



Application A consortium of industrial and municipal stakeholders has completed a feasibility study for the implementation of a seawater desalination plant in the Corpus Christi Bay Area. The intent of the Consortium is to conduct project definition and planning studies for implementing a full-scale seawater desalination project. this funding application is to address those preparation and definition activities which will include recommendation of a project implementation agency, a plant siting evaluation, infrastructure integration planning, source water characterization, economic impact and cost modeling, public outreach, analysis of concentrate management methods, evaluation of cost allocation strategies, evaluation and selection of a project procurement methodology.

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# Legal Authority

The legal authority under which the applicant was created and operates.: HOME\_RULE

## General Information

County: Nueces

County: Aransas

County: Bee

County: Jim Wells

County: Kleberg

County: Live Oak

County: San Patricio

Name of Entity: Corpus Christi

### System Contact Physical Address

Address 1: 1201 Leopard St

Address 2:

City: Corpus Christi

State: TX

Zip: 78469-9277

Phone: (361) 826-3294

Fax: (361) 826-3815

Website: [www.cctexas.com](http://www.cctexas.com)

### System Contact Mailing Address

Address 1: P.O. Box 9277

Address 2:

City: Corpus Christi

State: TX

Zip: 78469-9277

## Description

Brief description of the project: A consortium of industrial and municipal stakeholders has completed a feasibility study for the implementation of a seawater desalination plant in the Corpus Christi Bay Area. The intent of the Consortium is to conduct project definition and planning studies for implementing a full-scale seawater desalination project. this funding application is to address those preparation and definition activities which will include recommendation of a project implementation agency, a plant siting evaluation, infrastructure integration planning, source water characterization, economic impact and cost modeling, public outreach, analysis of concentrate

management methods, evaluation of cost allocation strategies, evaluation and selection of a project procurement methodology.

## Officers/Members

### Applicant's Officers and Members

Lucy rubio  
Mayor Pro Tem

Carolyn Vaughn  
City Council Member

Ben Molina  
City Council Member

Greg Smith  
City Council Member

Rudy Garza  
City Council Member

Paulette Guajardo  
City Council Member

Michael Hunter  
City Council Member

Joe McComb  
City Council Member

## Primary Contact

Name: Esteban (Steve) Ramos  
Title: Water Resource Manager  
Address 1: 1201 Leopard St.  
Address 2:  
City: Corpus Christi  
State: TX

Zip: 78401-2120

Phone: (361) 826-3294

Fax: (361) 826-3815

Email: EstebanR2@cctexas.com

## Applicant's Contributors

Contributor Type	Firm Name	Contact Name	Address	Phone	Fax	Email
Applicant Engineer	Freese and Nichols, Inc.	John Wolfhope	800 N Shoreline Blvd Ste 1600 N Corpus Christi TX 78401-3700	361-561-6500	361-561-6501	John.Wolfhope@freese.com
Bond Counsel	Norton Rose Fulbright US LLP	Clay Binford	300 Convent Street, Suite 2100 San Antonio TX 78205-3792	210-270-7102	210-270-7205	clayton.binford@nortonrosefulbright.com
Financial Advisor	M.E. Allison & Co., Inc.	Mark A. Seal	950 E. Basse Rd. 2nd Floor San Antonio TX 78209-1831	210-293-4504	210-930-4001	Mseal@meallison.com
Certified Public Accountant (or other appropriate rep)						
Legal Counsel						
Any other Contributor representing the Applicant before the board						

Contributor Contracts (documents follow this page)

627462

Engineering Services

627463

Bond Counsel

627464

Financial Advisor



Innovative approaches  
Practical results  
Outstanding service

800 N. Shoreline Blvd., Suite 1600N • Corpus Christi, Texas 78401 • 361-561-6500 • fax 361-561-6501

[www.freese.com](http://www.freese.com)

April 17, 2017

Mr. Jeffrey H. Edmonds, P.E.  
Engineering Services  
City of Corpus Christi  
1201 Leopard St.  
Corpus Christi, Texas 78401

Re: Owners' Representative Services for Industrial Seawater Desalination  
City Project No. E15117  
Amendment No. 1 (DRAFT)

Dear Mr. Edmonds:

Freese and Nichols, Inc. (FNI) is pleased to submit our DRAFT proposal for Contract Amendment No. 1 (City Project E15117) for the City of Corpus Christi – Owners' Representative Services for Industrial Seawater Desalination.

The following milestones and deliverables have been completed to-date under this contract:

1. **Memorandum of Project Assumptions (Accepted Sep 1, 2015)** – The Memorandum of Project Assumptions served as the first step in the process of defining the Industrial Seawater Desalination Project and provided the framework for the next step, the Project Profiles. The Memorandum of Assumptions discussed: Identification of prospective customers and water demand, water supply reliability, plant sizing/staging, product water quality, sites, water delivery strategies, non-monetary contributions, rights-of-way, power supply, project delivery methods, organizational structures, ownership transfer and risk allocation, and water banking.
2. **Project Profiles (completed October 16, 2015)** – The Project Profiles presented and compared two conceptual cases for implementing 20 million gallons per day (MGD) industrial desalination facilities. The illustrative cases focused on two nodes of industrial demand and provided estimates of the delivered cost of water to prospective industrial customers. The Project Profiles included configuration of desalination plants, permitting overview, costing model, and, power supply overview.
3. **Project Profiles Workshop (November 18-19, 2015)** – Various project configurations reflecting alternative choices on plant location, production capacity, product water quality, and water distribution approach, alternative project organization, project procurement, and project funding issues were presented and discussed in detail a 2-day workshop. Through these discussions, the Stakeholders provided general feedback regarding individual project preferences and organizational approaches.
4. **Project Scenarios Letter (December 21, 2015)** – This letter summarized the conclusions of the workshop and stated the Stakeholders preferences regarding project location, facility size, and water quality, and project implementation agency. The Stakeholders expressed a preference for developing two 10 MGD facilities to be integrated into the regional distribution system and developed by a local government corporation entity. These preferences are the basis for the Project Definition Package.

5. **Project Definition Package (Submitted and presented on April 15, 2016)** – The Project Definition Package describes two 10 MGD desalination plants; one to be located on the La Quinta Channel in Ingleside and the other on the Inner Harbor Ship Channel in Corpus Christi. These two facilities can be developed independently as need for drought-proof water supplies increases. The implementation and management of the facilities will be the responsibility of a local government corporation. The estimated average delivered cost of water for the two proposed 10-MGD facilities is \$3.96/1,000 gal assuming a power utility rate of 5¢/kWh. The stakeholder group preferred a cost-allocation approach where the cost of the desalination facility would be paid through the establishment of a customer rate class.

Upon consideration of the Project Definition Package, the stakeholder group determined that there remained several fundamental activities that needed additional definition and concurrence prior to initiating Phase II, the actual project's procurement and implementation. The stakeholders determined that to have greater certainty over the project feasibility and its cost impact it would be necessary to undertake certain "Supplemental Project Definition Activities," as follows:

- Document eligibility, procedural requirements, and application deadlines for procuring financial assistance from the State Water Infrastructure Funding for Texas (SWIFT); file SWIFT applications (abridged and full applications) to finance the Supplemental Project Definition Activities;
- Establish a cost allocation methodology and water utility rate framework for the desalination project;
- Determine the legal, administrative, financial and technical requirements for a local government corporation (LGC) to act as the project agency; evaluate organizational options and assist with designation of a Project LGC;
- Prepare and execute the agreements necessary to support the LGC's role as the project agency;
- Adopt a project procurement methodology;
- Secure funding for the project's late-exit and procurement activities during the 2018 SWIFT funding cycle;
- Examine concentrate management strategies for seawater desalination;
- Select and secure a desalination facility site;
- Develop a Desalinated Water Infrastructure Integration Plan;
- Prepare and initiate implementation of a Source Water Characterization Plan; and,
- Identify and pursue opportunities for legislative actions to assist in the implementation of desalination activities in Corpus Christi;

The key tasks addressed in the proposed Scope of Services for Supplemental Project Definition Activities are the following:

1. Provide a Seawater Desalination Cost Allocation and Rate Strategy; provide a recommendation regarding selection of a local government corporation to act as the Industrial Desalination Project Agency; assist the selected Project Agency in adoption a project procurement methodology;
2. Provide an overview of concentrate management options and recommend a site for installation of the desalination plant; provide a recommendation regarding integration of the desalination facility into the regional water system; and, develop and initiate implementation of a water characterization plan;
3. Assistance the Project Agency in preparation and submittal of a SWIFT application for the procurement phase of the Industrial Desalination Project;
4. Assist with local, regional and state outreach in support of the desalination project.

These Supplemental Project Definition Activities are included in Contract Amendment No. 1 to the current project. The Contract Amendment No. 1 Scope of Work describing Basic Service, Additional Services, and

Schedule is attached. The schedule is contingent on Council approval and receipt of Notice to Proceed by the City.

EXPENSES

- Budget includes project related and sub-contract expenses for Subconsultant Services associated with the listed services.
- Budget includes miscellaneous direct costs required to provide the listed services.

BUDGET

Project Components	Budget
1. Securing funding for Supplemental Project Definition Activities	\$168,000
2. Cost Allocation and Rate Strategy Recommendation	\$164,000
3. Local Government Corporation Recommendation	\$308,000
4. Project Procurement Methodology Recommendation	\$157,000
5. Concentrate Management Strategies	\$72,000
6. Site Selection Recommendation	\$814,000
7. Water Infrastructure Integration Plan	\$429,000
8. Source Water Characterization Plan	\$93,000
9. Assist with procurement of funding for Project Procurement	\$168,000
10. Outreach	\$84,000
<b>Subtotal Basic Services Fees</b>	<b>\$2,457,000</b>

FNI proposes to provide these services for a lump sum fee of **\$2,457,000**.

We appreciate the opportunity to assist you with this project. Please feel free to contact me at 361.561.6500 with any questions that you may have on this subject matter.

Sincerely,



Roh Guzman, P.E.  
Freese and Nichols, Inc.

cc: John Wolfhope, P.E.  
Jorge Arroyo, P.E.  
Jason Cocklin, P.E., ENV SP

# DRAFT

## SCOPE OF SERVICES ADDENDUM

### SUPPLEMENTAL PROJECT DEFINITION ACTIVITIES CITY OF CORPUS CHRISTI, TEXAS

#### CITY OF CORPUS CHRISTI OWNER'S REPRESENTATIVE SERVICES FOR INDUSTRIAL SEAWATER DESALINATION

**Project No. E15117**

A collaborative effort was undertaken in Corpus Christi by a diverse stakeholder (Stakeholders) group to evaluate the feasibility of developing a non-curtable seawater desalination water supply for industrial use. This initiative is known as the Corpus Christi Industrial Seawater Desalination project. During Phase I of the project, the efforts resulted in the definition and selection of a preferred prospective Industrial Seawater Desalination project. The stakeholder group determined thereafter that there remained several fundamental activities that needed additional definition and concurrence prior to initiating of Phase II, the actual project's procurement and implementation.

The stakeholders determined that to have greater certainty over the project feasibility and its cost impact that it would be necessary to undertake certain "Supplemental Project Definition Activities;" as follows:

- (i) Document eligibility, procedural requirements, and application deadlines for procuring financial assistance from the State Water Infrastructure Funding for Texas (SWIFT); file SWIFT applications (abridged and full applications) to finance the Supplemental Project Definition Activities;
- (ii) Establish a cost allocation methodology and water utility rate framework for the desalination project;
- (iii) Determine the legal, administrative, financial and technical requirements for a local government corporation (LGC) to act as the project agency; evaluate organizational options and assist with designation of a Project LGC;
- (iv) Prepare and execute the agreements necessary to support the LGC's role as the project agency;
- (v) Adopt a project procurement methodology;
- (vi) Secure funding for the project's late-exit and procurement activities during the 2018 SWIFT funding cycle;
- (vii) Examine concentrate management strategies for seawater desalination;
- (viii) Select and secure a desalination facility site;



- (ix) Develop a Desalinated Water Infrastructure Integration Plan;
- (x) Prepare and initiate implementation of a Source Water Characterization Plan; and,
- (xi) Identify and pursue opportunities for legislative actions to assist in the implementation of desalination activities in Corpus Christi;

On February 2017, the City of Corpus Christi (City) and the San Patricio Municipal Water District (District), acting jointly as Interim Project Agency (IPA or City/District) for the Industrial Desalination Project, filed an abridged application to the State Water Infrastructure Funding for Texas (SWIFT) to finance the implementation of the Supplemental Project Definition Activities.

Following is a proposed Scope of Services addressing the referenced Supplemental Project Definition Activities.

#### BASIC SERVICES

##### 1. CONTRACT ADMINISTRATION, PROJECT MANAGEMENT

The purpose of this task is to provide for the necessary oversight for an orderly and timely execution of the Scope of Services.

###### A. Meetings

- i. Kick-off Meeting (1) with City/District staff and Stakeholders Representatives;
- ii. Bi-monthly coordination meetings with City/District staff and Stakeholders Representatives;
- iii. All meetings associated with the contract administration, project management, and outreach will be approved by the City/District Project Manager(s) before they are scheduled.

###### B. Status Reports

- i. Provide monthly status reports to the City/District and Stakeholders Representatives. The reports shall include:
  - a. progress in the last month;
  - b. anticipated progress for the upcoming month;
  - c. upcoming submittals/milestones;
  - d. upcoming meetings/workshops, data requests/project needs; and
  - e. list of milestones denoting completion or notes for pending completion.
- ii. If needed, hold a monthly conference call to with City/District and Stakeholders Representatives to discuss the monthly status report.

## 2. FUNDING FOR SUPPLEMENTAL PROJECT DEFINITION ACTIVITIES

The purpose of this task is to assist the City/District in securing SWIFT financial assistance to finance the implementation of the Supplemental Project Definition Activities.

The Consultant will:

- A. Assist the City and the District with preparation and filing of a SWIFT Abridged application;
- B. Upon issuance of a Texas Water Development Board (TWDB) invitation to file a full SWIFT application, assist the City/District in preparing a financial assistance application package for funding of the Supplemental Project Definition activities (Draft SWIFT Application);
- C. Monitor TWDB's SWIFT financial assistance review process through financial close of application; attend up to three (3) coordination meetings with TWDB and City/District staff as needed.

## 3. COST ALLOCATION AND RATE STRATEGY RECOMMENDATION

The purpose of this task is to prepare a cost allocation and rate strategy recommendation.

The Consultant will:

- A. Prepare a Desalination Project Cost Allocation and Rate Strategy Recommendation.

This task will include the following:

- i. Compiling data on water use, cost of service, utility rate making policies and procedures, and drought contingency plans;
- ii. (Optional) Preparing and implementing a survey of a representative sample of Large-Volume Water Customers to gauge their interest in securing a drought-proof water supply through seawater desalination;
- iii. Preparing a draft Desalination Project Cost Allocation and Rate Strategy Recommendation addressing the following:
- iv. (Optional) Presenting the draft Cost Allocation and Rate Strategy Recommendation to City/District staff and Stakeholders representatives;
- v. Soliciting and addressing comments from City/District and Stakeholders on the Cost Allocation and Rate Strategy Recommendation;
- vi. Finalizing the Cost Allocation and Rate Strategy Recommendation.

## 4. LOCAL GOVERNMENT CORPORATION RECOMMENDATION

The purpose of this task is to assist the City/District and Stakeholders in selecting a Local Government Corporation to function as the Industrial Desalination Project Agency.

The Consultant will:

A. Prepare s Local Government Corporation (LGC) Recommendation.

This task will include the following:

- i. Identifying and memorializing the legal, administrative and financial requirements for a LGC to act as the Industrial Desalination Project Agency;
  - ii. Preparing a draft LGC Selection Criteria for review and comment by the City/District and Stakeholders;
  - iii. Identifying and ranking LGC options;
  - iv. Issuing a draft LGC Recommendation including:
    - a. Industrial Desalination Project Local Government Corporation Requirements;
    - b. Identification and discussion of candidate LGC options;
    - c. Ranking of LGC options;
    - d. Overview of need for Project Participation and Water Utilities Term Sheets;
    - e. LGC Operational Pre-Water-Sales Budget Estimate.
  - v. (OPTIONAL) Presenting the draft LGC Recommendation to the City/District and Stakeholders;
  - vi. Soliciting and addressing review comments from City/District and Stakeholders and finalizing the LGC Recommendation Package;
  - vii. (OPTIONAL) Cost Allocation, Rate Strategy, LGC Selection Workshop; if needed, the Consultant will schedule and facilitate a Workshop with the City/District and Stakeholders to confirm and adopt the Cost Allocation and Rate Strategy and the LGC Selection; this will include:
    - a. Developing and soliciting feedback from City/District and Stakeholder on a statement of goals and agenda for the workshop;
    - b. Preparing presentations on the Desalination Project Cost Allocation and Rate Structuring Recommendation and the LGC Recommendation Package;
    - c. Executing the workshop, compiling minutes to record the Stakeholders preference regarding Desalination Cost Allocation and Rate Structure and decisions regarding LGC Selection as a Project Agency (Project Agency);
    - d. Soliciting and addressing review comments and finalizing the Workshop Minutes.
- B. (OPTIONAL) Prepare Project Agency Operating Principles and Procedures;
- C. (OPTIONAL) Prepare Project Agency Pre-Water-Sales Budget;
- D. (OPTIONAL) Prepare Project Participation and Water Utility Agreements.

5. PROJECT PROCUREMENT METHODOLOGY RECOMMENDATION

The purpose of this task is to assist the selected Industrial Desalination Project Agency in selecting a project procurement methodology to procure the Industrial Desalination Project.

The Consultant will:

- A. Prepare a Project Procurement Methodology Recommendation. This task includes the following:
  - i. Preparing a draft Project Procurement Methodology Package comparing up to three (3) alternative project procurement methodologies to be agreed upon with the Project Agency. For each procurement methodology, the package will include the following:
    - a. Life-cycle cost;
    - b. Estimated time line to procure a desalination project;
    - c. List and description of key agreements;
    - d. Estimated project procurement budget.
  - ii. Presenting and discussing the draft Project Procurement Methodology Package with the Project Agency;
  - iii. Soliciting and addressing comments from the Project Agency to finalize the Project Procurement Methodology Package;
  - iv. (OPTIONAL) Conduct a Project Procurement Methodology Selection Workshop to facilitate selection of the Desalination Project Procurement Methodology;
    - a. Prepare and submit workshop minutes and, if needed, a draft Procurement Methodology Selection resolution for the Project Agency's review;
    - b. Finalize minutes and resolution;
    - c. Document resolution adoption.

## 6. CONCENTRATE MANAGEMENT STRATEGIES

The Consultant will:

- A. Prepare a Concentrate Management Strategies Memorandum. This task will include:
  - i. Preparing a draft Concentrate Management Strategies Memorandum including:
    - a. Key concentrate management factors;
    - b. Concentrate management regulations;
    - c. Overview of potentially feasible concentrate management options;
    - d. Discharge modelling strategies; and,
    - e. Modelling Screening Tool
  - ii. Conducting briefings with staff of the Texas Commission on Environmental Quality, Texas Parks and Wildlife, Texas General Land Office and the US Corps of Engineers;

- iii. Soliciting and addressing Project Agency and Stakeholders review comments and finalizing the Concentrate Management Strategies Memorandum;
- iv. If needed, provide up to two (2) presentations on concentrate management to Project Agency, Stakeholders or other public entities.

## 7. SITE SELECTION RECOMMENDATION

Preparing the Site Selection Recommendation will consist of three steps: First, developing a Site Selection Strategy; second, screening and ranking of Potential Sites with selection of up to two (2) Candidate Sites; and, third, evaluation and ranking of Candidate Sites and selection of a Preferred Site;

The Consultant will:

- A. Site Selection Strategy Memorandum. This task includes the following:
  - i. Preparing a draft Site Selection Strategy Memorandum including:
    - a. Desalination Siting Selection Factors;
    - b. List of potential sites;
    - c. Potential Sites Screening Matrix.
  - ii. Conduct briefing meetings with state and federal regulatory agencies to discuss site selection strategy;
  - iii. Incorporating any necessary changes to the draft Site Selection Strategy Memorandum to address regulatory agencies' feedback;
  - iv. Submit draft Site Selection Strategy Memorandum to City/District staff and Stakeholders for review and comment;
  - v. Addressing review comments and finalizing the Site Selection Strategy Memorandum.
- B. Candidate Sites Selection. This task consists of implementing the Site Selection Strategy to review, screen and rank Potential Sites to select up to two (2) Candidate Sites and includes the following:
  - i. Screening and ranking Potential Sites: for each potential site, a site description including applicable intake and concentrate management strategies, risk and environmental sensitivity issues will be included;
  - ii. Prepare a draft Candidate Sites Selection Recommendation;
  - iii. Presenting the draft Candidate Sites Selection Recommendation to City/District and Stakeholders;
  - iv. Incorporating any necessary changes to the Candidate Sites Selection Memorandum to address feedback provided by City/District and Stakeholders;
  - v. Finalizing the Candidate Sites Selection Memorandum;
  - vi. Document City/District authorization to conduct evaluation of the selected Candidate Sites.
- C. Candidate Sites Evaluation and Siting Recommendation
  - i. Obtain site access authorizations and conduct Candidate Sites visits

- ii. Prepare draft Candidate Sites Evaluation and Siting Recommendation Memorandum including:
  - a. Candidate Site Description and Evaluation;
  - b. Assessment of intake strategies and intake recommendation for each site;
  - c. Assessment of concentrate management strategies and discharge recommendation for each site;
- iii. Conduct briefing meetings with state and federal regulatory agencies to discuss results of candidate sites evaluations;
- iv. Prepare draft template Site Land Use Agreement;
- v. Submit Candidate Sites Evaluation and Siting Recommendation Memorandum and draft template Site Land Use Agreement to City/District, Stakeholders and Project Agency for review;
- vi. Address review comments and revise Candidate Sites Evaluation and Siting Recommendation Memorandum and draft template Site Land Use Agreement as needed;
- vii. Conduct Workshop to Present and approve Site Selection Report and Draft Land Use Agreement;
- viii. Provide draft workshop minutes for comments, address comments and finalize minutes documenting site selection decision;
- ix. Assist in negotiation and execution of Land Use Agreement/Option.

## 8. INFRASTRUCTURE INTEGRATION PLAN

The purpose of the Infrastructure Integration Plan is to examine alternatives and select a desalinated water conveyance strategy to integrate the desalination plant into the regional water supply system.

The Consultant will:

- A. Water Quality Integration Report. This task includes,
  - i. Preparing a Water Quality Integration Report (WQ Report) assessing potential impacts and mitigating measures to delivery of desalinated seawater into the regional drinking water system;
  - ii. Submitting WQ Report to City/District, Project Agency and Stakeholders for review;
  - iii. Addressing review comments and finalizing WQ Report;
- B. Conveyance Infrastructure. This task includes the following:
  - i. Preparing a draft Alternative Water Delivery Routes and Preferred Route Memorandum including:
    - a. Mapping of alternative delivery routes;
    - b. Rights-of-way issues;
    - c. Condition and capacity of existing conveyance infrastructure;
    - d. Pressure and volume delivery requirements;
    - e. Onsite/offsite storage requirements;

- f. Type and size of structures at the points interconnection of the water delivery infrastructure;
- g. Initial subsurface survey along proposed routes;
- h. Environmental, traffic and noise sensitivity assessments;
- i. Cost estimates
- ii. Submitting draft Alternative Water Delivery Routes and Preferred Route Memorandum to City/District, Project Agency and Stakeholders for review;
- iii. Addressing review comments and finalizing the Alternative Water Delivery Routes and Preferred Route Memorandum;
- iv. Prepare Water Delivery Infrastructure Report and Draft Existing Infrastructure Use Agreements for the Preferred Delivery Route;
- v. Assist in negotiation and execution of Existing Infrastructure Use Agreements of the Project Agency with the Infrastructure Owners;
- vi. Assist in negotiation and execution of Right of Way/Land Acquisition Agreements of the Project Agency with the Land Owners.

## 9. SOURCE WATER CHARACTERIZATION

The purpose of this task is to prepare and begin implementation of a Source Water Characterization Plan.

The Consultant will:

- A. Conduct watershed sanitary survey for selected site; this task includes:
  - i. Missing detail
  - ii. Preparing a Watershed Sanitary Survey;
  - iii. Briefing TCEQ on the results of the Watershed Sanitary Survey;
  - iv. Incorporating any necessary changes to the Watershed Sanitary Survey to address TCEQ's feedback;
  - v. Providing a final Watershed Sanitary Survey Report to the City/District and the Project Agency.
- B. Prepare and Implement Source Water Quality Characterization Plan; this task includes the following:
  - i. Preparing a Source Water Quality Characterization Plan;
  - ii. Briefing TCEQ on the Source Water Quality Characterization Plan;
  - iii. Incorporating any necessary changes to the Source Water Quality Characterization Plan to address TCEQ's feedback;
  - iv. Coordinating implementation of the Source Water Quality Characterization Plan (data collection and reporting).

## 10. FUNDING FOR PROJECT PROCUREMENT ACTIVITIES

The Consultant will:

- A. Assist the Project Agency in the preparation and filing of a SWIFT Abridged application;
- B. Upon issuance of a TWDB invitation to file a full SWIFT application, prepare a draft financial assistance application package to fund Project Procurement (Draft SWIFT Application);
- C. Solicit and incorporate Draft SWIFT Application review comments from the Project Agency;
- D. Assist the Project Agency in finalizing and filing the SWIFT Application;
- E. Monitor TWDB's SWIFT financial assistance review process through financial close of application; attend up to three (3) coordination meetings with TWDB and Project Agency staff as needed.

#### 11. LEGISLATIVE AND PUBLIC OUTREACH

The Consultant will:

- A. On an on-going basis, identify potential legislative outreach opportunities and action items;
- B. Monitor state and relevant stakeholders' desalination-related legislative initiatives;
- C. Schedule and participate in up to four (4) legislative briefings with TWDB, Legislators, Texas Desal Association
- D. (Optional) Hold Legislative Strategy Workshop;
- E. Prepare briefing materials for legislative meetings.
- F. Prepare presentations and provide general support to the City/District, Project Agency Public Outreach efforts
  - i. Provide technical information to support communication and outreach efforts by the City and the District;
  - ii. As needed, prepare project briefings for press releases;
  - iii. Provide up to two (2) project update presentations to the Corpus Christi City Council and the San Patricio Municipal Water District.

#### 12. ADDITIONAL SERVICES

This section defines the scope of additional services that may only be included as part of this contract if authorized by City/District. The Consultant may not begin work on any services under this section without specific written authorization by City/District. Fees for Additional Services are an allowance for potential services to be provided and will be negotiated by City/District as required. The Consultant shall, with written authorization by City/District, perform the following:

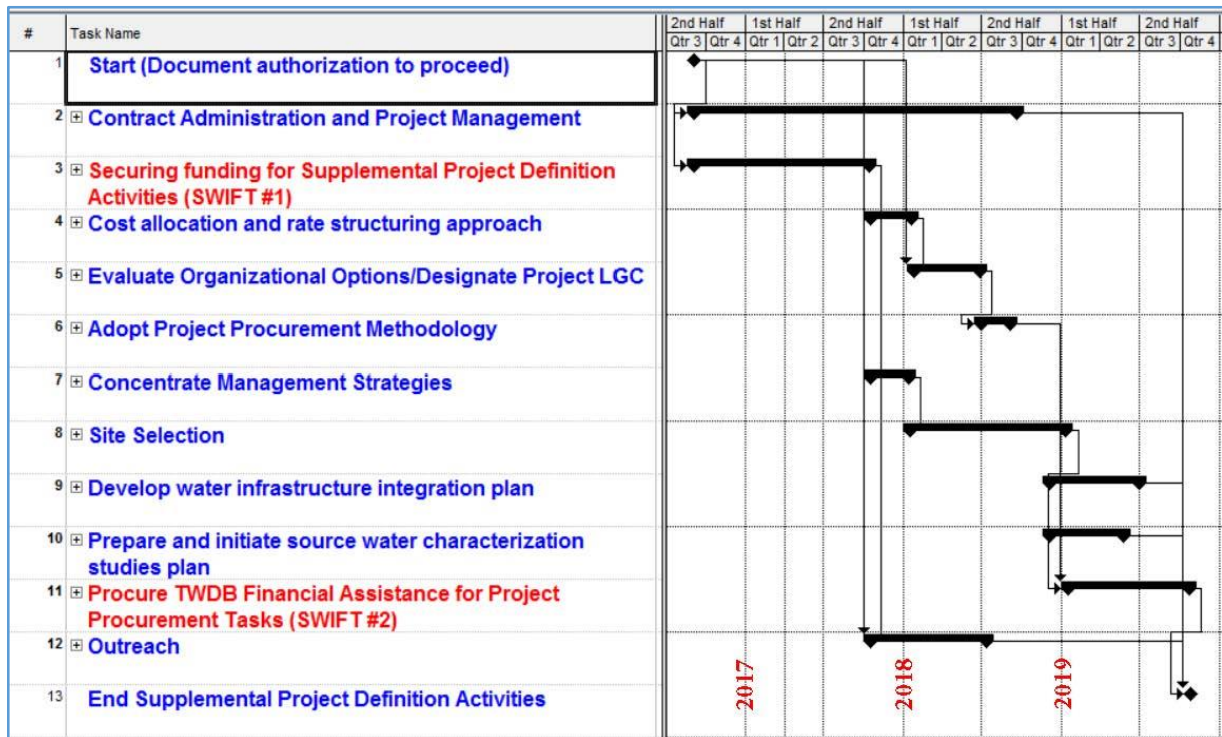
- A. Detailed Concentrate Discharge Modelling
- B. Assist Project Participants with developing methodology to value contributed assets such as land, power and other project-related infrastructure: and, determine cost distribution methodologies or allocate project revenue requirements (payments);



- C. Mapping/GIS;
- D. Environmental Reviews/Evaluation
- E. Prepare LGC Operating Principles and Procedures
- F. Prepare LGC Pre-Water-Sales Budget
- G. LGC-Stakeholders and LGC-Water Utilities Agreements

**SCHEDULE**

The following schedule assumes a Fall 2017 Notice to Proceed.



**FEES**

- A. Fee for Basic Services.** Freese and Nichols, Inc. proposes to perform the Basic Services for the lump sum fee of \$2,457,000 (Two Million Four Hundred Fifty Seven Thousand dollars). The Consultant may be directed to suspend work pending receipt and appropriation of funds. For Basic Services performed, Consultant will submit monthly statements. City will make prompt monthly payments in response to Consultant’s monthly statements.
- B. Fee for Additional Services.** For services authorized by the Director of Engineering Services under Section 12 “Additional Services,” the Consultant will provide a fee estimate prior to the initiation of any effort.

## Summary of Fees

<b>Basic Services Fees</b>	<b>Budget</b>
1. Securing funding for Supplemental Project Definition Activities	\$168,000
2. Cost Allocation and Rate Strategy Recommendation	\$164,000
3. Local Government Corporation Recommendation	\$308,000
4. Project Procurement Methodology Recommendation	\$157,000
5. Concentrate Management Strategies	\$72,000
6. Site Selection Recommendation	\$814,000
7. Water Infrastructure Integration Plan	\$429,000
8. Source Water Characterization Plan	\$93,000
9. Assist with procurement of funding for Project Procurement	\$168,000
10. Outreach	\$84,000
<b>Subtotal Basic Services Fees</b>	<b>\$2,457,000</b>
<b>Additional Services Fees (Allowance)</b>	
Detailed Concentrate Discharge Modelling	TBD
Assist Project Participants with developing methodology to value contributed assets such as land, power and other project-related infrastructure: and, determine cost distribution methodologies or allocate project revenue requirements (payments);	TBD
Additional Public Outreach and Involvement;	TBD
Mapping/GIS;	TBD
Environmental Reviews/Evaluation	TBD
Prepare LGC Operating Principles and Procedures	TBD
Prepare LGC Pre-Water-Sales Budget	TBD
LGC and Water Utilities review a draft LGC-Water Utilities Agreements	TBD
<b>Sub-Total Additional Services Fees Authorized</b>	<b>TBD</b>



City of  
Corpus  
Christi

**FINANCIAL SERVICES**

---

PO Box 9257  
Corpus Christi  
Texas 78469-9257  
Phone 361-826-3600  
Fax 361-826-3601  
www.cctexas.com

June 17, 2014

Mr. Clay Binford  
Fulbright & Jaworski LLP  
300 Convent Street, Suite 2100  
San Antonio, Texas 78205-3792

**NORTON ROSE FULBRIGHT**

RE: Engagement to Provide Bond Counsel Services to the City of Corpus Christi, Texas (the *City*) in Connection with the City's Request for Qualifications to Provide Bond Counsel Services (File No. BI-0076-14), dated November 15, 2013 (the *Request*)

Dear Clay:

Please find the above referenced document.

If you have any questions or need additional information, please call me at (361) 826-3613

Sincerely,

A handwritten signature in cursive script that reads "Dalia Ann Perez". The signature is written over a horizontal line.

Dalia Ann Perez,  
Assistant to the Director of Financial Services  
Constance P. Sanchez

enclosures

# NORTON ROSE FULBRIGHT

June 10, 2014

Fulbright & Jaworski LLP  
300 Convent Street, Suite 2100  
San Antonio, Texas 78205-3792  
United States

Direct line +1 210 270 7102  
clayton.binford@nortonrosefulbright.com

Tel +1 210 224 5575  
Fax +1 210 270 7205  
nortonrosefulbright.com

Honorable Nelda Martinez  
Mayor  
City of Corpus Christi, Texas  
1201 Leopard Street  
Corpus Christi, Texas 78401

Re: Engagement to Provide Bond Counsel Services to the City of Corpus Christi, Texas (the *City*) in Connection with the City's Request for Qualifications to Provide Bond Counsel Services (File No. BI-0076-14), dated November 15, 2013 (the *Request*)

Dear Mayor Martinez:

This letter is prepared in response to the City's selection of Fulbright & Jaworski LLP (the *Firm*) to serve as its Bond Counsel, pursuant to the process represented by the Request. As provided herein, this letter incorporates by reference the Request, as well as the Firm's response to the Request, dated December 18, 2013 (the *Response*). The Request and the Response are attached hereto as Exhibits A and B, respectively.

This letter confirms that we will represent the City as its Bond Counsel (the *Representation*), in the manner described in the Request [and which includes rendering bond counsel services to the City in connection with the issuance of any debt instrument or certain other obligations (the *Obligations*) by the City or any non-profit corporation created by the City (subject to approval by any such non-profit corporation, to the extent that such approval is required), as well as any third party debt issuance whose repayment obligations the City has agreed to provide by contract all or a part thereof, and other matters incidental or related to the administration of the City's debt portfolio (such representations, collectively, the *Matter*)]. It is our understanding that this engagement is for a five year initial term, with an option to extend this term to be exercised at the sole discretion of the City. This letter shall set forth our agreement with respect to the terms of the Representation. Our acceptance of the Representation becomes effective upon the execution and return of the enclosed copy of this letter.

As Bond Counsel to the City, we will represent the City's interests in regard to the Matter. Although we will endeavor to achieve satisfactory Matter results, it is understood that we make no promises or guarantees concerning the outcome of any particular transaction and cannot do so. Our representation of the City as its Bond Counsel will include provision of the services necessary to accomplish the "Scope of Work" specified in the Request. Assuming that the City can make certain representations, we will render our Firm's standard bond counsel (or "market") opinion concerning the validity and enforceability of a series of obligations issued by the City (or on its behalf by a non-profit, City-sponsored corporation) and, to the extent necessary, the exemption of interest for federal income tax purposes to the holders of such obligations.

### **Terms of Engagement**

This letter sets out the terms of our engagement in the Representation. Certain of those terms are included in the body of this letter, and additional terms are contained in the attached document, entitled *Additional Terms of Engagement*. That document is expressly incorporated into this letter, and it should be read carefully. The execution and return of the enclosed copy of this letter constitutes an unqualified agreement to all the terms set forth in this letter and in the attached *Additional Terms of Engagement*.

It is understood and agreed that our engagement is limited to the Representation. We are not being retained as general counsel, and our acceptance of this engagement does not imply any undertaking to provide legal services other than those set forth in this letter.

### **Our Personnel Who Will Be Working on the Matter**

As provided in the Response, I, Clay Binford, will serve as the Firm's primary contact with the City for the Matter. Other Firm personnel, including Firm lawyers and paralegals (being, primarily, those persons identified in the Response) will participate in the Representation if, in my judgment, their participation is necessary or appropriate. City personnel may call, write, or e-mail me whenever there are any questions about the Representation.

### **Our Legal Fees and Other Charges**

In connection with the issuance of Obligations, our fee will be based upon the scale attached hereto as Exhibit C and incorporated by reference for all purposes (the *Scale*), plus reimbursement for reasonable expenses as described below. Our fees and expenses are payable out of proceeds from the sale of the Obligations, and are contingent upon the sale of the Obligations. There will be no additional fees for time spent and resources allocated to (i) responding to or participating in pre-financing inquiries and discussions concerning transaction structure, pricing, or related matters; (ii) post-issuance compliance questions posed by the representatives of the City concerning any Obligations and necessary action in response thereto; or (iii) other routine discussions with, and services rendered in response to questions posed by, City representatives that are usual and customary in a comprehensive bond counsel relationship or that relate to the expenditure of public funds (being, in general, the "Scope of Work" identified in the Response).

For any work that (i) is beyond the "Scope of Work" identified in the Response, (ii) requires our Firm to represent the City in front of any court, tribunal, or regulatory or legislative body (excluding the Texas Attorney General's Office in connection with a routine review and approval of any series of Obligations, the Texas Water Development in connection with its purchase of a series of Obligations, or the Internal Revenue Service in connection with an initial response to a routine (and not targeted) examination request concerning a series of Obligations), or (iii) is related to novel financings (meaning financings that, to our knowledge, have not been successfully completed in the State of Texas by a political subdivision) undertaken at the specific request of the City, our fees are based on the time spent by the attorneys and the paralegal personnel who work on the Matter, subject to and in accordance with the provisions of



Exhibit D hereto. The Firm shall undertake no activities that will result in additional billing outside of the amounts prescribed by the Scale without the prior written direction (which may be in an electronic format) of the City's Director of Financial Services and the City Attorney.

In addition to our fees for rendering professional services, our statement will include other charges for expenses and services incurred incident to the performance of our legal services, such as delivery charges, travel expenses, Texas Attorney General's filing fee, transcript preparation costs, overtime for secretaries and other non-legal staff, specialized computer applications such as computerized legal research and filing fees. A copy of the Firm's current recharge schedule, which is subject to change from time to time, is attached hereto as Exhibit E.

It is not our policy to make any profit on any of these other expenses and services. Our invoices will reflect the cost to us of the products and services. In some situations, the actual cost of providing the product or service is difficult to establish, in which case we will use our professional judgment on the charges to be made. In some situations, we can arrange for ancillary services to be provided by third parties with direct billing to the City.

#### **Representation of Others; Conflicts of Interest**

Before accepting the Representation, we have undertaken reasonable and customary efforts to determine whether there are any potential conflicts of interest that would bar our Firm from representing the City in the Matter. Based on the information available to us, we are not aware of any potential disqualification, except as disclosed in the Response. We reviewed that issue in accordance with the rules of professional responsibility adopted in Texas. We believe that those rules, rather than the rules of any other jurisdiction, are applicable to the Representation; and the execution and return of the enclosed copy of this letter by the City represents an express agreement to the applicability of those rules.

You understand that we represent many investment banking firms, commercial banks, and other parties to public finance transactions from time to time in connection with other issues, including the City's financial advisors and potential underwriters for your securities, and you do not object to our continued representation (in connection with other issues) of any such firm with respect to which you choose to do business in connection with issuance of the Obligations, since doing so is how we are able to gain the experience we need to complete the Matter in an effective and efficient manner.

If a controversy arises between you and any other client of our Firm, we, after taking into account the rules of professional ethics applicable to us, may decline to represent either you or such other client or both you and such other client

#### **Conclusion**


This letter and the attached *Additional Terms of Engagement* constitute the entire terms of the engagement of the Firm in the Representation. These written terms of engagement are not subject to any oral agreements or understandings, and they can be modified only by further written agreement signed both by the City and the Firm. Unless expressly stated in these terms of engagement, no obligation or undertaking shall be implied on the part of either the City or the Firm.

Mayor Nelda Martinez  
June 10, 2014  
Page 4

NORTON ROSE FULBRIGHT

Please carefully review this letter and the attached *Additional Terms of Engagement*. If there are any questions about these terms of engagement, or if these terms are inaccurate in any way, please let me know immediately. If both documents are acceptable, please sign and return the enclosed copy of this letter so that we may commence the Representation.

Very truly yours,



CSB  
Attachment


City of Corpus Christi, Texas Agrees to and Accepts this Letter and the Attached Terms of Engagement:

CITY OF CORPUS CHRISTI, TEXAS

By:


Title:

Date:

  
City Manager  
6/17/14

ATTEST:

  
REBECCA HUERTA  
CITY SECRETARY

M2014-069  
AUTHORIAL  
CITY COUNCIL 6/10/14  
SECRETARY 

## **FULBRIGHT & JAWORSKI LLP**

### ***Additional Terms of Engagement***

This is a supplement to our attached engagement letter. The purpose of this document is to set out additional terms of our agreement to provide the Representation described in our engagement letter concerning the Matter. Because these additional terms of engagement are a part of our agreement to provide legal services, the City should review them carefully and should promptly communicate to us any questions concerning this document. We suggest that the City retain this statement of additional terms along with our engagement letter and any related documents.

