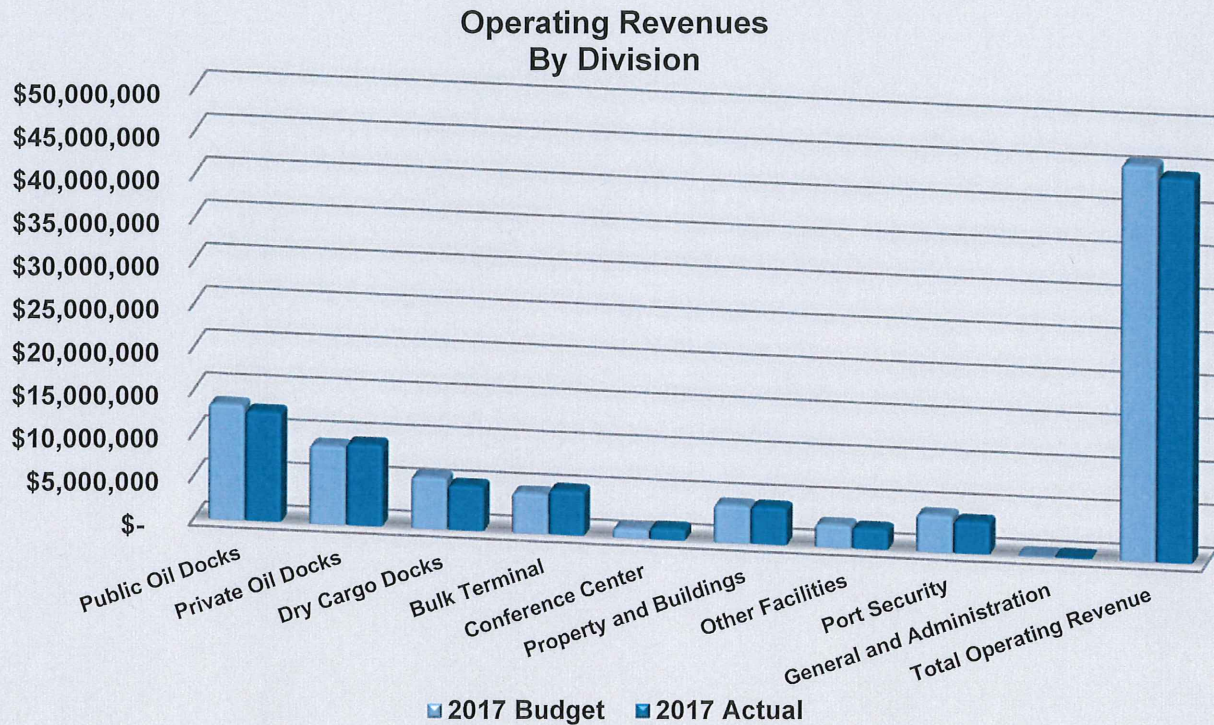
| <u>Port Security</u> | June YTD | | |
|-----------------------------------|---------------------|---------------------|---------------------|
| | 2017 | | Variance |
| | Actual | Budget | |
| Operating Revenues | \$ 3,768,728 | \$ 4,341,846 | \$ (573,118) |
| Operating Expenses | \$ (4,758,811) | \$ (5,136,378) | \$ 377,567 |
| Net Operating Income(Loss) | \$ (990,083) | \$ (794,532) | \$ (195,551) |
| Other Revenue(Expenses) | \$ 7,367 | \$ - | \$ 7,367 |
| Net Income(Loss) | \$ (982,716) | \$ (794,532) | \$ (188,184) |

| <u>General and Administration</u> | June YTD | | |
|-----------------------------------|------------------------|------------------------|---------------------|
| | 2017 | | Variance |
| | Actual | Budget | |
| Operating Revenues | \$ 135,705 | \$ 139,492 | \$ (3,787) |
| Operating Expenses | \$ (11,918,237) | \$ (13,536,064) | \$ 1,617,827 |
| Net Operating Income(Loss) | \$ (11,782,532) | \$ (13,396,572) | \$ 1,614,040 |
| Other Revenue(Expenses) | \$ 1,961,580 | \$ 928,811 | \$ 1,032,769 |
| Net Income(Loss) | \$ (9,820,952) | \$ (12,467,761) | \$ 2,646,809 |

| <u>Total</u> | June YTD | | |
|-----------------------------------|----------------------|----------------------|---------------------|
| | 2017 | | Variance |
| | Actual | Budget | |
| Operating Revenues | \$ 44,607,168 | \$ 45,954,082 | \$ (1,346,914) |
| Operating Expenses | \$ (25,995,212) | \$ (31,297,060) | \$ 5,301,848 |
| Net Operating Income(Loss) | \$ 18,611,956 | \$ 14,657,022 | \$ 3,954,934 |
| Other Revenue(Expenses) | \$ (4,880,501) | \$ (4,839,069) | \$ (41,432) |
| Net Income(Loss) | \$ 13,731,455 | \$ 9,817,953 | \$ 3,913,502 |

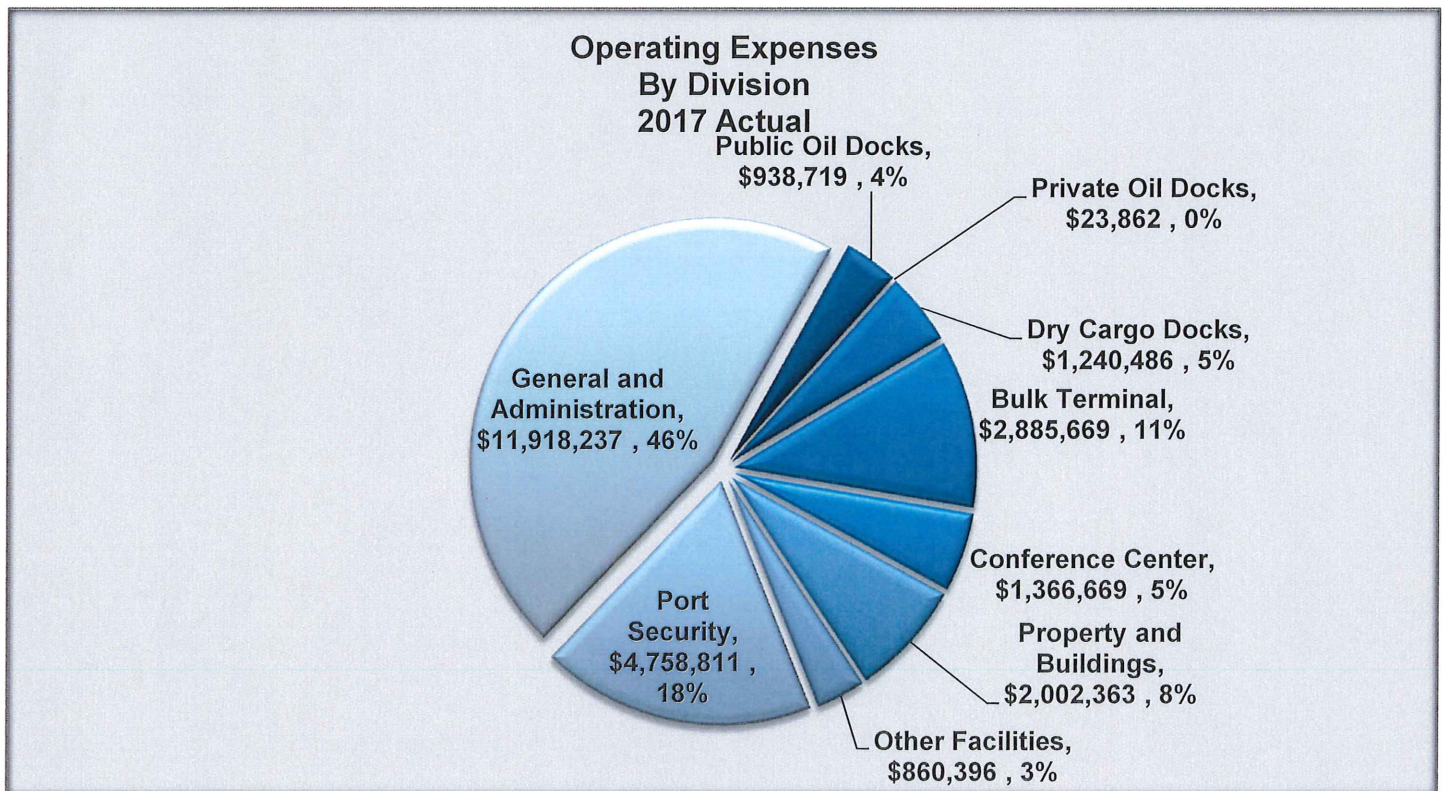
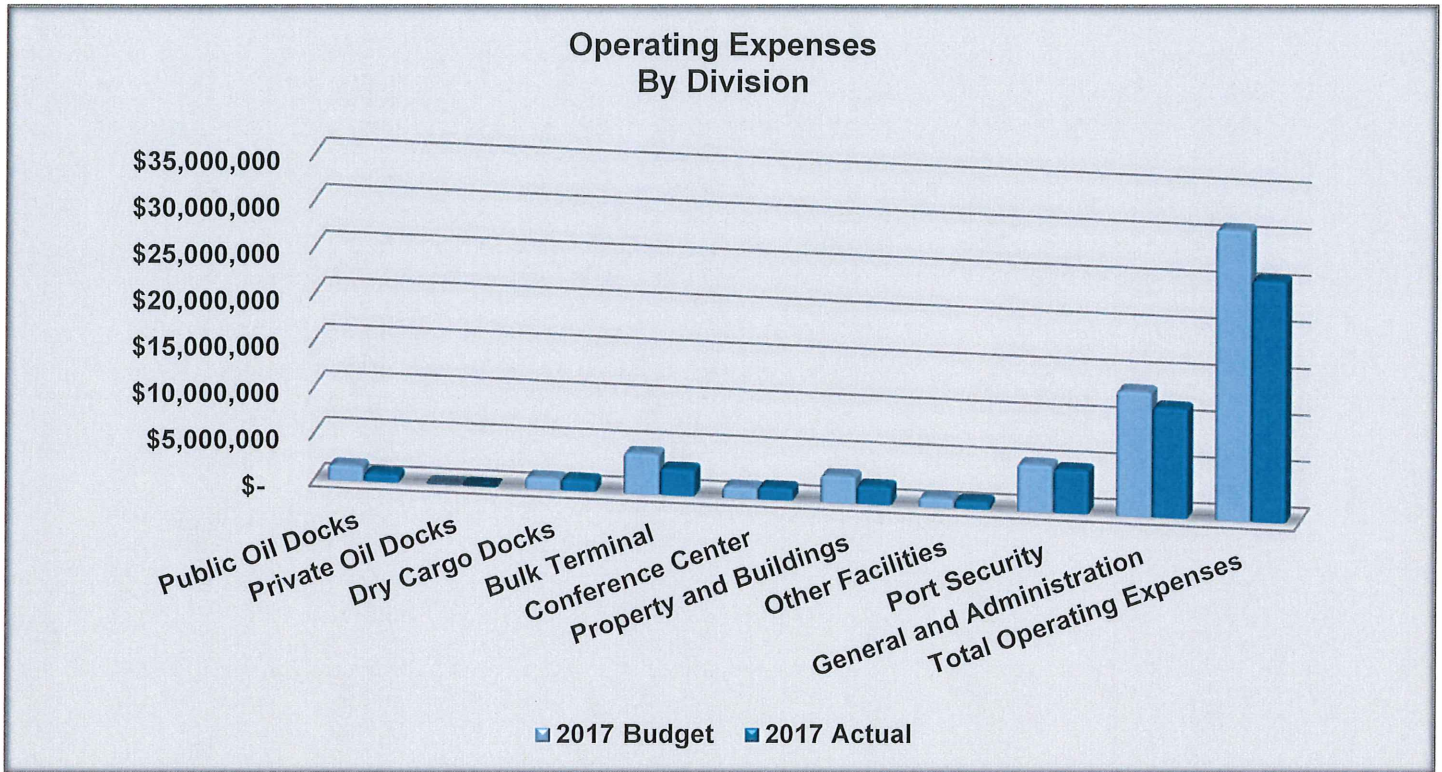
PORT OF CORPUS CHRISTI AUTHORITY