### **The Scope of the Representation**

We will perform all usual and necessary legal services as Bond Counsel. Specifically, we will prepare and direct legal proceedings and perform other necessary legal services with reference to the issuance of Obligations, including, but not limited to, the following:

1. Prepare all instruments pursuant to which the Obligations will be authorized, issued, secured, sold, and delivered in consultation with the City's staff, the City Council, and other officials and consultants of the City.
2. Attend meetings of the City Council and meetings with the City staff to the extent required or requested.
3. Cooperate with the City and its consultants in the preparation of official statements, or other securities laws disclosure documents, if any, including review of the information therein describing the Obligations, the security therefor, and the federal income tax status thereof, if applicable.
4. Attend meetings with prospective bond purchasers, and meetings with any rating agencies or credit enhancers to the extent requested or required.
5. Supervise the printing, execution, and delivery of the Obligations to the purchasers.
6. When so desired, render an opinion covering the validity of the Obligations under Texas law, the defeasance of refunded obligations, if any and as required, and tax exempt status of the interest on the Obligations under federal income tax laws.
7. As requested by the City, provide follow-up advice concerning subjects including, without limitation, such as arbitrage and rebate matters and the application of Obligation proceeds.

As lawyers, we undertake to provide representation and advice on the legal matters for which we are engaged. It is important for our clients to have a clear understanding of the legal services that we have agreed to provide. Thus, if there are any questions about the scope of the Representation that we are to provide in the Matter, please raise those questions promptly, so that we may resolve them at the outset of the Representation.

Any expressions on our part concerning the outcome of the Representation, or any other legal matters, are based on our professional judgment and are not guarantees. Such expressions, even when described as opinions, are necessarily limited by our knowledge of the facts and are based on our views of the state of the law at the time they are expressed.



Upon accepting this engagement on the City's behalf, the Firm agrees to do the following: (1) provide legal counsel in accordance with these terms of engagement and the related engagement letter, and in reliance upon information and guidance provided by the City; and (2) keep the City reasonably informed about the status and progress of the Representation.

To enable us to provide effective representation, the City agrees to do the following: (1) disclose to us, fully and accurately and on a timely basis, all facts and documents that are or might be material or that we may request, (2) keep us apprised on a timely basis of all developments relating to the Representation that are or might be material, (3) attend meetings, conferences, and other proceedings when it is reasonable to do so, and (4) otherwise cooperate fully with us.

Our Firm has been engaged to provide legal services in connection with the Representation in the Matter, as specifically defined in our engagement letter. After completion of the Representation, changes may occur in the applicable laws or regulations that could affect the City's future rights and liabilities in regard to the Matter. Unless we are actually engaged after the completion of the Representation to provide additional advice on such issues, the Firm has no continuing obligation to give advice with respect to any future legal developments that may pertain to the Matter.

It is our policy and the City's agreement that the person or entity that we represent is the one identified in our engagement letter, and that our attorney-client relationship does not include any related persons or entities. For example, if a corporation, partnership, or other organization is identified as our client in our engagement letter referenced above, we do not represent any related parent companies, subsidiaries, affiliates, employees, officers, directors, shareholders, partners, members, commonly owned corporations or partnerships, or other such persons, entities, or affiliates, whether becoming such by virtue of merger, dissolution, acquisition, or any other means. Accordingly, it is understood that we may represent another client with interests adverse to any such affiliated or related person or entity without first obtaining consent from the City.

It is further agreed that the attorney-client relationship terminates upon our completion of the services for which we have been retained in the Representation.

#### **Who Will Provide the Legal Services**

As our engagement letter confirms, the Firm will represent the City in the Matter. The Firm is a registered limited liability partnership under Chapter 152 of the Texas Business Organizations Code.

Although our Firm will be providing legal services, each client of the Firm customarily has a relationship principally with one attorney, or perhaps a few attorneys. At the same time, however, the work required in the Representation, or parts of it, may be performed by other Firm personnel, including lawyers and paralegals. Such delegation may be for the purpose of involving other Firm personnel with experience in a given area or for the purpose of providing services on an efficient and timely basis.

#### **Communications and Confidentiality**

We have available Internet communication procedures that allow our attorneys to use e-mail for client communications in many instances. Accordingly, unless the City specifically directs us otherwise, we may use unencrypted e-mail sent on the Internet to communicate with the City and to send documents we have prepared or reviewed.

We recognize our obligation to preserve the confidentiality of attorney-client communications as well as client confidences, as required by the governing rules of professional responsibility. If the Matter involves transactions, litigation or administrative proceedings or like proceedings in which our Firm appears as counsel of record for the City in publicly available records, we reserve the right to inform others of the fact of our representation of the City in the Matter and (if likewise reflected of record in publicly available records) the results obtained, unless the City specifically directs otherwise.

Fulbright & Jaworski LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright Canada LLP and Norton Rose Fulbright South Africa (incorporated as Deneys Reitz Inc.), each of which is a separate legal entity, are member firms in Norton Rose Fulbright Verein, a Swiss verein organization that does not itself provide legal services to anyone. Fulbright & Jaworski LLP and the other member firms in the verein share non-privileged information about our respective clients for research, practice management, training and administrative purposes as a means of enhancing the quality and breadth of the services we are able to provide our clients; and, unless you direct us otherwise, we will share non-privileged information about you with those other member firms. Confidentiality agreements among the firms are in place to ensure maintenance of confidentiality with respect to such shared information.

#### **Disclaimer**

The Firm has made no promises or guarantees to the City about the outcome of the Representation or the Matter, and nothing in these terms of engagement shall be construed as such a promise or guarantee.

#### **Termination**

Our representation may be terminated prior to the conclusion of the Matter by either of us by written notice to the other party.

We are subject to the codes or rules of professional responsibility for the jurisdictions in which we practice. There are several types of conduct or circumstances that could result in our withdrawing from representing a client, including, for example, the following: non-payment of fees or charges; misrepresentation or failure to disclose material facts; fraudulent or criminal conduct; action contrary to our advice; and conflict of interest with another client. The right of the Firm to withdraw in such circumstances is in addition to any rights created by statute or recognized by the governing rules of professional conduct. Further, a failure by the City to meet any obligations under these terms of engagement shall entitle us to terminate the Representation. We try to identify in advance and discuss with our clients any situation that may lead to our withdrawal.

Termination of the Representation will not affect the City's obligation to pay for legal services rendered and expenses and charges incurred before termination, as well as additional services and charges incurred in connection with an orderly transition of the Matter. Further, in the event of termination of the Representation, the City will take all steps necessary to release the Firm of any further obligations in the Representation or the Matter, including without limitation the execution of any documents necessary to effectuate our withdrawal from the Representation or the Matter.

### **Document Retention**

At the close of any Matter, we send our files in that matter to a storage facility for storage at our expense. The attorney closing the file determines how long we will maintain the files in storage. After that time, we will destroy the documents in the stored files.

At the conclusion of the Representation, we return to the client any documents that are specifically requested to be returned. As to any documents so returned, we may elect to keep a copy of the documents in our stored files.

### **Standards of Professionalism and Attorney Complaint Information**

Pursuant to rules promulgated by the Texas Supreme Court and the State Bar of Texas, we are to advise our clients of the contents of the Texas Lawyer's Creed, a copy of which is attached. In addition, we are to advise clients that the State Bar of Texas investigates and prosecutes complaints of professional misconduct against attorneys licensed in Texas. A brochure entitled *Attorney Complaint Information* is available at all of our Texas offices and is likewise available upon request. A client that has any questions about State Bar's disciplinary process should call the Office of the General Counsel of the State Bar of Texas at 1-800-932-1900 toll free.

## THE TEXAS LAWYER'S CREED — A MANDATE FOR PROFESSIONALISM

The Texas Supreme Court and the Texas Court of Criminal Appeals adopted this Creed, with the requirement that lawyers advise their clients of its contents when undertaking representation.

I am a lawyer; I am entrusted by the People of Texas to preserve and improve our legal system. I am licensed by the Supreme Court of Texas. I must therefore abide by the Texas Disciplinary Rules of Professional Conduct, but I know that Professionalism requires more than merely avoiding the violation of laws and rules. I am committed to this Creed for no other reason than it is right.

**I. OUR LEGAL SYSTEM.** A lawyer owes to the administration of justice personal dignity, integrity, and independence. A lawyer should always adhere to the highest principles of professionalism. I am passionately proud of my profession. Therefore, "My word is my bond." I am responsible to assure that all persons have access to competent representation regardless of wealth or position in life. I commit myself to an adequate and effective pro bono program. I am obligated to educate my clients, the public, and other lawyers regarding the spirit and letter of this Creed. I will always be conscious of my duty to the judicial system.

**II. LAWYER TO CLIENT.** A lawyer owes to a client allegiance, learning, skill, and industry. A lawyer shall employ all appropriate means to protect and advance the client's legitimate rights, claims, and objectives. A lawyer shall not be deterred by any real or imagined fear of judicial disfavor or public unpopularity, nor be influenced by mere self-interest. I will advise my client of the contents of this Creed when undertaking representation. I will endeavor to achieve my client's lawful objectives in legal transactions and in litigation as quickly and economically as possible. I will be loyal and committed to my client's lawful objectives, but I will not permit that loyalty and commitment to interfere with my duty to provide objective and independent advice. I will advise my client that civility and courtesy are expected and are not a sign of weakness. I will advise my client of proper and expected behavior. I will treat adverse parties and witnesses with fairness and due consideration. A client has no right to demand that I abuse anyone or indulge in any offensive conduct. I will advise my client that we will not pursue conduct which is intended primarily to harass or drain the financial resources of the opposing party. I will advise my client that we will not pursue tactics which are intended primarily for delay. I will advise my client that we will not pursue any course of action which is without merit. I will advise my client that I reserve the right to determine whether to grant accommodations to opposing counsel in all matters that do not adversely affect my client's lawful objectives. A client has no right to instruct me to refuse reasonable requests made by other counsel. I will advise my client regarding the availability of mediation, arbitration, and other alternative methods of resolving and settling disputes.

**III. LAWYER TO LAWYER.** A lawyer owes to opposing counsel, in the conduct of legal transactions and the pursuit of litigation, courtesy, candor, cooperation, and scrupulous observance of all agreements and mutual understandings. Ill feelings between clients shall not influence a lawyer's conduct, attitude, or demeanor toward opposing counsel. A lawyer shall not engage in unprofessional conduct in retaliation against other unprofessional conduct. I will be courteous, civil, and prompt in oral and written communications. I will not quarrel over matters of form or style, but I will concentrate on matters of substance. I will identify for other counsel or parties all changes I have made in documents submitted for review. I will attempt to prepare documents which correctly reflect the agreement of the parties. I will not include provisions which have not been agreed upon or omit provisions which are necessary to reflect the agreement of the parties. I will notify opposing counsel, and, if appropriate, the Court or other persons, as soon as practicable.

when hearings, depositions, meetings, conferences or closings are canceled. I will agree to reasonable requests for extensions of time and for waiver of procedural formalities, provided legitimate objectives of my client will not be adversely affected. I will not serve motions or pleadings in any manner that unfairly limits another party's opportunity to respond. I will attempt to resolve by agreement my objections to matters contained in pleadings and discovery requests and responses. I can disagree without being disagreeable. I recognize that effective representation does not require antagonistic or obnoxious behavior. I will neither encourage nor knowingly permit my client or anyone under my control to do anything which would be unethical or improper if done by me. I will not, without good cause, attribute bad motives or unethical conduct to opposing counsel nor bring the profession into disrepute by unfounded accusations of impropriety. I will avoid disparaging personal remarks or acrimony towards opposing counsel, parties and witnesses. I will not be influenced by any ill feeling between clients. I will abstain from any allusion to personal peculiarities or idiosyncrasies of opposing counsel. I will not take advantage, by causing any default or dismissal to be rendered, when I know the identity of an opposing counsel, without first inquiring about that counsel's intention to proceed. I will promptly submit orders to the Court. I will deliver copies to opposing counsel before or contemporaneously with submission to the court. I will promptly approve the form of orders which accurately reflect the substance of the rulings of the Court. I will not attempt to gain an unfair advantage by sending the Court or its staff correspondence or copies of correspondence. I will not arbitrarily schedule a deposition, Court appearance, or hearing until a good faith effort has been made to schedule it by agreement. I will readily stipulate to undisputed facts in order to avoid needless costs or inconvenience for any party. I will refrain from excessive and abusive discovery. I will comply with all reasonable discovery requests. I will not resist discovery requests which are not objectionable. I will not make objections nor give instructions to a witness for the purpose of delaying or obstructing the discovery process. I will encourage witnesses to respond to all deposition questions which are reasonably understandable. I will neither encourage nor permit my witness to quibble about words where their meaning is reasonably clear. I will not seek Court intervention to obtain discovery which is clearly improper and not discoverable. I will not seek sanctions or disqualification unless it is necessary for protection of my client's lawful objectives or is fully justified by the circumstances.

**IV. LAWYER AND JUDGE.** Lawyers and judges owe each other respect, diligence, candor, punctuality, and protection against unjust and improper criticism and attack. Lawyers and judges are equally responsible to protect the dignity and independence of the Court and the profession. I will always recognize that the position of judge is the symbol of both the judicial system and administration of justice. I will refrain from conduct that degrades this symbol. I will conduct myself in court in a professional manner and demonstrate my respect for the Court and the law. I will treat counsel, opposing parties, the Court, and members of the Court staff with courtesy and civility. I will be punctual. I will not engage in any conduct which offends the dignity and decorum of proceedings. I will not knowingly misrepresent, mischaracterize, misquote or miscite facts or authorities to gain an advantage. I will respect the rulings of the Court. I will give the issues in controversy deliberate, impartial and studied analysis and consideration. I will be considerate of the time constraints and pressures imposed upon the Court, Court staff and counsel in efforts to administer justice and resolve disputes.

**EXHIBIT A**

**City's Request for Qualifications to Provide Bond Counsel Services (File No. BI-0076-14)**

**EXHIBIT B**

Firm's Response to City's Request for Qualifications to Provide Bond Counsel Services (File No. BI-0076-14)



## EXHIBIT C

### Bond Counsel Fee Scale\*

<b>Principal Amount of Obligations (per \$1,000 denomination)</b>	<b>Obligations*</b>
\$0 - \$10,000,000	\$1.2500
\$10,000,001-\$25,000,000	\$1.1250
\$25,000,001 - \$50,000,000	\$0.8750
\$50,000,001 - \$100,000,000	\$0.7500
\$100,000,001 - \$200,000,000	\$0.6250
Over \$200,000,000	\$0.5000

\*This scale will be increased by 20% for the issuance of any refunding Obligations and provides for a minimum fee of \$15,000 for the issuance of any Obligations.

\*In addition, the City will authorize an amount not to exceed \$5,000 to our Firm for additional federal income tax expertise relating to the Obligations, based upon our Firm's hourly billing rates.

\*Variable Rate Obligations (without third-party liquidity) will be billed at our standard fee scale, plus \$25,000; remarketings of outstanding variable rate Obligations to new variable rate term periods or fixed rate conversions will be billed at 50% of our standard fee schedule (plus \$5,000 for additional federal income tax expertise in the event that any such remarketing or conversion results in a reissuance of Obligations under federal tax law).

\*To the extent that our Firm is responsible for preparing the offering documents relating to the issuance or remarketing of any Obligations, an additional fee of \$7,500 will be charged.

\*This fee scale is not applicable if the Obligations are issued in a variable rate mode (except as described above), are further secured with a liquidity facility, and/or involve the utilization of any derivative products, are issued by a non-profit corporation created by the City, or are issued in connection with an economic development financing, including a TIRZ or other similar financing.

\*This fee schedule is applicable to the following types of Obligations: general obligation bonds, certificates of obligation, tax notes, revenue bonds, and other similar indebtedness.

## EXHIBIT D

### Hourly Fee Schedule

This schedule relates to matters that are unrelated to or are not anticipated to result in the issuance of a series of Obligations. Generally, our hourly billing rates for domestic offices range from \$390 to \$700 for partners, from \$310 to \$485 for senior associates, from \$350 to \$580 for senior counsel; from \$175 to \$525 for counsel; from \$185 to \$350 for associates; from \$150 to \$350 for patent agents; from \$390 to \$700 for of counsel; from \$90 to \$250 for paralegals; and \$155 to \$255 for senior paralegals. Work performed by paralegals will be charged at rates ranging from \$140 to \$215 an hour. Billing rates for both attorneys and paralegal personnel are reviewed annually and generally are revised at the beginning of each year to reflect an attorney's and paralegal's increased experience level. The foregoing hourly billing rate schedule was included in our Firm's Price Submittal, dated as of December 18, 2013, delivered to the City in response to the Request.

Our Firm will charge for all time spent in representing your interests, including, by way of illustration, telephone and office conferences with you and your representatives, opposing counsel, and others; conferences among our attorneys and paralegal personnel; factual investigation, if needed; legal research; responding to your requests for us to provide information to you or your auditors; contract review and negotiation; drafting letters and other documents and travel, if needed.

With respect to fees and charges billed on an hourly basis, and unless an alternative fee arrangement is agreed to at the time of authorization by the City Attorney and the City's Director of Financial Services of a Matter subject to billing outside of the Scale, the Firm will not immediately submit an invoice (nor will such amounts immediately become due for payment); however, our Firm will provide to the City Attorney's office, on a quarterly basis, a statement indicating the amount of accrued time for services rendered and at such time unpaid. At the time of the City's next occurring issuance of a series of Obligations, the City shall, with respect to those outstanding fees and charges having a sufficient nexus to such series of Obligations to allow payment thereof as an authorized use of the proceeds of those Obligation (such sufficient nexus to be determined by mutual agreement of our Firm and the City Attorney), include a line item, in addition to the regular Bond Counsel fee owed by application of the Scale attached hereto as Exhibit C to such series of Obligations, for payment of those fees and charges. Our Firm will then, at such time, separately bill the City for any remaining fees and charges, to be paid by the City from other lawfully available funds.

As an accommodation to the City, and for the term of the Representation, our Firm will, with respect to each novel financing (if any) of the type described in the engagement letter, provide to the City a credit equal to \$5,000 to be applied against these hourly charges prior to their payment from lawfully available City funds (including the proceeds of any series of Obligations).



**EXHIBIT E**

**FULBRIGHT & JAWORSKI LLP  
(San Antonio)**

**Expenses and Services Summary**

<b>EXPENSE/SERVICE</b>	<b>CHARGE</b>
Binding	N/A (Pricing varies in other office locations)
Data Base Research Lexis, Westlaw, Information America	Costs allocated by the Firm
Deliveries Overnight/Express Outside Courier In-House Courthouse Messengers	Direct Cost Direct Cost N/A (Pricing varies in other office locations) \$40.00/Hour plus Transportation (Pricing varies in other office locations)
Duplicating Photocopy Color photocopy Microfilm/Microfiche Videography (duplication)	\$0.15 per page \$0.85 per page \$0.50 per page \$5.00/tape plus \$20.00/duplication
Electronic Mail (via Internet)	No Charge
Library Research by Library Staff	\$130.00 per hour
Weekend & Late Evening Air Conditioning	N/A (Pricing varies in other office locations)
Postage	Direct Cost on any item or group of items which cost \$1.00 or more
Secretarial Overtime	\$28.00 per hour (Pricing varies in other office locations)
Telephone Long Distance (Domestic) Long Distance (International)	\$0.30 per minute 80% of direct dial rate
File Storage Retrieval	N/A (Pricing varies in other office locations)

**EXPENSE/SERVICE****CHARGE**

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Transportation	
Mileage (personal automobile)	Applicable IRS allowable rate per mile
Lodging	Direct Cost
Meals	Direct Cost
Car Rental/Airline/Rail/Etc.	Direct Cost
CD-ROM Research	\$30.00 - \$50.00 per Search (rate varies based on length of search)
Graphic Arts	\$150.00 - \$175.00 per hour, plus direct cost of supplies
Practice Support	\$200.00 per gigabyte per month
E-Discovery	Direct Cost
Firm hosting of on-site document review performed by outside contract attorneys	\$10.00 per hour

***DRAFT***

**Financial Advisor Contract**

*M. E. Allison & Co., Inc.*  
INVESTMENT BANKERS  
*950 East Basse Road, Second Floor*  
*San Antonio, Texas 78209-1831*

**DRAFT**

October 16, 2009

City of Corpus Christi, Texas  
1201 Leopard  
Corpus Christi, TX 78401

Re: **Approximately \$8,000,000\* City of Corpus Christi, Texas Waterworks & Sewer System Revenue Bonds (Texas Water Development Board, Water Infrastructure Fund Loan Program), Series 2009**

\*\*\*\*\*

In regard to serving as the City's financial advisor and consultant, we submit the following proposal or agreement for your approval and acceptance.

1. **Term.** This Agreement shall be terminated by the delivery to the Purchaser of all the securities described above, whether delivered all at one time or in installments. It may be extended for an additional period by mutual agreement in writing. This agreement may be terminated at any time by either of us by giving thirty (30) days written notice to the other party.

2. **Duties.** The duties and responsibilities to be performed under this agreement include consulting and advising the City in the development and implementation of a financing plan for the issuance and sale of approximately \$8,000,000\* City of Corpus Christi, Texas Waterworks & Sewer System Revenue Bonds (Texas Water Development Board, Water Infrastructure Fund Loan Program), Series 2009.

3. **Compensation.** The fee will be based on the size of the issue, and computed on the attached schedule, Exhibit A. The fee will be due and payable from the proceeds of the Revenue Bonds. We would expect to be reimbursed for actual out-of-pocket expenses for telephone, photocopies, facsimile transmissions, printing, computer, if any, and travel incurred in connection with ratings, municipal bond insurance or Closing of such financing(s).

4. **Special Conditions.** In addition to the terms and obligations herein contained, this proposal and agreement is subject to the following special conditions:

(a) M. E. Allison & Co., Inc. will incur and pay on behalf of the City the approved expenses in relation to the issuance of the Certificates and will submit said expenses for reimbursement at Closing. Approved expenses will include, but not be limited to, printing, shipping and posting of Official Statement, printing of Bonds, and travel expenses in relation thereto, Bond sale advertisements, municipal bond insurance premiums, Attorney General's fees, etc.

\* Preliminary, subject to change.

Continued ...

*M. E. Allison & Co., Inc.*

INVESTMENT BANKERS

**DRAFT**

October 16, 2009  
City of Corpus Christi, Texas  
1201 Leopard

Re: **Approximately \$8,000,000\* City of Corpus Christi, Texas Waterworks & Sewer System Revenue Bonds (Texas Water Development Board, Water Infrastructure Fund Loan Program), Series 2009**

Page 2

(b) The City will pay Bond Attorney, Rating Agency fees and Paying Agent/Registrar directly or will direct M. E. Allison & Co., Inc. to pay these fees on behalf of the City from the cost of issuance proceeds subsequent to the closing of the bond transaction.

(c) The City will at all times remain responsible for all fees incurred on behalf of the City in relation to the proposed bond issue. In the event the contemplated issue is not completed, the City will not owe the financial advisory fee to M. E. Allison & Co., Inc., but the City will remain responsible for all expenses incurred by the Firm on behalf of the City as well as all direct expenses of the City including Bond Attorney and Rating Agency fees.


5. This proposal is submitted in duplicate originals. When accepted by the City, it will constitute the entire agreement between the City and the undersigned for the purpose and considerations herein specified. Your acceptance will be indicated by proper signatures of your authorized officers or representatives on both copies and the returning of one executed copy to us.

Respectfully submitted,

M. E. ALLISON & CO., INC.

  
Authorized Representative

ACCEPTED on behalf of the City of Corpus Christi, Texas the 16th day of October, 2009.

  
Authorized Official  
City of Corpus Christi, Texas

ATTEST:

  
City Secretary

\*Preliminary, subject to change.

*M. E. Allison & Co., Inc.*

INVESTMENT BANKERS

EXHIBIT A

FINANCIAL ADVISORY FEE SCHEDULE

GENERAL OBLIGATION BONDS

<u>More than</u>	<u>And Not More than</u>	
\$	\$ 250,000	\$7,500 plus \$20.00 per \$1,000 for all over \$150,000
250,000	350,000	\$9,500 plus \$10.00 per \$1,000 for all over \$250,000
350,000	500,000	\$10,500 plus \$8.00 per \$1,000 for all over \$350,000
500,000	700,000	\$11,700 plus \$7.00 per \$1,000 for all over \$500,000
700,000	1,000,000	\$13,100 plus \$6.00 per \$1,000 for all over \$700,000
1,000,000	1,500,000	\$14,900 plus \$5.00 per \$1,000 for all over \$1,000,000
1,500,000	5,000,000	\$17,400 plus \$3.00 per \$1,000 for all over \$1,500,000
5,000,000	10,000,000	\$27,900 plus \$1.65 per \$1,000 for all over \$5,000,000
10,000,000	20,000,000	\$36,150 plus \$1.00 per \$1,000 for all over \$10,000,000
20,000,000	No Limit	\$46,150 plus \$0.85 per \$1,000 for all over \$20,000,000

REVENUE BONDS AND COMBINATION TAX & REVENUE CERTIFICATES OF OBLIGATION

In the event the Bonds to be issued are Revenue Bonds or Combination Tax and Revenue Certificates of Obligation, Refunding or Lease Purchase, the fee shall be the amount computed from the above schedule, plus 25%.

Contract\_3 N/A

# A6 & A7

Counties

Nueces

Aransas

Bee

Jim Wells

Kleberg

Live Oak

San Patricio

Identify the Applicant's total service area population:: 500,000

## Funding Program(s)

Funding Programs

SWIFT: \$2,750,000

## Other Funding Sources

Other Funding Sources

Funding Source	Type of Funds (Loan, Grant, etc.)	Amount (\$)	Date Applied for Funding	Anticipated or Funding Secured Date

Other Funding Comments:



Funding\_1 N/A

# Funding & Project Type

Has this project received TWDB funding for any other project phases?: N

Requesting Funding for Planning: Y

Requesting Funding for Acquisition: N

Requesting Funding for Design: N

Requesting Funding for Construction: N

Is the project a water project?: Y

Is the project a wastewater project?: N

Is Applicant requesting funding to refinance existing debt?: N

DUNS:

Federal Awards information:

1. Did applicant receive over 80% of their revenue from Federal Awards last year?:
2. Did applicant receive over \$25 million in Federal Awards last year?:
3. Does the public have access to executive compensation information via SEC or IRS reports?:

Describe procedures for collecting monthly customer bills (include procedures for collection of delinquent accounts):

TWDB-0215 N/A

# Contractors & Loan/Grant Participation Summary

Have you already solicited contractors?:

Have contracts already been awarded?:

## Legal Information

Cite the legal authority under which the Applicant can issue the proposed debt including the authority to make a proposed pledge of revenues.: Chapter 1502, as amended, Texas Government Code, the City's Home Rule Charter, and the Ordinance authorizing the Bonds.

What type of pledge will be used to repay the proposed debt?: SYSTEMS\_REVENUE

Provide the full legal name of the security for the proposed debt issue(s): Junior Lien Revenue Improvement Bonds, Series 2017

Describe the pledge being offered and any existing rate covenants.: Pledge Offered:

To provide for the payment of the Debt Service Requirements on the Bonds, the City hereby and agrees that the Junior Lien Pledged Revenues of the System are hereby irrevocably pledged to the payment and security of the Junior Lien Obligations, including the establishment and maintenance of the special funds or accounts created for the payment and security thereof, all as hereinafter provided; and it is hereby resolved that the Junior Lien Obligations, and the interest thereon, shall constitute a lien on and pledge of the Junior Lien Pledged Revenues and be valid and binding without any physical delivery thereof or further act by the City, and the lien created hereby on the Junior Lien Pledged Revenues for the payment and security of the Junior Lien Obligations, shall be, subject to the subordinate lien nature of the Junior Lien Pledged Revenues as herein described otherwise, prior in right and claim as to any other indebtedness, liability, or obligation of the City or the System. The Junior Lien Obligations are and will be secured by and payable only from the Junior Lien Pledged Revenues, and are not secured by or payable from a mortgage or deed of trust on any properties whether real, personal, or mixed, constituting the System.

Rate Covenants:

For the benefit of the Holders of the Bonds and in addition to all provisions and covenants in the laws of the State of Texas and in this Ordinance, the City hereby expressly stipulates and agrees, while any of the Junior Lien Obligations are Outstanding, to establish and maintain rates and charges for facilities and services afforded by the System that are reasonably expected, on the basis of available information and experience and with due allowance for contingencies, to produce Gross Revenues in each Fiscal Year sufficient:

(a) To pay all Operating Expenses, or any expenses required by statute to be a first claim on and charge against the Gross Revenues of the System.

- (b) To produce Net Revenues, together with any other lawfully available funds, sufficient to satisfy the rate covenant contained in the ordinances authorizing the issuance of the Priority Bonds and to pay the principal of and interest on the Priority Bonds and the amounts required to be deposited in any reserve or contingency fund or account created for the payment and security of the Priority Bonds, and any other obligations or evidences of indebtedness issued or incurred that are payable from and secured solely by a prior and first lien on an pledge of the Net Revenues of the System;
- (c) To produce Net Revenues, together with any other lawfully available funds, equal to at least 1.15 times Average Annual Debt Service Requirements on the then-Outstanding Junior Lien Obligations and to deposit the amounts required to be deposited in any reserve or contingency fund or account created for the payment and security of the Junior Lien Obligations, and any other obligations or evidences of indebtedness issued or incurred that are payable from and secured solely by a lien on and pledge of the Net Revenues, including the Junior Lien Pledged Revenues, that is junior and inferior to the lien thereon and pledge thereof securing the repayment of the Priority Bonds but senior and superior to the lien thereon and pledge thereof securing the repayment of any Subordinate Lien Obligations and any Inferior Lien Obligations;
- (d) To produce Net Revenues, together with any other lawfully available funds, sufficient to pay the amounts that may be deposited in the special funds established for the payment of any Subordinate Lien Obligations;
- (e) To produce Net Revenues, together with any other lawfully available funds, sufficient to pay the principal of and interest on any Inferior Lien Obligations as the same become due and payable and to deposit the amounts required to be deposited in any reserve or contingency fund or account created for the payment and security of any Inferior Lien Obligations, and any other obligations or evidences of indebtedness issued or incurred that are payable from and secured solely by a lien on and pledge of the Net Revenues that is subordinate and inferior to the lien thereon and pledge thereof securing the repayment of the Priority Bonds, the Junior Lien Obligations, and any Subordinate Lien Obligations; and
- (f) To pay, together with any other lawfully available funds, any other legally incurred Debt payable from the Net Revenues of the System and/or secured by a lien on any part of the System.

The determination of the amount of principal of and interest on any obligations identified in this Section for the purpose of confirming the sufficiency of System rates and charges shall be made after giving consideration as an offset to debt service the receipt or anticipated receipt of a refundable tax credit or similar payment relating to any series of obligations irrevocably designated as refundable tax credit bonds pursuant to the City ordinance authorizing their issuance or otherwise relating thereto.

#### Definitions:

The term "Additional Junior Lien Obligations" shall mean (i) any bonds, notes, warrants, or any similar obligations hereafter issued by the City that are payable wholly or in part from and equally and ratably secured by a lien and pledge of the Junior Lien Pledged Revenues, such pledge to include a pledge of Net Revenues that is junior and inferior to the lien on and pledge of the Net Revenues that are or will be pledged to the payment of the Priority Bonds now Outstanding or

hereafter issued by the City but senior and superior to the lien thereon and pledge thereof that is or will be pledged to the payment of any Subordinate Lien Obligations and any Inferior Lien Obligations now Outstanding or hereafter issued by the City, and (ii) obligations hereafter issued to refund any of the foregoing that are payable from and equally and ratably secured solely by a lien on and pledge of the Junior Lien Pledged Revenues, as determined by the City Council in accordance with applicable law.

The term "Bonds" shall mean the "CITY OF CORPUS CHRISTI, TEXAS UTILITY SYSTEM JUNIOR LIEN REVENUE IMPROVEMENT BONDS, SERIES 2017" authorized by the ordinance authorizing the Bonds.

The term "City" shall mean the City of Corpus Christi, Texas.

The term "Closing Date" shall mean the date of physical delivery of the Initial Bonds in exchange for the payment in full by the Purchasers.

The term "Credit Agreement" shall mean a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase Debt, purchase or sale agreements, interest rate swap agreements, or commitments or other contracts or agreements authorized, recognized, and approved by the City as a Credit Agreement in connection with the authorization, issuance, security, or payment of any obligation authorized by Chapter 1371, as amended, Texas Government Code, and which includes any Credit Facility.

The term "Credit Facility" shall mean (i) a policy of insurance or a surety bond, issued by an issuer of policies of insurance insuring the timely payment of debt service on governmental obligations, or (ii) a letter or line of credit issued by any financial institution.

The term "Debt" shall mean:

(1) all indebtedness payable from Net Revenues and/or Junior Lien Pledged Revenues incurred or assumed by the City for borrowed money (including indebtedness payable from Net Revenues and/or Junior Lien Pledged Revenues arising under Credit Agreements) and all other financing obligations of the System payable from Net Revenues and/or Junior Lien Pledged Revenues that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet; and

(2) all other indebtedness payable from Junior Lien Pledged Revenues and/or Net Revenues (other than indebtedness otherwise treated as Debt hereunder) for borrowed money or for the acquisition, construction, or improvement of property or capitalized lease obligations pertaining to the System that is guaranteed, directly or indirectly, in any manner by the City, or that is in effect guaranteed, directly or indirectly, by the City through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling

the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise.

The term "Debt Service Requirements" shall mean, as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the City as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations without a fixed numerical rate, that such obligations bear interest calculated by assuming (i) that the interest rate for every 12-month period on such bonds is equal to the rate of interest reported in the most recently published edition of The Bond Buyer (or its successor) at the time of calculation as the "Revenue Bond Index" or, if such Revenue Bond Index is no longer being maintained by The Bond Buyer (or its successor) at the time of calculation, such interest rate shall be assumed to be 80% of the rate of interest then being paid on United States Treasury obligations of like maturity and (ii) that, in the case of bonds not subject to fixed scheduled mandatory sinking fund redemptions, that the principal of such bonds is amortized such that annual debt service is substantially level over the remaining stated life of such bonds or in the manner permitted under Section 1371.057(c), as amended, Texas Government Code as the same relates to interim or non-permanent indebtedness, and in the case of obligations required to be redeemed or prepaid as to principal prior to maturity according to a fixed schedule, the principal amounts thereof will be redeemed prior to maturity in accordance with the mandatory redemption provisions applicable thereto (in each case notwithstanding any contingent obligation to redeem bonds more rapidly). For the term of any Credit Agreement in the form of an interest rate hedge agreement entered into in connection with any such obligations, Debt Service Requirements shall be computed by netting the amounts payable to the City under such hedge agreement from the amounts payable by the City under such hedge agreement and such obligations.

The term "Federal Contract" shall mean Contract No. 6-07-01-X0675 entered into by an among the United States of America, the City and the Nueces River Authority, dated June 30, 1976, and amended on June 16, 1980, with respect to the Nueces River Reclamation Project, pursuant to which the City has pledged the revenues of its waterworks system in support of the payment obligations of the City under the Federal Contract, subordinate and inferior to the pledge of and lien on the Net Revenues securing the payment of the Priority Bonds, the lien thereon and pledge thereof securing the payment of the Junior Lien Obligations, as a result of such Net Revenues being included as Junior Lien Pledged Revenues, and the lien thereon and pledge thereof securing the payment of any Subordinate Lien Obligations.

The term "Gross Revenues" shall mean all revenues, income, and receipts derived or received by the City from the operation and ownership of the System, including the interest income from the investment or deposit of money in any Fund created or confirmed by this Ordinance or maintained by the City in connection with the System, other than those amounts subject to payment to the

United States of America as rebate pursuant to section 148 of the Code.

The term “Inferior Lien Obligations” shall mean (i) any bonds, notes, warrants, or any similar obligations hereafter issued by the City that are payable wholly or in part from and equally and ratably secured by a lien and pledge of the Net Revenues, which pledge is subordinate and inferior to the lien on and pledge of the Net Revenues that is or will be pledged to the payment of the Priority Bonds, that is included in Junior Lien Pledged Revenues, that is or will be pledged to the payment of any Subordinate Lien Obligations, and that is on parity with the lien on and pledge of the Net Revenues securing the payment of the then-Outstanding Inferior Lien Obligations and (ii) obligations hereafter issued to refund any of the foregoing that are payable from and equally and ratably secured by such subordinate and inferior lien on and pledge of the Net Revenues as determined by the City Council in accordance with applicable law.

The term “Junior Lien Obligations” shall mean (i) the Previously Issued Junior Lien Obligations, (ii) any Additional Junior Lien Obligations, and (iii) obligations hereafter issued to refund any of the foregoing that are payable from and equally and ratably secured solely by a lien on and pledge of the Junior Lien Pledged Revenues, which includes a lien on and pledge of Net Revenues that is junior and inferior to the lien thereon and pledge thereof securing the repayment of the Priority Bonds, but senior and superior to the lien thereon and pledge thereof securing the repayment of any Subordinate Lien Obligations and any Inferior Lien Obligations, as determined by the City Council of the City in accordance with applicable law.

The term “Junior Lien Pledged Revenues” means (1) the Net Revenues that remain after payment of all amounts, and funding of all funds, relating to any Priority Bonds, plus (2) any additional revenues, income, receipts, or other resources, including, without limitation, any grants, donations, or income received or to be received from the United States Government, or any other public or private source, whether pursuant to an agreement or otherwise, which hereafter are pledged by the City to the payment of the Bonds, and at the City’s discretion, any Additional Junior Lien Obligations, and excluding those revenues excluded from Gross Revenues.

The term “Net Revenues” shall mean all Gross Revenues less Operating Expenses.

The term “Operating Expenses” shall mean the expenses of operation and maintenance of the System, including all salaries, labor, materials, repairs, and extensions necessary to render efficient service; provided, however, that only such repairs and extensions, as in the judgment of the City, reasonably and fairly exercised by the passage of appropriate ordinances, are necessary to render adequate service, or such as might be necessary to meet some physical accident or condition which would otherwise impair any Priority Bonds, Junior Lien Obligations, Subordinate Lien Obligations, Inferior Lien Obligations, or other Debt of the System. Operating Expenses shall include the purchase of water, sewer and gas services as received from other entities and the expenses related thereto, and, to the extent permitted by a change in law (and receipt of an opinion as to legality from a firm of nationally recognized bond counsel), Operating Expenses may



include payments made on or in respect of obtaining and maintaining any Credit Facility. Operating Expenses shall never include any allowance for depreciation, property retirement, depletion, obsolescence, and other items not requiring an outlay of cash and any interest on the Bonds or any Debt.

The term "Outstanding" shall mean when used in this Ordinance with respect to all Debt means, as of the date of determination, all Debt except:

- (1) those Priority Bonds, Junior Lien Obligations, Subordinate Lien Obligations, and Inferior Lien Obligations canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;
- (2) those Priority Bonds, Junior Lien Obligations, Subordinate Lien Obligations, and Inferior Lien Obligations for which payment has been duly provided by the City in accordance with the provisions of the ordinance authorizing the Bonds; and
- (3) those Priority Bonds, Junior Lien Obligations, Subordinate Lien Obligations, and Inferior Lien Obligations that have been mutilated, destroyed, lost, or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided in the ordinance authorizing the Bonds.

The term "Previously Issued Junior Lien Obligations" shall mean, as of the Closing Date the Outstanding and unpaid obligations of the City that are payable solely from and equally and ratably secured by a lien on and pledge of the Junior Lien Pledged Revenues which includes a lien on and pledge of Net Revenues of the System that is junior and inferior to the lien thereon and pledge thereof securing the Priority Bonds but superior to the lien thereon and pledge thereof securing any Subordinate Lien Obligations and Inferior Lien Obligations, identified as follows:

- (1) "City of Corpus Christi, Texas Utility System Junior Lien Revenue Improvement Bonds, Series 2012", dated November 15, 2012, in the original principal amount of \$69,085,000;
- (2) "City of Corpus Christi, Texas Utility System Junior Lien Revenue and Refunding Bonds, Series 2012", dated November 15, 2012, in the original principal amount of \$155,660,000;
- (3) "City of Corpus Christi, Texas Utility System Junior Lien Revenue Improvement Bonds, Series 2013", dated November 1, 2013, in the original principal amount of \$97,930,000;
- (4) "City of Corpus Christi, Texas Utility System Junior Lien Revenue Improvement Bonds, Series 2015A", dated March 1, 2015, in the original principal amount of \$93,600,000;
- (5) "City of Corpus Christi, Texas Utility System Variable Rate Junior Lien Revenue Improvement Bonds, Series 2015B", dated March 1, 2015, in the original principal amount of \$49,585,000;
- (6) "City of Corpus Christi, Texas Utility System Junior Lien Revenue Refunding Bonds, Series 2016", dated August 1, 2016, in the original principal amount of \$80,415,000; and
- (7) Upon issuance, the Bonds.

The term "Previously Issued Priority Bonds" shall mean, as of the Closing Date (i) the Outstanding and unpaid obligations of the City that are payable solely from and equally and ratably secured by a prior and first lien on and pledge of the Net Revenues of the System, identified as follows:

- (1) "City of Corpus Christi, Texas Utility System Revenue Refunding Bonds, Series 2005", dated January 1, 2005, in the original principal amount of \$70,390,000;

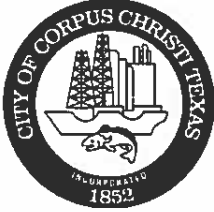
- (2) "City of Corpus Christi, Texas Utility System Revenue Improvement Bonds, Series 2009", dated March 1, 2009, in the original principal amount of \$96,490,000;
- (3) "City of Corpus Christi, Texas Utility System Revenue Improvement Bonds, Series 2010", dated March 1, 2010, in the original principal amount of \$8,000,000;
- (4) "City of Corpus Christi, Texas Utility System Revenue Improvement Bonds, Taxable Series 2010 (Direct Subsidy-Build America Bonds)", dated July 1, 2010, in the original principal amount of \$60,625,000;
- (5) "City of Corpus Christi, Texas Utility System Revenue Improvement Bonds, Series 2010A", dated July 1, 2010, in the original principal amount of \$14,375,000; and
- (6) "City of Corpus Christi, Texas Utility System Revenue Improvement Bonds, Series 2012", dated April 1, 2012, in the original principal amount of \$52,500,000.

The term "Priority Bonds" shall mean the Previously Issued Priority Bonds and any Additional Priority Bonds hereafter issued to refund any of the foregoing if issued in a manner so as to be payable from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues of the System, as determined by the City Council in accordance with any applicable law.

The term "Special Project" shall mean, to the extent permitted by law, any water, sewer, wastewater reuse, or municipal drainage system property, improvement, or facility declared by the City, upon the recommendation of the City Council, not to be part of the System, for which the costs of acquisition, construction, and installation are paid from proceeds of Special Project Bonds (as hereinafter defined) being a financing transaction other than the issuance of bonds payable from ad valorem taxes, Net Revenues, or Junior Lien Pledged Revenues, and for which all maintenance and operation expenses are payable from sources other than ad valorem taxes, Net Revenues, or Junior Lien Pledged Revenues, but only to the extent that and for so long as all or any part of the revenues or proceeds of which are or will be pledged to secure the payment or repayment of such costs of acquisition, construction, and installation under such Special Project Bonds.

The term "Subordinate Lien Obligations" shall mean (i) any bonds, notes, warrants, or any similar obligations hereafter issued by the City that are payable wholly or in part from and equally and ratably secured by a lien and pledge of the Net Revenues, such pledge being subordinate and inferior to the lien on and pledge of the Net Revenues that is or will be pledged to the payment of the Priority Bonds or that is included in Junior Lien Pledged Revenues, but senior and superior to the lien thereon and pledge thereof that is or will be pledged to the payment of any Inferior Lien Obligations now Outstanding or hereafter issued by the City, and on parity with the lien on and pledge of the Net Revenues securing the payment of the then-Outstanding Subordinate Lien Obligations and (ii) obligations hereafter issued to refund any of the foregoing that are payable from and equally and ratably secured by such subordinate and inferior lien on and pledge of the Net Revenues as determined by the City Council in accordance with applicable law.

The term "System" shall mean and include, whether now existing or hereinafter added (including additions made from time to time in accordance with the provisions of the City ordinances authorizing the issuance of the Outstanding Priority Bonds), the City's existing combined waterworks system, wastewater disposal system and gas system, together with all future extensions, improvements, enlargements, and additions thereto, including, to the extent permitted by law (and to be added at the sole discretion of the City), storm sewer and drainage within the waterworks system, solid waste disposal system, additional utility (including electricity), telecommunications, technology, and any other similar enterprise services, and all replacements, additions, and improvements to any of the foregoing, within or without the City limits; provided that, notwithstanding the foregoing, and to the extent now or hereafter authorized or permitted by law, the term System shall not include any waterworks, wastewater or gas facilities which are declared by the City to be a Special Project and not a part of the System and which are hereafter acquired or constructed by the City with the proceeds from the issuance of Special Project Bonds, which are hereby defined as being special revenue obligations of the City which are not secured by or payable from all or part of the Net Revenues and/or Junior Lien Pledged Revenues, but which are secured by and payable solely from special contract revenues, or payments received from the City or any other legal entity, or any combination thereof, in connection with such facilities; and such revenues or payments shall not be considered as or constitute Gross Revenues of the System, unless and to the extent otherwise provided in the ordinance or ordinances authorizing the issuance of such Special Project Bonds.



**CITY OF CORPUS CHRISTI  
CERTIFICATION OF PUBLIC RECORD**

THE STATE OF TEXAS §

COUNTY OF NUECES §

I, the undersigned City Secretary of the City of Corpus Christi, Texas, so certify that the following is a true and correct copy of Resolution No. 031130, passed and approved by the Corpus Christi City Council on April 25, 2017 as same appears in the Official Records of the City of Corpus Christi, Texas, of which the City Secretary's Office is the lawful custodian.

WITNESSETH MY HAND and the Official Seal of the City of Corpus Christi, Texas, this 26th day of April, 2017.

*Rebecca Huerta*

Rebecca Huerta  
City Secretary  
Corpus Christi, Texas

(S E A L)

RESOLUTION NO. 031130

**RESOLUTION REQUESTING FINANCIAL ASSISTANCE FROM THE TEXAS WATER DEVELOPMENT BOARD FOR PAYMENT OF COSTS OF STUDYING, EVALUATING, DETERMINING FEASIBILITY OF, AND UNDERTAKING PRELIMINARY DESIGN WORK RELATING TO A SEAWATER DESALINATION PROJECT; AUTHORIZING CITY STAFF AND CONSULTANTS TO COORDINATE THE SUBMISSION OF THE APPLICATION TO THE TEXAS WATER DEVELOPMENT BOARD FOR FUNDING FROM THE STATE WATER IMPLEMENTATION FUND FOR TEXAS; AND OTHER MATTERS IN CONNECTION THEREWITH**

WHEREAS, the City of Corpus Christi, Texas (the *City*) deems it necessary to apply to the Texas Water Development Board (the *Board*) for financial assistance; and

WHEREAS, in accordance with the rules and regulations of the Board, which govern the procedures in making such an application, the governing body of the City is required to pass a resolution to accompany such application; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORPUS CHRISTI THAT:

1. The City hereby requests that the Board, from its State Water Implementation Fund for Texas, grant financial assistance to the City in the amount not to exceed \$2,750,000 (as a loan or by the purchase of obligations of the City and the receipt of the largest amount of grant funds lawfully available from the Board) for payment of costs of studying, evaluating, determining the feasibility of, and undertaking preliminary design work relating to a seawater desalination project. These obligations will be issued by the City in one or more series.
2. The City Manager or Director of Financial Services of the City is hereby authorized to execute and submit to the Board the application for such financial assistance, and the City Manager or Director of Financial Services of the City, together with bond counsel, financial advisors and consulting engineers named in such application, are authorized to appear before the Board in support of such application and to make the required assurances and representations to the Board in accordance with the rules, regulations, and policies of the Board.
3. A certified copy of this Resolution shall be attached to the application for financial assistance herein authorized to be prepared and submitted to the Board, and the City Secretary of the City is authorized and directed to prepare and certify such number of copies of this Resolution as may be required for purposes of supporting the submission of such application to the Board.
4. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City.

5. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

6. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

7. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City hereby declares that this Resolution would have been enacted without such invalid provision.

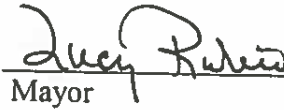
8. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

9. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

\* \* \* \*

PASSED, ADOPTED AND APPROVED on the 25th day of April, 2017.

CITY OF CORPUS CHRISTI, TEXAS

  
\_\_\_\_\_  
Mayor

Attest:

  
\_\_\_\_\_  
City Secretary

(SEAL)

APPROVED THIS 25TH DAY OF APRIL, 2017:

  
\_\_\_\_\_  
City Attorney

THE STATE OF TEXAS

§

COUNTY OF NUECES

§

CITY OF CORPUS CHRISTI

§

§

§

I, the undersigned, City Secretary of the City of Corpus Christi, Texas, do hereby certify that the above and foregoing is a true, full and correct copy of a resolution passed by the City Council of the City of Corpus Christi, Texas (and of the minutes pertaining thereto) on the 25<sup>th</sup> day of April, 2017, authorizing the City to request financial assistance from the Texas Water Development Board, which resolution is duly of record in the minutes of said City Council, and said meeting was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Texas Government Code, Chapter 551.

EXECUTED UNDER MY HAND AND SEAL OF SAID CITY, THIS THE 25<sup>TH</sup> DAY OF APRIL, 2017.

Rebecca Huerta

City Secretary



That the foregoing resolution was read for the first time and passed on this the 25<sup>th</sup> day of April, 2017, by the following vote:

Mayor	<u>Vacant</u>	Rudy Garza	<u>Aye</u>
Carolyn Vaughn	<u>Aye</u>	Paulette Guajardo	<u>Aye</u>
Ben Molina	<u>Aye</u>	Michael Hunter	<u>Aye</u>
Lucy Rubio	<u>Aye</u>	Joe McComb	<u>Aye</u>
Greg Smith	<u>Aye</u>		

PASSED AND APPROVED, this the 25th day of April, 2017.

ATTEST:

Rebecca Huerta  
Rebecca Huerta  
City Secretary

Lucy Rubio  
Lucy Rubio  
Mayor Pro Tem

**AFFIDAVIT**

THE STATE OF TEXAS                   §  
  §  
COUNTIES OF NUECES, ARANSAS,   §  
KLEBERG, AND SAN PATRICIO       §  
  §  
CITY OF CORPUS CHRISTI           §

BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, on this day personally appeared Margie Rose, City Manager of the City of Corpus Christi, Texas who, being by me duly sworn, upon oath says that:

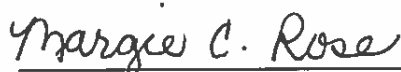
1. the decision by the City of Corpus Christi, Texas (the *City*) to request financial assistance from the Texas Water Development Board (the *Board*) was made in a public meeting held in accordance with the Open Meetings Act (Government Code, §551.001, et seq.) and after providing all such notice as required by such Act as is applicable to the City;

2. the information submitted in the application is true and correct according to my best knowledge and belief;

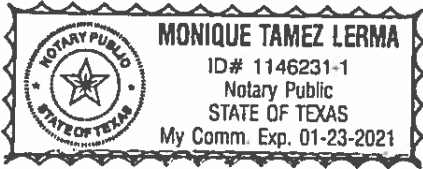
3. the City has no pending, threatened, or outstanding judgments, orders, fines, penalties, taxes, assessment or other enforcement or compliance issue of any kind or nature by EPA, the Texas Commission on Environmental Quality, Texas Comptroller, Texas Secretary of State, or any other federal, state or local government, except for the following (if no such outstanding compliance issues, write in "none"): The following Administrative Orders are pending with TCEQ: Administrative order under TCEQ Docket No. 2015-1478-PWS-E, Enforcement Case No. 51333; Consent decree negotiations are ongoing for the following EPA Administrative Orders: Docket CWA-06-2011-1913 Permit Number TX0047082; Docket CWA-06-2011-1914, Permit Number TX0047066; Docket CWA-06-2011-1915 Permit Number TX0047074; Docket CWA-06-2011-1916, Permit Number TX0047104; EPA: Docket CWA-06-2011-1917, Permit Number TX0047058; EPA: Docket CWA-06-2011-1918, Permit Number TX0047121. Notices of TCEQ enforcement have been delivered to the City concerning the 2015 and 2016 water boil events (Investigation #1356462 and #1288821) within the City, and the City and TCEQ are in negotiations to settle these enforcement matters. TCEQ records requests have been submitted to the City in relation to a reported backflow incident, but no official enforcement has yet resulted. The following Agreed Order is pending with the Texas Railroad Commission: Docket #050172. Further documentation is provided in the application.

4. the City warrants compliance with the representations made in the application in the event that the Board provides the financial assistance; and

5. the City will comply with all applicable federal laws, rules, and regulations as well as the laws of this state and the rules and regulations of the Board.

  
\_\_\_\_\_  
Margie Rose, City Manager  
City of Corpus Christi, Texas

SWORN TO AND SUBSCRIBED BEFORE ME, by Margie Rose, City Manager, City of  
Corpus Christi, Texas, this 26<sup>th</sup> day of April, 2017.



(NOTARY SEAL)

*Monique Tamez Lerma*  
Notary Public, State of Texas

**CERTIFICATE OF CITY SECRETARY**

THE STATE OF TEXAS                   §  
  §  
COUNTIES OF NUECES, ARANSAS,   §  
KLEBERG, AND SAN PATRICIO       §  
  §  
CITY OF CORPUS CHRISTI           §

THE UNDERSIGNED HEREBY CERTIFIES that:

1. On the 25<sup>th</sup> day of April, 2017, the City Council (the *Council*) of the City of Corpus Christi, Texas (the *City*) convened in regular session at its regular meeting place at the City Hall (the *Meeting*), the duly constituted members of the Council being as follows:

Vacant	Mayor
Lucy Rubio	Mayor Pro Tem, District 3
Carolyn Vaughn	Councilmember, District 1
Ben Molina	Councilmember, District 2
Greg Smith	Councilmember, District 4
Rudy Garza Jr.	Councilmember, District 5
Paulette Guajardo	Councilmember, At Large
Michael T. Hunter	Councilmember, At Large
Joe McComb	Councilmember, At Large

and all of such persons were present at the Meeting, except the following: \_\_\_\_\_, thus constituting a quorum. Among other business considered at the Meeting, the attached Resolution (the *Resolution*) entitled:

RESOLUTION REQUESTING FINANCIAL ASSISTANCE FROM THE TEXAS WATER DEVELOPMENT BOARD FOR THE DESIGN AND CONSTRUCTION OF IMPROVEMENTS TO THE CITY'S UTILITY SYSTEM; AUTHORIZING CITY STAFF AND CONSULTANTS TO COORDINATE THE SUBMISSION OF THE APPLICATION TO THE TEXAS WATER DEVELOPMENT BOARD FOR FUNDING FROM THE STATE WATER IMPLEMENTATION FUND FOR TEXAS; AND OTHER MATTERS IN CONNECTION THEREWITH

was introduced and submitted to the Council for passage and adoption. After presentation and due consideration of the Resolution, a motion was made by Councilmember McComb that the Resolution be finally passed and adopted in accordance with the City's Home Rule Charter. The motion was seconded by Councilmember Molina and carried by the following vote:

8 voted "For" 0 voted "Against" 0 abstained

all as shown in the official Minutes of the Council for the Meeting.

2. The attached Resolution is a true and correct copy of the original on file in the official records of the City; the duly qualified and acting members of the Council of the City on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Council was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Resolution would be considered; and the Meeting and deliberation of the aforesaid public business was open to the public, and written notice of said meeting, including the subject of the Resolution, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

*[The remainder of this page intentionally left blank.]*

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the City, this 25<sup>th</sup> day of April, 2017.

Rebecca Huerta  
City Secretary, City of Corpus Christi, Texas

(SEAL)

# Bonds, CCN, Enforcement Action

Is the applicant proposing to issue revenue bonds?: Y

Does the applicant possess a Certificate of Convenience and Necessity (CCN)?: Y

Has the applicant been the subject of any enforcement action by the Texas Commission on Environmental Quality (TCEQ), the Environmental Protection Agency (EPA), or any other entity within the past three years?: Y

ORDINANCE NO. 030883

**AUTHORIZING THE ISSUANCE OF “CITY OF CORPUS CHRISTI, TEXAS UTILITY SYSTEM JUNIOR LIEN REVENUE REFUNDING BONDS, SERIES 2016” IN AN AMOUNT NOT TO EXCEED \$84,735,000; MAKING PROVISIONS FOR THE PAYMENT AND SECURITY THEREOF BY A JUNIOR AND INFERIOR LIEN ON AND PLEDGE OF THE NET REVENUES OF THE CITY’S UTILITY SYSTEM ON A PARITY WITH CERTAIN CURRENTLY OUTSTANDING UTILITY SYSTEM REVENUE OBLIGATIONS; STIPULATING THE TERMS AND CONDITIONS FOR THE ISSUANCE OF ADDITIONAL REVENUE BONDS ON A PARITY THEREWITH; PRESCRIBING THE FORM, TERMS, CONDITIONS, AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, AND DELIVERY OF THE BONDS; INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT, AN ESCROW AGREEMENT, AND A PURCHASE CONTRACT; COMPLYING WITH THE REQUIREMENTS IMPOSED BY THE LETTER OF REPRESENTATIONS PREVIOUSLY EXECUTED WITH THE DEPOSITORY TRUST COMPANY; DELEGATING THE AUTHORITY TO CERTAIN MEMBERS OF THE CITY STAFF TO EXECUTE CERTAIN DOCUMENTS RELATING TO THE SALE OF THE BONDS; AND PROVIDING AN EFFECTIVE DATE**

WHEREAS, the City Council (the *City Council*) of the City of Corpus Christi, Texas (the *City*) has heretofore issued, and there are currently Outstanding, revenue bonds (the *Previously Issued Priority Bonds*) secured by a first and prior lien on and pledge of the Net Revenues (as hereinafter defined) of the City’s combined utility systems (as further described and defined herein, the *System*); and

WHEREAS, in the City ordinances authorizing the issuance of the Previously Issued Priority Bonds, the City reserved the right to issue revenue bonds on parity with the Priority Bonds (as hereinafter defined); and

WHEREAS, the City Council has heretofore issued, and there are currently outstanding revenue bonds (the *Previously Issued Junior Lien Obligations*) secured by a lien on and pledge of Net Revenues that is junior and inferior to the lien thereon and pledge thereof securing the repayment of the Priority Bonds; and

WHEREAS, in the City ordinances authorizing the issuance of the Previously Issued Junior Lien Obligations, the City reserved the right to issue revenue bonds on a parity with the Junior Lien Obligations (as hereinafter defined) from time to time outstanding; and



WHEREAS, the City Council has heretofore issued, and there are currently outstanding, obligations supported by a lien on and pledge of the Net Revenues of the System that are inferior to the lien thereon and pledge thereof securing the Priority Bonds and the Junior Lien Obligations but superior to the lien thereon and pledge thereof securing the hereinafter-defined Previously Issued Inferior Lien Obligations (the *Previously Issued Subordinate Lien obligations*); and

WHEREAS, the City Council has heretofore entered into a certain Federal Contract (as hereinafter defined) supported by a lien on and pledge of the Net Revenues of the System inferior to the lien thereon and pledge thereof securing the Priority Bonds, the Junior Lien Obligations, and the Previously Issued Subordinate Lien Obligations (such Federal Contract, the *Previously Issued Inferior Lien Obligations*); and

WHEREAS, the City Council has determined for the purpose of improving the credit quality of its Junior Lien Obligations, which has become its primary lien for issuing System debt, that it will no longer issue obligations secured by a first and prior lien on and pledge of the Net Revenues of the System referred to herein as "Priority Bonds", on parity with the lien thereon and pledge thereof securing the Previously Issued Priority Bonds, for new money purposes and, at such time as no Priority Bonds remain outstanding, all System revenue obligations now subordinate and inferior to the Priority Bonds in priority of lien on and pledge of Net Revenues shall be elevated in kind in priority of lien and payment so that when there are no longer any Priority Bonds outstanding, the Junior Lien Obligations (defined herein) will enjoy a first and prior lien on and pledge of the Net Revenues of the System; and

WHEREAS, there are currently outstanding obligations in the aggregate principal amount of at least \$84,735,000, being the obligations set forth on Schedule I hereto which is incorporated by reference for all purposes to this ordinance (the *Refunded Obligations*); and

WHEREAS, pursuant to the provisions of Chapter 1207, as amended, Texas Government Code, as amended (*Chapter 1207*), the City Council is authorized to issue revenue refunding bonds and deposit the proceeds of sale under an escrow agreement to provide for the payment of the Refunded Obligations, and such deposit, when made in accordance with the Act, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

WHEREAS, Chapter 1207 requires that the deposit of the proceeds from the sale of the revenue refunding bonds be deposited directly with any designated escrow agent for the Refunded Obligations that is not the depository bank of the City; and

WHEREAS, The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, which is not a depository bank of the City, is appointed and will serve as the Paying Agent/Registrar (hereinafter defined) and Escrow Agent (hereinafter defined) for the revenue refunding bonds; and

WHEREAS, the City Council also hereby finds and determines that the Refunded Obligations are scheduled to mature or are subject to being redeemed, not more than twenty (20) years from the date of the Bonds herein authorized and such refunding will result in a net present

value saving of approximately \$15,115,209.18 (17.838%) to the City and a gross savings of \$20,810,813.98, including the cash contribution of \$0.00;

WHEREAS, the revenue refunding bonds hereinafter authorized are to be issued and delivered pursuant to the laws of the State of Texas, including the Act (defined herein), and the terms of this Ordinance (as hereinafter defined), for the purposes set forth in this Ordinance; and now therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CORPUS CHRISTI, TEXAS:

SECTION 1: Authorization - Designation - Principal Amount - Purpose. Revenue refunding bonds of the City shall be and are hereby authorized to be issued in the aggregate principal amount of EIGHTY MILLION FOUR HUNDRED FIFTEEN THOUSAND AND NO/100 DOLLARS (\$80,415,000), to be designated and bear the title of CITY OF CORPUS CHRISTI, TEXAS UTILITY SYSTEM JUNIOR LIEN REVENUE REFUNDING BONDS, SERIES 2016 (the *Bonds*), pursuant to this ordinance adopted by the City Council (the *Ordinance*) for the purpose of (i) discharging and making final payment of the Refunded Obligations, and (ii) paying the costs of issuance relating thereto. The Bonds shall be payable from and equally and ratably secured solely by a lien on and pledge of the Junior Lien Pledged Revenues, which includes a lien on and pledge of Net Revenues that is junior and inferior to the lien thereon and pledge thereof securing the repayment of the Priority Bonds, but senior and superior to the lien thereon and pledge thereof securing the repayment of the Subordinate Lien Obligations and the Inferior Lien Obligations. The Bonds are authorized to be issued pursuant to the authority conferred by and in conformity with the laws of the State of Texas, including, particularly, Chapter 1207 and Chapter 1371, as amended, Texas Government Code (*Chapter 1371* and, together with Chapter 1207, the *Act*).

As authorized by the Act, each Authorized Official is hereby authorized, appointed, and designated as the officers of the City authorized to individually act on behalf of the City in selling and delivering the Bonds authorized herein and carrying out the procedures specified in this Ordinance, including approval of the aggregate principal amount of each maturity of the Bonds (referenced to and defined herein as the *Purchasers*), the redemption provisions therefor, the rate of interest to be borne on the principal amount of each such maturity, the identification of an underwriter or underwriting syndicate for the Bonds, and selection from the Refunding Candidates (defined herein) of the Refunded Obligations to be refunded from the proceeds of the Bonds. Each Authorized Official, acting for and on behalf of the City, is authorized to execute the Approval Certificate (defined herein) attached hereto as Schedule I. The Bonds shall be issued in the principal amount not to exceed \$84,735,000; the maximum maturity of the Bonds will be July 15, 2039, the refunding will result in a net present value savings of at least 3.00%, and the true interest rate (federal arbitrage yield) shall not exceed a rate greater than 6.00% per annum calculated in a manner consistent with the provisions of Chapter 1204, as amended, Texas Government Code. Lastly, each Authorized Official is authorized to select the bond insurer and/or debt service reserve fund surety provider, if any, with respect to the Bonds. If the Authorized Official chooses to purchase a debt service reserve surety policy or similar credit facility relating to the Bonds, then the Authorized Official shall be permitted to execute an insurance or similar reimbursement agreement in substantially the form attached hereto as

Exhibit F (which form is hereby approved) in connection with such purchase. The execution of an Approval Certificate relating to the Bonds issued hereunder shall evidence the sale date of the Bonds by the City to the Purchasers in accordance with the provisions of Chapter 1371. It is further provided, however, that notwithstanding the foregoing provisions, no Bonds shall be delivered unless prior to their initial delivery unless rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long term obligations, as required by Chapter 1371. Upon execution of the Approval Certificate, Bond Counsel is authorized to complete this Ordinance to reflect such final terms.

SECTION 2: Fully Registered Obligations - Authorized Denominations - Stated Maturities - Interest Rates - Dated Date. The Bonds are issuable in fully registered form only; shall be dated August 1, 2016 (the *Dated Date*); shall be in denominations of \$5,000 or any integral multiple thereof, shall be lettered “R-” and numbered consecutively from One (1) upward and principal shall become due and payable on July 15 in each of the years and in principal amounts (the *Stated Maturities*) and bear interest on the unpaid principal amounts from the Dated Date, or the most recent Interest Payment Date to which interest has been paid or duly provided for, to the earlier of redemption or Stated Maturity, at the rates per annum in accordance with the following schedule:

<u>Years of Stated Maturity (July 15)</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
2017	355,000	2.000
2018	395,000	4.000
2019	2,690,000	5.000
2020	2,615,000	5.000
2021	2,745,000	5.000
2022	2,885,000	5.000
2023	3,025,000	5.000
2024	3,175,000	5.000
2025	3,340,000	5.000
2026	3,500,000	5.000
2027	3,255,000	5.000
2028	3,415,000	5.000
2029	3,585,000	5.000
2030	3,765,000	5.000
2031	3,950,000	4.000
2032	4,110,000	4.000
2033	4,270,000	4.000
2034	4,450,000	4.000
2035	4,620,000	4.000
2036	4,810,000	3.000
***	***	***

Years of Stated Maturity <u>(July 15)</u>	Principal <u>Amounts (\$)</u>	Interest <u>Rates (%)</u>
2039	15,460,000	4.000

SECTION 3: Payment of Bonds - Interest Payments - Paying Agent/Registrar. The principal of, premium, if any, and interest on the Bonds, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and such payment of principal of and interest on the Bonds shall be without exchange or collection charges to the Holder (as hereinafter defined) of the Bonds.

The Bonds shall bear interest on the unpaid principal amount thereof at the per annum rates shown above in Section 2, computed on the basis of a 360-day year of twelve 30-day months, and interest thereon shall be payable semiannually on January 15 and July 15 of each year (each, an *Interest Payment Date*), commencing January 15, 2017, while the Bonds are Outstanding.

The selection and appointment of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, to serve as the initial Paying Agent/Registrar (the *Paying Agent/Registrar*) for the Bonds is hereby approved and confirmed, and the City agrees and covenants to cause to be kept and maintained at the corporate trust office of the Paying Agent/Registrar books and records (the *Security Register*) for the registration, payment, and transfer of the Bonds, all as provided herein, in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, attached, in substantially final form, as Exhibit A hereto, and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The City covenants to maintain and provide a Paying Agent/Registrar at all times while the Bonds are Outstanding, and any successor Paying Agent/Registrar shall be (i) a national or state banking institution or (ii) an association or a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers. Such Paying Agent/Registrar shall be subject to supervision or examination by federal or state authority and authorized by law to serve as a Paying Agent/Registrar.

The City reserves the right to appoint a successor Paying Agent/Registrar upon providing the previous Paying Agent/Registrar with a certified copy of a resolution or ordinance terminating such agency. Additionally, the City agrees to promptly cause a written notice of this substitution to be sent to each Holder of the Bonds by United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Both principal of, premium, if any, and interest on the Bonds, due and payable by reason of Stated Maturity, redemption or otherwise, shall be payable only to the registered owner of the Bonds appearing on the Security Register (the *Holder* or *Holder*s) maintained on behalf of the City by the Paying Agent/Registrar as hereinafter provided (i) on the Record Date (defined herein) for purposes of payment of interest thereon and (ii) on the date of surrender of the Bonds for purposes of receiving payment of principal thereof at the Bonds' Stated Maturity or upon prior redemption of the Bonds. The City and the Paying Agent/Registrar, and any agent of either, shall treat the Holder as the owner of a Bond for purposes of receiving payment and all other purposes whatsoever, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

Principal of, and premium, if any, on the Bonds shall be payable only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its corporate trust office. Interest on the Bonds shall be paid to the Holder whose name appears in the Security Register at the close of business on the last business day of the month next preceding an Interest Payment Date for the Bonds (the *Record Date*) and shall be paid (i) by check sent by United States mail, first-class postage prepaid, by the Paying Agent/Registrar, to the address of the Holder appearing in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by the Holder at the Holder's risk and expense.

If the date for the payment of the principal of, premium, if any, or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a day. The payment on such date shall have the same force and effect as if made on the original date any such payment on the Bonds was due.

In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a *Special Record Date*) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the *Special Payment Date* - which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first-class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

#### SECTION 4: Redemption.

A. Mandatory Redemption. The Bonds stated to mature on July 15, 2039 are referred to herein as the "Term Bonds". The Term Bonds are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Bond Fund for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on July 15 in each of the years as set forth below:

Term Bonds  
Stated to Mature  
on July 15, 2039

<u>Year</u>	<u>Principal Amount (\$)</u>
2037	4,950,000
2038	5,155,000
2039	5,355,000*

\*Payable at Stated Maturity.

The principal amount of a Term Bond required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the City, by the principal amount of any Term Bonds of such Stated Maturity which, at least fifty (50) days prior to the mandatory redemption date (1) shall have been defeased or acquired by the City and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the City with money in the Bond Fund, or (3) shall have been redeemed pursuant to the optional redemption provisions set forth below and not theretofore credited against a mandatory redemption requirement.

B. Optional Redemption. The Bonds having Stated Maturities on and after July 15, 2027 shall be subject to redemption prior to Stated Maturity, at the option of the City, on July 15, 2026, or any date thereafter, as a whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date of redemption.

C. Exercise of Redemption Option. At least forty-five (45) days prior to a date set for the redemption of Bonds (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of its decision to exercise the right to redeem Bonds, the principal amount of each Stated Maturity to be redeemed, and the date set for the redemption thereof. The decision of the City to exercise the right to redeem Bonds shall be entered in the minutes of the City Council.

D. Selection of Bonds for Redemption. If less than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall select at random and by lot the Bonds to be redeemed, provided that if less than the entire principal amount of a Bond is to be redeemed, the Paying Agent/Registrar shall treat such Bond then subject to redemption as representing the number of Bonds Outstanding which is obtained by dividing the principal amount of such Bond by \$5,000.

E. Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption shall be sent by United States Mail, first-class postage prepaid, in the name of the City and at the City's expense, by the Paying Agent/Registrar to each Holder of a Bond to be redeemed, in whole or in part, at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of

mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Bonds, (ii) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Bonds, or the principal amount thereof to be redeemed, shall be made at the corporate trust office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. If a Bond is subject by its terms to redemption and has been called for redemption and notice of redemption thereof has been duly given or waived as herein provided, such Bond (or the principal amount thereof to be redeemed) so called for redemption shall become due and payable, and if money sufficient for the payment of such Bonds (or of the principal amount thereof to be redeemed) at the then applicable redemption price is held for the purpose of such payment by the Paying Agent/Registrar, then on the redemption date designated in such notice, interest on said Bonds (or the principal amount thereof to be redeemed) called for redemption shall cease to accrue, and such Bonds shall not be deemed to be Outstanding in accordance with the provisions of this Ordinance. This notice may also be published once in a financial publication, journal, or reporter of general circulation among securities dealers in the City of New York, New York (including, but not limited to, *The Bond Buyer* and *The Wall Street Journal*), or in the State of Texas (including, but not limited to, *The Texas Bond Reporter*).

F. Transfer/Exchange. Neither the City nor the Paying Agent/Registrar shall be required (i) to transfer or exchange any Bond during a period beginning forty-five (45) days prior to the date fixed for redemption of the Bonds or (ii) to transfer or exchange any Bond selected for redemption, provided; however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond which is subject to redemption in part.

SECTION 5: Execution - Registration. The Bonds shall be executed on behalf of the City by its Mayor, its seal reproduced or impressed thereon, and attested by the City Secretary. The signature of either officer on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who were, at the time of the Dated Date, the proper officers of the City shall bind the City, notwithstanding that such individuals or either of them shall cease to hold such offices prior to the delivery of the Bonds to the Purchasers (defined herein), all as authorized and provided in Chapter 1201, as amended, Texas Government Code.

No Bond shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 8C, executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent by manual signature, or a certificate of registration substantially in the form provided in Section 8D, executed by the Paying Agent/Registrar by manual signature, and either such certificate upon any Bond shall be

conclusive evidence, and the only evidence, that such Bond has been duly certified or registered and delivered.

SECTION 6: Registration - Transfer - Exchange of Bonds - Predecessor Bonds. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of every owner of the Bonds, or, if appropriate, the nominee thereof. Any Bond may, in accordance with its terms and the terms hereof, be transferred or exchanged for Bonds of other authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for transfer of any Bond at the corporate trust office of the Paying Agent/Registrar, the City shall execute and the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds of authorized denomination and having the same Stated Maturity and of a like interest rate and aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds may be exchanged for other Bonds of the same series and of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Bonds surrendered for exchange upon surrender of the Bonds to be exchanged at the corporate trust office of the Paying Agent/Registrar. Whenever any Bonds are so surrendered for exchange, the City shall execute, and the Paying Agent/Registrar shall register and deliver, the Bonds, to the Holder requesting the exchange.

All Bonds issued upon any transfer or exchange of Bonds shall be delivered at the corporate trust office of the Paying Agent/Registrar, or be sent by registered mail to the Holder at his request, risk, and expense, and upon the delivery thereof, the same shall be the valid and binding obligations of the City, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Bonds surrendered upon such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any fee, tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be Predecessor Bonds, evidencing all or a portion, as the case may be, of the same debt evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term Predecessor Bonds shall include any Bond registered and delivered pursuant to Section 27 in lieu of a mutilated, lost, destroyed, or stolen Bond which shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

SECTION 7: Initial Bond. The Bonds herein authorized shall be issued initially either (i) as a single fully-registered Bond in the total principal amount of \$80,415,000 with principal



installments to become due and payable as provided in Section 2 and numbered T-1, or (ii) as one (1) fully-registered Bond for each year of Stated Maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (the *Initial Bond*) and, in either case, the Initial Bond shall be registered in the name of the initial purchasers or the designee thereof. The Initial Bond shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchasers. Any time after the delivery of the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchasers, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 8: Forms.

A. Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including insurance legends in the event the Bonds, or any Stated Maturities thereof, are insured and identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of Bond Counsel (hereinafter referenced)) thereon as may, consistent herewith, be established by the City or determined by the officers executing the Bonds as evidenced by their execution thereof. Any portion of the text of any Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds shall be printed, lithographed, or engraved, produced by any combination of these methods, or produced in any other similar manner, all as determined by the officers executing the Bonds as evidenced by their execution thereof, but the Initial Bond submitted to the Attorney General of Texas may be typewritten or photocopied or otherwise reproduced.

*[The remainder of this page intentionally left blank.]*

B. Form of Definitive Bond.

REGISTERED  
NO. \_\_\_\_\_

REGISTERED  
PRINCIPAL AMOUNT  
\$ \_\_\_\_\_

United States of America  
State of Texas  
Counties of Nueces, Aransas, Kleberg, and San Patricio  
CITY OF CORPUS CHRISTI, TEXAS UTILITY SYSTEM  
JUNIOR LIEN REVENUE REFUNDING BONDS,  
SERIES 2016

Dated Date: August 1, 2016      Interest Rate:      Stated Maturity:      CUSIP NO:

REGISTERED OWNER: \_\_\_\_\_

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The City of Corpus Christi, Texas (the *City*), a body corporate and a municipal corporation located in the Counties of Nueces, Aransas, Kleberg, and San Patricio, State of Texas, for value received, hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid Principal Amount hereof from the Dated Date or from the most recent interest payment date to which interest has been paid or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rate of interest specified above computed on the basis of a 360-day year of 30-day months; such interest being payable on January 15 and July 15 of each year (each, an *Interest Payment Date*), commencing January 15, 2017.

Principal and premium, if any, of the Bond shall be payable to the Registered Owner hereof (the *Holder*) upon presentation and surrender, at the corporate trust office of the Paying Agent/Registrar executing the registration certificate appearing hereon or a successor thereof. Interest shall be payable to the Holder of this Bond (or one or more Predecessor Bonds, as defined in the Ordinance hereinafter referenced) whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the last business day of the month next preceding each interest payment date. All payments of principal of and interest on this Bond shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on the appropriate date of payment by United States Mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by the Holder hereof at the Holder's risk and expense.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$80,415,000 (the *Bonds*) pursuant to an ordinance adopted by the governing body of the City (the *Ordinance*), for the purpose of (i) discharging and making final payment of the Refunded Obligations, and (ii) paying the costs of issuance relating thereto, all in conformity with the laws of the State of Texas, particularly the City’s Home Rule Charter and the Act, and the Ordinance. The Bonds shall be payable from and equally and ratably secured solely by a lien on and pledge of the Junior Lien Pledged Revenues, which includes a lien on and pledge of Net Revenues that is junior and inferior to the lien thereon and pledge thereof securing the repayment of the Priority Bonds, but senior and superior to the lien thereon and pledge thereof securing the repayment of the Subordinate Lien Obligations and the Inferior Lien Obligations.

The Bonds stated to mature on July 15, 2039 are referred to herein as the “Term Bonds”. The Term Bonds are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Bond Fund for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on July 15 in each of the years as set forth below:

Term Bonds	
Stated to Mature	
<u>on July 15, 2039</u>	
	Principal
<u>Year</u>	<u>Amount (\$)</u>
2037	4,950,000
2038	5,155,000
2039	5,355,000*

\*Payable at Stated Maturity.

The principal amount of a Term Bond required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the City, by the principal amount of any Term Bonds of such Stated Maturity which, at least fifty (50) days prior to the mandatory redemption date (1) shall have been defeased or acquired by the City and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the City with money in the Bond Fund, or (3) shall have been redeemed pursuant to the optional redemption provisions set forth below and not theretofore credited against a mandatory redemption requirement.

The Bonds stated to mature on and after July 15, 2027 may be redeemed prior to their Stated Maturities, at the option of the City, on July 15, 2026 or on any date, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar) at the redemption price of par, together with accrued interest to the date of redemption, and upon thirty (30) days prior written notice being given by United States mail, first-class postage prepaid, to Holders of the Bonds to be redeemed, and subject to the terms and provisions relating thereto contained in the Ordinance. If this Bond is subject to redemption prior to Stated Maturity and is in a denomination in excess

of \$5,000, portions of the principal sum hereof in installments of \$5,000 or any integral multiple thereof may be redeemed, and, if less than all of the principal sum hereof is to be redeemed, there shall be issued, without charge therefor, to the Holder hereof, upon the surrender of this Bond to the Paying Agent/Registrar at its corporate trust office, a new Bond or Bonds of like Stated Maturity and interest rate in any authorized denominations provided in the Ordinance for the then unredeemed balance of the principal sum hereof.

If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Bond (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if money for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption is held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed. In the event of a partial redemption of the principal amount of this Bond, payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of this Bond to the corporate trust office of the Paying Agent/Registrar and, there shall be issued to the registered owner hereof, without charge, a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided in the Ordinance for the then unredeemed balance of the principal sum hereof. If this Bond is called for redemption, in whole or in part, the City or the Paying Agent/Registrar shall not be required to issue, transfer, or exchange this Bond within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

The Bonds of this series are special obligations of the City, issued as Junior Lien Obligations, payable from and equally and ratably secured by a lien on and pledge of the Junior Lien Pledged Revenues, being (primarily) a lien on and pledge of the Net Revenues derived from the operation of the City's utility system (as further described in the Ordinance, the *System*), that is junior and inferior to the lien thereon and pledge thereof securing the repayment of the Priority Bonds, but senior and superior to the lien thereon and pledge thereof securing the repayment of the Subordinate Lien Obligations and the Inferior Lien Obligations. In the Ordinance, the City reserves and retains the right to issue Additional Priority Bonds, Additional Junior Lien Obligations, Additional Subordinate Lien Obligations, and Additional Inferior Lien Obligations without limitation as to principal amount but subject to any terms, conditions, or restrictions set forth in the Ordinance or as may be applicable thereto under law or otherwise. The Bonds do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any property of the City or System, except with respect to the Junior Lien Pledged Revenues.

The Holder hereof shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

Reference is hereby made to the Ordinance, a copy of which is on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description and nature of the Junior Lien Pledged Revenues pledged for the payment of the Bonds; the terms and conditions under which the City may issue Additional Priority Bonds, Additional Junior Lien Obligations,

Additional Subordinate Lien Obligations, and Additional Inferior Lien Obligations; the terms and conditions relating to the transfer or exchange of the Bonds; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be redeemed or discharged at or prior to the Stated Maturity thereof, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions specified in the Ordinance. Capitalized terms used herein have the same meanings assigned in the Ordinance.

This Bond, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register upon presentation and surrender at the corporate trust office of the Paying Agent/Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by the Holder hereof, or his duly authorized agent, and thereupon one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the Holder hereof whose name appears on the Security Register (i) on the Record Date as the owner hereof for purposes of receiving payment of interest hereon, (ii) on the date of surrender of this Bond as the owner hereof for purposes of receiving payment of principal hereof at its Stated Maturity, or its redemption, in whole or in part, and (iii) on any other date as the owner hereof for all other purposes, and neither the City nor the Paying Agent/Registrar, or any such agent of either, shall be affected by notice to the contrary. In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a *Special Record Date*) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the *Special Payment Date* - which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to the issuance of this Bond in order to render the same a legal, valid, and binding special obligation of the City have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that issuance of the Bonds does not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Bonds by a pledge of and lien on the Junior Lien Pledged Revenues. In case any provision in this Bond or any application thereof shall be deemed invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

*[The remainder of this page intentionally left blank]*

IN WITNESS WHEREOF, this Bond has been signed with the imprinted or lithographed facsimile signature of the Mayor of the City, attested by the imprinted or lithographed facsimile signature of the City Secretary, and the official seal of the City has been duly affixed to, printed, lithographed or impressed on this Bond.

CITY OF CORPUS CHRISTI, TEXAS

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Mayor

ATTEST:

---

City Secretary

(SEAL)

*[The remainder of this page intentionally left blank.]*

C. Form of Registration Certificate of Comptroller of Public Accounts to Appear on Initial Bond Only.

REGISTRATION CERTIFICATE OF  
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER OF §  
PUBLIC ACCOUNTS §  
THE STATE OF TEXAS § REGISTER NO. \_\_\_\_\_  
§

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this \_\_\_\_\_.

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

(SEAL)

\* Bond to Printer: Not to appear on printed Bonds

D. Form of Certificate of Paying Agent/Registrar to Appear on Definitive Bonds Only.

CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued under the provisions of the within-mentioned Ordinance; the Bond or Bonds of the above-entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

Registered this date:

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., Dallas, Texas  
as Paying Agent/Registrar

\_\_\_\_\_  
By: \_\_\_\_\_  
Authorized Signature

\* Bond to Printer: to appear on printed Bonds

E. Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee): \_\_\_\_\_

(Social Security or other identifying number): \_\_\_\_\_  
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: \_\_\_\_\_

\_\_\_\_\_  
NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular.

Signature guaranteed:

\_\_\_\_\_

*[The remainder of this page intentionally left blank.]*



F. Form of Initial Bond. The Initial Bond shall be in the form set forth in paragraph B of this Section, except that the form of a single fully registered Initial Bond shall be modified as follows:

(1) immediately under the name of the Bond(s) the headings “Interest Rate” and “Stated Maturity” shall both be completed “as shown below”;

(2) the first two paragraphs shall read as follows:

REGISTERED OWNER: \_\_\_\_\_

PRINCIPAL AMOUNT: \_\_\_\_\_

The City of Corpus Christi, Texas (the *City*), a body corporate and a municipal corporation located in the Counties of Nueces, Aransas, Kleberg, and San Patricio, State of Texas, for value received, hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, the Principal Amount specified above on the fifteenth day of July in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
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(Information to be inserted from  
schedule in Section 2 hereof).