FINANCIAL RESULTS



PORT OF CORPUS CHRISTI AUTHORITY

FINANCIAL RESULTS

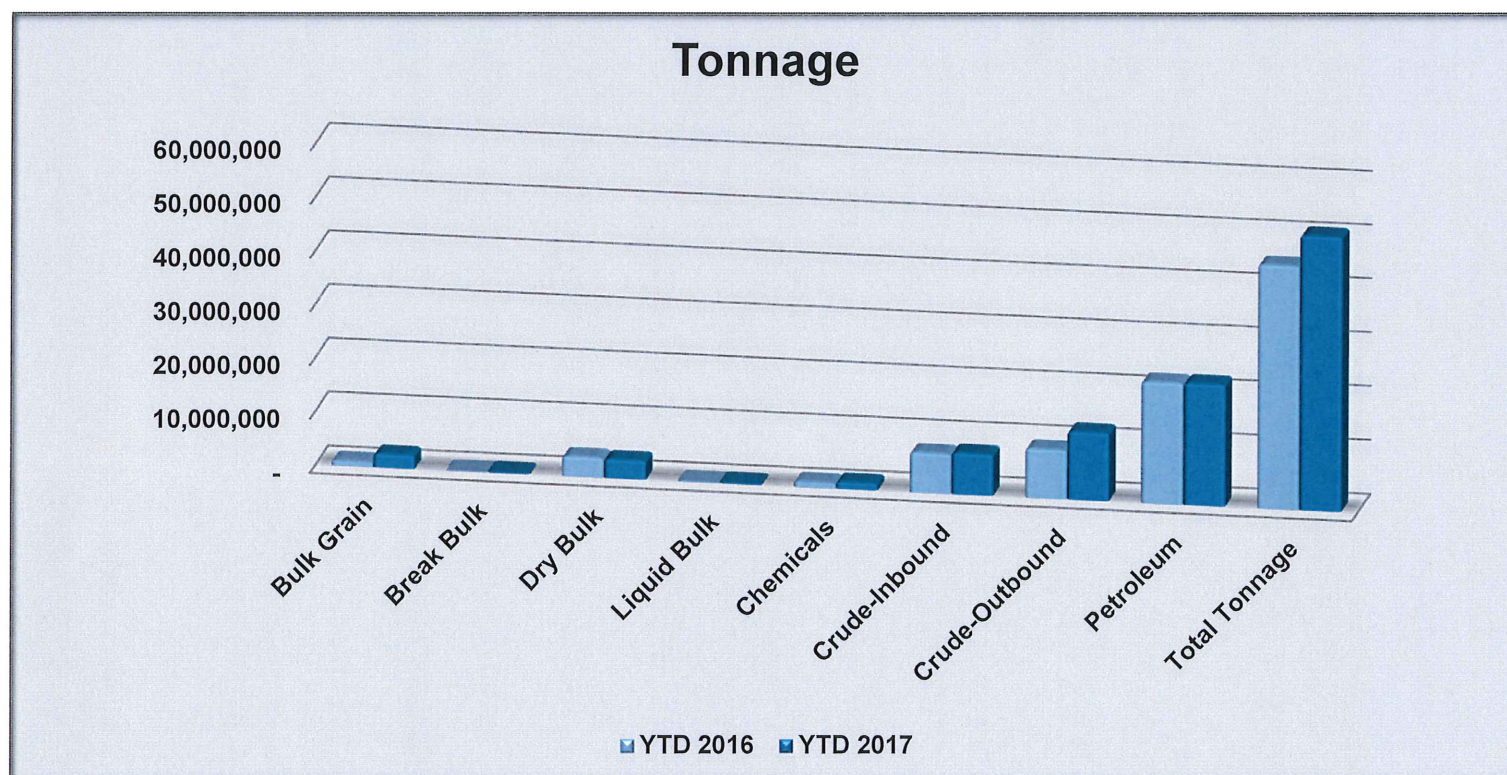


PORT OF CORPUS CHRISTI AUTHORITY

FINANCIAL RESULTS

TONNAGE

| | June | | Mth Over Mth Change | % | YTD | | Year Over Year Change | % |
|----------------------|------------------|------------------|------------------------|-----------|-------------------|-------------------|--------------------------|------------|
| | 2017 | 2016 | | | 2017 | 2016 | | |
| Bulk Grain | 323,308 | 323,257 | 51 | 0% | 2,577,533 | 979,460 | 1,598,073 | 163% |
| Break Bulk | 8,501 | 58,891 | (50,390) | -86% | 271,218 | 152,138 | 119,080 | 78% |
| Dry Bulk | 712,469 | 724,379 | (11,910) | -2% | 3,560,188 | 3,732,454 | (172,266) | -5% |
| Liquid Bulk | 26,571 | - | 26,571 | 100% | 326,448 | 209,624 | 116,824 | 56% |
| Chemicals | 235,670 | 194,411 | 41,259 | 21% | 1,332,656 | 1,072,867 | 259,789 | 24% |
| Crude-Inbound | 1,111,860 | 1,412,102 | (300,242) | -21% | 7,714,739 | 7,447,253 | 267,486 | 4% |
| Crude-Outbound | 2,054,234 | 1,310,382 | 743,852 | 57% | 12,672,060 | 9,155,959 | 3,516,101 | 38% |
| Petroleum | 3,600,020 | 3,555,242 | 44,778 | 1% | 22,605,521 | 22,533,977 | 71,544 | 0% |
| Total Tonnage | 8,072,633 | 7,578,664 | 493,969 | 7% | 51,060,363 | 45,283,732 | 5,776,631 | 13% |