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amount hereof from the Dated Date, or from the most recent interest payment date to which interest has been paid or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rate of interest specified above computed on the basis of a 360-day year of 30-day months; such interest being payable on January 15 and July 15 of each year (each, an *Interest Payment Date*), commencing January 15, 2017.

Principal of this Bond shall be payable to the Registered Owner hereof (the *Holder*), upon its presentation and surrender, at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the *Paying Agent/Registrar*). Interest shall be payable to the Holder of this Bond whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the last business day of the month next preceding each interest payment date. All payments of principal of and interest on this Bond shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder hereof.

G. Insurance Legend. If bond insurance is obtained by the Purchasers or the City for the Bonds, the definitive Bonds and the Initial Bond shall bear an appropriate legend as provided by the insurer.

SECTION 9: Definitions. For all purposes of this Ordinance (as defined below), except as otherwise expressly provided or unless the context otherwise requires: (i) the terms defined in this Section have the meanings assigned to them in this Section, and certain terms used in Sections 32 and 46 of this Ordinance have the meanings assigned to them in such Sections, and all such terms include the plural as well as the singular; (ii) all references in this Ordinance to designated “Sections” and other subdivisions are to the designated Sections and other subdivisions of this Ordinance as originally adopted; and (iii) the words “herein”, “hereof”, and “hereunder” and other words of similar import refer to this Ordinance as a whole and not to any particular Section or other subdivision.

A. The term *Accountant* shall mean a nationally recognized independent certified public accountant, or an independent firm of certified public accountants.

B. The term *Additional Inferior Lien Obligations* shall mean (i) any bonds, notes, warrants, or any similar obligations hereafter issued by the City that are payable wholly or in part from and equally and ratably secured by a lien and pledge of the Net Revenues, which pledge is subordinate and inferior to the lien on and pledge of the Net Revenues that is or will be pledged to the payment of the Priority Bonds, that is included in Junior Lien Pledged Revenues, that is or will be pledged to the payment of the Subordinate Lien Obligations, and that is on parity with the lien on and pledge of the Net Revenues securing the payment of the then-Outstanding Inferior Lien Obligations and (ii) obligations hereafter issued to refund any of the foregoing that are payable from and equally and ratably secured by such subordinate and inferior lien on and pledge of the Net Revenues as determined by the City Council in accordance with applicable law.

C. The term *Additional Junior Lien Obligations* shall mean (i) any bonds, notes, warrants, or any similar obligations hereafter issued by the City that are payable wholly or in part from and equally and ratably secured by a lien and pledge of the Junior Lien Pledged Revenues, such pledge to include a pledge of Net Revenues that is junior and inferior to the lien on and pledge of the Net Revenues that are or will be pledged to the payment of the Priority Bonds now Outstanding or hereafter issued by the City but senior and superior to the lien thereon and pledge thereof that is or will be pledged to the payment of the Subordinate Lien Obligations and the Inferior Lien Obligations now Outstanding or hereafter issued by the City, and (ii) obligations hereafter issued to refund any of the foregoing that are payable from and equally and ratably secured solely by a lien on and pledge of the Junior Lien Pledged Revenues, as determined by the City Council in accordance with applicable law.

D. The term *Additional Priority Bonds* shall mean any obligations hereafter issued to refund any of the Previously Issued Priority Bonds if issued in a manner so as to be payable from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues as determined by the City Council in accordance with applicable law and under the terms and conditions provided in Section 19 of this Ordinance.

E. The term *Additional Subordinate Lien Obligations* shall mean (i) any bonds, notes, warrants, or any similar obligations hereafter issued by the City that are payable wholly or in part from and equally and ratably secured by a lien and pledge of the Net Revenues, such pledge being subordinate and inferior to the lien on and pledge of the Net Revenues that is or will be pledged to the payment of the Priority Bonds or that is included in Junior Lien Pledged Revenues, but senior and superior to the lien thereon and pledge thereof that is or will be pledged to the payment of the Inferior Lien Obligations now Outstanding or hereafter issued by the City, and on parity with the lien on and pledge of the Net Revenues securing the payment of the then-Outstanding Subordinate Lien Obligations and (ii) obligations hereafter issued to refund any of the foregoing that are payable from and equally and ratably secured by such subordinate and inferior lien on and pledge of the Net Revenues as determined by the City Council in accordance with applicable law.

F. The term *Approval Certificate* shall mean a written instrument from time to time executed by an Authorized Official in accordance with Section 1 of this Ordinance.

G. The term *Authorized Official* shall mean the City Manager of the City, the Deputy City Manager of the City, the Assistant City Manager for General Government and Operations Support of the City, and the City's Director of Financial Services (which shall include any person serving in any of the foregoing capacities on an interim or non-permanent basis).

H. The term *Average Annual Debt Service Requirements* shall mean that average amount which, at the time of computation, will be required to pay the Debt Service Requirements of obligations when due and derived by dividing the total of such Debt Service Requirements by the number of years then remaining before final Stated Maturity. The calculation of Average Annual Debt Service Requirements shall be net of (1) capitalized interest from bond proceeds and (2) the receipt or anticipated receipt of a refundable tax credit or similar payment relating to a series of Junior Lien Obligations irrevocably designated as refundable tax credit bonds, which payment shall be treated as one offset to regularly scheduled debt service of the series of Junior Lien Obligations to which it relates.

I. The term *Bonds* shall mean the \$80,415,000 "CITY OF CORPUS CHRISTI, TEXAS UTILITY SYSTEM JUNIOR LIEN REVENUE REFUNDING BONDS, SERIES 2016", dated August 1, 2016, authorized by this Ordinance.

J. The term *Bond Fund* shall mean the special Fund or account created and established by the provisions of Section 13 of this Ordinance.

K. The term *Capital Additions* shall mean a reservoir or other water storage facilities, a water or wastewater treatment plant or an interest therein, an electric generation facility and/or distribution system or an interest therein, a gas distribution system or an interest therein and associated transmission facilities with respect to each and any combination thereof, which shall become a part of the System.

L. The term *Capital Improvements* shall mean any capital extensions, improvements and betterments to the System other than Capital Additions.

M. The term *City* shall mean the City of Corpus Christi, Texas and, where appropriate, the City Council of the City.

N. The term *Closing Date* shall mean the date of physical delivery of the Initial Bonds in exchange for the payment in full by the Purchasers.

O. The term *Credit Agreement* shall mean a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase Debt, purchase or sale agreements, interest rate swap agreements, or commitments or other contracts or agreements authorized, recognized, and approved by the City as a Credit Agreement in connection with the authorization, issuance, security, or payment of any obligation authorized by Chapter 1371, and which includes any Credit Facility.

P. The term *Credit Facility* shall mean (i) a policy of insurance or a surety bond, issued by an issuer of policies of insurance insuring the timely payment of debt service on governmental obligations, or (ii) a letter or line of credit issued by any financial institution.

Q. The term *Credit Provider* shall mean any bank, financial institution, insurance company, surety bond provider, or other institution which provides, executes, issues, or otherwise is a party to or provider of a Credit Agreement or Credit Facility.

R. The term *Debt* shall mean

(1) all indebtedness payable from Net Revenues and/or Junior Lien Pledged Revenues incurred or assumed by the City for borrowed money (including indebtedness payable from Net Revenues and/or Junior Lien Pledged Revenues arising under Credit Agreements) and all other financing obligations of the System payable from Net Revenues and/or Junior Lien Pledged Revenues that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet; and

(2) all other indebtedness payable from Junior Lien Pledged Revenues and/or Net Revenues (other than indebtedness otherwise treated as Debt hereunder) for borrowed money or for the acquisition, construction, or improvement of property or capitalized lease obligations pertaining to the System that is guaranteed, directly or indirectly, in any manner by the City, or that is in effect guaranteed, directly or indirectly, by the City through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise.

For the purpose of determining Debt, there shall be excluded any particular Debt if, upon or prior to the maturity thereof, there shall have been deposited with the proper depository (a) in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption, or satisfaction of such Debt or (b)

evidence of such Debt deposited for cancellation; and thereafter it shall not be considered Debt. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements of the System in prior Fiscal Years.

S. The term *Debt Service Requirements* shall mean, as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the City as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations without a fixed numerical rate, that such obligations bear interest calculated by assuming (i) that the interest rate for every 12-month period on such bonds is equal to the rate of interest reported in the most recently published edition of *The Bond Buyer* (or its successor) at the time of calculation as the “Revenue Bond Index” or, if such Revenue Bond Index is no longer being maintained by *The Bond Buyer* (or its successor) at the time of calculation, such interest rate shall be assumed to be 80% of the rate of interest then being paid on United States Treasury obligations of like maturity and (ii) that, in the case of bonds not subject to fixed scheduled mandatory sinking fund redemptions, that the principal of such bonds is amortized such that annual debt service is substantially level over the remaining stated life of such bonds or in the manner permitted under Section 1371.057(c), as amended, Texas Government Code as the same relates to interim or non-permanent indebtedness, and in the case of obligations required to be redeemed or prepaid as to principal prior to Stated Maturity according to a fixed schedule, the principal amounts thereof will be redeemed prior to Stated Maturity in accordance with the mandatory redemption provisions applicable thereto (in each case notwithstanding any contingent obligation to redeem bonds more rapidly). For the term of any Credit Agreement in the form of an interest rate hedge agreement entered into in connection with any such obligations, Debt Service Requirements shall be computed by netting the amounts payable to the City under such hedge agreement from the amounts payable by the City under such hedge agreement and such obligations.

T. The term *Depository* shall mean an official depository bank of the City.

U. The term *Engineer* shall mean an individual, firm, or corporation engaged in the engineering profession, being a registered professional engineer under the laws of the State of Texas, having specific experience with respect to a combined municipal utility system similar to the System and such individual, firm, or corporation may be employed by, or may be an employee of, the City.

V. The term *Federal Contract* shall mean Contract No. 6-07-01-X0675 entered into by an among the United States of America, the City and the Nueces River Authority, dated June 30, 1976, and amended on June 16, 1980, with respect to the Nueces River Reclamation Project, pursuant to which the City has pledged the revenues of its waterworks system in support of the payment obligations of the City under the Federal Contract, subordinate and inferior to the pledge of and lien on the Net Revenues securing the payment of the Priority Bonds, the lien thereon and pledge thereof securing the payment of the Junior Lien Obligations, as a result of such Net Revenues being included as Junior Lien Pledged Revenues, and the lien thereon and pledge thereof securing the payment of the Subordinate Lien Obligations.

W. The term *Fiscal Year* shall mean the twelve month accounting period used by the City in connection with the operation of the System which may be any twelve consecutive month period established by the City, presently being that period commencing on October 1 of each year and ending on the following September 30.

X. The term *Government Securities* as used herein, shall mean (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States of America, and (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

Y. The term *Gross Revenues* shall mean all revenues, income, and receipts derived or received by the City from the operation and ownership of the System, including the interest income from the investment or deposit of money in any Fund created or confirmed by this Ordinance or maintained by the City in connection with the System, other than those amounts subject to payment to the United States of America as rebate pursuant to section 148 of the Code.

Z. The term *Holder or Holders* shall mean the registered owner, whose name appears in the Security Register, for any Bond.

AA. The term *Inferior Lien Obligations* shall mean (i) the Previously Issued Inferior Lien Obligations, (ii) any Additional Inferior Lien Obligations, and (iii) any obligations issued to refund the foregoing payable from and equally and ratably secured by a subordinate and inferior lien on and pledge of the Net Revenues as determined by the City Council in accordance with any applicable law.

BB. The term *Interest Payment Date* shall mean the date semiannual interest is payable on the Bonds, being January 15 and July 15 of each year, commencing January 15, 2017, while any of the Bonds remain Outstanding.

CC. The term *Junior Lien Obligations* shall mean (i) the Previously Issued Junior Lien Obligations, (ii) any Additional Junior Lien Obligations, and (iii) obligations hereafter issued to refund any of the foregoing that are payable from and equally and ratably secured solely by a lien on and pledge of the Junior Lien Pledged Revenues, which includes a lien on and pledge of Net Revenues that is junior and inferior to the lien thereon and pledge thereof securing the repayment of the Priority Bonds, but senior and superior to the lien thereon and pledge thereof securing the repayment of the Subordinate Lien Obligations and the Inferior Lien Obligations, as determined by the City Council in accordance with applicable law.

DD. The term *Junior Lien Pledged Revenues* means (1) the Net Revenues that remain after payment of all amounts, and funding of all funds, relating to any Priority Bonds, plus (2) any additional revenues, income, receipts, or other resources, including, without limitation, any grants, donations, or income received or to be received from the United States Government, or any other public or private source, whether pursuant to an agreement or otherwise, which hereafter are pledged by the City to the payment of the Bonds, and at the City's discretion, any

Additional Junior Lien Obligations, and excluding those revenues excluded from Gross Revenues.

EE. The term *Net Revenues* shall mean all Gross Revenues less Operating Expenses.

FF. The term *Operating Expenses* shall mean the expenses of operation and maintenance of the System, including all salaries, labor, materials, repairs, and extensions necessary to render efficient service; provided, however, that only such repairs and extensions, as in the judgment of the City, reasonably and fairly exercised by the passage of appropriate ordinances, are necessary to render adequate service, or such as might be necessary to meet some physical accident or condition which would otherwise impair any Priority Bonds, Junior Lien Obligations, Subordinate Lien Obligations, Inferior Lien Obligations, or other Debt of the System. Operating Expenses shall include the purchase of water, sewer and gas services as received from other entities and the expenses related thereto, and, to the extent permitted by a change in law (and receipt of an opinion as to legality from a firm of nationally recognized bond counsel), Operating Expenses may include payments made on or in respect of obtaining and maintaining any Credit Facility. Operating Expenses shall never include any allowance for depreciation, property retirement, depletion, obsolescence, and other items not requiring an outlay of cash and any interest on the Bonds or any Debt.

GG. The term *Ordinance* shall mean this Ordinance adopted by the City Council on June 21, 2016 authorizing the issuance of the Bonds.

HH. The term *Outstanding* shall mean when used in this Ordinance with respect to all Debt means, as of the date of determination, all Debt except:

(1) those Priority Bonds, Junior Lien Obligations, Subordinate Lien Obligations, and Inferior Lien Obligations canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Priority Bonds, Junior Lien Obligations, Subordinate Lien Obligations, and Inferior Lien Obligations for which payment has been duly provided by the City in accordance with the provisions of Section 34 of this Ordinance; and

(3) those Priority Bonds, Junior Lien Obligations, Subordinate Lien Obligations, and Inferior Lien Obligations that have been mutilated, destroyed, lost, or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided in Section 27 of this Ordinance.

II. The term *Paying Agent/Registrar* shall mean the financial institution specified in Section 3 of this Ordinance, or its herein-permitted successors and assigns.

JJ. The term *Previously Issued Inferior Lien Obligations* shall mean the Federal Contract.

KK. The term *Previously Issued Junior Lien Obligations* shall mean, as of the Closing Date the Outstanding and unpaid obligations of the City that are payable solely from and equally and ratably secured by a lien on and pledge of the Junior Lien Pledged Revenues which includes

a lien on and pledge of Net Revenues of the System that is junior and inferior to the lien thereon and pledge thereof securing the Priority Bonds but superior to the lien thereon and pledge thereof securing the Subordinate Lien Obligations and Inferior Lien Obligations, identified as follows:

(1) “City of Corpus Christi, Texas Utility System Junior Lien Revenue Improvement Bonds, Series 2012”, dated November 15, 2012, in the original principal amount of \$69,085,000;

(2) “City of Corpus Christi, Texas Utility System Junior Lien Revenue and Refunding Bonds, Series 2012”, dated November 15, 2012, in the original principal amount of \$155,660,000;

(3) “City of Corpus Christi, Texas Utility System Junior Lien Revenue Improvement Bonds, Series 2013”, dated November 1, 2013, in the original principal amount of \$97,930,000;

(4) “City of Corpus Christi, Texas Utility System Junior Lien Revenue Improvement Bonds, Series 2015A”, dated March 1, 2015, in the original principal amount of \$93,600,000;

(5) “City of Corpus Christi, Texas Utility System Variable Rate Junior Lien Revenue Improvement Bonds, Series 2015B”, dated March 1, 2015, in the original principal amount of \$49,585,000; and

(6) Upon issuance, the Bonds.

LL. The term *Previously Issued Priority Bonds* shall mean, as of the Closing Date (i) the Outstanding and unpaid obligations of the City that are payable solely from and equally and ratably secured by a prior and first lien on and pledge of the Net Revenues of the System, identified as follows:

(1) “City of Corpus Christi, Texas Utility System Revenue Refunding Bonds, Series 2005”, dated January 1, 2005, in the original principal amount of \$70,390,000;

(2) “City of Corpus Christi, Texas Utility System Revenue Improvement Bonds, Series 2009”, dated March 1, 2009, in the original principal amount of \$96,490,000;

(3) “City of Corpus Christi, Texas Utility System Revenue Improvement Bonds, Series 2010”, dated March 1, 2010, in the original principal amount of \$8,000,000;

(4) “City of Corpus Christi, Texas Utility System Revenue Improvement Bonds, Taxable Series 2010 (Direct Subsidy-Build America Bonds)”, dated July 1, 2010, in the original principal amount of \$60,625,000;



(5) “City of Corpus Christi, Texas Utility System Revenue Improvement Bonds, Series 2010A”, dated July 1, 2010, in the original principal amount of \$14,375,000; and

(6) “City of Corpus Christi, Texas Utility System Revenue Improvement Bonds, Series 2012”, dated April 1, 2012, in the original principal amount of \$52,500,000.

MM. The term *Previously Issued Subordinate Lien Obligations* shall mean the Series 2007 Certificates of Obligation.

NN. The term *Priority Bonds* shall mean the Previously Issued Priority Bonds and any Additional Priority Bonds hereafter issued to refund any of the foregoing if issued in a manner so as to be payable from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues of the System, as determined by the City Council in accordance with any applicable law.

OO. The term *Prudent Utility Practice* shall mean any of the practices, methods and acts, in the exercise of reasonable judgment, in the light of the facts, including but not limited to the practices, methods and acts engaged in or approved by a significant portion of the public utility industry prior thereto, known at the time the decision was made, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. It is recognized that Prudent Utility Practice is not intended to be limited to the optimum practice, method or act at the exclusion of all others, but rather is a spectrum of possible practices, methods or acts which could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. In the case of any facility included in the System which is owned in common with one or more other entities, the term “Prudent Utility Practice”, as applied to such facility, shall have the meaning set forth in the agreement governing the operation of such facility.

PP. The term *Purchasers* shall mean the initial purchaser or purchasers of the Bonds named in Section 28 of this Ordinance.

QQ. The term *Refunding Candidates* shall mean the following obligations of the City from which the Refunded Obligations are selected by an Authorized Official:

(1) “City of Corpus Christi, Texas Utility System Revenue Refunding and Improvement Bonds, Series 2006”, dated October 1, 2006, in the original principal amount of \$84,415,000 and maturing on July 15 in each of the years 2017 through 2026 in the aggregate principal amount of \$3,720,000; and

(2) “City of Corpus Christi, Texas Utility System Revenue Improvement Bonds, Series 2009”, dated March 1, 2009, in the original principal amount of \$96,490,000 and maturing on July 15 in each of the years 2019 through 2027, July 15, 2029, July 15, 2033, and July 15, 2039 in the aggregate principal amount of \$81,015,000.

RR. The term *Required Reserve Amount* shall have the meaning given such term in Section 14 of this Ordinance.

SS. The term *Reserve Fund* shall have the meaning given such term in Section 14 of this Ordinance.

TT. The term *Reserve Fund Deposits* shall have the meaning given such term in Section 14 of this Ordinance.

UU. The term *Series 2007 Certificates of Obligation* shall mean the City's "Combination Tax and Utility System Revenue Certificates of Obligation, Series 2007", dated March 1, 2007, in the original principal amount of \$6,985,000, being the only series of Subordinate Lien Obligations currently Outstanding.

VV. The term *Special Project* shall mean, to the extent permitted by law, any water, sewer, wastewater reuse, or municipal drainage system property, improvement, or facility declared by the City, upon the recommendation of the City Council, not to be part of the System, for which the costs of acquisition, construction, and installation are paid from proceeds of Special Project Bonds (as hereinafter defined) being a financing transaction other than the issuance of bonds payable from ad valorem taxes, Net Revenues, or Junior Lien Pledged Revenues, and for which all maintenance and operation expenses are payable from sources other than ad valorem taxes, Net Revenues, or Junior Lien Pledged Revenues, but only to the extent that and for so long as all or any part of the revenues or proceeds of which are or will be pledged to secure the payment or repayment of such costs of acquisition, construction, and installation under such Special Project Bonds.

WW. The term *Stated Maturity* shall mean the annual principal payments of the Bonds payable on July 15 of each year, as set forth in Section 2 of this Ordinance.

XX. The term *Subordinate Lien Obligations* shall mean (i) the Previously Issued Subordinate Lien Obligations, (ii) any Additional Subordinate Lien Obligations, and (iii) any obligations issued to refund the foregoing payable and equally and ratably secured from a lien on and pledge of the Net Revenues that is subordinate and inferior to the lien thereon and pledge thereof securing the payment of the Priority Bonds and the Junior Lien Obligations but superior to the lien thereon and pledge thereof securing the payment of the Inferior Lien Obligations, as determined by the City Council in accordance with any applicable law.

YY. The term *System* shall mean and include, whether now existing or hereinafter added (including additions made from time to time in accordance with the provisions of the City ordinances authorizing the issuance of the Outstanding Priority Bonds), the City's existing combined waterworks system, wastewater disposal system and gas system, together with all future extensions, improvements, enlargements, and additions thereto, including, to the extent permitted by law (and to be added at the sole discretion of the City), storm sewer and drainage within the waterworks system, solid waste disposal system, additional utility (including electricity), telecommunications, technology, and any other similar enterprise services, and all replacements, additions, and improvements to any of the foregoing, within or without the City limits; provided that, notwithstanding the foregoing, and to the extent now or hereafter authorized or permitted by law, the term System shall not include any waterworks, wastewater or gas facilities which are declared by the City to be a Special Project and not a part of the System and which are hereafter acquired or constructed by the City with the proceeds from the issuance

of Special Project Bonds, which are hereby defined as being special revenue obligations of the City which are not secured by or payable from all or part of the Net Revenues and/or Junior Lien Pledged Revenues, but which are secured by and payable solely from special contract revenues, or payments received from the City or any other legal entity, or any combination thereof, in connection with such facilities; and such revenues or payments shall not be considered as or constitute Gross Revenues of the System, unless and to the extent otherwise provided in the ordinance or ordinances authorizing the issuance of such Special Project Bonds.

ZZ. The term *System Fund* shall have the meaning given such term in Section 12 of this Ordinance.

**SECTION 10: Pledge of Junior Lien Pledged Revenues.**

A. The City hereby covenants and agrees that the Junior Lien Pledged Revenues of the System are hereby irrevocably pledged to the payment and security of the Junior Lien Obligations, including the establishment and maintenance of the special funds or accounts created for the payment and security thereof, all as hereinafter provided; and it is hereby resolved that the Junior Lien Obligations, and the interest thereon, shall constitute a lien on and pledge of the Junior Lien Pledged Revenues and be valid and binding without any physical delivery thereof or further act by the City, and the lien created hereby on the Junior Lien Pledged Revenues for the payment and security of the Junior Lien Obligations, shall be, subject to the subordinate lien nature of the Junior Lien Pledged Revenues as herein described otherwise, prior in right and claim as to any other indebtedness, liability, or obligation of the City or the System. The Junior Lien Obligations are and will be secured by and payable only from the Junior Lien Pledged Revenues, and are not secured by or payable from a mortgage or deed of trust on any properties whether real, personal, or mixed, constituting the System.

B. Chapter 1208, as amended, Texas Government Code, applies to the issuance of the Bonds and the pledge of Junior Lien Pledged Revenues granted by the City under subsection A of this Section, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Junior Lien Obligations are Outstanding and unpaid such that the pledge of the Junior Lien Pledged Revenues granted by the City is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Junior Lien Obligations the perfection of the security interest in this pledge, the City Council agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, as amended, Texas Business & Commerce Code and enable a filing to perfect the security interest in this pledge to occur.

**SECTION 11: Rates and Charges.** For the benefit of the Holders of the Bonds and in addition to all provisions and covenants in the laws of the State of Texas and in this Ordinance, the City hereby expressly stipulates and agrees, while any of the Junior Lien Obligations are Outstanding, to establish and maintain rates and charges for facilities and services afforded by the System that are reasonably expected, on the basis of available information and experience and with due allowance for contingencies, to produce Gross Revenues in each Fiscal Year sufficient:

A. To pay all Operating Expenses, or any expenses required by statute to be a first claim on and charge against the Gross Revenues of the System.

B. To produce Net Revenues, together with any other lawfully available funds, sufficient to satisfy the rate covenant contained in the ordinances authorizing the issuance of the Priority Bonds and to pay the principal of and interest on the Priority Bonds and the amounts required to be deposited in any reserve or contingency fund or account created for the payment and security of the Priority Bonds, and any other obligations or evidences of indebtedness issued or incurred that are payable from and secured solely by a prior and first lien on an pledge of the Net Revenues of the System;

C. To produce Net Revenues, together with any other lawfully available funds, equal to at least 1.15 times Average Annual Debt Service Requirements on the then-Outstanding Junior Lien Obligations and to deposit the amounts required to be deposited in any reserve or contingency fund or account created for the payment and security of the Junior Lien Obligations, and any other obligations or evidences of indebtedness issued or incurred that are payable from and secured solely by a lien on and pledge of the Net Revenues, including the Junior Lien Pledged Revenues, that is junior and inferior to the lien thereon and pledge thereof securing the repayment of the Priority Bonds but senior and superior to the lien thereon and pledge thereof securing the repayment of the Subordinate Lien Obligations and the Inferior Lien Obligations;

D. To produce Net Revenues, together with any other lawfully available funds, sufficient to pay the amounts that may be deposited in the special funds established for the payment of the Subordinate Lien Obligations;

E. To produce Net Revenues, together with any other lawfully available funds, sufficient to pay the principal of and interest on the Inferior Lien Obligations as the same become due and payable and to deposit the amounts required to be deposited in any reserve or contingency fund or account created for the payment and security of the Inferior Lien Obligations, and any other obligations or evidences of indebtedness issued or incurred that are payable from and secured solely by a lien on and pledge of the Net Revenues that is subordinate and inferior to the lien thereon and pledge thereof securing the repayment of the Priority Bonds, the Junior Lien Obligations, and the Subordinate Lien Obligations; and

F. To pay, together with any other lawfully available funds, any other legally incurred Debt payable from the Net Revenues of the System and/or secured by a lien on any part of the System.

The determination of the amount of principal of and interest on any obligations identified in this Section for the purpose of confirming the sufficiency of System rates and charges shall be made after giving consideration as an offset to debt service the receipt or anticipated receipt of a refundable tax credit or similar payment relating to any series of obligations irrevocably designated as refundable tax credit bonds pursuant to the City ordinance authorizing their issuance or otherwise relating thereto.

SECTION 12: System Fund. The City hereby covenants, agrees, and ratifies its prior covenants and agreements that the Gross Revenues of the System shall be deposited, as collected

and received, into a separate Fund or account (previously created and established and to be maintained with the Depository) known as the “City of Corpus Christi, Texas Utility System Revenue Fund” (the *System Fund*) and that the Gross Revenues of the System shall be kept separate and apart from all other funds of the City. All Gross Revenues deposited into the System Fund shall be pledged and appropriated to the extent required for the following uses and in the order of priority shown:

A. First: To the payment of all necessary and reasonable Operating Expenses or other expenses required by statute to be a first charge on and claim against the revenues of the System.

B. Second: To the payment of the amounts required to be deposited into the special funds and accounts created and established for the payment, security and benefit of the Previously Issued Priority Bonds and any Additional Priority Bonds hereafter issued by the City.

C. Third: To the payment of the amounts required to be deposited into the special funds and accounts created and established for the payment, security and benefit of the Previously Issued Junior Lien Obligations and any Additional Junior Lien Obligations hereafter issued by the City.

D. Fourth: To the payment of the amounts required to be deposited into the special funds and accounts created and established for the payment, security and benefit of the Previously Issued Subordinate Lien Obligations and any Additional Subordinate Lien Obligations hereafter issued by the City.

E. Fifth: To the payment of the amounts that must be deposited in any special funds and accounts created and established for the payment, security, and benefit of the Previously Issued Inferior Lien Obligations and any Additional Inferior Lien Obligations hereafter issued by the City.

Any Net Revenues remaining in the System Fund following such transfers may be used by the City for payment of other obligations of the System, and for any other lawful purpose; provided, however, that for so long as any Priority Bonds remain Outstanding, transfers made for purposes other than for payment of obligations of the System shall be made only at the end of the Fiscal Year (if such limitation is imposed, and then, only to the extent imposed in the City ordinances authorizing the issuance of the Priority Bonds).

**SECTION 13: Bond Fund - Excess Funds.** For purposes of providing funds to pay the principal of and interest on the currently Outstanding Junior Lien Obligations as the same become due and payable, the City agrees to maintain, at the Depository, a separate and special Fund or account to be created and known as the “City of Corpus Christi, Texas Utility System Junior Lien Revenue Refunding Bonds Interest and Sinking Fund” (the *Bond Fund*). The City covenants that there shall be deposited by an Authorized Official into the Bond Fund prior to each principal and interest payment date from the available Net Revenues an amount equal to one hundred per cent (100%) of the amount required to fully pay the interest on and the principal of the currently Outstanding Junior Lien Obligations then falling due and payable, such deposits to pay maturing principal and accrued interest on the currently Outstanding Junior Lien

Obligations to be made in substantially equal monthly installments on or before the 10<sup>th</sup> day of each month, beginning on or before the 10<sup>th</sup> day of the month next following the delivery of the Bonds to the Purchasers. As described further in Section 15 hereof, if the Junior Lien Pledged Revenues in any month are insufficient to make the required payments into the Bond Fund, then the amount of any deficiency in such payment shall be added to the amount otherwise required to be paid into the Bond Fund in the next month.

The required monthly deposits to the Bond Fund for the payment of principal of and interest on the currently Outstanding Junior Lien Obligations shall continue to be made as hereinabove provided until such time as (i) the total amount on deposit in the Bond Fund and Reserve Fund is equal to the amount required to fully pay and discharge all Outstanding Junior Lien Obligations (principal and interest) or (ii) the Junior Lien Obligations are no longer Outstanding.

Any proceeds of the Bonds, and investment income thereon, not expended for authorized purposes shall be deposited into the Bond Fund and shall be taken into consideration and reduce the amount of monthly deposits required to be deposited into the Bond Fund from the Net Revenues of the System.

Any surplus proceeds from the sale of the Bonds, including investment income thereon, not expended for authorized purposes shall be deposited in the Bond Fund, and such amounts so deposited shall reduce the sums otherwise required to be deposited in such Fund from the Junior Lien Pledged Revenues.

**SECTION 14: Reserve Fund.** To accumulate and maintain a reserve for the payment of the Bonds equal to 100% of the Average Annual Debt Service Requirements or such lesser amount as restricted by the Code (calculated by the City Council at the beginning of each Fiscal Year and as of the date of issuance of the Bonds and each series of Additional Junior Lien Obligations) for the Bonds (the *Required Reserve Amount*), the City hereby creates and establishes, and shall maintain at a Depository a separate and special fund known as the "Corpus Christi, Texas Utility System Junior Lien Revenue Refunding Bonds Reserve Fund" (the *Reserve Fund*). Earnings and income derived from the investment of amounts held for the credit of the Reserve Fund shall be retained in the Reserve Fund until the Reserve Fund contains the Required Reserve Amount; thereafter, such earnings and income shall be deposited to the credit of the System Fund. All funds deposited into the Reserve Fund shall be used solely for the payment of the principal of and interest on the Bonds, when and to the extent other funds available for such purposes are insufficient, and, in addition, may be used to retire the last Stated Maturity or Stated Maturities of or interest on the Bonds.

The City may acquire a Credit Facility or Facilities issued by a Credit Provider in amounts equal to all or part of the Required Reserve Amount for the Bonds in lieu of depositing cash into the Reserve Fund; provided, however, that no such Credit Facility may be so substituted unless the substitution of the Credit Facility will not, in and of itself, cause any ratings then assigned to the Bonds by any nationally recognized rating agency to be lowered and the resolution authorizing the substitution of the Credit Facility for all or part of the Required Reserve Amount for the Bonds contains (i) a finding that such substitution is cost effective and (ii) a provision that the interest due on any repayment obligation of the City by reason of

payments made under such Credit Facility does not exceed the highest lawful rate of interest which may be paid by the City at the time of the delivery of the Credit Facility. The City reserves the right to use Junior Lien Pledged Revenues to fund the payment of (1) periodic premiums on the Credit Facility as a part of the payment of the City's Operating Expenses, and (2) any repayment obligation incurred by the City (including interest) to the Credit Provider, the payment of which will result in the reinstatement of such Credit Facility, prior to making payments required to be made to the Reserve Fund pursuant to the provisions of this Section to restore the balance in such fund the Required Reserve Amount for the Bonds.

Until the issuance of any Additional Junior Lien Obligations (or as from time to time recalculated by the City as provided in the first paragraph of this Section), the Required Reserve Amount is \$38,679,651 (inclusive of the Bonds). Of this amount, \$5,577,718, representing the portion of the Required Reserve Amount attributable to the Bonds, shall be deposited to the Reserve Fund at such time as may be required pursuant to the provisions of this Section from Revenues, paid from the System Fund at such level of priority as specified in Section 12, by the deposit of monthly installments, made on or before the 10<sup>th</sup> day of each month following the month in which such obligation to fund the Reserve Fund arises, of not less than 1/60th of the amount to be maintained in the Reserve Fund.

As and when Additional Junior Lien Obligations are delivered or incurred, the Required Reserve Amount shall be increased, if required, to an amount calculated in the manner provided in the first paragraph of this Section. Any additional amount required to be maintained in the Reserve Fund shall be so accumulated by the deposit of all or a portion of the necessary amount from the proceeds of the issue or other lawfully available funds in the Reserve Fund immediately after the delivery of the then proposed Additional Junior Lien Obligations, or, at the option of the City, by the deposit of monthly installments, made on or before the business day before the 10<sup>th</sup> day of each month following the month of delivery of the then proposed Additional Junior Lien Obligations, of not less than 1/60th of the additional amount to be maintained in the Reserve Fund by reason of the issuance of the Additional Junior Lien Obligations then being issued (or 1/60th of the balance of the additional amount not deposited immediately in cash) (such deposits, the *Required Reserve Fund Deposits*), thereby ensuring the accumulation in the Reserve Fund of the appropriate Required Reserve Amount.

When and for so long as the cash and investments in the Reserve Fund equal the Required Reserve Amount, no deposits need be made to the credit of the Reserve Fund; but, if and when the Reserve Fund at any time contains less than the Required Reserve Amount (other than as the result of the issuance of Additional Junior Lien Obligations as provided in the preceding paragraph), the City covenants and agrees to cure the deficiency in the Required Reserve Amount by resuming the Required Reserve Fund Deposits to the Reserve Fund from the Junior Lien Pledged Revenues in monthly deposit amounts equal to not less than 1/60th of the Required Reserve Amount covenanted by the City to be maintained in the Reserve Fund. Any such deficiency payments shall be made on or before the 10<sup>th</sup> day of each month until the Required Reserve Amount has been fully restored. The City further covenants and agrees that, subject only to the prior payments to be made to the Bond Fund, the Junior Lien Pledged Revenues shall be applied and appropriated and used to establish and maintain the Required Reserve Amount and to cure any deficiency in such amounts as required by the terms of this

Ordinance, any City ordinance authorizing the issuance of the Priority Bonds, and any other ordinance pertaining to the issuance of Additional Junior Lien Obligations.

During such time as the Reserve Fund contains the Required Reserve Amount, the City Council may, at its option, withdraw all surplus funds in the Reserve Fund in excess of the Required Reserve Amount. Any such withdrawn surplus shall be deposited to the Bond Fund or used by the City for any other lawful purpose; provided, however, to the extent that such excess amount represents Bond proceeds, then such amount must be transferred to the Bond Fund or be otherwise used in accordance with then-applicable State law.

In the event a Credit Facility issued to satisfy all or a part of the City's obligation with respect to the Reserve Fund causes the amount then on deposit in the Reserve Fund to exceed the Required Reserve Amount for the Bonds, the City may transfer such excess amount to any fund or funds established for the payment of or security for the Bonds (including any escrow established for the final payment of any such obligations pursuant to the provisions of Chapter 1207), or be used for any lawful purposes; provided, however, to the extent that such excess amount represents Bond proceeds, then such amount must be transferred to the Bond Fund or be otherwise used in accordance with then-applicable State law.

Notwithstanding anything to the contrary contained in this Section, the requirements set forth above to fund the Reserve Fund in the amount of the Required Reserve Amount shall be suspended for such time as the Junior Lien Pledged Revenues for each Fiscal Year are equal to at least 110% of the Average Annual Debt Service Requirements. In the event that the Junior Lien Pledged Revenues for any two consecutive Fiscal Years are less than 110% (unless such percentage is below 100% in any Fiscal Year, in which case the hereinafter-specified requirements will commence after such Fiscal Year) of the Average Annual Debt Service Requirements, the City will be required to commence making the deposits to the Reserve Fund, as provided above, and to continue making such deposits until the earlier of (i) such time as the Reserve Fund contains the Required Reserve Amount or (ii) the Junior Lien Pledged Revenues for a Fiscal Year have been equal to not less than 110% of the Average Annual Debt Service Requirements.

**SECTION 15: Deficiencies - Excess Junior Lien Pledged Revenues.**

A. If on any occasion there shall not be sufficient Junior Lien Pledged Revenues to make the required deposits into the Bond Fund, then such deficiency shall be cured as soon as possible from the next available unallocated Junior Lien Pledged Revenues, or from any other sources available for such purpose, and such payments shall be in addition to the amounts required to be paid into these Funds or accounts during such month or months.

B. Subject to making the required deposits to the Bond Fund when and as required by any ordinance or resolution authorizing the issuance of the currently Outstanding Priority Bonds, the Junior Lien Obligations, the Subordinate Lien Obligations and the Inferior Lien Obligations, the excess Net Revenues of the System may be used by the City for any lawful purpose (as further provided in Section 12 hereof).



SECTION 16: Payment of Bonds. While any of the Bonds are Outstanding, an Authorized Official shall cause to be transferred to the Paying Agent/Registrar therefor, from funds on deposit in the Bond Fund, amounts sufficient to fully pay and discharge promptly each installment of interest on and principal of the Bonds as such installment accrues or matures; such transfer of funds must be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar for the Bonds at the close of the business day next preceding the date a debt service payment is due on the Bonds.

SECTION 17: Investments. Funds held in any Fund or account created, established, or maintained pursuant to this Ordinance shall, at the option of the City, be placed in time deposits, certificates of deposit, guaranteed investment contracts or similar contractual agreements as permitted by the provisions of the Public Funds Investment Act, as amended, Chapter 2256, Texas Government Code, or any other law, and secured (to the extent not insured by the Federal Deposit Insurance Corporation) by obligations of the type hereinafter described, including investments held in book-entry form, in securities including, but not limited to, direct obligations of the United States of America, obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligations, or invested in indirect obligations of the United States of America, including, but not limited to, evidences of indebtedness issued, insured, or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National Mortgage Association, Farmers Home Administration, Federal Home Loan Mortgage Association, or Federal Housing Association; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from any Fund or account will be available at the proper time or times. Such investments (except State and Local Government Series investments held in book entry form, which shall at all times be valued at cost) shall be valued in terms of current market value within 45 days of the close of each Fiscal Year. All interest and income derived from deposits and investments in the Bond Fund immediately shall be credited to, and any losses debited to, the Bond Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds.

SECTION 18: Covenants. It is the intention of the City Council and accordingly hereby recognized and stipulated that the provisions, agreements, and covenants contained herein bearing upon the management and operations of the System, and the administering and application of Gross Revenues derived from the operation thereof, shall to the extent possible be harmonized with like provisions, agreements, and covenants contained in the City ordinances authorizing the issuance of the Priority Bonds now or hereafter Outstanding, and to the extent of any irreconcilable conflict between the provisions contained herein and in the City ordinances authorizing the issuance of the Priority Bonds now or hereafter Outstanding, the provisions, agreements and covenants contained therein shall prevail to the extent of such conflict and be applicable to this Ordinance, especially the priority of rights and benefits conferred thereby to the holders of the Priority Bonds now or hereafter Outstanding; provided, however, that the provisions of this Ordinance concerning the issuance of Additional Priority Bonds shall control. It is expressly recognized that prior to the issuance of any Additional Junior Lien Obligations, Additional Subordinate Lien Obligations, or Additional Inferior Lien Obligations, that the City must comply with each of the conditions precedent contained in this Ordinance and the City ordinances authorizing the issuance of the then-Outstanding Priority Bonds, as appropriate.

A. *Performance.* It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance, and each ordinance authorizing the issuance of Junior Lien Obligations; it will promptly pay or cause to be paid the principal amount of and interest on all Debt, on the dates and in the places and manner prescribed in such ordinances and such Debt; and it will, at the time and in the manner prescribed, deposit or cause to be deposited the amounts required to be deposited into the System Fund and the Funds herein created; and any registered owner of any Debt may require the City, its officials and employees to carry out, respect or enforce the covenants and obligations of this Ordinance, or any ordinance authorizing the issuance of Debt, by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings, in any court of competent jurisdiction, against the City, its officials and employees.

B. *City's Legal Authority.* It is a duly created and existing home rule city of the State of Texas, and is duly authorized under the laws of the State of Texas to issue the Bonds; that all action on its part for the issuance of the Bonds has been duly and effectively taken, and that the Bonds in the hands of the owners thereof are and will be valid and enforceable special obligations of the City in accordance with their terms.

C. *Acquisition and Construction; Operation and Maintenance.* (1) It shall use its best efforts in accordance with Prudent Utility Practice to acquire and construct, or cause to be acquired and constructed, any Capital Additions or Capital Improvements, in accordance with the plans and specifications therefor, as modified from time to time, with due diligence and in a sound and economical manner; and (2) it shall at all times use its best efforts to operate or cause to be operated the System properly and in an efficient manner, consistent with Prudent Utility Practice, and shall use its best efforts to maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or use its best efforts to cause to be made, all necessary and proper repairs, replacement and renewals so that at all times the operation of the System may be properly and advantageously conducted.

D. *Title.* It has or will obtain lawful title, whether such title is in fee or lesser interest, to the lands, buildings, structures and facilities constituting the System, that it warrants that it will defend the title to all the aforesaid lands, buildings, structures and facilities, and every part thereof, for the benefit of the owners of the Junior Lien Obligations, against the claims and demands of all persons whomsoever, that it is lawfully qualified to pledge the Junior Lien Pledged Revenues to the payment of the Junior Lien Obligations in the manner prescribed herein, and has lawfully exercised such rights.

E. *Liens.* It will from time to time and before the same become delinquent pay and discharge all taxes, assessments and governmental charges, if any, which shall be lawfully imposed upon it, or the System; it will pay all lawful claims for rents, royalties, labor, materials and supplies which if unpaid might by law become a lien or charge thereon, the lien of which would be prior to or interfere with the liens hereof, so that the priority of the liens granted hereunder shall be fully preserved in the manner provided herein, and it will not create or suffer to be created any mechanic's, laborer's, materialman's or other lien or charge which might or could be prior to the liens hereof, or do or suffer any matter or thing whereby the liens hereof

might or could be impaired; provided however, that no such tax, assessment or charge, and that no such claims which might be used as the basis of a mechanic's, laborer's, materialman's or other lien or charge, shall be required to be paid so long as the validity of the same shall be contested in good faith by the City.

F. *No Free Service.* No free service or service otherwise than in accordance with the established rate schedule shall be furnished, directly or indirectly, by the System to any person, firm, corporation or other entity, other than the City. No part of the salary of any official or employee of the City or his replacement shall be paid from Junior Lien Pledged Revenues unless and only to the extent the duties and performances of such official or employee or his replacement appertain directly to the System. To the extent the City receives the services of the System, such services shall be accounted for according to the established rate schedule.

G. *Further Encumbrance.* It will not additionally encumber the Net Revenues of the System in any manner, except as permitted in the City ordinances authorizing the Previously Issued Priority Bonds and in this Ordinance (which provisions are also included in other City ordinances authorizing other series of Junior Lien Obligations).

H. *Sale, Lease or Disposal of Property.* No part of the System shall be sold, leased, mortgaged, demolished, removed or otherwise disposed of, except as follows:

(1) To the extent permitted by law, the City may sell or exchange at any time and from time to time any property or facilities constituting part of the System only if (A) it shall determine such property or facilities are not useful in the operation of the System, or (B) the proceeds of such sale are \$250,000 or less, or it shall have received a certificate executed by an Engineer and the City Manager stating, in their opinion, that the fair market value of the property or facilities exchanged is \$250,000 or less, or (C) if such proceeds or fair market value exceeds \$250,000 it shall have received a certificate executed by an Engineer and the City Manager stating (i) that system within the System of which the property or facilities comprises a part thereof and (ii) in their opinion, that the sale or exchange of such property or facilities will not impair the ability of the City to comply during the current or any future Fiscal Year with the provisions of Subsection K of this Section. The proceeds of any such sale or exchange not used to acquire other property necessary or desirable for the safe or efficient operation of the System shall forthwith, at the option of the City (i) be used to redeem or purchase Debt, or (ii) otherwise be used to provide for the payment of Debt. The foregoing notwithstanding, if such property or facilities sold or exchanged constituted property or facilities comprising all or a part of a system within the System, the acquisition, improvement or extension of such system having not been financed by the City in any manner with the proceeds of Debt, or with the proceeds of obligations which were refunded in whole or in part with the proceeds of Debt, then the City may utilize the proceeds of such sale or exchange for any lawful purpose; and

(2) To the extent permitted by law, the City may lease or make contracts or grant licenses for the operation of, or make arrangements for the use of, or grant easements or other rights with respect to, any part of the System, provided that any such lease, contract, license, arrangement, easement or right (A) does not impede the operation

by the City of the System and (B) does not in any manner impair or adversely affect the rights or security of the owners of the Debt under this Ordinance; and provided, further, that if the depreciated cost of the property to be covered by any such lease, contract, license, arrangement, easement or other right is in excess of \$500,000, the City shall have received a certificate executed by an Engineer and the City Manager that the action of the City with respect thereto does not result in a breach of the conditions under this clause (2). Any payments received by the City under or in connection with any such lease, contract, license, arrangement, easement or right in respect of the System or any part thereof shall constitute Gross Revenues.

I. *Books, Records and Accounts.* It shall keep proper books, records and accounts separate and apart from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the System and the City shall cause said books and accounts to be audited annually as of the close of each Fiscal Year by the Accountant.

J. *Insurance.*

(1) Except as otherwise permitted in clause (2) below, it shall cause to be insured such parts of the System as would usually be insured by corporations operating like properties, with a responsible insurance company or companies, against risks, accidents or casualties against which and to the extent insurance is usually carried by corporations operating like properties, including, to the extent reasonably obtainable, fire and extended coverage insurance, insurance against damage by floods, and use and occupancy insurance. Public liability and property damage insurance shall also be carried unless the City Attorney gives a written opinion to the effect that the City is not liable for claims which would be protected by such insurance. At any time while any contractor engaged in construction work shall be fully responsible therefor, the City shall not be required to carry insurance on the work being constructed if the contractor is required to carry appropriate insurance. All such policies shall be open to the inspection of the bondholders and their representatives at all reasonable times.

(2) In lieu of obtaining policies for insurance as provided above, the City may self-insure against risks, accidents, claims or casualties described in clause (1) above.

(3) The annual audit hereinafter required shall contain a section commenting on whether or not the City has complied with the requirements of this Section with respect to the maintenance of insurance, and listing the areas of insurance for which the City is self-insuring, all policies carried, and whether or not all insurance premiums upon the insurance policies to which reference is hereinbefore made have been paid.

K. *Audits.* After the close of each Fiscal Year while any Debt is Outstanding, an audit will be made of the books and accounts relating to the System and the Net Revenues by the Accountant. Such annual audit reports shall be open to the inspection of the registered owners of Debt and their agents and representatives at all reasonable times.

L. *Governmental Agencies.* It will comply with all of the terms and conditions of any and all franchises, permits and authorizations applicable to or necessary with respect to the

System, and which have been obtained from any governmental agency; and the City has or will obtain and keep in full force and effect all franchises, permits, authorization and other requirements applicable to or necessary with respect to the acquisition, construction, equipment, operation and maintenance of the System.

M. *No Competition.* To the extent it legally may, it will not grant any franchise or permit for the acquisition, construction or operation of any competing facilities which might be used as a substitute for the System's facilities, and, to the extent that it legally may, the City will prohibit any such competing facilities.

N. *Rights of Inspection.* The Engineer or any registered owner of \$100,000 in aggregate principal amount of the Debt then Outstanding shall have the right at all reasonable times to inspect the System and all records, accounts and data of the City relating thereto, and upon request the City shall furnish to an Engineer or such registered owner, as the case may be, such financial statements, reports and other information relating to the City and the System as an Engineer or such registered owner may from time to time reasonably request.

SECTION 19: Issuance of Additional Priority Bonds, Additional Junior Lien Obligations, Additional Subordinate Lien Obligations, and Additional Inferior Lien Obligations. The City hereby expressly reserves the right to hereafter issue bonds, notes, warrants, certificates of obligation, or similar obligations, payable, wholly or in part, as appropriate, from and secured by a pledge of and lien on the Net Revenues of the System with the following priorities, without limitation as to principal amount, but subject to any terms, conditions, or restrictions applicable thereto under existing ordinances, laws, or otherwise:

A. Additional Priority Bonds payable from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues of the System upon satisfying each of the conditions precedent contained in the City ordinances authorizing the Previously Issued Priority Bonds concerning the issuance of Additional Priority Bonds to realize debt service savings by refunding any Priority Bonds at such time outstanding. For the avoidance of doubt, the City hereby covenants to no longer issue Priority Bonds for "new money" purposes.

B. Additional Junior Lien Obligations, secured by and payable from the Junior Lien Pledged Revenues, which includes (primarily) a lien on and pledge of Net Revenues that is junior and inferior to the lien thereon and pledge thereof securing the repayment of the Priority Bonds but senior and superior to the lien there on and pledge thereof securing the repayment of the Subordinate Lien Obligations and the Inferior Lien Obligations, upon satisfying each of the following conditions precedent:

(1) The City Manager (or other officer of the City then having the responsibility for the financial affairs of the City) shall have executed a certificate stating (i) that the City is not then in default as to any covenant, obligation or agreement contained in any ordinance or other proceeding relating to any obligations of the City payable from and secured by a lien on and pledge of the Net Revenues and (ii) that the amounts on deposit in all Funds or Accounts created and established for the payment and security of all Outstanding obligations payable from and secured by a lien on and pledge of the Net Revenues are the amounts then required to be deposited therein. Such

certificate shall be dated on or before the date of delivery of such Additional Junior Lien Obligations, but such certificate shall not be dated prior to the date an ordinance is passed authorizing the issuance of such Additional Junior Lien Obligations.

(2) Conditions Precedent for Issuance of Additional Junior Lien Obligations - Capital Improvements and for any other Lawful Purpose except for Capital Additions or for Refunding. The City covenants and agrees that Additional Junior Lien Obligations will not be issued for the purpose of financing Capital Improvements, or for any other lawful purpose (except for Capital Additions or for refunding, which are to be issued in accordance with the provisions of Subsection (3) of this Section and Section 21 hereof, respectively) unless and until the conditions precedent in Subsection (1) above have been satisfied and, in addition thereto, the City has secured a certification of the City Manager to the effect that, according to the books and records of the City, the Net Earnings (as hereinafter defined) for the preceding Fiscal Year or for 12 consecutive months out of the 15 months immediately preceding the month the ordinance authorizing the Additional Junior Lien Obligations is adopted are at least equal to 1.15 times the Average Annual Debt Service Requirements for all then-Outstanding Priority Bonds and Junior Lien Obligations after giving effect to the Additional Junior Lien Obligations then proposed. The foregoing notwithstanding, the City covenants and agrees that Additional Junior Lien Obligations may not be issued for the purpose of financing Capital Improvements when other Outstanding Junior Lien Obligations which have been issued for the purpose of financing Capital Additions and for which capitalized interest for such other Junior Lien Obligations has been provided for at least the twelve months subsequent to the date of issuance of the Additional Junior Lien Obligations then proposed to be issued, unless the conditions precedent in Subsection (1) above have been satisfied and, in addition thereto, the City has either (1) complied with the relevant conditions in this Subsection as set forth above, or (2) if the relevant conditions of this Subsection (2) as set forth above cannot be satisfied, the City has satisfied the conditions precedent in Subsection (3)(i) and (ii) of this Section (but, for purposes of such clauses, the term Capital Improvements shall be substituted for the term Capital Additions where the term Capital Additions appears therein to the extent necessary to give recognition to the fact that Capital Improvements, rather than Capital Additions, are then to be financed) and has secured a certification of the City Manager to the effect that, according to the books and records of the City, the Net Earnings for the preceding Fiscal Year or for 12 consecutive months out of the 15 months immediately preceding the month the ordinance authorizing the Additional Junior Lien Obligations is adopted are at least equal to 1.15 times the Average Annual Debt Service Requirements for all then-Outstanding Priority Bonds and Junior Lien Obligations (other than Junior Lien Obligations issued for Capital Additions for which capitalized interest has been provided for at least the twelve months subsequent to the date of issuance of the Additional Junior Lien Obligations proposed to be issued) after giving effect to the Additional Junior Lien Obligations then proposed to be issued.

(3) Conditions Precedent for Issuance of Additional Junior Lien Obligations - Capital Additions: Initial Issue. The City covenants and agrees that Additional Junior Lien Obligations will not be issued for the purpose of financing Capital Additions, unless the same conditions precedent specified in Subsection (1) above have been satisfied and, in addition thereto, either the relevant conditions precedent specified in Subsection (1)

above are satisfied or, in the alternative, the City shall have obtained: (i) from an Engineer a comprehensive engineering report for each Capital Addition to be financed, which report shall (A) contain (1) detailed estimates of the cost of acquiring and constructing the Capital Addition, (2) the estimated date the acquisition and construction of the Capital Addition will be completed and commercially operative, and (3) a detailed analysis of the impact of the Capital Addition on the financial operations of the system for which the Capital Addition is to be integrated and to the System as a whole during the construction thereof and for at least five Fiscal Years after the date the Capital Addition becomes commercially operative, and (B) conclude that (1) the Capital Addition is necessary and will substantially increase the capacity, or is needed to replace existing facilities, to meet current and projected demands for the service or product to be provided thereby, and (2) the estimated cost of providing the service or product from the Capital Addition will be reasonable in comparison with projected costs for furnishing such service or product from other reasonably available sources; and (ii) a certificate of an Engineer to the effect that, based on an engineering report prepared thereby for each Capital Addition, the projected Net Earnings for each of the five Fiscal Years subsequent to the date the Capital Addition becomes commercially operative (as estimated in the engineering report) will be equal to at least 1.15 times the Average Annual Debt Service Requirements for the currently Outstanding Junior Lien Obligations or incurred and all Additional Junior Lien Obligations estimated to be issued, if any, for all Capital Improvements and for all Capital Additions then in progress or then being initiated, during the period from the date the first series of obligations for the Capital Additions is to be delivered through the fifth Fiscal Year subsequent to the date the Capital Addition is estimated to become commercially operative.

(4) Completion Issues. Once a Capital Addition has been initiated by meeting the conditions precedent specified in Subsection (3)(i) and (ii) above and the initial Junior Lien Obligations issued therefor are delivered, the City reserves the right to issue Additional Junior Lien Obligations to finance the remaining costs of such Capital Addition in such amounts as may be necessary to complete the acquisition and construction thereof and make the same commercially operative without satisfaction of any condition precedent under Subsection (3)(i) and (ii) or Subsection (1) of this Section but subject to satisfaction of the following conditions precedent: (i) the City makes a forecast (the *Forecast*) of the operations of the System demonstrating the System's ability to pay all obligations, payable from the Net Revenues of the System to be Outstanding after the issuance of the Additional Junior Lien Obligations then being issued for the period (the *Forecast Period*) of each ensuing Fiscal Year through the fifth Fiscal Year subsequent to the latest estimated date such Capital Addition is expected to be commercially operative; and (ii) an Engineer reviews such Forecast and executes a certificate to the effect that (A) such Forecast is reasonable, and based thereon (and such other factors deemed to be relevant), the Net Revenues of the System will be adequate to pay all the obligations, payable from the Junior Lien Pledged Revenues of the System to be Outstanding after the issuance of the Additional Junior Lien Obligations then being issued for the Forecast Period and (B) the proceeds from the sale of such Additional Junior Lien Obligations are estimated to be sufficient to complete such acquisition and construction.

(5) Computations; Reports. With reference to Junior Lien Obligations anticipated and estimated to be issued or incurred, the Average Annual Debt Service Requirements therefor shall be those reasonably estimated and computed by the City's Director of Financial Services (or other officer of the City then having the primary responsibility for the financial affairs of the City) after giving effect to the receipt or anticipated receipt of a refundable tax credit or similar payment relating to any series of Junior Lien Obligations irrevocably designated as refundable tax credit bonds, which payment shall be treated as an offset to regularly scheduled debt service of the series of Junior Lien Obligations to which it relates. In the preparation of the engineering report required in Subsection (3)(i) above, an Engineer may rely on other experts or professionals, including those in the employment of the City, provided such engineering report discloses the extent of such reliance and concludes it is reasonable so to rely. In connection with the issuance of Junior Lien Obligations for Capital Additions, the certification of the City Manager and an Engineer, together with the engineering report for the initial issue and the Forecast for a subsequent issue, shall be conclusive evidence and the only evidence required to show compliance with the provisions and requirements and this clause of this Section.

(6) Combination Issues. Junior Lien Obligations for Capital Additions may be combined in a single issue with Junior Lien Obligations for Capital Improvements or for any lawful purpose provided the conditions precedent set forth in Subsection (2) through (4) are complied with as the same relate to the appropriate purpose.

(7) Definition of Net Earnings. As used in this Section, the term *Net Earnings* shall mean the Gross Revenues of the System after deducting the Operating Expenses of the System and those items identified in the SECOND level of priority in Section 12 hereof, but not expenditures which, under standard accounting practice, should be charged to capital expenditures.

(8) Determination of Net Earnings. In making a determination of Net Earnings for any of the purposes described in this Section, the City Manager may take into consideration a change in the rates and charges for services and facilities afforded by the System that became effective at least 60 days prior to the last day of the period for which Net Earnings are determined and, for purposes of satisfying any of the Net Earnings test described above, make a pro forma determination of the Net Earnings of the System for the period of time covered by the City Manager's certification or opinion based on such change in rates and charges being in effect for the entire period covered by the City Manager's certificate or opinion.

C. The City may issue Additional Subordinate Lien Obligations secured by a lien on and pledge of the Net Revenues of the System subordinate and inferior to the lien thereon and pledge thereof securing the Priority Bonds and that is included in the Junior Lien Pledged Revenues, respectively, but senior and superior to the lien there on and pledge thereof securing the repayment of the Inferior Lien Obligations, on the terms and conditions desired by the City, subject only to the limitations imposed by applicable law and upon satisfying each of the conditions precedent contained in the ordinances authorizing the issuance of the currently-



Outstanding Priority Bonds, this Ordinance, and the Previously Issued Subordinate Lien Obligations.

D. The City may issue Additional Inferior Lien Obligations secured by a lien on and pledge of the Net Revenues of the System subordinate and inferior to the lien thereon and pledge thereof securing the Priority Bonds and that is included in the Junior Lien Pledged Revenues, respectively, on the terms and conditions desired by the City, subject only to the limitations imposed by applicable law and upon satisfying each of the conditions precedent contained in the ordinances authorizing the issuance of the currently-Outstanding Priority Bonds, this Ordinance, and, to the extent applicable, the Federal Contract.

SECTION 20: Refunding Bonds. The City reserves the right to issue refunding bonds to refund all or any part of the currently Outstanding Debt, pursuant to any applicable law then available, upon such terms and conditions as the City Council may deem to be in the best interest of the City, and if less than all such currently Outstanding Debt are refunded, the conditions precedent prescribed for the issuance of Additional Junior Lien Obligations set forth in Section 19 of this Ordinance shall be satisfied and the City Managers' certification required in Section 19 shall give effect to the Debt Service Requirements of the proposed refunding bonds (but shall not give effect to the Debt Service Requirements of the obligations being refunded following their cancellation or provision being made for their payment).

SECTION 21: Issuance of Special Project Bonds. Nothing in this Ordinance shall be construed to deny the City the right and it shall retain the right to issue Special Project Bonds, provided, however, the City will not issue Special Project Bonds unless the City concludes, upon recommendation of the City Council, that (i) the plan for developing the Special Project is consistent with sound planning, (ii) the Special Project would not materially and adversely interfere with the operation of the System, (iii) the Special Project can be economically and efficiently operated and maintained, and (iv) the Special Project can be economically and efficiently utilized by the City to meet combined utility system requirements and the cost of such will be reasonable.

SECTION 22: Security of Funds. All money on deposit in the funds or accounts for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and money on deposit in such Funds or accounts shall be used only for the purposes permitted by this Ordinance.

SECTION 23: Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the City covenants and agrees particularly that in the event the City (a) defaults in the payments to be made to the Bond Fund, or (b) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Ordinance, the Holders of any of the Bonds shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City to observe and perform any covenant, condition, or obligation prescribed in this Ordinance.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedy herein provided shall be cumulative of all other existing remedies and the specification of such remedy shall not be deemed to be exclusive.

For the avoidance of doubt, no default with respect to any obligation that is secured by and payable from a lien on and pledge of Net Revenues that is junior and subordinate to the lien thereon and pledge thereof securing the Priority Bonds shall ever be deemed to be a default with respect to the Priority Bonds.

**SECTION 24: Notices to Holders Waiver.** Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first-class postage prepaid, to the address of each Holder as it appears in the Security Register.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Holders. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

**SECTION 25: Bonds Are Negotiable Instruments.** Each of the Bonds authorized herein shall be deemed and construed to be a “security” and as such a negotiable instrument with the meaning of the Chapter 8 of the Texas Uniform Commercial Code.

**SECTION 26: Cancellation.** All Bonds surrendered for payment, transfer, redemption, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Bonds held by the Paying Agent/Registrar shall be destroyed as directed by the City.

**SECTION 27: Mutilated, Destroyed, Lost, and Stolen Bonds.** If (1) any mutilated Bond is surrendered to the Paying Agent/Registrar, or the City and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Bond, and (2) there is delivered to the City and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the City or the Paying Agent/Registrar that such Bond has been acquired by a bona fide purchaser, the City shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same

Stated Maturity and interest rate and of like tenor and principal amount, bearing a number not contemporaneously Outstanding.

In case any such mutilated, destroyed, lost, or stolen Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Bond, pay such Bond.

Upon the issuance of any new Bond or payment in lieu thereof, under this Section, the City may require payment by the Holder of a sum sufficient to cover any tax or other governmental charge imposed in relation thereto and any other expenses (including attorney's fees and the fees and expenses of the Paying Agent/Registrar) connected therewith.

Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute a replacement of the prior obligation of the City, whether or not the mutilated, destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Bonds.

SECTION 28: Sale of Bonds- Official Statement Approval – Approval of Purchase Contract. The Bonds authorized by this Ordinance are hereby sold by the City to J.P. Morgan Securities LLC, New York, New York, as the authorized representative of a group of underwriters (the *Purchasers*, and having all the rights, benefits, and obligations of a Holder) in accordance with the provisions of a Purchase Contract dated August 4, 2016 (the *Purchase Contract*) attached hereto as Exhibit B and incorporated herein by reference as a part of this Ordinance for all purposes. The pricing terms of the sale of the Bonds are hereby found and determined to be the most advantageous reasonably obtainable by the City. The Initial Bond shall be registered in the name of J.P. Morgan Securities LLC. Any Authorized Official is hereby authorized and directed to execute the Purchase Contract for and on behalf of the City and as the act and deed of the City Council, and in regard to the approval and execution of the Purchase Contract, the City Council hereby finds, determines and declares that the representations, warranties, and agreements of the City contained in the Purchase Contract are true and correct in all material respects and shall be honored by the City. Delivery of the Bonds to the Purchasers shall occur as soon as practicable after the adoption of this Ordinance, upon payment therefor in accordance with the terms of the Purchase Contract.

Furthermore, the City hereby ratifies, confirms, and approves in all respects (i) the City's prior determination that the Preliminary Official Statement was, as of its date, "deemed final" in accordance with the Rule (hereinafter defined) and (ii) the use and distribution of the Preliminary Official Statement by the Purchasers in connection with the public offering and sale of the Bonds. The final Official Statement, being a modification and amendment of the Preliminary Official Statement to reflect the terms of sale (together with such changes approved by an Authorized Official), shall be and is hereby in all respects approved and the Purchasers are hereby authorized to use and distribute the final Official Statement, dated August 4, 2016, in the

reoffering, sale and delivery of the Bonds to the public. The Mayor and/or City Secretary are further authorized and directed to manually execute and deliver for and on behalf of the City copies of the Official Statement in final form as may be required by the Purchasers, and such final Official Statement in the form and content manually executed by said officials shall be deemed to be approved by the City Council and constitute the Official Statement authorized for distribution and use by the Purchasers.

SECTION 29: Escrow and Trust Agreement - Approval and Execution. The Escrow and Trust Agreement dated as of June 21, 2016 (the *Agreement*) by and between the City and The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the *Escrow Agent*), attached hereto as Exhibit C and incorporated herein by reference as a part of this Order for all purposes, is hereby approved as to form and content, and such Agreement in substantially the form and substance attached hereto, together with such changes or revisions as may be necessary to accomplish the refunding or benefit the City, is hereby authorized to be executed by an Authorized Official for and on behalf of the City and as the act and deed of this City Council; and such Agreement as executed by said officials shall be deemed approved by the City Council and constitute the Agreement herein approved.

Furthermore, any Authorized Official and Bond Counsel, in cooperation with the Escrow Agent, are hereby authorized and directed to make the necessary arrangements for the purchase of the Escrowed Securities, if any, referenced in the Agreement and the delivery thereof to the Escrow Agent on the day of delivery of the Bonds to the Purchasers for deposit to the credit of the "CITY OF CORPUS CHRISTI, TEXAS JUNIOR LIEN REVENUE REFUNDING BONDS, SERIES 2016 ESCROW FUND" (the *Escrow Fund*), including the execution of the subscription forms, if any, for the purchase and issuance of the "United States Treasury Securities - State and Local Government Series" for deposit to the Escrow Fund; all as contemplated and provided by the provisions of the Act, this Ordinance, and the Agreement.

SECTION 30: Proceeds of Sale; Contribution from the City. Immediately following the delivery of the Bonds, certain proceeds of sale along with a cash contribution, if any, from the City (less certain costs of issuance and accrued interest, if any, received from the Purchasers of the Bonds) shall be deposited with the Escrow Agent for application and disbursement in accordance with the provisions of the Escrow Agreement. The proceeds of sale of the Bonds not so deposited with the Escrow Agent for the refunding of the Refunded Obligations shall be disbursed for payment of costs of issuance or deposited in the Bond Fund for the Bonds, all in accordance with written instructions from an Authorized Official. Amounts held in the interest and sinking fund for the Refunded Obligations and not used as part of the City's contribution to the Escrow Fund, if any, shall be deposited into the Bond Fund and used to pay principal on the Bonds.

SECTION 31: Redemption of Refunded Obligations. The Refunded Obligations referenced in the preamble hereof become subject to redemption prior to their stated maturities at the price of par and accrued interest to their respective date of redemption. The City shall give written notice to the paying agent/registrars for the Refunded Obligations that the Refunded Obligations have been called for redemption, and the City Council orders that such obligations are called for redemption on the redemption dates set forth on Schedule I attached hereto, and such order to redeem the Refunded Obligations on such date shall be irrevocable upon the

delivery of the Bonds. A copy of the notice of redemption pertaining to each series of Refunded Obligations is attached to this Ordinance as Exhibit D and is incorporated herein by reference for all purposes. The paying agent/registrars for the Refunded Obligations is authorized and instructed to provide notice of these redemptions to the holders of the Refunded Obligations in the form and manner described in the respective City ordinances authorizing each issuance of Refunded Obligations.

SECTION 32: Covenants to Maintain Tax-Exempt Status.

A. Definitions. When used in this Section, the following terms have the following meanings:

*Code* means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

*Computation Date* has the meaning set forth in Section 1.148-1(b) of the Regulations.

*Gross Proceeds* means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

*Investment* has the meaning set forth in Section 1.148-1(b) of the Regulations.

*Nonpurpose Investment* means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

*Rebate Amount* has the meaning set forth in Section 1.148-1(b) of the Regulations.

*Regulations* means any proposed, temporary, or final Income Tax Regulations issued pursuant to sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

*Yield of*

(a) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and

(b) the Bonds means the yield on the Bonds, calculated in the manner set forth in Section 1.148-4 of the Regulations.

B. Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with

Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.

C. No Private Use or Private Payments. Except as would not cause the Bonds to become “private activity bonds” within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Bonds:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds (including property financed with Gross Proceeds of the Refunded Obligations), and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

D. No Private Loan. Except as would not cause the Bonds to become “private activity bonds” within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds (including property financed with Gross Proceeds of the Refunded Obligations), to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

E. Not to Invest at Higher Yield. Except as would not cause the Bonds to become “arbitrage bonds” within the meaning of section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield

of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, materially exceeds the Yield of the Bonds.

F. Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

G. Information Report. The City shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

H. Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Outstanding Bond is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall pay to the United States out of the Bond Fund or its general fund, as permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

I. Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection H of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

J. Bonds Not Hedge Bonds.

(1) At the time the original bonds refunded by the Bonds were issued, the City reasonably expected to spend at least 85% of the spendable proceeds of such bonds within three years after such bonds were issued.

(2) Not more than 50% of the proceeds of the original bonds refunded by the Bonds were invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of four (4) years or more.

(3) The District reasonably expects to spend 85% of the spendable years after the date of issuance thereof.

K. Current Refunding of the Refunded Obligations. The Bonds are issued, in part, to refund the Refunded Obligations set forth on Schedule I hereto as Number 1 (the *Current Refunded Obligations*) and the Bonds will be issued, and the proceeds thereof used, within 90 days after the Closing Date for the payment of the Current Refunded Obligations at their date of prior redemption. In the issuance of the Bonds, the City has employed no "device" to obtain a material financial advantage (based on arbitrage), within the meaning of section 149(d)(4) of the Code, apart from savings attributable to lower interest rates. The City has complied with the covenants, representations, and warranties contained in the documents executed in connection with the issuance of the Current Refunded Obligations

L. Qualified Advance Refunding. The Bonds are issued to refund the Refunded Obligations set forth in Schedule I hereto as Number 2 (the *Advance Refunded Obligations*), and the Bonds will be issued more than 90 days before the redemption of the Advance Refunded Obligations. The City represents as follows:

(1) The Bonds are the "first advance refunding" of any Advance Refunded Obligations issued after 1985 and are the "first or second advance refunding" of any Advance Refunded Obligations issued before 1986, both within the meaning of section 149(d)(3) of the Code.



(2) The Advance Refunded Obligations are being called for redemption, and will be redeemed: (i) in the case of Advance Refunded Obligations issued after 1985, not later than the earliest date on which such bonds may be redeemed and on which the City will realize present value debt service savings (determined without regard to administrative expenses) in connection with the issuance of the Bonds; and (ii) in the case of Advance Refunded Obligations issued before 1986, not later than the earliest date on which such issue may be redeemed at par or at a premium of 3 percent or less and on which the City will realize present value debt service savings (determined without regard to administrative expenses) in connection with the issuance of the Bonds.

(3) The initial temporary period under section 148(c) of the Code will end: (i) with respect to the proceeds of the Bonds used to refund the Advance Refunded Obligations not later than 30 days after the date of issue of such Bonds; and (ii) with respect to proceeds of the Advance Refunded Obligations on the Closing Date if not ended prior thereto.

(4) On and after the date of issue of the Bonds, no proceeds of the Advance Refunded Obligations will be invested in Nonpurpose Investments having a Yield in excess of the Yield on such Advance Refunded Obligations.

(5) The Bonds are being issued for the purposes stated in the preamble of this Ordinance. There is a present value savings associated with the refunding. In the issuance of the Bonds the City has: (i) neither issued more bonds, nor issued bonds earlier, and will not allow bonds to remain outstanding longer, than reasonably necessary to accomplish the governmental purposes for which the Bonds were issued; (ii) not employed an “abusive arbitrage device” within the meaning of Section 1.148-10(a) of the Regulations; and (iii) not employed a “device” to obtain a material financial advantage based on arbitrage, within the meaning of section 149(d)(4) of the Code, apart from savings attributable to lower interest rates.

M. Elections. The City hereby directs and authorizes each Authorized Official, or any combination of them, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document. Such elections shall be deemed to be made on the Closing Date.

SECTION 33: Control and Custody of Bonds. The Mayor shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas and shall take and have charge and control of the Bonds pending their approval by the Attorney General of the State of Texas, the registration thereof by the Comptroller of Public Accounts of the State of Texas and the delivery of the Bonds to the Purchasers.

Furthermore, any Authorized Official or any combination of them are hereby authorized and directed to furnish and execute such documents relating to the City and its financial affairs as may be necessary for the issuance of the Bonds, the approval of the Attorney General and their registration by the Comptroller of Public Accounts and, together with the City’s Bond Counsel

and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond to the Purchasers.

SECTION 34: Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Ordinance, then the lien on and pledge of Junior Lien Pledged Revenues made under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

The Bonds, or any principal amount(s) thereof, shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at Stated Maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have, in the case of a net defeasance, been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any money deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof for the Bonds. In the event of a gross defeasance of the Bonds, the City shall deliver a certificate from its financial advisor, the Paying Agent/Registrar, or another qualified third party concerning the deposit of cash and/or Government Securities to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Bonds. The City covenants that no deposit of money or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as arbitrage bonds within the meaning of section 148 of the Code (as defined in Section 32 hereof).

Any money so deposited with the Paying Agent/Registrar, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such money has been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such money was deposited and is held in trust to pay shall upon the request of the City be remitted to the City against a written receipt therefor, subject to the unclaimed property laws of the State of Texas.

Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem defeased Bonds that is made in conjunction with the payment arrangements specified in subsection (i) or (ii) above shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the defeased Bonds for redemption; (2) gives notice of the reservation of that

right to the owners of the defeased Bonds immediately following the defeasance; (3) directs that notice of the reservation be included in any redemption notices that it authorizes; and (4) at the time of the redemption, satisfies the conditions of (i) or (ii) above with respect to such defeased debt as though it was being defeased at the time of the exercise of the option to redeem the defeased Bonds, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the defeased Bonds.

SECTION 35: Ordinance a Contract; Amendments - Outstanding Bonds. The City acknowledges that the covenants and obligations of the City herein contained are a material inducement to the purchase of the Bonds. This Ordinance shall constitute a contract with the Holders from time to time, binding on the City and its successors and assigns, and it shall not be amended or repealed by the City so long as any Bond remains Outstanding except as permitted in this Section. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the written consent of Holders holding a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding Bonds, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required for consent to any such amendment, addition, or rescission.

SECTION 36: Printed Opinion. The Purchasers' obligation to accept delivery of the Bonds is subject to their being furnished a final opinion of Norton Rose Fulbright US LLP, as Bond Counsel, approving certain legal matters as to the Bonds, said opinion to be dated and delivered as of the date of initial delivery and payment for such Bonds. Printing of a true and correct copy of said opinion on the reverse side of each of said Bonds, with appropriate certificate pertaining thereto executed by facsimile signature of the City's Secretary is hereby approved and authorized.

SECTION 37: CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof, and neither the City nor attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

SECTION 38: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 39: Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, Bond Counsel, Paying Agent/Registrar, and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being

intended to be and being for the sole and exclusive benefit of the City, Bond Counsel, Financial Advisors, the Paying Agent/Registrar, and the Holders.

SECTION 40: Inconsistent Provisions. All resolutions and ordinances, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters resolved herein.

SECTION 41: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 42: Severability. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 43: Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the City Council.

SECTION 44: Authorization of Paying Agent/Registrar Agreement. The City Council hereby finds and determines that it is in the best interest of the City to authorize the execution of a Paying Agent/Registrar Agreement concerning the payment, exchange, and transferability of the Bonds. A copy of the Paying Agent/Registrar Agreement is attached hereto, in substantially final form, as Exhibit A and is incorporated by reference to the provisions of this Ordinance.

SECTION 45: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 46: Continuing Disclosure of Information.

A. Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

*EMMA* means the MSRB's Electronic Municipal Market Access system, accessible by the general public, without charge, on the internet through the uniform resource locator (URL) <http://www.emma.msrb.org>.

*MSRB* means the Municipal Securities Rulemaking Board.

*Rule* means SEC Rule 15c2-12, as amended from time to time.

*SEC* means the United States Securities and Exchange Commission.

B. Annual Reports. The City shall file annually with the MSRB, (1) within six months after the end of each Fiscal Year of the City ending in or after 2016, financial information and operating data with respect to the System of the general type included in the final Official Statement authorized by Section 28 of this Ordinance, being the information described in Exhibit E hereto, and (2) if not provided as part such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit E hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the City commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall file unaudited financial statements within such period and audited financial statements for the applicable Fiscal Year to the MSRB, when and if the audit report on such statements becomes available.

If the City changes its Fiscal Year, it will file notice thereof with the MSRB of the change (and of the date of the new Fiscal Year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

C. Notice of Certain Events. The City shall file notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of Holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;

(13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) Appointment of a successor or additional Paying Agent/Registrar or the change of name of a Paying Agent/Registrar, if material.

For these purposes, any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

The City shall file notice with the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with this Section by the time required by this Section.

D. Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any deposit that causes the Bonds to be no longer Outstanding.

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

**UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR**

TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The City may also repeal or amend the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the City also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the City so amends the provisions of this Section, the City shall include with any amended financial information or operating data next provided in accordance with this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

E. Information Format – Incorporation by Reference. The City information required under this Section shall be filed with the MSRB through EMMA in such format and accompanied by such identifying information as may be specified from time to time thereby. Under the current rules of the MSRB, continuing disclosure documents submitted to EMMA must be in word-searchable portable document format (PDF) files that permit the document to be saved, viewed, printed, and retransmitted by electronic means and the series of obligations to which such continuing disclosure documents relate must be identified by CUSIP number or numbers.

Financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public through EMMA or filed with the United States Securities and Exchange Commission.

SECTION 47: Book-Entry Only System. The Bonds are initially registered so as to participate in a securities depository system (the *DTC System*) with the Depository Trust Company, New York, New York, or any successor entity thereto (*DTC*), as set forth herein. Each Stated Maturity of the Bonds shall be issued (following cancellation of the Initial Bond described in Section 7) in the form of a separate single definitive Bond. Upon issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the Outstanding Bonds shall be registered in the name of Cede & Co., as the nominee of DTC. The City and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representations attached hereto as Exhibit G (the *Representation Letter*).

With respect to the Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds the Bonds from time to time as securities depository (a *Depository Participant*) or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds (an *Indirect Participant*). Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository Participant or any other person, other than a registered owner of the Bonds, as shown on the Security Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than a Holder of a Bond, of any amount with respect to principal of, premium, if any, or interest on the Bonds. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a bond certificate evidencing the obligation of the City to make payments of principal, premium, if any, and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks or drafts being mailed to the Holder, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

In the event that (a) the City determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason, or (c) DTC or the City determines that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the City shall notify the Paying Agent/Registrar, DTC, and the Depository Participants of the availability within a reasonable period of time through DTC of bond certificates, and the Bonds shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the City may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the



City, or such depository's agent or designee, and if the City and the Paying Agent/Registrar do not select such alternate securities depository system then the Bonds may be registered in whatever name or names the Holders of Bonds transferring or exchanging the Bonds shall designate, in accordance with the provisions hereof.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

**SECTION 48: Further Procedures.** The officers and employees of the City are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the initial sale and delivery of the Bonds, the Agreement, the Paying Agent/Registrar Agreement, and the Purchase Contract. In addition, prior to the initial delivery of the Bonds, each Authorized Official and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance and as described in the Official Statement, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Bonds by the Texas Attorney General's office. In case any officer of the City whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

**SECTION 49: Unavailability of Authorized Publication.** If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Ordinance shall be given in such other manner and at such time or times as in the judgment of the City or of the Paying Agent/Registrar shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Ordinance be deemed to be in compliance with the requirements for publication thereof.

**SECTION 50: No Recourse Against City Officials.** No recourse shall be had for the payment of principal of, premium, if any, or interest on any Bond or for any claim based thereon or on this Ordinance against any official of the City or any person executing any Bond.

**SECTION 51: Automatic Budget Amendments to Reflect Final Debt Service Payments.** To the extent that the City Council has adopted an annual budget that includes payment of debt service on any Bonds issued (or to be issued) pursuant to this Ordinance based on the City's reasonable expectations and projections relative to those Bonds, such budget entries shall, upon the issuance of Bonds, be automatically adjusted to reflect actual debt service payments on those Bonds coming due during the period of time covered by such budget. Each Authorized Official,

or the designee thereof, is authorized to make such necessary budget entries and/or adjustments to reflect these final debt service amounts.

SECTION 52: Covenants of Compliance. The City shall faithfully and punctually perform all duties with reference to the System required by the Act, all other applicable laws of the State of Texas, and the provisions of this Ordinance and that the City shall render no free service to any customers or other persons.

SECTION 53: Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine, or neuter gender shall be considered to include the other genders.

SECTION 54: Ancillary Bond Contracts. Though such parties may be identified, and the entry into a particular form of contract may be authorized herein, the City Council hereby delegates to each Authorized Official the authority to independently select the counterparty to any agreement with any paying agent/registrar, rating agency, securities depository, escrow agent, open market securities bidding agent, verification agent or any other contract that is determined by an Authorized Official, the City's Financial Advisor, or the City's Bond Counsel to be necessary or incidental to the issuance of the Bonds as long as each of such contracts has a value of less than the amount referenced in Section 2252.908 of the Texas Government Code (collectively, the *Ancillary Bond Contracts*); and, as necessary, to execute the Ancillary Bond Contracts on behalf and as the act and deed of the City. The Governing Body has not participated in the selection of any of the business entities which are counterparties to the Ancillary Bond Contracts.

SECTION 55: City's Consent to Provide Information and Documentation to the Texas MAC. The Municipal Advisory Council of Texas (the *Texas MAC*), a non-profit membership corporation organized exclusively for non-profit purposes described in section 501(c)(6) of the Internal Revenue Code and which serves as a comprehensive financial information repository regarding municipal debt issuers in Texas, requires provision of written documentation regarding the issuance of municipal debt by the issuers thereof. In support of the purpose of the Texas MAC and in compliance with applicable law, the City hereby consents to and authorizes any Authorized Official, the City's Bond Counsel, and/or the City's Financial Advisor to provide to the Texas MAC information and documentation requested by the Texas MAC relating to the Certificates; provided, however, that no such information and documentation shall be provided prior to the Closing Date. This consent and authorization relates only to information and documentation that is a part of the public record concerning the issuance of the Bonds.

SECTION 56: Effective Date. This Ordinance shall be in force and effect from and after its final passage, and it is so resolved.

SIGNED AND SEALED THIS 21<sup>ST</sup> DAY OF JUNE, 2016.