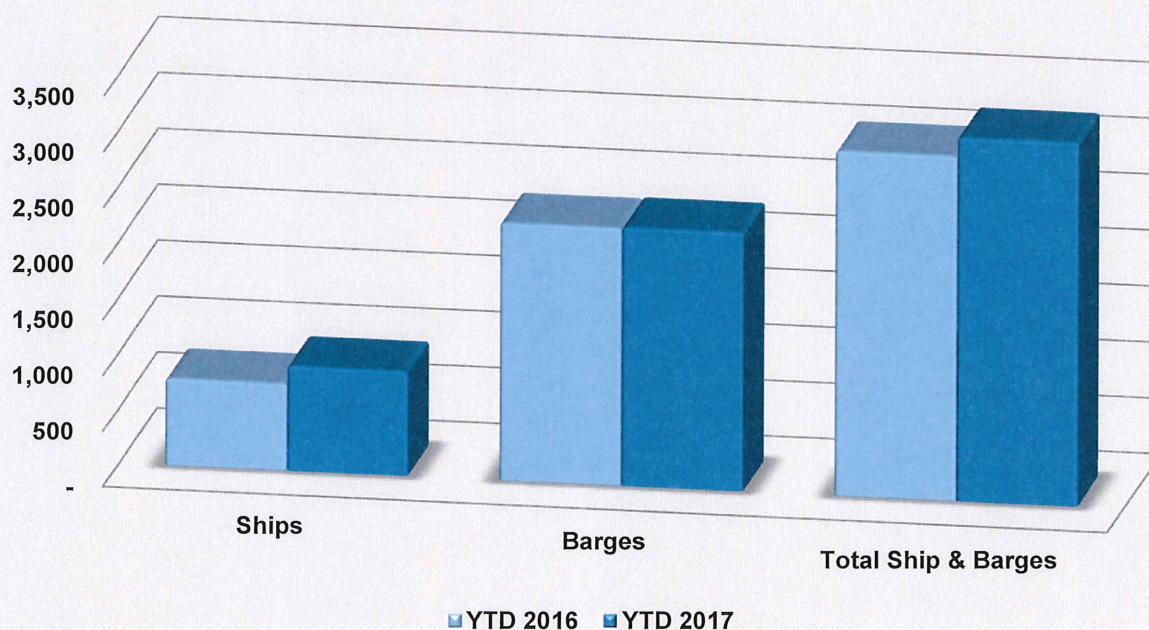
PORT OF CORPUS CHRISTI AUTHORITY

FINANCIAL RESULTS

SHIP & BARGE MOVEMENTS

| | June | | Mth Over Mth Change | % | YTD | | Year Over Year Change | % |
|--------------------------------|------------|------------|------------------------|------------|--------------|--------------|--------------------------|-----------|
| | 2017 | 2016 | | | 2017 | 2016 | | |
| Ships | 147 | 139 | 8 | 6% | 940 | 780 | 160 | 21% |
| Barges | 327 | 278 | 49 | 18% | 2,318 | 2,308 | 10 | 0% |
| Total Ship & Barges | 474 | 417 | 57 | 14% | 3,258 | 3,088 | 170 | 6% |

Ships & Barges



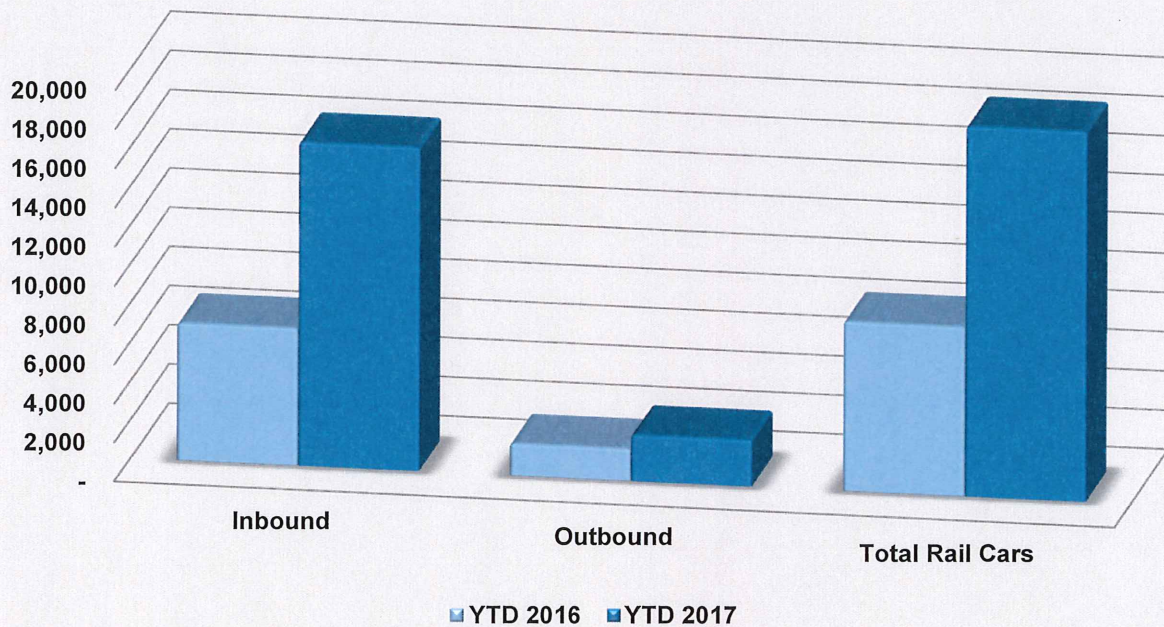
PORT OF CORPUS CHRISTI AUTHORITY

FINANCIAL RESULTS

RAIL CARS

| | June | | Mth Over Mth Change | % | YTD | | Year Over Year Change | % |
|------------------------|--------------|--------------|------------------------|------------|---------------|--------------|--------------------------|-------------|
| | 2017 | 2016 | | | 2017 | 2016 | | |
| Inbound | 1,998 | 1,386 | 612 | 44% | 16,533 | 7,017 | 9,516 | 136% |
| Outbound | 367 | 468 | (101) | -22% | 2,386 | 1,649 | 737 | 45% |
| Total Rail Cars | 2,365 | 1,854 | 511 | 28% | 18,919 | 8,666 | 10,253 | 118% |