CITY OF CORPUS CHRISTI, TEXAS

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Mayor

ATTEST:

---

City Secretary

(SEAL)

APPROVED THIS 21<sup>ST</sup> DAY OF JUNE, 2016:

---

Miles Risley, City Attorney

THE STATE OF TEXAS           §  
  §  
COUNTIES OF NUECES,       §  
ARANSAS, KLEBERG, AND     §  
SAN PATRICIO                 §  
  §  
CITY OF CORPUS CHRISTI     §

I, the undersigned, City Secretary of the City of Corpus Christi, Texas, do hereby certify that the above and foregoing is a true, full and correct copy of an Ordinance passed by the City Council of the City of Corpus Christi, Texas (and of the minutes pertaining thereto) on the 21<sup>st</sup> day of June, 2016, authorizing the issuance of the City’s Utility System Junior Lien Revenue Refunding Bonds, Series 2016, which ordinance is duly of record in the minutes of said City Council, and said meeting was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Texas Government Code, Chapter 551.

EXECUTED UNDER MY HAND AND SEAL of said City, this the 21<sup>st</sup> day of June, 2016.

\_\_\_\_\_  
City Secretary

(CITY SEAL)

The foregoing ordinance was read for the first time and passed to its second reading on this the 14<sup>th</sup> day of June, 2016, by the following vote:

Nelda Martinez	_____	Rudy Garza	_____
Carolyn Vaughn	_____	Michael T. Hunter	_____
Brian Rosas	_____	Chad Magill	_____
Lucy Rubio	_____	Mark Scott	_____
Colleen McIntyre	_____		

That the foregoing ordinance was read for the second time and passed finally on this the 21<sup>st</sup> day of June, 2016, by the following vote:

Nelda Martinez	_____	Rudy Garza	_____
Carolyn Vaughn	_____	Michael T. Hunter	_____
Brian Rosas	_____	Chad Magill	_____
Lucy Rubio	_____	Mark Scott	_____
Colleen McIntyre	_____		

PASSED AND APPROVED, this the 21<sup>st</sup> day of June, 2016.

ATTEST:

\_\_\_\_\_  
Rebecca Huerta  
City Secretary

\_\_\_\_\_  
Nelda Martinez  
Mayor

**INDEX TO SCHEDULES AND EXHIBITS**

Schedule I..... Schedule of Refunded Obligations  
Schedule II.....Approval Certificate  
Exhibit A..... Paying Agent/Registrar Agreement  
Exhibit B..... Purchase Contract  
Exhibit C.....Escrow and Trust Agreement  
Exhibit D..... Notices of Redemption  
Exhibit E.....Description of Annual Financial Information  
Exhibit F..... Form of Reimbursement Agreement  
Exhibit G..... DTC Letter of Representations

## **SCHEDULE I**

### **Schedule of Refunded Obligations**

1. “City of Corpus Christi, Texas Utility System Revenue Refunding and Improvement Bonds, Series 2006”, dated October 1, 2006, in the original principal amount of \$84,415,000 and maturing on July 15 in each of the years 2017 through 2026 in the aggregate principal amount of \$3,720,000. The redemption date for these Refunded Obligations is September 15, 2016.
2. “City of Corpus Christi, Texas Utility System Revenue Improvement Bonds, Series 2009”, dated March 1, 2009, in the original principal amount of \$96,490,000 and maturing on July 15 in each of the years 2017 through 2027, July 15, 2029, July 15, 2033, and July 15, 2039 in the aggregate principal amount of \$81,015,000. The redemption date for these Refunded Obligations is July 15, 2018.

**SCHEDULE II**

Approval Certificate

See Tab No. 2



**EXHIBIT A**

Paying Agent/Registrar Agreement

See Tab No. 4

**EXHIBIT B**

Purchase Contract

See Tab No. 9

**EXHIBIT C**

Escrow and Trust Agreement

See Tab No. 5

**EXHIBIT D**

Notices of Redemption

See Tab No. 30

## **EXHIBIT E**

### **Description of Annual Financial Information**

The following information is referred to in Section 46 of this Ordinance.

#### **Annual Financial Statements and Operating Data**

The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

1. The City's audited financial statements for the most recently concluded Fiscal Year or to the extent these audited financial statements are not available, unaudited financial statements of the City for the most recently concluded Fiscal Year.
2. Tables 1 through 23 contained in the Official Statement; and the Audited Financial Statement of the City, as set forth in Appendix B to the Official Statement.

#### **Accounting Principles**

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to above.

**EXHIBIT F**

Form of Reimbursement Agreement

N/A

**EXHIBIT G**

DTC Letter of Representations

See Tab No. 6

Public Utility Commission  
of Texas

By These Presents Be It Known To All That

CITY OF CORPUS CHRISTI

having duly applied for certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service by this Applicant, is entitled to and is hereby granted this

Certificate of Convenience and Necessity

numbered 10554 , to provide water utility service to that service area or those service areas designated by final Order or Orders duly entered by this Commission, which Order or Orders are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection;

and be it known further that these

presents do evidence the authority and the duty of this Grantee to provide such utility service in accordance with the laws of this State and the Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this 1st day of November, 1979.

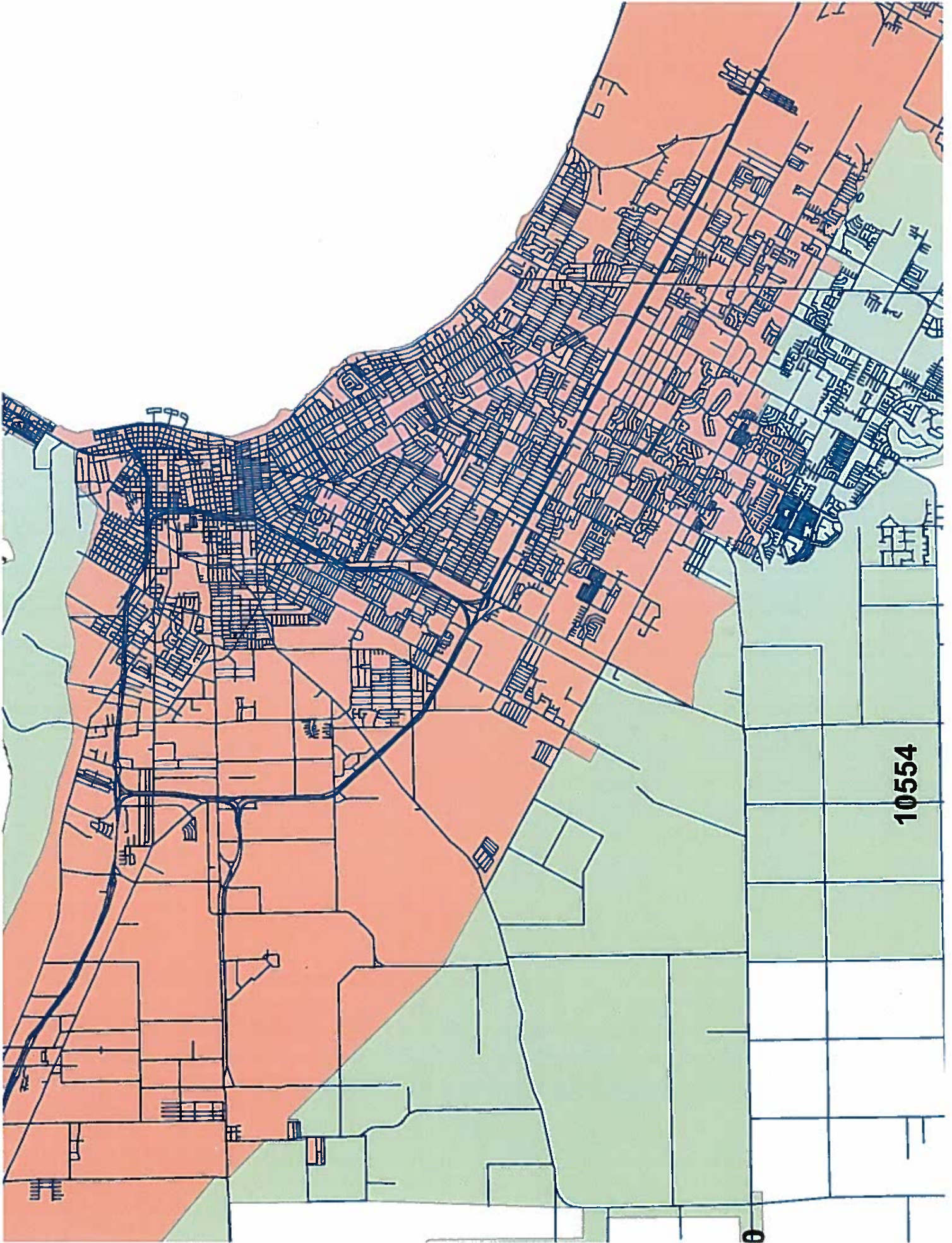


*Philip F. Ricketts*

Philip F. Ricketts  
SECRETARY OF THE COMMISSION







10554

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The following Administrative Order is pending with TCEQ: Administrative order under TCEQ Docket No. 2015-1478-PWS-E, Enforcement Case No. 51333;

The following Administrative Order has settled within the past three years: Administrative order under TCEQ Docket No. 2016-0638-MLM-E, Enforcement Case No. 52223;

Consent decree negotiations are ongoing for the following EPA Administrative Orders: Docket CWA-06-2011-1913 Permit Number TX0047082; Docket CWA-06-2011-1914, Permit Number TX0047066; Docket CWA-06-2011-1915 Permit Number TX0047074; Docket CWA-06-2011-1916, Permit Number TX0047104; EPA: Docket CWA-06-2011-1917, Permit Number TX0047058; EPA: Docket CWA-06-2011-1918, Permit Number TX0047121.

Water Enforcement: Attached herewith are the notices of enforcement from TCEQ for the 2015 boil water event and the 2016 boil water event within the City. The City still in discussions with TCEQ regarding these enforcement matters. Also attached are two TCEQ Exit Interview Forms concerning a reported backflow incident in December 2016. No official enforcement action has resulted from this backflow incident.

Wastewater Enforcement: 1) The City remains in long-term negotiations with TCEQ/EPA regarding wastewater sanitary sewer overflow issues. Attached herewith are EPA Administrative Orders and documentation concerning the TCEQ investigation and corrective measures by the City; 2) The City also received a notice of enforcement regarding nuisance odor at the Greenwood WWTP for which we have a proposed agreed order pending approval at TCEQ. A copy of the Proposed Agreed Order is attached.

The following Agreed Order is pending with the Texas Railroad Commission: Docket #050172. The following Agreed Order has been finalized with the Texas Railroad Commission: Docket #050173.

Relevant documentation is attached herewith.

Bryan W. Shaw, Ph.D., P.E., *Chairman*  
Toby Baker, *Commissioner*  
Jon Niermann, *Commissioner*  
Richard A. Hyde, P.E., *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

March 17, 2017

Ms. Carolyn Vaughn, Mayor Pro Tem  
City of Corpus Christi  
P.O. Box 9277  
Corpus Christi, Texas 9277

Re: Revised Proposed Agreed Order  
City of Corpus Christi; RN101385151  
Docket No. 2015-1478-PWS-E; Enforcement Case No. 51333  
**FOR SETTLEMENT PURPOSES ONLY**

Dear Ms. Vaughn:

In the cover letter for the proposed agreed order mailed out to the City of Corpus Christi on June 15, 2016, the City of Corpus Christi was given an opportunity to propose a Supplemental Environmental Project ("SEP") to offset a portion of the assessed penalty. Your proposed SEP has been reviewed and has been incorporated in the enclosed revised proposed agreed order. Please note that agreed orders are subject to final approval by the Commission and the SEP offset amount of \$12,403 must not be paid to the SEP Third-Party Administrator until the Commission has approved the agreed order. In addition, because this case was combined as requested, the penalty increased and additional violations and Ordering Provisions were added.

If you agree with the revised order as proposed, please sign and return this order with an original signature **before April 22, 2017**, (check payable to "TCEQ" and referencing City of Corpus Christi, Docket No. 2015-1478-PWS-E) to:

Financial Administration Division, Revenue Operations Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088

You will be notified when your order has been approved. Enclosed for your convenience is a return envelope. If the signed order is not mailed and postmarked by **April 22, 2017** we will assume that you have elected to participate in the more extended enforcement process described in previous correspondence, and we will proceed accordingly. Your case will be forwarded to the Litigation Division and this settlement offer and possibly the SEP, will no longer be available.



Ms. Carolyn Vaughn  
Page 2

If you have any questions regarding these matters, please contact Mr. Epifanio Villarreal of my staff at (361) 825-3421.

Sincerely,

  
Epifanio Villarreal

cc: James Gradney, Manager  
Enforcement Division  
Texas Commission on Environmental Quality

JG/ev

Enclosures: Revised Proposed Agreed Order, Return Envelope

cc: Mr. Brad Castleberry, Attorney, Lloyd Gosselink Rochelle & Townsend, P.C., 816  
Congress Avenue, Suite 1900, Austin Texas 78701





TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
CITY OF CORPUS CHRISTI  
RN101385151

§ BEFORE THE  
§  
§ TEXAS COMMISSION ON  
§  
§ ENVIRONMENTAL QUALITY

**AGREED ORDER  
DOCKET NO. 2015-1478-PWS-E**

At its \_\_\_\_\_ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding the City of Corpus Christi (the "Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 341. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent represented by Mr. Brad Castleberry of the law firm of Lloyd Gosselink Rochelle & Townsend, P.C. presented this agreement to the Commission.

The Respondent understands that it has certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Order, the Respondent agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated settlement of the parties. The provisions of this Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Order unenforceable, the remaining provisions shall be valid and enforceable. The duties and responsibilities imposed by this Order are binding upon the Respondent.

The Commission makes the following Findings of Fact and Conclusions of Law:

**I. FINDINGS OF FACT**

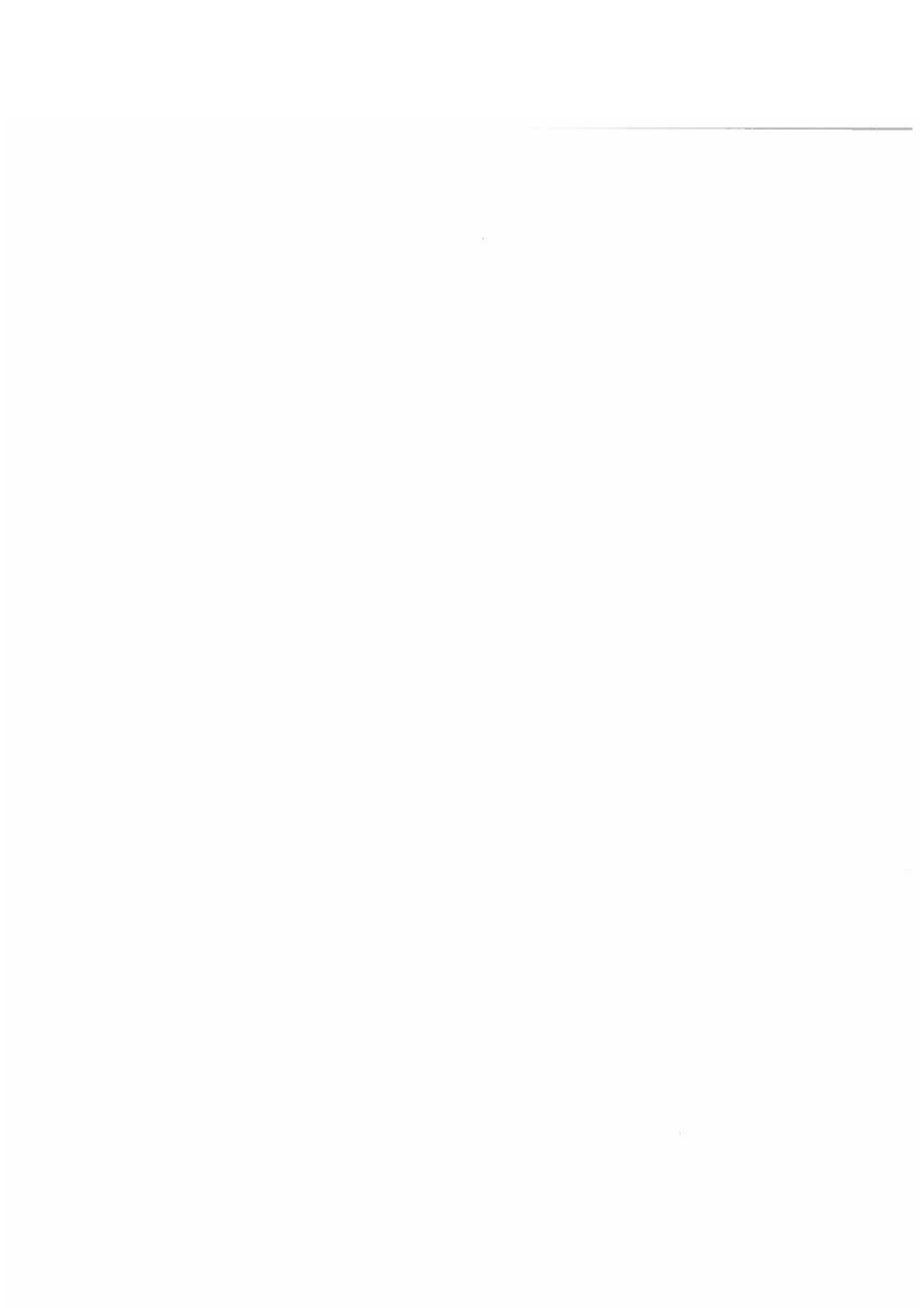
1. The Respondent owns and operates a public water supply located at 13101 Leopard Street in Corpus Christi, Nueces County, Texas (the "Facility") that has approximately





131,893 service connections and serves at least 25 people per day for at least 60 days per year.

2. During investigations conducted on September 16 and September 25, 2015, TCEQ staff documented that the Respondent did not use gauges in the testing of backflow prevention assemblies that have been tested for accuracy annually. Specifically, the two backflow prevention assemblies installed at the Bay Area Health Group were tested on July 9 and July 31, 2015 using a Conbraco gauge (model 40-200TK5; Serial No. 258267) that was last tested for accuracy on February 3, 2014.
3. During investigations conducted on September 16 and September 25, 2015, TCEQ staff documented that the Respondent did not ensure that all backflow prevention assemblies are tested on an annual basis by a recognized backflow assembly tester and certify that they are operating within specifications. Specifically, the backflow prevention assemblies at the carwash in front of the Stripes Convenience Store (Ennis Joslin Street and McArdle Road) and the carwash at the Valero Corner Store (South Padre Island Drive and Ennis Joslin Street) had not been tested within the last year.
4. During an investigation conducted on September 16, 2015, TCEQ staff documented that Respondent did not maintain pumps, motors, valves, and other mechanical devices in good working condition. Specifically, three leaks were observed at the following locations: pump no. 1 at the Staples Street Pump Station; pump no. 2 at the Holly Road Pump Station; and pump no. 1 at the Sand Dollar Pump Station.
5. During investigations conducted from July 16, 2015 through September 8, 2015, and May 3, 2016 through June 3, 2016, TCEQ staff documented that the Respondent did not maintain a disinfectant residual of at least 0.2 milligrams per liter ("mg/L") of free chlorine or 0.5 mg/l of chloramine (measured as total chlorine) throughout the distribution system at all times. Specifically, field samples collected at various locations within the distribution system contained chloramine residuals below the minimum of 0.5 mg/L on July 16, 2015, September 2, 2015, September 3, 2015, September 4, 2015, September 6, 2015, September 8, 2015, March 22, 2016, April 12, 2016, April 19, 2016, April 21, 2016, April 22, 2016, April 26, 2016, May 3, 2016, May 4, 2016, May 10, 2016, May 12, 2016, and May 13, 2016 and contained free chlorine residuals below the minimum of 0.2 mg/L on September 8, 2015. Additionally, field samples collected on September 5, 2015 at 6101 Ocean Drive and 7526 McArdle measured a chloramine residual of 0.00 mg/L.
6. During investigations conducted on September 16 and September 25, 2015, TCEQ staff documented that the Respondent did not initiate maintenance and housekeeping practices to ensure the good working condition and general appearance of the Facility and its equipment. Specifically, a review of the elevated storage tank ("EST") inspections conducted on August 10, 2015, by Texas Tank Service, indicated the following: corrosion on the interior of the Alameda EST; a hole in the side wall plate of the Morgan EST; and a significant amount of corrosion on the interior, exterior, roof ventilation, and holes in the roof plates of the Flour Bluff EST.



7. During investigations conducted on September 16 and September 25, 2015, TCEQ staff documented that the Respondent did not maintain water works operation and maintenance records; and make them readily available for review by Commission personnel upon request. Specifically, records of the amount of chemicals used each day and records of backflow prevention devices completed by the backflow prevention assembly testers, were not properly completed and available for review.
8. During investigations conducted on July 16, 2015 through September 8, 2015 and May 3, 2016 through June 3, 2016, TCEQ staff documented that the Respondent did not include all samples collected at sites designated in the monitoring plan as microbiological and disinfectant residual monitoring sites in the compliance determination calculations. Specifically, the length of time the Respondent was flushing prior to and during sample collection was not representative of the required monitoring activity. In addition, not all the disinfectant residual measurements were reported on the Surface Water Monthly Operating Reports ("SWMORs"). In addition, SWMOR submitted for the reporting month of March 2016 indicated there were zero readings with a low residual and as such the percentage of readings with a low residual during this month was 0.0%, while data submitted by the Respondent indicates there was one reading with a low residual and the percentage of readings with a low residual was 0.3%. The SWMOR submitted for the reporting month of April 2016 indicated there was one reading with a low residual and the percentage of readings with a low residual during this month was 0.4% while data submitted by the Respondent six readings with a low residual and the percentage of readings with a low residual was 2.2%.
9. During a record review conducted from September 8, 2015 through September 25, 2015, TCEQ staff documented that the Respondent did not comply with the acute maximum contaminant level ("MCL") for microbial contaminants for the month of July 2015.
10. During a record review conducted from September 8, 2015 through September 25, 2015, TCEQ staff documented that the Respondent did not comply with the non-acute MCL for microbial contaminants for the month of August 2015.
11. During an investigation conducted from May 3, 2016 through June 3, 2016, TCEQ staff documented that the Respondent did not meet the conditions of an issued exception. Specifically, the Commission granted the Respondent an exception to the monthly dead-end main ("DEM") flushing, as required by 30 TEX. ADMIN CODE § 290.46(l), contingent upon the Respondent's compliance with the conditions outlined in the revised exception granted November 1, 2010. The revised exception establishes DEM flushing guidelines based on a total residual chlorine ("TRC") minimum of 0.5 milligrams per liter ("mg/L"), requiring the following actions for initially and subsequently low TRC within 24 hours, monitor impacted DEM for TRC, monochloramine ("mono") and free available ammonia ("FAA"), place impacted DEM in the twice a month flushing groups, and within five days monitor impacted DEM for changes in TRC, mono, FAA, and flush DEM if TRC is below 1.5 mg/L. However, based on a review of the flushing records from March 2016 through June 2016, this protocol was not followed for impacted DEM Nos. 1558 and 1179.



12. During an investigation conducted from May 3, 2016 through June 3, 2016, TCEQ staff documented that the Respondent did not provide a backflow prevention assembly or an air gap at the hose connected to the fire hydrant located at the corner of Ocean Drive and Claremore Street.
13. During an investigation conducted from May 3, 2016 through June 3, 2016, TCEQ staff documented that the Respondent did not ensure nitrification is controlled. Specifically, the Respondent's nitrification action plan ("NAP") was not followed during the first month's criteria for a level 3 triggered action response and at least four additional occasions throughout the months of April and May 2016.
14. The Respondent received notice of the violations on September 30, 2015, December 14, 2015, and September 30, 2016.
15. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Facility:
  - a. On October 6, 2015, submitted photographs that demonstrated that all leaks have been repaired at pump no. 1 at the Staples Street Pump Station; pump no. 2 at the Holly Road Pump Station; and pump no. 1 at the Sand Dollar Pump Station;
  - b. On October 6, 2015 and October 22, 2015 began maintaining completed water works operation records and maintenance records, including but not limited to: properly completing records of backflow prevention device reports and collected and began maintaining records for the amount of each chemical used each day at all sites;
  - c. On January 22, 2016, complying with applicable coliform monitoring requirements by returning to compliance with the acute and non-acute MCL for microbial contaminants;
  - d. On March 8, 2016, tested and certified the backflow prevention assembly devices at the carwash in front of the Stripes Convenience Store (Ennis Joslin Street and McArdle Road) and the carwash at the Valero Corner Store (South Padre Island Drive and Ennis Joslin Street) by a recognized backflow prevention assembly tester.
  - e. On April 1, 2016, tested the Conbraco gauge (model 40-200TK5; Serial No. 258267);
  - f. On August 15, 2016 through October 14, 2016, began maintaining a minimum disinfectant residual of 0.2 mg/L of free chlorine or 0.5 mg/L of chloramine (measured as total chlorine) pursuant to the NAP;



- g. On August 31, 2016, began maintenance and housekeeping practices to ensure the good working condition and general appearance of the Facility and its equipment by refurbishing the interior of the Alameda EST, repairing the hole noted on the side wall plate of the Morgan EST, and refurbishing the interior, exterior, and roof ventilation, as well as repairing the holes in the roof plates of the Flour Bluff EST; and
- h. On November 2, 2016, began using the correct procedures when collecting samples for the measurement of the disinfectant residual within the distribution system.

## II. CONCLUSIONS OF LAW

1. The Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 341 and the rules of the Commission.
2. As evidenced by Findings of Fact No. 2, the Respondent failed to use gauges in the testing of backflow prevention assemblies that have been tested for accuracy annually, in violation of 30 TEX. ADMIN. CODE § 290.44(h)(4)(B).
3. As evidenced by Findings of Fact No. 3, the Respondent failed to ensure that all backflow prevention assemblies are tested on an annual basis by a recognized backflow assembly tester and certify that they are operating within specifications, in violation of 30 TEX. ADMIN. CODE § 290.44(h)(4).
4. As evidenced by Findings of Fact No. 4, the Respondent failed to maintain pumps, motors, valves, and other mechanical devices in good working condition, in violation of 30 TEX. ADMIN. CODE § 290.46(m)(4) and (m)(6).
5. As evidenced by Findings of Fact No. 5, the Respondent failed to maintain a disinfectant residual of at least 0.2 mg/L of free chlorine or 0.5 mg/l of chloramine (measured as total chlorine) throughout the distribution system at all times, in violation of 30 TEX. ADMIN. CODE §§ 290.46(d)(2)(A) and (B) and 290.110(b)(4) and TEX. HEALTH & SAFETY CODE § 341.0315(c).
6. As evidenced by Findings of Fact No. 6, the Respondent failed to initiate maintenance and housekeeping practices to ensure the good working condition and general appearance of the Facility and its equipment, in violation of 30 TEX. ADMIN. CODE § 290.46(m).
7. As evidenced by Findings of Fact No. 7, the Respondent failed to maintain water works operation and maintenance records, and make them readily available for review by Commission personnel upon request, in violation of 30 TEX. ADMIN. CODE § 290.46(f)(2), (f)(3)(A)(i)(I) and (f)(3)(B)(v).





8. As evidenced by Findings of Fact No. 8, the Respondent failed to include all samples collected at sites designated in the monitoring plan as microbiological and disinfectant residual monitoring sites, in the compliance determination calculations, in violation of 30 TEX. ADMIN. CODE §§ 290.46(s), 290.110(f)(1)(A), 290.119(b)(7).
9. As evidenced by Findings of Fact No. 9, the Respondent failed to comply with the acute MCL for microbial contaminants, in violation of 30 TEX. ADMIN. CODE § 290.109(f)(1)(A) and TEX. HEALTH & SAFETY CODE § 341.031(a).
10. As evidenced by Findings of Fact No. 10, the Respondent failed to comply with the non-acute MCL for microbial contaminants, in violation of 30 TEX. ADMIN. CODE § 290.109(f)(2) and TEX. HEALTH & SAFETY CODE § 341.0315(c).
11. As evidenced by Findings of Fact No. 11, the Respondent failed to meet the conditions of an issued exception, in violation of 30 TEX. ADMIN. CODE § 290.39(l)(5).
12. As evidenced by Findings of Fact No. 12, the Respondent failed to ensure that a backflow prevention assembly or an air gap is installed at all residence and establishments where an actual or potential contamination hazard exists, as identified in 30 TEX. ADMIN. CODE § 290.47(f), in violation of 30 TEX. ADMIN. CODE § 290.44(h)(1)(A).
13. As evidenced by Findings of Fact No. 13, the Respondent failed to ensure nitrification is controlled, in violation of 30 TEX. ADMIN. CODE § 290.110(c)(5).
14. Pursuant to TEX. HEALTH & SAFETY CODE § 341.049, the Commission has the authority to assess an administrative penalty against the Respondent for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.
15. An administrative penalty in the amount of \$12,403 is justified by the facts recited in this Order, and considered in light of the factors set forth in TEX. HEALTH & SAFETY CODE § 341.049. Pursuant to TEX. WATER CODE § 7.067, \$12,403 of the penalty shall be conditionally offset by the Respondent's timely and satisfactory completion of a Supplemental Environmental Project ("SEP") as defined in the attached SEP Agreement ("Attachment A" - incorporated herein by reference). The Respondent's obligation to pay the conditionally offset portion of the penalty shall be discharged upon full compliance with all the terms and conditions of this Order, which includes the timely and satisfactory completion of all provisions of the SEP Agreement, as determined by the Executive Director.



### III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed an administrative penalty in the amount of \$12,403 as set forth in Section II, Paragraph 15 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Order completely resolve the violations set forth by this Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: City of Corpus Christi, Docket No. 2015-1478-PWS-E" to:

Financial Administration Division, Revenue Operations Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088

2. The Respondent shall implement and complete an SEP as set forth in Section I, Paragraph 15. The amount of \$12,533 of the assessed penalty is conditionally offset based on the Respondent's implementation and completion of the SEP pursuant to the terms of the SEP Agreement, as defined in Attachment A. Penalty payments for any portion of the SEP deemed by the Executive Director as not complete shall be paid within 30 days after the date the Executive Director demands payment.
3. The Respondent shall undertake the following technical requirements:
  - a. Within 10 days after the effective date of this Order, begin to include all samples collected at sites designated in the monitoring plan as microbiological and disinfectant residual monitoring sites in the compliance determination calculations, including but not limited to: using all disinfectant residual monitoring results from sites designated on the monitoring plan when preparing SWMORs, in accordance with 30 TEX. ADMIN. CODE § 290.110.
  - b. Within 15 days after the effective date of this Order, submit written certification as described in Ordering Provision No. 3.f below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 3.a.
  - c. Within 30 days after the effective date of this Order:
    - i. Begin in taking appropriate actions listed in the NAP by responding to criteria for a level 3 triggered action to ensure that the NAP is followed so



that nitrification is controlled, in accordance with 30 TEX. ADMIN. CODE § 290.110;

- ii. Begin complying with site-specific requirements established by a granted exception, in accordance with 30 TEX. ADMIN. CODE § 290.39; and
  - iii. Update the Facility's operational guidance, conduct employee training, and begin to ensure that the disinfectant residual concentration of at least 0.2 mg/L free chlorine or 0.5 mg/L chloramine (measured as total chlorine) is maintained throughout the distribution system at all times, in accordance with 30 TEX. ADMIN. CODE §§ 290.46 and 290.110.
- d. Within 45 days after the effective date of this Order, submit written certification as described in Ordering Provision No. 3.f below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision Nos. 3.c.i through 3.c.iii.
- e. Within 90 days after the effective date of this Order, ensure that a proper backflow prevention assembly or an air gap is provided at all locations where an actual or potential contamination hazard exists, including but not limited to the new line on Claremore Street, in accordance with 30 TEX. ADMIN. CODE § 290.44.
- f. Within 105 days after the effective date of this Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 3.e. The certification shall be signed by the Respondent and shall include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team  
Enforcement Division, MC 149A  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

with a copy to:



Drinking Water Section Manager  
Water Supply Division, MC 155  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

and a copy to:

Water Section Manager  
Corpus Christi Regional Office  
Texas Commission on Environmental Quality  
6300 Ocean Drive, Suite 1200  
Corpus Christi, Texas 78412-5503

4. The provisions of this Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Order to personnel who maintain day-to-day control over the Facility operations referenced in this Order.
5. The Executive Director may grant an extension of any deadline in this Order or in any plan, report, or other document submitted pursuant to this Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to the Respondent if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Order.
7. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.
8. This Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
9. This Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term





"signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

10. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.



## SIGNATURE PAGE

### TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

\_\_\_\_\_  
Date

\_\_\_\_\_  
For the Executive Director

\_\_\_\_\_  
Date

I, the undersigned, have read and understand the attached Order in the matter of the City of Corpus Christi. I am authorized to agree to the attached Order on behalf of the City of Corpus Christi, and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Order, the City of Corpus Christi waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Order in lieu of an evidentiary hearing. This Order constitutes full and final adjudication by the Commission of the violations set forth in this Order.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions;
- and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name (Printed or typed)  
Authorized Representative of  
City of Corpus Christi

\_\_\_\_\_  
Title

**Instructions:** Send the original, signed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section III, Paragraph 1 of this Order.



**Attachment A**  
**Docket Number: 2015-1478-PWS-E**  
**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>City of Corpus Christi</b>
<b>Payable Penalty Amount:</b>	<b>\$12,403</b>
<b>SEP Offset Amount:</b>	<b>\$12,403</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Pre-Approved SEP</b>
<b>Third-Party Administrator:</b>	<b>Texas Association of Resource Conservation and Development Areas, Inc.</b>
<b>Project Name:</b>	<b><i>Household Hazardous Waste Collection</i></b>
<b>Location of SEP:</b>	<b>Nueces County: Nueces River Basin, Gulf Coast Aquifer</b>

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

**1. Project Description**

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Texas Association of Resource Conservation and Development Areas, Inc. (“RC&D”)** for the *Household Hazardous Waste (“HHW”) Collection* project. The contribution will be used in accordance with the SEP Agreement between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the SEP Offset Amount will be used to coordinate with city and county government officials and private entities (collectively known as “Partner Entities”) to conduct events for residents to bring in HHW such as paint, thinners, pesticides, oil and gas, corrosive cleaners, and fertilizers for proper disposal (the “Project”). Where possible, the Project may also offer electronics collection, disposal, and recycling. The Third-Party Administrator shall work with Partner Entities to determine exactly which materials will be accepted and how they will be disposed of or recycled.

The Third-Party Administrator shall ensure that individuals qualified to make determinations regarding receiving, handling, and temporarily storing HHW are present at each event. The Third-Party Administrator shall use only licensed haulers and authorized disposal sites.



City of Corpus Christi  
Agreed Order - Attachment A

The Third-Party Administrator shall ensure that, at least 45 days before each Collection Event, Form TCEQ-20459 Notification for a Household Hazardous Waste Collection Event, as may be amended, is submitted to TCEQ in accordance with Chapter 335, TEXAS ADMINISTRATIVE CODE. The SEP will be performed in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used for the direct cost of the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not able to be spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being made solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will provide a means of properly disposing of HHW which might otherwise be disposed of in regular landfills, storm drains, sewer systems, or other means detrimental to the environment. This SEP will provide assistance to help rid communities of the dangers and health threats associated with HHW, and will provide for proper and protective disposal or recycling of collected materials.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

**2. Performance Schedule**

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Texas Association of RC&D SEP** and shall mail the contribution with a copy of the Agreed Order to:

Texas Association of RC&D Areas, Inc.  
Attn.: Jerry Pearce, Executive Director  
P.O. Box 2533  
Victoria, Texas 77902





### **3. Records and Reporting**

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality  
Enforcement Division  
Attention: SEP Coordinator, MC 219  
P.O. Box 13087  
Austin, Texas 78711-3087

### **4. Failure to Fully Perform**

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount, as described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the Project, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality"; and shall mail it to:

Texas Commission on Environmental Quality  
Litigation Division  
Attention: SEP Coordinator, MC 175  
P.O. Box 13087  
Austin, Texas 78711-3087

### **5. Publicity**

Any public statements concerning this SEP and/or project, made by or on behalf of the Respondent must include a clear statement that **the project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

### **6. Recognition**

The Respondent may not seek recognition for this contribution in any other state or federal regulatory program.



City of Corpus Christi  
Agreed Order - Attachment A

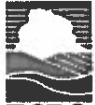
**7. Other SEPs by TCEQ or Other Agencies**

The SEP Offset Amount identified in this Attachment A and in the attached Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



The TCEQ is committed to accessibility.

To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



## TCEQ Compliance History Report

Compliance History Report for CN600131858, RN101385151, Rating Year 2016 which includes Compliance History (CH) components from September 1, 2011, through August 31, 2016.

**Customer, Respondent, or Owner/Operator:** CN600131858, City of Corpus Christi **Classification:** SATISFACTORY **Rating:** 0.18

**Regulated Entity:** RN101385151, CITY OF CORPUS CHRISTI **Classification:** UNCLASSIFIED **Rating:** -----

**Complexity Points:** 2 **Repeat Violator:** NO

**CH Group:** 14 - Other

**Location:** 13101 LEOPARD ST, CORPUS CHRISTI, NUECES COUNTY, TEXAS

**TCEQ Region:** REGION 14 - CORPUS CHRISTI

**ID Number(s):**

WASTEWATER PERMIT 2E0000130

PUBLIC WATER SYSTEM/SUPPLY REGISTRATION  
1780003

PETROLEUM STORAGE TANK REGISTRATION  
REGISTRATION 76496

**Compliance History Period:** September 01, 2011 to August 31, 2016 **Rating Year:** 2016 **Rating Date:** 09/01/2016

**Date Compliance History Report Prepared:** September 30, 2016

**Agency Decision Requiring Compliance History:** Enforcement

**Component Period Selected:** September 30, 2011 to September 30, 2016

**TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.**

**Name:** EPI VILLARREAL

**Phone:** (361) 825-3421

**Site and Owner/Operator History:**

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES  
2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO

**Components (Multimedia) for the Site Are Listed in Sections A - J**

**A. Final Orders, court judgments, and consent decrees:**  
N/A

**B. Criminal convictions:**  
N/A

**C. Chronic excessive emissions events:**  
N/A

**D. The approval dates of investigations (CCEDS Inv. Track. No.):**  
N/A

**E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):**

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

N/A

**F. Environmental audits:**  
N/A



**G. Type of environmental management systems (EMSs):**

N/A

**H. Voluntary on-site compliance assessment dates:**

N/A

**I. Participation in a voluntary pollution reduction program:**

N/A

**J. Early compliance:**

N/A

**Sites Outside of Texas:**

N/A







# Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

<b>DATES</b>	<b>Assigned</b>	14-Dec-2015	<b>Screening</b>	16-Dec-2015	<b>EPA Due</b>	31-Dec-2015
	<b>PCW</b>	17-Feb-2017				

<b>RESPONDENT/FACILITY INFORMATION</b>	
<b>Respondent</b>	City of Corpus Christi
<b>Reg. Ent. Ref. No.</b>	RN101385151
<b>Facility/Site Region</b>	14-Corpus Christi
<b>Major/Minor Source</b>	Major

<b>CASE INFORMATION</b>			
<b>Enf./Case ID No.</b>	51333	<b>No. of Violations</b>	8
<b>Docket No.</b>	2015-1478-PWS-E	<b>Order Type</b>	Findings
<b>Media Program(s)</b>	Public Water Supply	<b>Government/Non-Profit</b>	Yes
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Epifanio Villarreal
		<b>EC's Team</b>	Enforcement Team 2
<b>Admin. Penalty \$ Limit Minimum</b>	\$50	<b>Maximum</b>	\$1,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** **Subtotal 1**

**ADJUSTMENTS (+/-) TO SUBTOTAL 1**  
 Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

**Compliance History**  **Adjustment** **Subtotals 2, 3, & 7**

**Notes**

**Culpability**   **Enhancement** **Subtotal 4**

**Notes**

**Good Faith Effort to Comply Total Adjustments** **Subtotal 5**

**Economic Benefit**  **Enhancement\*** **Subtotal 6**

Total EB Amounts  **\*Capped at the Total EB \$ Amount**  
 Estimated Cost of Compliance

**SUM OF SUBTOTALS 1-7** **Final Subtotal**

**OTHER FACTORS AS JUSTICE MAY REQUIRE**  **Adjustment**

Reduces or enhances the Final Subtotal by the indicated percentage.