Rail Cars

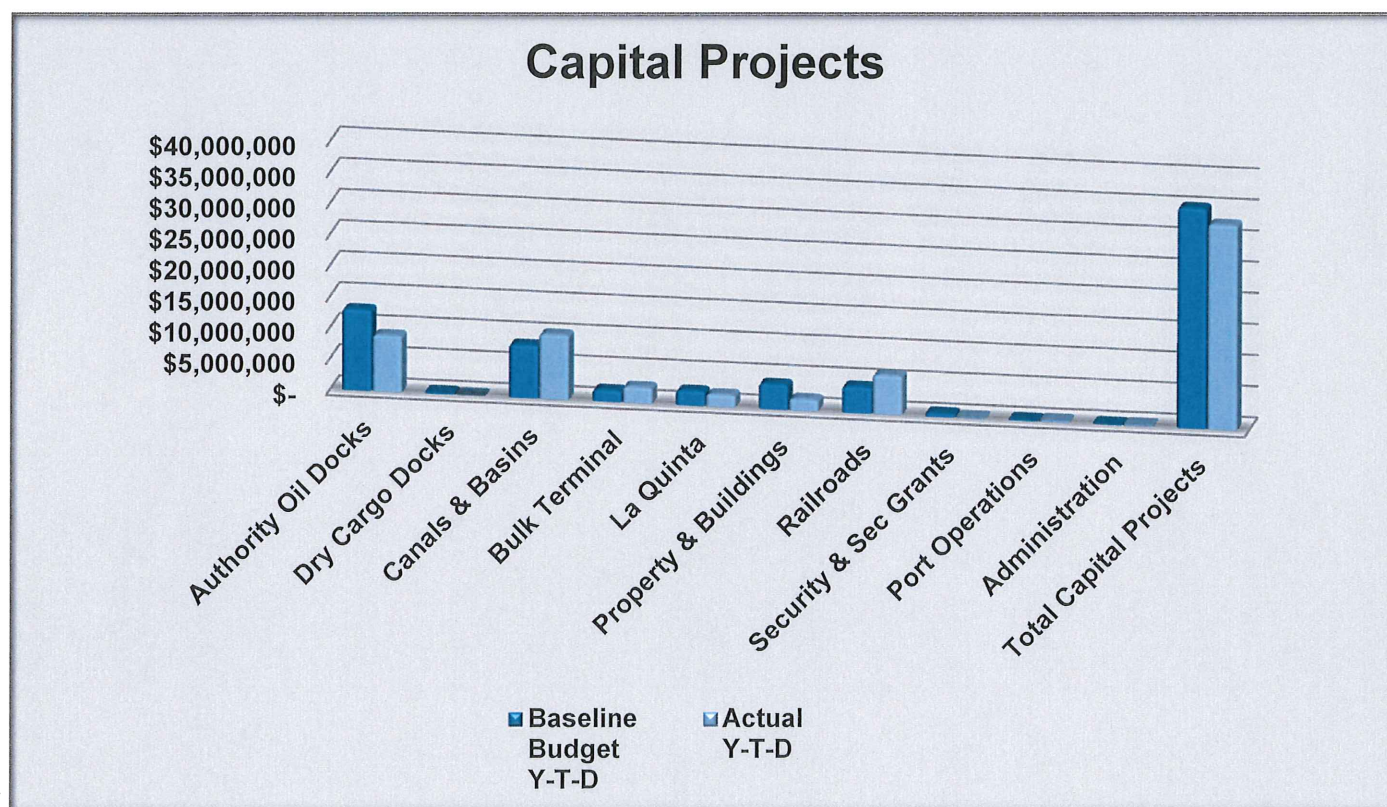


PORT OF CORPUS CHRISTI AUTHORITY

FINANCIAL RESULTS

CAPITAL PROJECTS

| | Annual Budget | Actual Y-T-D | Balance Remaining | Baseline Budget Y-T-D | Actual Y-T-D | Variance |
|-------------------------------|-----------------------|----------------------|----------------------|-----------------------|----------------------|-----------------------|
| Authority Oil Docks | \$ 21,529,100 | \$ 9,089,103 | \$ 12,439,997 | \$ 13,020,732 | \$ 9,089,103 | \$ (3,931,629) |
| Dry Cargo Docks | \$ 3,800,000 | \$ 13,795 | \$ 3,786,205 | \$ 245,000 | \$ 13,795 | \$ (231,205) |
| Canals & Basins | \$ 14,040,000 | \$ 10,423,223 | \$ 3,616,777 | \$ 8,547,998 | \$ 10,423,223 | \$ 1,875,225 |
| Bulk Terminal | \$ 11,925,303 | \$ 2,606,746 | \$ 9,318,557 | \$ 1,915,000 | \$ 2,606,746 | \$ 691,746 |
| La Quinta | \$ 4,200,000 | \$ 2,024,920 | \$ 2,175,080 | \$ 2,389,996 | \$ 2,024,920 | \$ (365,076) |
| Property & Buildings | \$ 46,930,744 | \$ 1,906,477 | \$ 45,024,267 | \$ 4,091,834 | \$ 1,906,477 | \$ (2,185,357) |
| Railroads | \$ 6,100,000 | \$ 6,317,960 | \$ (217,960) | \$ 4,270,000 | \$ 6,317,960 | \$ 2,047,960 |
| Security & Sec Grants | \$ 1,291,208 | \$ 103,717 | \$ 1,187,491 | \$ 610,989 | \$ 103,717 | \$ (507,272) |
| Port Operations | \$ 377,000 | \$ 281,886 | \$ 95,114 | \$ 202,000 | \$ 281,886 | \$ 79,886 |
| Administration | \$ 2,105,159 | \$ 172,167 | \$ 1,932,992 | \$ 121,673 | \$ 172,167 | \$ 50,494 |
| Total Capital Projects | \$ 112,298,514 | \$ 32,939,994 | \$ 79,358,520 | \$ 35,415,222 | \$ 32,939,994 | \$ (2,475,228) |