**Notes**

**Final Penalty Amount**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty**

**DEFERRAL**  **Reduction** **Adjustment**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

**Notes**

**PAYABLE PENALTY**

Screening Date 16-Dec-2015

Docket No. 2015-1478-PWS-E

PCW

Respondent City of Corpus Christi

Policy Revision 4 (April 2014)

Case ID No. 51333

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN101385151

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

### Compliance History Worksheet

#### >> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgments or consent decrees meeting criteria</i> )	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government ( <i>number of counts</i> )	0	0%
Emissions	Chronic excessive emissions events ( <i>number of events</i> )	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which notices were submitted</i> )	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	0	0%

Please Enter Yes or No

Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 0%

#### >> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

#### >> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

#### >> Compliance History Summary

Compliance History Notes

No adjustment for compliance history.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 0%

#### >> Final Compliance History Adjustment

Final Adjustment Percentage \*capped at 100% 0%

**Screening Date** 16-Dec-2015  
**Respondent** City of Corpus Christi  
**Case ID No.** 51333  
**Reg. Ent. Reference No.** RN101385151  
**Media [Statute]** Public Water Supply  
**Enf. Coordinator** Epifanio Villarreal

**Docket No.** 2015-1478-PWS-E

**PCW**

Policy Revision 4 (April 2014)  
 PCW Revision March 26, 2014

**Violation Number**

**Rule Cite(s)**

**Violation Description**

**Base Penalty**

**>> Environmental, Property and Human Health Matrix**

<b>OR</b>	<b>Harm</b>			<b>Percent</b> <input type="text" value="30.0%"/>
	<b>Release</b>	<b>Major</b>	<b>Moderate</b>	
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Potential	<input type="text" value="x"/>	<input type="text"/>	<input type="text"/>

**>> Programmatic Matrix**

<b>Falsification</b>				<b>Percent</b> <input type="text" value="0.0%"/>
<b>Major</b>	<b>Moderate</b>	<b>Minor</b>	<input type="text"/>	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	

**Matrix Notes**

**Adjustment**

**Violation Events**

**Number of Violation Events**  **Number of violation days**

<i>mark only one with an x</i>	daily	<input type="text"/>
	weekly	<input type="text"/>
	monthly	<input type="text"/>
	quarterly	<input type="text"/>
	semiannual	<input type="text"/>
	annual	<input type="text"/>
	single event	<input type="text" value="x"/>

**Violation Base Penalty**

**Good Faith Efforts to Comply**

**Reduction**

	<b>Before NOE/NOV</b>	<b>NOE/NOV to EDPRP/Settlement Offer</b>
Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text"/>	<input type="text" value="x"/>
N/A	<input type="text"/>	<input type="text" value="(mark with x)"/>

**Notes**

**Violation Subtotal**

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount**

**Violation Final Penalty Total**

**This violation Final Assessed Penalty (adjusted for limits)**

## Economic Benefit Worksheet

**Respondent** City of Corpus Christi  
**Case ID No.** 51333  
**Reg. Ent. Reference No.** RN101385151  
**Media** Public Water Supply  
**Violation No.** 1

<b>Percent Interest</b>	<b>Years of Depreciation</b>
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

### Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

### Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]	\$62	16-Sep-2014	16-Sep-2015	1.92	\$6	\$62	\$68
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

The avoided cost includes the estimated amount to test the gauge used to test the backflow prevention assemblies (\$31 x two assemblies), calculated for the 12-month period preceding the date of the investigation.

Approx. Cost of Compliance \$62

**TOTAL** \$68

**Screening Date** 16-Dec-2015  
**Respondent** City of Corpus Christi  
**Case ID No.** 51333  
**Reg. Ent. Reference No.** RN101385151  
**Media [Statute]** Public Water Supply  
**Enf. Coordinator** Epifanio Villarreal  
**Violation Number** 2  
**Rule Cite(s)**

**Docket No.** 2015-1478-PWS-E

**PCW**

Policy Revision 4 (April 2014)  
 PCW Revision March 26, 2014

30 Tex. Admin. Code § 290.44(h)(4)

**Violation Description**

Failed to ensure that all backflow prevention assemblies are tested on an annual basis by a recognized backflow assembly tester and certify that they are operating within specifications. Specifically, the backflow prevention assemblies at the carwash in front of the Stripes Convenience Store (Ennis Joslin Street and McArdle Road) and the carwash at the Valero Corner Store (South Padre Island Drive and Ennis Joslin Street) had not been tested within the last year.

**Base Penalty** \$1,000

**>> Environmental, Property and Human Health Matrix**

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual				30.0%
	Potential	x			

**>> Programmatic Matrix**

	Falsification	Major	Moderate	Minor	Percent
					0.0%

Matrix Notes

Failure to test backflow prevention assemblies on an annual basis would not ensure the devices are operating properly and could result in a reverse flow of contaminants entering the water mains which would exceed levels protective of human health.

**Adjustment** \$700

\$300

**Violation Events**

Number of Violation Events 2 365 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	x
	single event	

**Violation Base Penalty** \$600

Two annual events are recommended (one annual event for each backflow prevention assembly).

**Good Faith Efforts to Comply**

10.0%

Reduction \$60

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		x
N/A		(mark with x)

Notes The Respondent achieved compliance on March 8, 2016.

**Violation Subtotal** \$540

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

Estimated EB Amount \$68

**Violation Final Penalty Total** \$540

**This violation Final Assessed Penalty (adjusted for limits)** \$540

## Economic Benefit Worksheet

**Respondent** City of Corpus Christi  
**Case ID No.** 51333  
**Reg. Ent. Reference No.** RN101385151  
**Media** Public Water Supply  
**Violation No.** 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

### Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

### Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]	\$62	16-Sep-2014	16-Sep-2015	1.92	\$6	\$62	\$68
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

The avoided cost includes the estimated amount to test the backflow prevention assemblies (\$31 x two assemblies), calculated for the 12 month period preceding the date of the investigation.

Approx. Cost of Compliance

\$62

**TOTAL**

\$68

**Screening Date** 16-Dec-2015  
**Respondent** City of Corpus Christi  
**Case ID No.** 51333  
**Reg. Ent. Reference No.** RN101385151  
**Media [Statute]** Public Water Supply  
**Enf. Coordinator** Epifanio Villarreal

**Docket No.** 2015-1478-PWS-E

**PCW**

Policy Revision 4 (April 2014)  
 PCW Revision March 26, 2014

**Violation Number**   
**Rule Cite(s)**

30 Tex. Admin. Code § 290.46(m)(4) and (m)(6)

**Violation Description**

Failed to maintain pumps, motors, valves, and other mechanical devices in good working condition. Specifically, three leaks were observed at the following locations: pump no. 1 at the Staples Street Pump Station; pump no. 2 at the Holly Road Pump Station; and pump no. 1 at the Sand Dollar Pump Station.

**Base Penalty**

**>> Environmental, Property and Human Health Matrix**

OR

Release	Harm		
	Major	Moderate	Minor
Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>
Potential	<input type="text"/>	<input checked="" type="text" value="x"/>	<input type="text"/>

**Percent**

**>> Programmatic Matrix**

Falsification	Major	Moderate	Minor
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**Percent**

Matrix Notes

Failure to properly maintain the Facility's equipment could expose employees of the Facility to a significant amount of contaminants which would not exceed levels that are protective of human health.

**Adjustment**

**Violation Events**

Number of Violation Events   Number of violation days

mark only one with an x

daily	<input type="text"/>
weekly	<input type="text"/>
monthly	<input type="text"/>
quarterly	<input checked="" type="text" value="x"/>
semiannual	<input type="text"/>
annual	<input type="text"/>
single event	<input type="text"/>

**Violation Base Penalty**

Three quarterly events are recommended (one event per leak) calculated from the date of the investigation, September 16, 2015, to the date of compliance, October 6, 2015.

**Good Faith Efforts to Comply**

**Reduction**

	Before NOE/NOV	NOE/NOV to EDRP/Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input checked="" type="text" value="x"/>	<input type="text"/>
N/A	<input type="text"/>	(mark with x)

Notes: The Respondent achieved compliance on October 6, 2015.

**Violation Subtotal**

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount**

**Violation Final Penalty Total**

**This violation Final Assessed Penalty (adjusted for limits)**

## Economic Benefit Worksheet

**Respondent** City of Corpus Christi  
**Case ID No.** 51333  
**Reg. Ent. Reference No.** RN101385151  
**Media** Public Water Supply  
**Violation No.** 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

### Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$3,000	16-Sep-2015	6-Oct-2015	0.05	\$1	\$11	\$12
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

The delayed cost includes the estimated amount necessary to repair the three leaks on; pump no. 1 at the Staples Street Pump Station; pump no. 2 at the Holly Road Pump Station; and pump no. 1 at the Sand Dollar Pump Station, calculated from the date of the investigation to the date of compliance.

### Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$3,000

**TOTAL**

\$12



**Screening Date** 16-Dec-2015  
**Respondent** City of Corpus Christi  
**Case ID No.** 51333  
**Reg. Ent. Reference No.** RN101385151  
**Media [Statute]** Public Water Supply  
**Enf. Coordinator** Epifanio Villarreal  
**Violation Number** 4

**Docket No.** 2015-1478-PWS-E

**PCW**

Policy Revision 4 (April 2014)  
 PCW Revision March 26, 2014

**Rule Cite(s)** 30 Tex. Admin. Code §§ 290.46(d)(2)(A) and (B) and 290.110(b)(4) and Tex. Health & Safety Code § 341.0315(c)

**Violation Description**

Failed to maintain a disinfectant residual of at least 0.2 milligrams per liter ("mg/L") of free chlorine or 0.5 mg/l of chloramine (measured as total chlorine) throughout the distribution system at all times. Specifically, field samples collected at various areas within the distribution system contained chloramine residuals below the minimum of 0.5 mg/L on July 16, 2015, September 2, 2015, September 3, 2015, September 4, 2015, September 6, 2015, and September 8, 2015; and contained free chlorine residuals below the minimum of 0.2 mg/L on September 8, 2015.

**Base Penalty** \$1,000

**>> Environmental, Property and Human Health Matrix**

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential		x	

**Percent** 15.0%

**>> Programmatic Matrix**

Falsification	Major	Moderate	Minor

**Percent** 0.0%

Matrix Notes

Failure to maintain proper levels of disinfection could expose customers of the Facility to a significant amount of contaminants which would not exceed levels that are protective of human health.

**Adjustment** \$850

\$150

**Violation Events**

Number of Violation Events 6

6 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

**Violation Base Penalty** \$900

Six single events are recommended.

**Good Faith Efforts to Comply**

0.0%

**Reduction** \$0

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

**Violation Subtotal** \$900

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount** \$1,273

**Violation Final Penalty Total** \$900

**This violation Final Assessed Penalty (adjusted for limits)** \$900

## Economic Benefit Worksheet

**Respondent** City of Corpus Christi  
**Case ID No.** 51333  
**Reg. Ent. Reference No.** RN101385151  
**Media** Public Water Supply  
**Violation No.** 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

### Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$100	16-Jun-2015	1-May-2017	1.88	\$9	n/a	\$9

Notes for DELAYED costs

The delayed cost include the estimated amount to update the Facility's operational guidance and conduct employee training to ensure that a disinfectant residual concentration of at least 0.2 mg/L free chlorine or 0.5 mg/L chloramine (measured as total chlorine) is maintained at all times, calculated from the investigation date to the estimated date of compliance.

### Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]	\$1,200	16-Jul-2015	8-Sep-2015	1.07	\$64	\$1,200	\$1,264
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

The avoided cost includes the estimated amount for additional maintenance and oversight to ensure an adequate disinfectant residual is maintained throughout the distribution system, calculated for the dates the low disinfectant residuals were documented.

Approx. Cost of Compliance \$1,300

TOTAL \$1,273

**Screening Date** 16-Dec-2015  
**Respondent** City of Corpus Christi  
**Case ID No.** 51333  
**Reg. Ent. Reference No.** RN101385151  
**Media [Statute]** Public Water Supply  
**Enf. Coordinator** Epifanio Villarreal

**Docket No.** 2015-1478-PWS-E

**PCW**

Policy Revision 4 (April 2014)  
 PCW Revision March 26, 2014

**Violation Number** 5

**Rule Cite(s)** 30 Tex. Admin. Code § 290.46(m)

**Violation Description**

Failed to initiate maintenance and housekeeping practices to ensure the good working condition and general appearance of the Facility and its equipment. Specifically, a review of the elevated storage tank ("EST") inspections conducted on August 10, 2015, by Texas Tank Service, indicated the following: corrosion on the interior of the Alameda EST; a hole in the side wall plate of the Morgan EST; and a significant amount of corrosion on the interior, exterior, roof ventilation, and holes in the roof plates of the Flour Bluff EST.

**Base Penalty** \$1,000

**>> Environmental, Property and Human Health Matrix**

OR	Release	Harm			Percent
		Major	Moderate	Minor	
Actual					15.0%
Potential			x		

**>> Programmatic Matrix**

Falsification	Major	Moderate	Minor	Percent
				0.0%

Matrix Notes

Failure to maintain the good working condition and general appearance of the Facility and its equipment could result in customers of the Facility being exposed to a significant amount of contaminants which would not exceed levels that are protective of human health.

**Adjustment** \$850

\$150

**Violation Events**

Number of Violation Events   Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	x
	semiannual	
	annual	
single event		

**Violation Base Penalty** \$450

Three quarterly events are recommended (one quarterly event per tank), calculated from the date of the investigation, September 16, 2015, to the date of screening, December 16, 2015.

**Good Faith Efforts to Comply**

**10.0%** Reduction \$45

	Before NOE/NOV	NOE/NOV to EDRP/Settlement Offer
Extraordinary		
Ordinary		x
N/A		(mark with x)

Notes: The Respondent achieved compliance on August 31, 2016.

**Violation Subtotal** \$405

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount** \$33,562

**Violation Final Penalty Total** \$405

**This violation Final Assessed Penalty (adjusted for limits)** \$405

## Economic Benefit Worksheet

**Respondent** City of Corpus Christi  
**Case ID No.** 51333  
**Reg. Ent. Reference No.** RN101385151  
**Media** Public Water Supply  
**Violation No.** 5

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

### Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$500,000	16-Sep-2015	31-Aug-2016	0.96	\$1,598	\$31,963	\$33,562
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

The delayed cost includes the estimated amount to refurbish the Alameda EST, Morgan EST, and Flour Bluff EST, calculated from the date of the investigation to the date of compliance.

### Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$500,000

**TOTAL**

\$33,562

Screening Date 16-Dec-2015  
 Respondent City of Corpus Christi  
 Case ID No. 51333

Docket No. 2015-1478-PWS-E

PCW

Policy Revision 4 (April 2014)  
 PCW Revision March 26, 2014

Reg. Ent. Reference No. RN101385151  
 Media [Statute] Public Water Supply  
 Enf. Coordinator Epifanio Villarreal

Violation Number 6

Rule Cite(s) 30 Tex. Admin. Code § 290.46(f)(2), (f)(3)(A)(i)(I) and (f)(3)(B)(v)

Violation Description Failed to maintain water works operation and maintenance records, and make them readily available for review by Commission personnel upon request. Specifically, records of the amount of chemicals used each day and records of backflow prevention devices completed by the backflow prevention assembly testers, were not properly completed and available for review.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR	Harm			Percent	
	Release	Major	Moderate		Minor
	Actual				
	Potential			0.0%	

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
			x	1.0%

Matrix Notes At least 70% of the rule requirement was met.

Adjustment \$990

\$10

Violation Events

Number of Violation Events 1 91 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$10

One single event is recommended.

Good Faith Efforts to Comply

25.0% Reduction \$2

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		(mark with x)

Notes The Respondent achieved compliance on October 22, 2015.

Violation Subtotal \$8

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$8

This violation Final Assessed Penalty (adjusted for limits) \$50

## Economic Benefit Worksheet

**Respondent** City of Corpus Christi  
**Case ID No.** 51333  
**Reg. Ent. Reference No.** RN101385151  
**Media** Public Water Supply  
**Violation No.** 6

<b>Percent Interest</b>	<b>Years of Depreciation</b>
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

### Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$45	16-Sep-2015	6-Oct-2015	0.05	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$45	16-Sep-2015	22-Oct-2015	0.10	\$0	n/a	\$0

Notes for DELAYED costs

The delayed cost includes the estimated amount to maintain records of the amount of chemicals used each day, calculated from the date of the investigation to the date of compliance. The other delayed cost includes the estimated amount to maintain complete records of backflow prevention device programs, calculated from the date of the investigation to the date of compliance.

### Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$90

**TOTAL** \$0

**Screening Date** 16-Dec-2015  
**Respondent** City of Corpus Christi  
**Case ID No.** 51333  
**Reg. Ent. Reference No.** RN101385151  
**Media [Statute]** Public Water Supply  
**Enf. Coordinator** Epifanio Villarreal  
**Violation Number** 7

**Docket No.** 2015-1478-PWS-E

**PCW**

Policy Revision 4 (April 2014)  
 PCW Revision March 26, 2014

**Rule Cite(s)** 30 Tex. Admin. Code §§ 290.46(s), 290.110(f)(1)(A), and 290.119(b)(7)

**Violation Description:** Failed to include all samples collected at sites designated in the monitoring plan as microbiological and disinfectant residual monitoring sites in the compliance determination calculations. Specifically, the length of time the Respondent was flushing prior to and during sample collection was not representative of the required monitoring activity. In addition, not all the disinfectant residual measurements were reported on the Surface Water Monthly Operating Reports ("SWMOR").

**Base Penalty** \$1,000

**>> Environmental, Property and Human Health Matrix**

OR	Release	Harm			Percent
		Major	Moderate	Minor	
Actual					30.0%
Potential	x				

**>> Programmatic Matrix**

Falsification	Major	Moderate	Minor	Percent
				0.0%

**Matrix Notes:** Failure to include all monitoring results in the compliance determination calculations could expose customers of the Facility to contaminants which would exceed levels protective of human health.

**Adjustment** \$700

\$300

**Violation Events**

Number of Violation Events: 3      91 Number of violation days

mark only one with an x

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

**Violation Base Penalty** \$900

Three monthly events are recommended, calculated from the date of the investigation, September 16, 2015, to the date of screening, December 16, 2015.

**Good Faith Efforts to Comply**

10.0%

**Reduction** \$90

	Before NOE/NOV	NOE/NOV to EDRP/Settlement Offer
Extraordinary		
Ordinary		x
N/A		(mark with x)

**Notes:** The Respondent achieved compliance on November 2, 2016.

**Violation Subtotal** \$810

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount** \$8

**Violation Final Penalty Total** \$810

**This violation Final Assessed Penalty (adjusted for limits)** \$810

## Economic Benefit Worksheet

**Respondent** City of Corpus Christi  
**Case ID No.** 51333  
**Reg. Ent. Reference No.** RN101385151  
**Media** Public Water Supply  
**Violation No.** 7

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

**Delayed Costs**

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$100	16-Sep-2015	2-Nov-2016	1.13	\$0	\$8	\$8
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

The delayed costs include the estimated amount to include all samples collected at sites designated in the monitoring plan as microbiological and disinfectant residual monitoring sites in the compliance determination calculations and that all the disinfectant residual measurements are reported on the SWMOR, calculated from the date of the investigation to the date of compliance.

**Avoided Costs**

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$100

**TOTAL**

\$8



Screening Date 16-Dec-2015  
 Respondent City of Corpus Christi  
 Case ID No. 51333

Docket No. 2015-1478-PWS-E

PCW

Policy Revision 4 (April 2014)  
 PCW Revision March 26, 2014

Reg. Ent. Reference No. RN101385151  
 Media [Statute] Public Water Supply  
 Enf. Coordinator Epifanio Villarreal

Violation Number 8

Rule Cite(s)

30 Tex. Admin. Code §§ 290.46(d)(2)(A) and (B) and 290.110(b)(4) and Tex. Health & Safety Code § 341.0315(c)

Violation Description

Failed to maintain a disinfectant residual of at least 0.2 milligrams per liter ("mg/L") of free chlorine or 0.5 mg/l chloramine (measured as total chlorine) throughout the distribution system at all times. Specifically, field samples collected on September 5, 2015 at 6101 Ocean Drive and 7526 McArdle Road measured a chloramine residual of 0.00 mg/L.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				30.0%
Potential	x			

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0.0%

Matrix Notes

Failure to maintain proper levels of disinfection could expose customers of the Facility to contaminants which would exceed levels that are protective of human health.

Adjustment \$700

\$300

Violation Events

Number of Violation Events 1 Number of violation days 1

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$300

One single event is recommended.

Good Faith Efforts to Comply

0.0%

Reduction \$0

Before NOE/NOV NOE/NOV to EDRP/Settlement Offer

Extraordinary		
Ordinary		
N/A	x	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$300

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$200

Violation Final Penalty Total \$300

This violation Final Assessed Penalty (adjusted for limits) \$300

## Economic Benefit Worksheet

**Respondent** City of Corpus Christi  
**Case ID No.** 51333  
**Reg. Ent. Reference No.** RN101385151  
**Media** Public Water Supply  
**Violation No.** 8

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

**Delayed Costs**

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

The delayed costs are captured in the Economic Benefit Worksheet for Violaton No. 4

**Avoided Costs**

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)	\$200	5-Sep-2015	15-Sep-2015	0.00	\$0	\$200	\$200

Notes for AVOIDED costs

The avoided cost includes the estimated amount for additional maintenance and oversight to ensure an adequate disinfectant residual is maintained throughout the distribution system, calculated for the dates the low disinfectant residuals were documented.

Approx. Cost of Compliance

\$200

**TOTAL**

\$200



# Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

<b>DATES</b>	Assigned	28-Sep-2015	Screening	29-Sep-2015	EPA Due	31-Dec-2015
	PCW	16-Feb-2017				

<b>RESPONDENT/FACILITY INFORMATION</b>	
Respondent	City of Corpus Christi
Reg. Ent. Ref. No.	RN101385151
Facility/Site Region	14-Corpus Christi
Major/Minor Source	Major

<b>CASE INFORMATION</b>			
Enf./Case ID No.	51333	No. of Violations	2
Docket No.	2015-1478-PWS-E	Order Type	Findings
Media Program(s)	Public Water Supply	Government/Non-Profit	Yes
Multi-Media		Enf. Coordinator	Epifanio Villarreal
		EC's Team	Enforcement Team 2
Admin. Penalty \$	Limit Minimum \$50	Maximum	\$1,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** Subtotal 1 **\$1,300**

### ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the Indicated percentage.

**Compliance History** 0.0% Adjustment Subtotals 2, 3, & 7 **\$0**

Notes: No adjustment for compliance history.

**Culpability** No 0.0% Enhancement Subtotal 4 **\$0**

Notes: The Respondent does not meet the culpability criteria.

**Good Faith Effort to Comply Total Adjustments** Subtotal 5 **-\$130**

**Economic Benefit** 0.0% Enhancement\* Subtotal 6 **\$0**

Total EB Amounts	\$210
Estimated Cost of Compliance	\$200

\*Capped at the Total EB \$ Amount

**SUM OF SUBTOTALS 1-7** Final Subtotal **\$1,170**

**OTHER FACTORS AS JUSTICE MAY REQUIRE** 0.0% Adjustment **\$0**

Reduces or enhances the Final Subtotal by the Indicated percentage.

Notes:

**Final Penalty Amount** **\$1,170**

**STATUTORY LIMIT ADJUSTMENT** Final Assessed Penalty **\$1,170**

**DEFERRAL** 0.0% Reduction Adjustment **\$0**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes: No deferral is recommended for Findings Orders.

**PAYABLE PENALTY** **\$1,170**

Screening Date 29-Sep-2015

Docket No. 2015-1478-PWS-E

PCW

Respondent City of Corpus Christi

Policy Revision 4 (April 2014)

Case ID No. 51333

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN101385151

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

### Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgments or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%
<i>Please Enter Yes or No</i>			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 0%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

No adjustment for compliance history.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 0%

>> Final Compliance History Adjustment

Final Adjustment Percentage \*capped at 100% 0%

**Screening Date** 29-Sep-2015  
**Respondent** City of Corpus Christi  
**Case ID No.** 51333  
**Reg. Ent. Reference No.** RN101385151  
**Media [Statute]** Public Water Supply  
**Enf. Coordinator** Epifanio Villarreal

**Docket No.** 2015-1478-PWS-E

**PCW**

Policy Revision 4 (April 2014)  
 PCW Revision March 26, 2014

**Violation Number** 1

**Rule Cite(s)** 30 Tex. Admin. Code § 290.109(f)(1)(A) and Tex. Health & Safety Code § 341.031(a)

**Violation Description** Failed to comply with the acute MCL for microbial contaminants for the month of July 2015.

**Base Penalty** \$1,000

>> **Environmental, Property and Human Health Matrix**

OR	Release	Harm			Percent
		Major	Moderate	Minor	
Actual		x			100.0%
Potential					

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor	Percent
				0.0%

**Matrix Notes** As a result of the exceedance, persons served by the Facility have been exposed to contaminants which exceed levels that are protective of human health.

**Adjustment** \$0

\$1,000

**Violation Events**

Number of Violation Events 1 31 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	x
	quarterly	
	semiannual	
	annual	
	single event	

**Violation Base Penalty** \$1,000

One monthly event is recommended, calculated for the month of the exceedance.

**Good Faith Efforts to Comply**

10.0% Reduction \$100

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		x
N/A		(mark with x)

**Notes** The Respondent achieved compliance on January 22, 2016.

**Violation Subtotal** \$900

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount** \$105

**Violation Final Penalty Total** \$900

**This violation Final Assessed Penalty (adjusted for limits)** \$900

## Economic Benefit Worksheet

**Respondent** City of Corpus Christi  
**Case ID No.** 51333  
**Reg. Ent. Reference No.** RN101385151  
**Media** Public Water Supply  
**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

### Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

### Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]	\$100	1-Jul-2015	31-Jul-2015	1.00	\$5	\$100	\$105
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

The one-time avoided cost includes the estimated amount for additional sampling and oversight to identify the source of the contamination, calculated for the month in which the exceedance occurred.

Approx. Cost of Compliance \$100

**TOTAL** \$105

Screening Date 29-Sep-2015

Docket No. 2015-1478-PWS-E

PCW

Respondent City of Corpus Christi

Policy Revision 4 (April 2014)

Case ID No. 51333

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN101385151

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code § 290.109(f)(2) and Tex. Health & Safety Code § 341.0315(c)

Violation Description

Failed to comply with the non-acute MCL for microbial contaminants during the month of August 2015.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		x	
Potential			

Percent 30.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

As a result of the exceedance, persons served by the Facility have been exposed to significant amounts of contaminants which would not exceed levels protective of human health.

Adjustment \$700

\$300

Violation Events

Number of Violation Events 1

31 Number of violation days

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$300

One monthly event is recommended.

Good Faith Efforts to Comply

10.0%

Reduction \$30

Before NOE/NOV NOE/NOV to EDRP/Settlement Offer

Extraordinary	
Ordinary	x
N/A	(mark with x)

Notes

The Respondent achieved compliance on January 22, 2016.

Violation Subtotal \$270

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$105

Violation Final Penalty Total \$270

This violation Final Assessed Penalty (adjusted for limits) \$270

## Economic Benefit Worksheet

**Respondent** City of Corpus Christi  
**Case ID No.** 51333  
**Reg. Ent. Reference No.** RN101385151  
**Media** Public Water Supply  
**Violation No.** 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

### Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

### Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]	\$100	1-Aug-2015	31-Aug-2015	1.00	\$5	\$100	\$105
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

The one-time avoided cost includes the estimated amount for additional sampling and oversight to identify the source of the contamination, calculated for the month in which the exceedance occurred.

Approx. Cost of Compliance \$100

TOTAL \$105





# Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

<b>DATES</b>	<b>Assigned</b>	29-Sep-2016	<b>Screening</b>	30-Sep-2016	<b>EPA Due</b>	31-Dec-2015
	<b>PCW</b>	16-Feb-2017				

<b>RESPONDENT/FACILITY INFORMATION</b>	
<b>Respondent</b>	City of Corpus Christi
<b>Reg. Ent. Ref. No.</b>	RN101385151
<b>Facility/Site Region</b>	14-Corpus Christi
<b>Major/Minor Source</b>	Major

<b>CASE INFORMATION</b>		<b>No. of Violations</b>	5
<b>Enf./Case ID No.</b>	51333	<b>Order Type</b>	Findings
<b>Docket No.</b>	2015-1478-PWS-E	<b>Government/Non-Profit</b>	Yes
<b>Media Program(s)</b>	Public Water Supply	<b>Enf. Coordinator</b>	Epifanio Villarreal
<b>Multi-Media</b>		<b>EC's Team</b>	Enforcement Team 6
<b>Admin. Penalty \$ Limit Minimum</b>	\$50	<b>Maximum</b>	\$1,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** **Subtotal 1** **\$7,350**

### ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

**Compliance History** **0.0%** Adjustment **Subtotals 2, 3, & 7** **\$0**

Notes: No adjustment for compliance history.

**Culpability** **No** **0.0%** Enhancement **Subtotal 4** **\$0**

Notes: The Respondent does not meet the culpability criteria.

**Good Faith Effort to Comply Total Adjustments** **Subtotal 5** **\$0**

**Economic Benefit** **0.0%** Enhancement\* **Subtotal 6** **\$0**

Total EB Amounts: \$2,344  
Estimated Cost of Compliance: \$2,600  
\*Capped at the Total EB \$ Amount

**SUM OF SUBTOTALS 1-7** **Final Subtotal** **\$7,350**

**OTHER FACTORS AS JUSTICE MAY REQUIRE** **0.0%** Adjustment **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

**Final Penalty Amount** **\$7,350**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty** **\$7,350**

**DEFERRAL** **0.0%** Reduction Adjustment **\$0**

Reduces the Final Assessed Penalty by the indicated percentage.

Notes: No deferral is recommended for Findings Orders.

**PAYABLE PENALTY** **\$7,350**

Screening Date 30-Sep-2016

Docket No. 2015-1478-PWS-E

PCW

Respondent City of Corpus Christi

Policy Revision 4 (April 2014)

Case ID No. 51333

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN101385151

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

### Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Number	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgments or consent decrees meeting criteria</i> )	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government ( <i>number of counts</i> )	0	0%
Emissions	Chronic excessive emissions events ( <i>number of events</i> )	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which notices were submitted</i> )	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	0	0%
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2)

>> Repeat Violator (Subtotal 3)

Adjustment Percentage (Subtotal 3)

>> Compliance History Person Classification (Subtotal 7)

Adjustment Percentage (Subtotal 7)

>> Compliance History Summary

Compliance History Notes

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7)

>> Final Compliance History Adjustment

Final Adjustment Percentage \*capped at 100%

**Screening Date** 30-Sep-2016  
**Respondent** City of Corpus Christi  
**Case ID No.** 51333  
**Reg. Ent. Reference No.** RN101385151  
**Media [Statute]** Public Water Supply  
**Enf. Coordinator** Epifanio Villarreal

**Docket No.** 2015-1478-PWS-E

**PCW**

Policy Revision 4 (April 2014)  
 PCW Revision March 26, 2014

**Violation Number** 1  
**Rule Cite(s)**

30 Tex. Admin. Code § 290.39(l)(5)

**Violation Description**

Failed to meet the conditions of an Issued exception. Specifically, the Commission granted the Respondent an exception to the monthly dead-end main ("DEM") flushing, as required by 30 Tex. Admin Code 290.46(l), contingent upon the Respondent's compliance with the conditions outlined in the revised exception granted November 1, 2010. The revised exception establishes DEM flushing guidelines based on a total residual chlorine ("TRC") minimum of 0.5 milligrams per liter ("mg/L"), requiring the following actions for initially and subsequently low TRC within 24 hours, monitor impacted DEM for TRC, monochloramine ("mono") and free available ammonia ("FAA"), place impacted DEM in the twice a month flushing groups, and within five days monitor impacted DEM for changes in TRC, mono, FAA, and flush DEM if TRC is below 1.5 mg/L. However, based on a review of the flushing records from March 2016 through June 2016, this protocol was not followed for impacted DEM Nos. 1558 and 1179.

**Base Penalty** \$1,000

**>> Environmental, Property and Human Health Matrix**

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential	x		

**Percent** 30.0%

**>> Programmatic Matrix**

Falsification	Harm		
	Major	Moderate	Minor

**Percent** 0.0%

**Matrix Notes**

Failure to meet the operation, maintenance, and reporting requirements of an issued exception could expose customers of the Facility to contaminants which would exceed levels that are protective of human health.

**Adjustment** \$700

\$300

**Violation Events**

Number of Violation Events 4      121      Number of violation days

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

**Violation Base Penalty** \$1,200

Four monthly events are recommended calculated from the dates the protocol was not followed, March 1, 2016 through June 30, 2016.

**Good Faith Efforts to Comply**

0.0%

**Reduction** \$0

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	

**Notes** The Respondent does not meet the good faith criteria for this violation.

**Violation Subtotal** \$1,200

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount** \$1

**Violation Final Penalty Total** \$1,200

**This violation Final Assessed Penalty (adjusted for limits)** \$1,200

## Economic Benefit Worksheet

**Respondent** City of Corpus Christi  
**Case ID No.** 51333  
**Reg. Ent. Reference No.** RN101385151  
**Media** Public Water Supply  
**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

**Delayed Costs**

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System	\$50	29-Sep-2016	1-May-2017	0.59	\$1	n/a	\$1
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

The delayed cost includes the estimated amount to comply with the conditions of an Issued exception, calculated from the date of the investigation to the estimated date of compliance.

**Avoided Costs**

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$50

TOTAL \$1

**Screening Date** 30-Sep-2016  
**Respondent** City of Corpus Christi  
**Case ID No.** 51333

**Docket No.** 2015-1478-PWS-E

**PCW**

Policy Revision 4 (April 2014)  
 PCW Revision March 26, 2014

**Reg. Ent. Reference No.** RN101385151  
**Media [Statute]** Public Water Supply  
**Enf. Coordinator** Epifanio Villarreal

**Violation Number** 2  
**Rule Cite(s)**

30 Tex. Admin. Code § 290.44(h)(1)(A)

**Violation Description**

Failed to ensure that a backflow prevention assembly or an air gap is installed at all residences and establishments where an actual or potential contamination hazard exists, as identified in 30 Tex. Admin. Code § 290.47(f). Specifically, while waiting for the final monitoring results for a new line installed on Claremore Street and without a backflow prevention assembly or an air gap installed, the Respondent watered the new line from a hose connected to the fire hydrant at the intersection of Ocean Drive and Claremore Street.

**Base Penalty** \$1,000

**>> Environmental, Property and Human Health Matrix**

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential	x		

**Percent** 30.0%

**>> Programmatic Matrix**

Falsification	Major	Moderate	Minor

**Percent** 0.0%

**Matrix Notes**

Failing to provide a backflow prevention assembly or air gap at connections where an actual or potential hazard exists may allow backflow and siphonage to occur; thereby exposing customers of the Facility to contaminants which could exceed levels that are protective of human health.

**Adjustment** \$700

\$300

**Violation Events**

**Number of Violation Events** 5 **Number of violation days** 150

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

**Violation Base Penalty** \$1,500

Five monthly events are recommended calculated from the date of the investigation, May 3, 2016, to the date of screening, September 30, 2016.

**Good Faith Efforts to Comply**

0.0%

**Reduction** \$0

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	

**Notes** The Respondent does not meet the good faith criteria for this violation.

**Violation Subtotal** \$1,500

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount** \$16

**Violation Final Penalty Total** \$1,500

**This violation Final Assessed Penalty (adjusted for limits)** \$1,500

## Economic Benefit Worksheet

**Respondent** City of Corpus Christi  
**Case ID No.** 51333  
**Reg. Ent. Reference No.** RN101385151  
**Media** Public Water Supply  
**Violation No.** 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

**Delayed Costs**

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$200	3-May-2016	1-Jul-2017	1.16	\$1	\$15	\$16
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

The delayed cost includes the estimated amount to install a backflow prevention assembly or an air gap on a hose connected to a fire hydrant located at corner of Ocean Drive and Claremore Street, calculated from the date of the investigation to the estimated date of compliance.

**Avoided Costs**

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$200

TOTAL

\$16

**Screening Date** 30-Sep-2016  
**Respondent** City of Corpus Christi  
**Case ID No.** 51333  
**Reg. Ent. Reference No.** RN101385151  
**Media [Statute]** Public Water Supply  
**Enf. Coordinator** Epifanio Villarreal  
**Violation Number** 3

**Docket No.** 2015-1478-PWS-E

**PCW**

Policy Revision 4 (April 2014)  
 PCW Revision March 26, 2014

**Rule Cite(s)** 30 Tex. Admin. Code §§ 290.46(d)(2)(A) and (B) and 290.110(b)(4) and Tex. Health & Safety Code § 341.0315(c)

**Violation Description**

Failed to maintain a disinfectant residual of at least 0.2 milligrams per liter ("mg/L") of free chlorine or 0.5 mg/l of chloramine (measured as total chlorine) throughout the distribution system at all times. Specifically, field samples collected at various locations within the distribution system contained chloramine residuals below the minimum of 0.5 mg/L on March 22, 2016, April 12, 2016, April 19, 2016, April 21, 2016, April 22, 2016, April 26, 2016, May 3, 2016, May 4, 2016, May 10, 2016, May 12, 2016, and May 13, 2016.

**Base Penalty** \$1,000

**>> Environmental, Property and Human Health Matrix**

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential		x	

**Percent** 15.0%

**>> Programmatic Matrix**

Falsification	Major	Moderate	Minor

**Percent** 0.0%

Matrix Notes

Failure to maintain proper levels of disinfection could expose customers of the Facility to a significant amount of contaminants which would not exceed levels that are protective of human health.

**Adjustment** \$850

\$150

**Violation Events**

Number of Violation Events  Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

**Violation Base Penalty** \$1,650

Eleven single events are recommended.

**Good Faith Efforts to Comply**

**Reduction** \$0

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary	
Ordinary	
N/A	x

Notes: The Respondent does not meet the good faith criteria for this violation.

**Violation Subtotal** \$1,650

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount** \$2,317

**Violation Final Penalty Total** \$1,650

**This violation Final Assessed Penalty (adjusted for limits)** \$1,650

## Economic Benefit Worksheet

**Respondent** City of Corpus Christi  
**Case ID No.** 51333  
**Reg. Ent. Reference No.** RN101385151  
**Media** Public Water Supply  
**Violation No.** 3

<b>Percent Interest</b>	<b>Years of Depreciation</b>
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

**Delayed Costs**

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

The delayed costs are captured in the Economic Benefit Worksheet for Violaton No. 4 on the other Rev. 4 PCW.

**Avoided Costs**

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]	\$2,200	22-Mar-2016	13-May-2016	1.06	\$117	\$2,200	\$2,317
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

The avoided cost includes the estimated amount for additional maintenance and oversight to ensure an adequate disinfectant residual is maintained throughout the distribution system, calculated for the dates the low disinfectant residuals were documented.

Approx. Cost of Compliance

\$2,200

**TOTAL**

\$2,317



**Screening Date** 30-Sep-2016  
**Respondent** City of Corpus Christi  
**Case ID No.** 51333  
**Reg. Ent. Reference No.** RN101385151  
**Media [Statute]** Public Water Supply  
**Enf. Coordinator** Epifanio Villarreal

**Docket No.** 2015-1478-PWS-E

**PCW**

Policy Revision 4 (April 2014)  
 PCW Revision March 26, 2014

**Violation Number** 4

**Rule Cite(s)** 30 Tex. Admin. Code § 290.110(c)(5)

**Violation Description**

Failed to ensure nitrification is controlled. Specifically, the Respondent's nitrification action plan ("NAP") was not followed during the first month's criteria for a level 3 triggered action response and at least four additional occasions throughout the months of April and May 2016.

**Base Penalty** \$1,000

>> **Environmental, Property and Human Health Matrix**

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential	x		

**Percent** 30.0%

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor

**Percent** 0.0%

**Matrix Notes**

Failing to control nitrification and implement the appropriate action listed in the NAP could expose customers of the Facility to a significant amount of contaminants which would not exceed levels that are protective of human health.

**Adjustment** \$700

\$300

**Violation Events**

**Number of Violation Events** 5 **Number of violation days** 150

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

**Violation Base Penalty** \$1,500

Five monthly events are recommended calculated from the date of the investigation, May 3, 2016, to the date of screening, September 30, 2016.

**Good Faith Efforts to Comply**

0.0%

**Reduction** \$0

	Before NOE/NOV	NOE/NOV to EDRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	

**Notes** The Respondent does not meet the good faith criteria for this violation.

**Violation Subtotal** \$1,500

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount** \$3

**Violation Final Penalty Total** \$1,500

**This violation Final Assessed Penalty (adjusted for limits)** \$1,500

## Economic Benefit Worksheet

**Respondent** City of Corpus Christi  
**Case ID No.** 51333  
**Reg. Ent. Reference No.** RN101385151  
**Media** Public Water Supply  
**Violation No.** 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

### Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$50	3-May-2016	1-May-2017	0.99	\$0	\$3	\$3
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

**Notes for DELAYED costs**

The delayed cost includes the estimated amount in taking appropriate actions listed in the NAP by responding to criteria for a level 3 triggered action to ensure that the NAP is followed so that nitrification is controlled, calculated from the date of the investigation to the estimated date of compliance.

### Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

**Notes for AVOIDED costs**

Approx. Cost of Compliance \$50

TOTAL \$3

Screening Date 30-Sep-2016  
 Respondent City of Corpus Christi  
 Case ID No. 51333

Docket No. 2015-1478-PWS-E

PCW

Policy Revision 4 (April 2014)  
 PCW Revision March 26, 2014

Reg. Ent. Reference No. RN101385151  
 Media [Statute] Public Water Supply  
 Enf. Coordinator Epifanio Villarreal

Violation Number 5  
 Rule Cite(s)

30 Tex. Admin. Code § 290.110(f)(1)(A)

Violation Description

Failed to include all samples collected at sites designated in the monitoring plan as microbiological and disinfectant residual monitoring sites in the compliance determination calculations. Specifically, the Surface Water Monthly Operating Report ("SWMOR") submitted for the reporting month of March 2016 indicated there were zero readings with a low residual and as such the percentage of readings with a low residual during this month was 0.0%, while data submitted by the Respondent indicates there was one reading with a low residual and the percentage of readings with a low residual was 0.3%. The SWMOR submitted for the reporting month of April 2016 indicated there was one reading with a low residual and the percentage of readings with a low residual during this month was 0.4% while data submitted by the Respondent indicates six readings with a low residual and the percentage of readings with a low residual was 2.2%.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential	x		

Percent 30.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Failure to include all monitoring results in the compliance determination calculations could expose customers of the Facility to significant amounts of contaminants which would not exceed levels protective of human health.

Adjustment \$700

\$300

Violation Events

Number of Violation Events 5 150 Number of violation days

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$1,500

Five monthly events are recommended calculated from the date of the investigation, May 3, 2016, to the date of screening, September 30, 2016.

Good Faith Efforts to Comply

0.0%

Reduction \$0

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary		
N/A	x	

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$1,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$6

Violation Final Penalty Total \$1,500

This violation Final Assessed Penalty (adjusted for limits) \$1,500

## Economic Benefit Worksheet

**Respondent** City of Corpus Christi  
**Case ID No.** 51333  
**Reg. Ent. Reference No.** RN101385151  
**Media** Public Water Supply  
**Violation No.** 5

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

**Delayed Costs**

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$100	3-May-2016	1-Apr-2017	0.91	\$0	\$6	\$6
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

The delayed costs include the estimated amount to include all samples collected at sites designated in the monitoring plan as microbiological and disinfectant residual monitoring sites in the compliance determination calculations and that all the disinfectant residual measurements are reported on the SWMOR, calculated from the date of the investigation to the estimated date of compliance.