PORT OF CORPUS CHRISTI AUTHORITY

FINANCIAL RESULTS

BOND PROJECT PROCEEDS - (As of June, 2017)

| | Bond Project Proceeds | Bond Issuance Expenses | Net Bond Project Proceeds | Bond Project Expenditures | Transfer Remaining Proceeds on Closed Projects | Remaining Bond Project Proceeds |
|-----------------------------|-----------------------|------------------------|---------------------------|---------------------------|--|---------------------------------|
| Land | \$ 34,960,000 | \$ (346,544) | \$ 34,613,456 | \$ (35,075,365) | \$ 461,909 | \$ - |
| Oil Dock 14 | \$ 28,000,000 | \$ (277,552) | \$ 27,722,448 | \$ (27,722,448) | \$ - | \$ - |
| Access Road & Rail | \$ 10,000,000 | \$ (99,126) | \$ 9,900,874 | \$ (52,939) | \$ - | \$ 9,847,935 |
| Tule Lift Bridge | \$ 18,000,000 | \$ (178,426) | \$ 17,821,574 | \$ (1,153,047) | \$ - | \$ 16,668,527 |
| West Barge Mooring Area | \$ 7,280,000 | \$ (72,164) | \$ 7,207,836 | \$ (6,745,927) | \$ (461,909) | \$ - |
| NRRY Phase II | \$ 6,000,000 | \$ (59,475) | \$ 5,940,525 | \$ (5,940,525) | \$ - | \$ - |
| La Quinta-Aquatic Habitat | \$ 4,020,000 | \$ (39,849) | \$ 3,980,151 | \$ (3,237,872) | \$ - | \$ 742,279 |
| La Quinta-Mitigation Buffer | \$ 3,940,000 | \$ (39,055) | \$ 3,900,945 | \$ (176,641) | \$ - | \$ 3,724,304 |
| La Quinta Dock | \$ 2,800,000 | \$ (27,755) | \$ 2,772,245 | \$ (2,715,633) | \$ - | \$ 56,612 |
| Total Bond Projects | \$ 115,000,000 | \$ (1,139,946) | \$ 113,860,054 | \$ (82,820,397) | \$ - | \$ 31,039,657 |

Bond Project Proceeds (As of June, 2017)