Notes for DELAYED costs

**Avoided Costs**

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$100

TOTAL \$6



October 4, 2016

Mr. Farhaud Abbaszadeh, Enforcement Coordinator  
Water Enforcement Section, MC 169  
Enforcement Division  
Texas Commission on Environmental Quality  
12100 Park Thirty Five Circle  
Austin, Texas 78753  
**VIA LONE STAR OVERNIGHT**

**LEGAL DEPARTMENT**

PO Box 9277  
Corpus Christi  
Texas 78469-9277  
Phone 361-826-3360  
Fax 361-826-3239  
www.ctexas.com

*Municipal Court  
Prosecutor's Office*  
120 N. Chaparral  
Corpus Christi  
Texas 78401  
Phone 361-886-2530  
Fax 886-2567

*Human Relations*  
PO Box 9277  
Corpus Christi  
Texas 78469-9277  
Phone 361-826-3190  
Fax 361-826-3192

*Risk Management*  
PO Box 9277  
Corpus Christi  
Texas 78469-9277  
Phone 361-826-3680  
Fax 361-826-3697

RE: Revised Proposed Agreed Order  
City of Corpus Christi  
RN101610400; TPDES Permit No. WQ0010401003  
Docket No. 2016-0638-MLM-E; Enforcement Case No. 52223  
**FOR SETTLEMENT PURPOSES ONLY**

Dear Mr. Abbaszadeh:

Enclosed please find the original executed Agreed Order.

If you have any questions, please do not hesitate to contact our office.

Sincerely,

Lisa Aguilar  
Assistant City Attorney

LA/jec

Enclosure

cc: Mr. Brad Castleberry  
Lloyd Gosselink Attorneys at Law  
816 Congress Avenue, Suite 1900  
Austin, Tx 78701

Mr. Dan Grimsbo  
Interim Assistant Director Utilities Treatment & Dir Development  
Services

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
CITY OF CORPUS CHRISTI  
RN101610400**

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**BEFORE THE  
TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY**

**AGREED ORDER  
DOCKET NO. 2016-0638-MLM-E**

**I. JURISDICTION AND STIPULATIONS**

On \_\_\_\_\_, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding the City of Corpus Christi (the "Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE chs. 7 and 26. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent, represented by Mr. Brad Castleberry of the law firm of Lloyd Gosselink, together stipulate that:

1. The Respondent owns and operates a wastewater treatment facility located at 6541 Greenwood Drive, at the intersection of State Highway 357 (Saratoga Boulevard) and Greenwood Drive, about 1.5 miles south of South Padre Island Drive in Corpus Christi, Nueces County, Texas (the "Facility"). The Facility is near or adjacent to water in the state as defined in TEX. WATER CODE § 26.001(5). The Facility consists or consisted of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
2. The Executive Director and the Respondent agree that the TCEQ has jurisdiction to enter this Order pursuant to TEX. WATER CODE §§ 7.002, 7.051, and 7.073, and that the Respondent is subject to TCEQ's jurisdiction. The TCEQ has jurisdiction in this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. WATER CODE ch. 26 and the rules of the TCEQ.
3. The occurrence of any violation is in dispute and the entry of this Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
4. An administrative penalty in the amount of \$30,563 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The amount of \$6,112 is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Order and shall be waived only upon full compliance with all the terms and conditions of this Order. If the Respondent fails to timely and satisfactorily comply with any of the terms and conditions contained in this Order, the Executive Director may demand payment of all or part of the deferred penalty amount.



Pursuant to TEX. WATER CODE § 7.067, \$24,451 of the penalty shall be conditionally offset by the Respondent's timely and satisfactory completion of a Supplemental Environmental Project ("SEP") as defined in the attached SEP Agreement ("Attachment A", incorporated herein by reference). The Respondent's obligation to pay the conditionally offset portion of the penalty shall be discharged upon full compliance with all the terms and conditions of this Order, which includes the timely and satisfactory completion of all provisions of the SEP Agreement, as determined by the Executive Director.

5. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a). Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
6. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Order.
7. This Order represents the complete and fully-integrated agreement of the parties. The provisions of this Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Order unenforceable, the remaining provisions shall be valid and enforceable.
8. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.
9. The Executive Director recognizes that on July 20, 2015, the Respondent removed the debris clogging the pumps on the primary clarifier and removed the polyvinyl chloride ("PVC") pipe jamming the rake.

## II. ALLEGATIONS

During investigations conducted on July 16, 2015; July 21, 2015; and October 12, 2015, it was documented that the Respondent:

1. Failed to prevent nuisance odor conditions, in violation of 30 TEX. ADMIN. CODE § 101.4 and TEX. HEALTH & SAFETY CODE § 382.085(a) and (b). Specifically, TCEQ staff conducted odor surveillance along Saratoga Boulevard and in the Los Colonias neighborhood utilizing the TCEQ Frequency, Intensity, Duration and Offensiveness Chart. As a result, odor was characterized as highly offensive and the intensity of the odor was assessed as strong to very strong. In addition, hand-held surveillance equipment recorded elevated levels of total reduced sulfur concentrations.
2. Failed to properly operate and maintain the Facility and all of its systems of collection, treatment, and disposal, in violation of 30 TEX. ADMIN. CODE § 305.125(1) and (5) and Texas Pollutant Discharge Elimination System Permit No. WQ0010401003, Operational Requirements No. 1. Specifically, as a result of a bar screen failure at the headworks, debris clogged the pumps on the primary clarifier and prevented the transfer of sludge,

causing the sludge to become septic. Also, the clarifier's skimming rake was damaged by a PVC pipe that became lodged between it and the drain.

### III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

### IV. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed a penalty as set forth in Section I, Paragraph 4. The payment of this penalty and the Respondent's compliance with all of the requirements set forth in this Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: City of Corpus Christi, Docket No. 2016-0638-MLM-E" to:

Financial Administration Division, Revenue Operations Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088

2. The Respondent shall implement and complete an SEP as set forth in Section I, Paragraph 4. The amount of \$24,451 of the assessed penalty is conditionally offset based on the Respondent's implementation and completion of the SEP pursuant to the terms of the SEP Agreement, as defined in Attachment A. Penalty payments for any portion of the SEP deemed by the Executive Director as not complete shall be paid within 30 days after the date the Executive Director demands payment.
3. The Respondent shall undertake the following technical requirements:
  - a. Within 180 days after the effective date of this Order, implement measures designed to control odor nuisances at the Facility;
  - b. Within 195 days after the effective date of this Order, submit written certification, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 3.a. The certification shall be signed by the Respondent and shall include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false



information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team  
Enforcement Division, MC 149A  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

with a copy to:

Water Section Manager  
Corpus Christi Regional Office  
Texas Commission on Environmental Quality  
6300 Ocean Drive, Suite 1200  
Corpus Christi, Texas 78412-5503

4. All relief not expressly granted in this Order is denied.

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5. The duties and provisions imposed by this Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of this Order to personnel who maintain day-to-day control over the Facility operations referenced in this Order.
6. If the Respondent fails to comply with any of the Ordering Provisions in this Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
7. The Executive Director may grant an extension of any deadline in this Order or in any plan, report, or other document submitted pursuant to this Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director. Extension requests shall be sent to the Order Compliance Team at the address listed above.
8. This Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
9. This Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and

may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms: electronic transmission, owner, person, writing, and written, shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

10. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

## SIGNATURE PAGE

### TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

\_\_\_\_\_  
Date

\_\_\_\_\_  
For the Executive Director

\_\_\_\_\_  
Date

I, the undersigned, have read and understand the attached Order. I am authorized to agree to the attached Order, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

Margie C. Rose

Signature

10.3.16

Date

Margie C. Rose

Name (Printed or typed)  
Authorized Representative of  
City of Corpus Christi

City Manager

Title

**Instructions:** Send the original, signed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Order.

*If mailing address has changed, please check this box and provide the new address below:*



**Attachment A**  
**Docket Number: 2016-0638-MLM-E**  
**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	City of Corpus Christi
<b>Penalty Amount:</b>	Twenty-Four Thousand Four Hundred Fifty-One Dollars (\$24,451)
<b>SEP Offset Amount:</b>	Twenty-Four Thousand Four Hundred Fifty-One Dollars (\$24,451)
<b>Type of SEP:</b>	Compliance SEP
<b>Project Name:</b>	<i>Installation of Vapor Phase Unit</i>
<b>Location of SEP:</b>	Nueces County; Nueces River Basin

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset the administrative Penalty Amount assessed in this Agreed Order for Respondent to perform a Supplemental Environmental Project ("SEP"). The SEP Offset Amount is set forth above and such offset is conditioned upon completion of the project in accordance with the terms of this Attachment A.

Respondent is a Local Government that qualifies under TEX. WATER CODE § 7.067 to apply the SEP Offset Amount set forth above to correct violations at its wastewater treatment facility which are described in this Agreed Order. This Agreed Order cites violations at Respondent's wastewater treatment facility.

**1. Project Description**

**A. Project**

Respondent shall hire a contractor to purchase and install a 250 CFM (cubic feet per minute) Vapor Phase Unit with Ecosorb 505 (an industrial absorbent) and install 520 linear feet of 6-inch PVC pipe at the Greenwood Wastewater Treatment Facility. The 250 CFM Vapor Phase Unit will help to control and neutralize odors. Specifically, the SEP Offset Amount shall be used for materials, supplies, and equipment for one or more of the following: 250 CFM Vapor Phase Unit, Ecosorb 505, piping, and contract labor to install equipment (the "Project").

Respondent shall solicit bids from qualified contractors to install the system. Any advertisements related to the SEP, including solicitation for bids publication, **must include the enforcement statement** as stated in Section 6, Publicity. The Project will be performed in accordance with all federal, state, and local environmental laws and regulations, including obtaining any permits that may be required prior to commencement of the work.

Respondent shall use the SEP Offset Amount only for the direct cost of implementing the Project, including supplies, materials, and equipment rentals, as listed in Subsection C, Minimum Expenditure, Estimated Cost Schedule. No portion of the SEP Offset Amount shall be spent on administrative costs, including but not limited to

operating costs, reporting expenses, handling of expenses, project coordination, liability, or equipment breakdowns.

Respondent's signature affixed to the attached Agreed Order certifies that Respondent is performing the Compliance SEP solely as part of the terms of settlement in this enforcement action.

**B. Environmental Benefit**

The SEP project will reduce and control the nuisance odors at the wastewater treatment facility.

**C. Minimum Expenditure**

Respondent shall spend at least the SEP Offset Amount to complete the Project described in Section 1, above, and comply with all other provisions of this SEP. Respondent understands that it may cost more than the SEP Offset Amount to complete the Project.

**Estimated Cost Schedule**

<b>Item</b>	<b>Quantity</b>	<b>Units</b>	<b>Cost</b>	<b>Total</b>
250 CFM Vapor Phase Unit	1	Each	\$12,825	\$12,825
6" PVC pipe (including materials and labor to install)	520	Feet	\$9,500	\$9,500
Ecosorb 505	2	55 gallon drums	\$1,155	\$2,310
<b>Total</b>				<b>\$24,635</b>

**2. Performance Schedule**

Within 30 days after the effective date of this Agreed Order, Respondent shall begin implementation of the SEP. Respondent shall have completed the SEP in its entirety within 45 days after the effective date of this Agreed Order.

**3. Records and Reporting**

**A. Progress Report**

Within 30 days after the effective date of this Agreed Order, Respondent shall submit a Notice of Commencement to the TCEQ describing actions performed to date to implement the Project. Within 45 days after the effective date of this Agreed Order, Respondent shall submit a Final Report detailing the progress made and all actions completed on the Project within the 45-day time-frame set forth in Section 2, Performance Schedule, above. Respondent shall submit reports to the TCEQ containing detailed information on all actions completed on the Project to date as set forth in the Reporting Schedule table below:

Days from Effective Order Date	Information Required
30	Notice of Commencement describing actions taken to begin project
45	Actions completed during previous 15-day period and Notice of SEP completion

B. Final Report

Within 45 days after the effective date of the Agreed Order, or within 30 days after completion of SEP, whichever is earlier, Respondent shall submit a Final Report to the TCEQ, which shall include the following:

1. Itemized list of expenditures and total cost of the Project;
2. Copies of invoices, paid receipts, cleared checks or payment records corresponding to the itemized list in paragraph 3.B.1., above;
3. Proof of publication of invitation for bids (publication **must include the enforcement statement**, as stated in Section 6, Publicity), if applicable;
4. Dated photographs of the purchased equipment; the equipment being removed; work being performed during the installation process; and of the completed Project;
5. Copies of all engineering plans related to work performed pursuant to the Project, if applicable;
6. A notarized/certified statement and supporting documentation demonstrating the quantifiable environmental benefits achieved as a result of the Project; and
7. Any additional information demonstrating compliance with this Attachment A.

C. Address

Respondent shall submit all SEP reports and any additional information as requested to the following address:

Texas Commission on Environmental Quality  
Litigation Division  
Attention: SEP Coordinator, MC 175  
P.O. Box 13087  
Austin, Texas 78711-3087

4. Additional Information and Access

Respondent shall provide additional information as requested by TCEQ staff, and shall allow access to all records related to the SEP Offset Amount. Respondent shall also allow representatives of the TCEQ access to the site of any work being financed in whole or in part by the SEP Offset Amount. This provision shall survive the termination of this Agreed Order.



**5. Failure to Fully Perform**

If Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 through 4 above, the Executive Director ("ED") may require immediate payment of all or part of the SEP Offset Amount as set forth in the attached Agreed Order.

In the event the ED determines that Respondent failed to fully implement and complete the Project, Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for reimbursement of a SEP, shall make the check payable to "Texas Commission on Environmental Quality," and shall mail it to:

Texas Commission on Environmental Quality  
Litigation Division  
Attention: SEP Coordinator, MC 175  
P.O. Box 13087  
Austin, Texas 78711-3087

**6. Publicity**

Any public statements concerning this Project made by or on behalf of Respondent must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

**7. Recognition**

Respondent may not seek recognition for this project in any other state or federal regulatory program.

**8. Other SEPs by TCEQ or Other Agencies**

The SEP Offset Amount identified in this Attachment A and in the attached Agreed Order has not been, and shall not be, included as a SEP for Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Policy Revision 4 (April 2014)

## Penalty Calculation Worksheet (PCW)

PCW Revision March 26, 2014

<b>DATES</b>	<b>Assigned PCW</b>	4-Apr-2016	<b>Screening</b>	18-Apr-2016	<b>EPA Due</b>	
		28-Apr-2016				

<b>RESPONDENT/FACILITY INFORMATION</b>	
<b>Respondent</b>	City of Corpus Christi
<b>Reg. Ent. Ref. No.</b>	RN101610400
<b>Facility/Site Region</b>	14-Corpus Christi
<b>Major/Minor Source</b>	Major

<b>CASE INFORMATION</b>			
<b>Enf./Case ID No.</b>	52223	<b>No. of Violations</b>	2
<b>Docket No.</b>	2016-0638-MLM-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Water Quality	<b>Government/Non-Profit</b>	Yes
<b>Multi-Media</b>	Air	<b>Enf. Coordinator</b>	Farhaud Abbaszadeh
		<b>EC's Team</b>	Enforcement Team 1
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** **Subtotal 1** **\$26,250**

**ADJUSTMENTS (+/-) TO SUBTOTAL 1**

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

**Compliance History** **20.0%** Adjustment **Subtotals 2, 3, & 7** **\$5,250**

Notes: Enhancement for three months of self-reported effluent violations and one NOV with same/similar violations.

**Culpability** **No** **0.0%** Enhancement **Subtotal 4** **\$0**

Notes: The Respondent does not meet the culpability criteria.

**Good Faith Effort to Comply Total Adjustments** **Subtotal 5** **-\$937**

**Economic Benefit** **0.0%** Enhancement\* **Subtotal 6** **\$0**

Total EB Amounts **\$142,086**  
 Estimated Cost of Compliance **\$1,997,435**  
 \*Capped at the Total EB \$ Amount

**SUM OF SUBTOTALS 1-7** **Final Subtotal** **\$30,563**

**OTHER FACTORS AS JUSTICE MAY REQUIRE** **0.0%** Adjustment **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

**Final Penalty Amount** **\$30,563**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty** **\$30,563**

**DEFERRAL** **20.0%** Reduction Adjustment **-\$6,112**

Reduces the Final Assessed Penalty by the indicated percentage.

Notes:

Deferral offered for expedited settlement.

**PAYABLE PENALTY** **\$24,451**



**Screening Date** 18-Apr-2016

**Docket No.** 2016-0638-MLM-E

**PCW**

**Respondent** City of Corpus Christi

Policy Revision 4 (April 2014)

**Case ID No.** 52223

PCW Revision March 26, 2014

**Reg. Ent. Reference No.** RN101610400

**Media [Statute]** Water Quality

**Enf. Coordinator** Farhaud Abbaszadeh

**Compliance History Worksheet**

>> **Compliance History Site Enhancement (Subtotal 2)**

Component	Number of...	Number	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	4	20%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgments or consent decrees meeting criteria</i> )	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government ( <i>number of counts</i> )	0	0%
Emissions	Chronic excessive emissions events ( <i>number of events</i> )	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which notices were submitted</i> )	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	0	0%
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

**Adjustment Percentage (Subtotal 2)** 20%

>> **Repeat Violator (Subtotal 3)**

No

**Adjustment Percentage (Subtotal 3)** 0%

>> **Compliance History Person Classification (Subtotal 7)**

Satisfactory Performer

**Adjustment Percentage (Subtotal 7)** 0%

>> **Compliance History Summary**

**Compliance History Notes**

Enhancement for three months of self-reported effluent violations and one NOV with same/similar violations.

**Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7)** 20%

>> **Final Compliance History Adjustment**

**Final Adjustment Percentage \*capped at 100%** 20%

**Screening Date** 18-Apr-2016  
**Respondent** City of Corpus Christi  
**Case ID No.** 52223  
**Reg. Ent. Reference No.** RN101610400  
**Media [Statute]** Water Quality  
**Enf. Coordinator** Farhaud Abbaszadeh

**Docket No.** 2016-0638-MLM-E

**PCW**

Policy Revision 4 (April 2014)  
 PCW Revision March 26, 2014

**Violation Number**

**Rule Cite(s)**

**Violation Description**

Failed to prevent nuisance odor conditions, as documented during an investigation conducted on July 16, 2015; July 21, 2015; and October 12, 2015. Specifically, TCEQ staff conducted odor surveillance along Saratoga Boulevard and in the Los Colonias neighborhood utilizing the TCEQ Frequency, Intensity, Duration and Offensiveness Chart. As a result, odor was characterized as highly offensive and the intensity of the odor was assessed as strong to very strong. In addition, hand-held surveillance equipment recorded elevated levels of total reduced sulfur concentrations.

**Base Penalty**

**>> Environmental, Property and Human Health Matrix**

OR	Release	Harm			Percent
		Major	Moderate	Minor	
Actual	<input type="text"/>	<input type="text"/>	<input checked="" type="text" value="x"/>	<input type="text"/>	<input type="text" value="30.0%"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	

**>> Programmatic Matrix**

Falsification	Major	Moderate	Minor	Percent
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0.0%"/>

Matrix Notes

Human health or the environment has been exposed to significant amounts of pollutants.

**Adjustment**

**Violation Events**

Number of Violation Events  Number of violation days

daily	<input type="text"/>
weekly	<input type="text"/>
monthly	<input type="text"/>
quarterly	<input type="text"/>
semlannual	<input type="text"/>
annual	<input type="text"/>
single event	<input checked="" type="text" value="x"/>

**Violation Base Penalty**

Three single events are recommended (one for each documented nuisance condition).

**Good Faith Efforts to Comply**

Reduction

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text"/>	<input type="text"/>
N/A	<input checked="" type="text" value="x"/>	<input type="text"/>

Notes

The Respondent does not meet the good faith criteria for this violation.

**Violation Subtotal**

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

## Economic Benefit Worksheet

**Respondent** City of Corpus Christi  
**Case ID No.** 52223  
**Reg. Ent. Reference No.** RN101610400  
**Media** Water Quality  
**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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**Delayed Costs**

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$1,747,435	16-Jul-2015	28-Feb-2017	1.62	\$141,949	n/a	\$141,949

Notes for DELAYED costs

Estimated cost to implement measures designed to control nuisance odor conditions at the Facility. Date required is the first day nuisance odors were documented. Final date is the estimated compliance date.

**Avoided Costs**

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$1,747,435

**TOTAL** \$141,949



**Screening Date** 18-Apr-2016  
**Respondent** City of Corpus Christi  
**Case ID No.** 52223

**Docket No.** 2016-0638-MLM-E

**PCW**

Policy Revision 4 (April 2014)  
 PCW Revision March 26, 2014

**Reg. Ent. Reference No.** RN101610400  
**Media [Statute]** Water Quality  
**Enf. Coordinator** Farhaud Abbaszadeh

**Violation Number** 2  
**Rule Cite(s)**

30 Tex. Admin. Code § 305.125(1) and (5) and Texas Pollutant Discharge Elimination System Permit No. WQ0010401003, Operational Requirements No. 1

**Violation Description**

Failed to properly operate and maintain the Facility and all of its systems of collection, treatment, and disposal, as documented during an investigation conducted on July 16, 2015. Specifically, as a result of a bar screen failure at the headworks, debris clogged the pumps on the primary clarifier and prevented the transfer of sludge, causing the sludge to become septic. Also, the clarifier's skimming rake was damaged by a polyvinyl chloride pipe ("PVC") that became lodged between it and the drain.

**Base Penalty** \$25,000

**>> Environmental, Property and Human Health Matrix**

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				15.0%
Potential		x		

**>> Programmatic Matrix**

Falsification	Major	Moderate	Minor	Percent
				0.0%

**Matrix Notes**

Human health or the environment will or could be exposed to significant amounts of pollutants that would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

**Adjustment** \$21,250

\$3,750

**Violation Events**

Number of Violation Events 1 4 Number of violation days

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

**Violation Base Penalty** \$3,750

One quarterly event is recommended from the investigation date (July 16, 2015) to the compliance date (July 20, 2015).

**Good Faith Efforts to Comply**

25.0%

Reduction \$937

	Before NOE/NOV	NOE/NOV to EDRP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		

**Notes** The Respondent achieved compliance on July 20, 2015.

**Violation Subtotal** \$2,813

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount** \$137

**Violation Final Penalty Total** \$3,563

**This violation Final Assessed Penalty (adjusted for limits)** \$3,563

## Economic Benefit Worksheet

**Respondent** City of Corpus Christi  
**Case ID No.** 52223  
**Reg. Ent. Reference No.** RN101610400  
**Media** Water Quality  
**Violation No.** 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

**Delayed Costs**

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250,000	16-Jul-2015	20-Jul-2015	0.01	\$137	n/a	\$137

Notes for DELAYED costs

The delayed cost is the estimated amount to remove the debris clogging the pumps on the primary clarifier and to remove the PVC pipe jamming the rake. Date required is the investigation date. The final date is the compliance date.

**Avoided Costs**

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$250,000

**TOTAL**

\$137



Bryan W. Shaw, Ph.D., P.E., *Chairman*  
Toby Baker, *Commissioner*  
Jon Niermann, *Commissioner*  
Richard A. Hyde, P.E., *Executive Director*



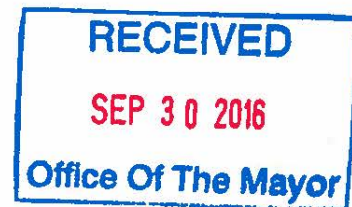
## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

September 28, 2016

CERTIFIED MAIL #91 7199 9991 7031 3461 1882  
RETURN RECEIPT REQUESTED

The Honorable Nelda Martinez  
Mayor of Corpus Christi  
P. O. Box 9277  
Corpus Christi, Texas 78469



Re: Notice of Enforcement for the Reconnaissance & Complaint Investigations at:  
City of Corpus Christi Public Water Supply, 13101 Leopard Street, Corpus Christi  
(Nueces County), Texas  
Regulated Entity No.: 101385151, TCEQ ID No.: 1780003, Investigation No. : 1356462,  
Incident Nos.: 232608, 233295, 233387, 233388, 233435, 233450, 233560, 234289 and 236645

Dear Mayor Martinez:

From May 3 to June 3, 2016, Mr. Blas Rizzo of the Texas Commission on Environmental Quality (TCEQ) Corpus Christi Region Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable requirements for public water supply. During this investigation, certain outstanding alleged violations were documented. Enclosed is a summary which lists the investigation findings and recommended corrective actions. Additional recommended corrective actions may be provided by the Enforcement Division.

In the listing of the alleged violations, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI 032) are located on our agency website at <http://www.tceq.state.tx.us> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the Corpus Christi Region Office at 361-825-3100 or the Central Office Publications Ordering Team at 512-239-0028.

Also, please be advised that the Legislature has granted enforcement powers to the TCEQ to carry out its mission to protect human health and the environment. Due to the apparent seriousness of the alleged violations, formal enforcement action has been initiated, and additional violations may be cited upon further review. We encourage you to immediately begin taking actions to address the outstanding alleged violations. Corrective action must be completed so your public water supply may be operated and maintained in accordance with the requirements for a "Superior" system.

**In responding with prompt corrective action, the administrative penalty to be assessed may be limited.**

The Honorable Nelda Martinez  
Page 2  
September 28, 2016

The Commission recognizes that the great majority of the regulated community wants to prevent pollution and to comply with environmental laws. We dedicate considerable resources toward making voluntary compliance achievable. But where compliance has not been met it is our duty to protect the public and the environment by enforcing the state's environmental laws, regulations, and permits.

Also, if you believe the violations documented in this notice have been cited in error, and you have additional information that we are unaware of, you may request a meeting to discuss this enforcement matter. To request a meeting, send a letter describing the additional information to the address shown below.

Manager, Water Section  
Enforcement Division, MC 219  
Re: Enforcement Meeting Request  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

If you or members of your staff have any questions, please feel free to contact Mr. Rizzo in the Corpus Christi Region Office at 361-825-3100.

Sincerely,



Melanie Edwards, Water Section Manager  
Corpus Christi Region Office  
Texas Commission on Environmental Quality

ME/BR/mjd

Enclosure: Summary of Investigation Findings

cc: Mr. Dan Grimsbo, Interim Director of Water Utilities, 1201 Leopard St., Corpus Christi, Texas 78401

## Summary of Investigation Findings

CITY OF CORPUS CHRISTI

13101 LEOPARD ST  
CORPUS CHRISTI, NUECES COUNTY, TX 78410

Investigation #

1356462  
Investigation Date: 05/03/2016

Additional ID(s): 1780003

### OUTSTANDING ALLEGED VIOLATION(S) ASSOCIATED TO A NOTICE OF ENFORCEMENT

Track No: 615279      Compliance Due Date: To Be Determined  
30 TAC Chapter 290.39(l)

**Alleged Violation:**

Investigation: 1356462

Comment Date: 09/08/2016

Failed to comply with the site-specific requirements established for a system that was granted an exception.

On December 11, 2008, the City of Corpus Christi was granted an exception to the rule requiring monthly flushing of dead-end mains (DEMs) contingent upon certain conditions. On November 1, 2010, certain revisions to the exception requirements were approved. The November 1, 2010 letter superseded the December 11, 2008 letter.

One of the conditions requires total residual chlorine (TRC), monochloramine (mono), and free available ammonia (FAA) to be measured within 24 hours of an initial low TRC and subsequent flushing. In addition, within five days of the initial low TRC, the City is required to return to the DEM to monitor for changes to the TRC, mono, and FAA and flush the DEM if the TRC is below 1.5 mg/L. In addition, any DEM with an initial TRC reading < 0.5 mg/L is required to be placed in the Twice a Month flushing group. Four consecutive months of TRC levels are required to move a DEM to the next less frequent flushing group.

A review of the flushing program from March 2016 to June 2016 indicated the above mentioned conditions were not being followed. For example, initial TRC readings were below 0.5 mg/L for DEM ID Nos. 1558 and 1179 on March 7 and 9, 2016. However, DEM ID No. 1558 was not monitored again until March 31, 2016 and was not flushed twice in April or June. DEM ID No. 1179 was not monitored again until April 2, 2016 and was not flushed twice in April or flushed during the months of May or June. In addition, the only parameters monitored at the DEMs were TRC, pH, and temperature.

**Recommended Corrective Action:** The facility shall comply with all site-specific requirements established for a system that was granted an exception.

Track No: 615281      Compliance Due Date: To Be Determined  
30 TAC Chapter 290.44(h)

**Alleged Violation:**

Investigation: 1356462

Comment Date: 09/08/2016

Failed to have adequate protection against cross contamination at any residence or establishment where an actual or potential contamination hazard exists.

On May 26, 2016, the TCEQ Corpus Christi Region Office observed a potential contamination hazard in the distribution system. A new line on Claremore Street had been installed, a bacteriological sample had been collected and the City was waiting on the sample results prior to permanently connecting the line to the distribution system. During the interim, the City was running water from a hose connected to a fire hydrant located at the corner of Ocean Drive and Claremore Street through the new line. The City is required to provide protection to prevent backflow and back-siphonage. No device was in place.



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**Recommended Corrective Action:** The facility shall have adequate protection against cross contamination at any residence or establishment where an actual or potential contamination hazard exists.

---

**Track No:** 615282      **Compliance Due Date:** To Be Determined  
**30 TAC Chapter 290.110(b)(4)**  
**30 TAC Chapter 290.46(d)(2)(B)**

**Alleged Violation:**

Investigation: 1356462

Comment Date: 09/08/2016

---

Failed to continuously maintain a chloramine residual of 0.5 mg/L (measured as total chlorine) for those systems that distribute chloraminated water throughout the distribution system.

The disinfectant residual was documented to be below the minimum requirement on 11 days for the time period between March 1, 2016 and the issuance of the boil water notice. Specifically, the disinfectant residual was below 0.5 mg/L on March 22nd, April 12th, April 19th, April 21st, April 22nd, April 26th, May 3rd, May 4th, May 10th, May 12th, and May 13th. The results were obtained from the City's samples collected at designated sample sites and sampling conducted by the Corpus Christi Region Office.

**Recommended Corrective Action:** The City shall continuously maintain a chloramine residual of 0.5 mg/L (measured as total chlorine) for those systems that distribute chloraminated water throughout the distribution system.

---

**Track No:** 615284      **Compliance Due Date:** To Be Determined  
**30 TAC Chapter 290.110(c)(5)**

**Alleged Violation:**

Investigation: 1356462

Comment Date: 09/02/2016

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Failed to ensure that nitrification is controlled.

A review of the City's nitrification action plan (NAP) as well as the monitoring data collected by the City and comparison to the City's responses to the event demonstrated that they did not fully implement the appropriate action listed in their NAP; therefore, nitrification was not controlled. Specifically, on April 12, 2016, the City first met the criteria for a level 3 triggered action response and on at least four additional occasions throughout the months of April and May 2016. Options for an action level 3 response include breakpoint chlorination of a tank/reservoir and City wide breakpoint chlorination.

**Recommended Corrective Action:** The facility shall ensure that nitrification is controlled.

---

**Track No:** 615285      **Compliance Due Date:** To Be Determined  
**30 TAC Chapter 290.110(f)(1)(A)**

**Alleged Violation:**

Investigation: 1356462

Comment Date: 09/09/2016

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Failed to include in the compliance determination calculations all samples collected at sites designated in the monitoring plan as microbiological and disinfectant residual monitoring sites.

A review of the City's monitoring data indicated all disinfectant residual samples collected at sites designated in their monitoring plan were not used in their compliance determination calculations. The Surface Water Monthly Operating Report (SWMOR) submitted for the reporting month of March 2016 indicated there were 0 readings with a low residual and as such the percentage of readings with a low residual during this month was 0.0% while their data indicates there was one reading with a low residual and the percentage of readings with a low residual was 0.3%. The SWMOR submitted for the reporting month of April 2016 indicated there was one reading with a low residual and the percentage of readings with a low residual during this month was 0.4% while their data indicates six readings with a low residual

and the percentage of readings with a low residual was 2.2%.

**Recommended Corrective Action:** The facility shall include, in the compliance determination calculations, all samples collected at sites designated in the monitoring plan as microbiological and disinfectant residual monitoring sites.



TEXAS COMMISSION ON  
 ENVIRONMENTAL QUALITY  
 Region 14  
 NRC Bldg., Ste. 1200  
 6300 Ocean Dr., Unit 5839  
 Corpus Christi, Texas 78412-5839

RETURN SERVICE REQUESTED

CERTIFIED MAIL



91 7199 9991 7031 3461 1882

CORPUS CHRISTI



02 1P  
 0003179855 SEP 28 2016  
 MAILED FROM ZIP CODE 78412

THE HONORABLE NELDA MARTINEZ  
 MAYOR OF CORPUS CHRISTI  
 PO BOX 9277  
 CORPUS CHRISTI, TX 78469

78469\$9277





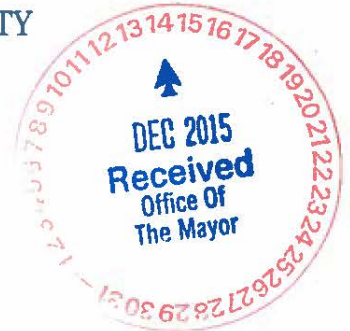
Bryan W. Shaw, Ph.D., P.E., *Chairman*  
Toby Baker, *Commissioner*  
Jon Niermann, *Commissioner*  
Richard A. Hyde, P.E., *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

December 11, 2015



**CERTIFIED MAIL 91 7199 9991 7031 0234 5948**  
**RETURN RECEIPT REQUESTED**

The Honorable Nelda Martinez  
Mayor of City of Corpus Christi  
P. O. Box 9277  
Corpus Christi, Texas 78415

Re: Notice of Enforcement for the Comprehensive Compliance & Complaint Investigations at: City of Corpus Christi Public Water Supply, 13101 Leopard Street, Nueces County, Texas Regulated Entity No.: 101385151, TCEQ ID No.: 1780003, Investigation No. : 1288821, Incident Nos.: 217383, 217632, 217908, 219622, 220512, 220591, and 220908

Dear Mayor Martinez:

On July 16, September 2, 3, 5, 6, 8, 16, and 25, 2015, Mr. Blas Rizzo and Mr. Travis Prater of the Texas Commission on Environmental Quality (TCEQ) Corpus Christi Region Office along with several members of the Water Section conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable requirements for public water supply. During this investigation, certain outstanding alleged violations were documented. Enclosed is a summary which lists the investigation findings and recommended corrective actions. Additional recommended corrective actions may be provided by the Enforcement Division.

In the listing of the alleged violations, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules (GI 032)* are located on our agency website at <http://www.tceq.state.tx.us> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the Corpus Christi Region Office at 361-825-3100 or the Central Office Publications Ordering Team at 512-239-0028.

Also, please be advised that the Legislature has granted enforcement powers to the TCEQ to carry out its mission to protect human health and the environment. Due to the apparent seriousness of the alleged violations, formal enforcement action has been initiated, and additional violations may be cited upon further review. We encourage you to immediately begin taking actions to address the outstanding alleged violations. Corrective action must be completed so your public water supply may be operated and maintained in accordance with the requirements for a "Superior" system.

The Honorable Nelda Martinez  
Page 2  
December 11, 2015

**In responding with prompt corrective action, the administrative penalty to be assessed may be limited.**

The Commission recognizes that the great majority of the regulated community wants to prevent pollution and to comply with environmental laws. We dedicate considerable resources toward making voluntary compliance achievable. But where compliance has not been met it is our duty to protect the public and the environment by enforcing the state's environmental laws, regulations, and permits.

Also, if you believe the violations documented in this notice have been cited in error, **and** you have additional information that we are unaware of, you may request a meeting to discuss this enforcement matter. To request a meeting, send a letter describing the additional information to the address shown below.

Manager, Water Section  
Enforcement Division, MC 219  
Re: Enforcement Meeting Request  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

If you or members of your staff have any questions, please feel free to contact Mr. Rizzo in the Corpus Christi Region Office at 361-825-3100.

Sincerely,



Melanie Edwards, Water Section Manager  
Corpus Christi Region Office  
Texas Commission on Environmental Quality

ME/BR/jmc

Enclosure: Summary of Investigation Findings

## Summary of Investigation Findings

CITY OF CORPUS CHRISTI

13101 LEOPARD ST  
CORPUS CHRISTI, NUECES COUNTY, TX 78410

Investigation #

1288821  
Investigation Date: 07/16/2015

Additional ID(s): 1780003

### OUTSTANDING ALLEGED VIOLATION(S) ASSOCIATED TO A NOTICE OF ENFORCEMENT

Track No: 587314 Compliance Due Date: To Be Determined  
30 TAC Chapter 290.44(h)(4)(B)

**Alleged Violation:**

Investigation: 1288821

Comment Date: 12/10/2015

Failed to use gauges in the testing of backflow prevention assemblies that have been tested for accuracy annually in accordance with the University of Southern California's Manual of Cross-Connection Control or the AWWA's Recommended Practice for Backflow Prevention and Cross-Connection Control (AWWA Manual M14). Public water systems shall require testers to include test gauge serial numbers on the Backflow Prevention Assembly Test and Maintenance Report (commission Form 20700), and ensure testers have gauges tested for accuracy.

During the investigation conducted on September 16 and 25, 2015, the investigators determined the two backflow prevention assemblies installed at the Bay Area Health Group, were tested using a test gauge that had not been calibrated within a year of the date of the testing. Specifically, the two reduced pressure assemblies were tested on July 9 and 31, 2015; however, the Conbraco gauge (Model 40-200TK5; Serial No. 258267) was last tested on February 3, 2014. Additionally, many of the reports were missing the dates that the test gauges were tested for accuracy.

**Recommended Corrective Action:** The facility shall ensure gauges in the testing of backflow prevention assemblies have been tested for accuracy annually in accordance with the University of Southern California's Manual of Cross-Connection Control or the AWWA's Recommended Practice for Backflow Prevention and Cross-Connection Control (AWWA Manual M14).

Track No: 587315 Compliance Due Date: To Be Determined  
30 TAC Chapter 290.44(h)(4)

**Alleged Violation:**

Investigation: 1288821

Comment Date: 12/11/2015

Failed to test all backflow prevention assemblies which are installed to provide protection against health hazards at least annually by a licensed backflow prevention assembly tester.

During the investigation conducted on September 16 and 25, 2015, the investigators determined that the City had not tested the backflow prevention assemblies at the car washes owned by the Sheppard Family Holdings in front of the Stripes convenience store (Ennis Joslin St. and McArdle Rd.) and the carwash at the Valero Corner Store (South Padre Island Dr. and Ennis Joslin St.) within the last year. Specifically, the backflow assembly at the Valero Corner Store was last tested in 2009 and there were no records that there has ever been a test on the assembly at the Sheppard Family Holdings carwash.

**Recommended Corrective Action:** The facility shall test all backflow prevention assemblies which are installed to provide protection against health hazards at least annually by a licensed backflow prevention assembly tester.

Track No: 587320 Compliance Due Date: To Be Determined  
30 TAC Chapter 290.110(b)(4)



**Alleged Violation:**

Investigation: 1288821

Comment Date: 12/10/2015

Failed to maintain residual disinfectant concentration in the water within the distribution system of at least 0.2 mg/L free chlorine or 0.5 mg/L chloramine (measured as total chlorine).

During the investigation, the investigators conducted sampling at various areas within the distribution system on July 16, September 2, 3, 4, 5, 6, 8, 12, 16, and 25, 2015. Investigators documented disinfectant residuals below the minimum level in 43 out of 90 samples (47.8 %) measured over this period.

Additionally, a review of the surface water monthly operating reports (SWMOR) indicate that the City began reporting disinfectant residuals below the minimum level in April 2015.

**Recommended Corrective Action:** The facility shall maintain a residual disinfectant concentration in the water within the distribution system of at least 0.2 mg/L free chlorine or 0.5 mg/L chloramine (measured as total chlorine).

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Track No: 587321      Compliance Due Date: To Be Determined  
30 TAC Chapter 290.46(m)

**Alleged Violation:**

Investigation: 1288821

Comment Date: 12/10/2015

Failed to use maintenance and housekeeping practices to ensure the good working condition and general appearance of the system's facilities and equipment. The grounds and facilities shall be maintained in a manner so as to minimize the possibility of the harboring of rodents, insects, and other disease vectors, and in such a way as to prevent other conditions that might cause the contamination of the water.

During the investigation conducted on September 16 and 25, 2015, the investigators reviewed the results of the inspections for the water storage tanks conducted by Texas Tank Service on August 10, 2015. The results indicated that three of the City's elevated storage tanks were in need of repair and/or maintenance. Specifically, corrosion was documented on the interior of the Alameda elevated storage tank (EST) and there was a hole noted in the side wall plate of the Morgan EST. Furthermore, there was significant corrosion on the interior, exterior and roof ventilation of the Flour Bluff EST as well as holes in the roof plates.

The City and LNV Engineering are currently finalizing plans to replace all existing elevated storage tanks and construction should tentatively begin early 2016.

**Recommended Corrective Action:** The facility shall use maintenance and housekeeping practice to ensure the good working condition and general appearance of the system's facilities and equipment. The grounds and facilities shall be maintained in a manner so as to minimize the possibility of the harboring of rodents, insects, and other disease vectors, and in such a way as to prevent other conditions that might cause the contamination of the water.

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Track No: 587323      Compliance Due Date: To Be Determined  
30 TAC Chapter 290.110(f)(1)(A)  
30 TAC Chapter 290.119(b)(7)  
30 TAC Chapter 290.46(s)

**Alleged Violation:**

Investigation: 1288821

Comment Date: 12/10/2015

Failed to include in the compliance determination calculations all samples collected at sites designated in the monitoring plan as microbiological and disinfectant residual monitoring sites. In addition, accurate testing equipment or some other means of monitoring the effectiveness of any chemical treatment or pathogen inactivation or removal processes must be used by the system. Standard Methods state that a potable water distribution line should be flushed for two or three minutes, or for a time sufficient to permit clearing the service line

prior to collecting the sample.

During the investigation, investigators observed the procedures City operators were using to collect samples at their designated sample sites. Operators for the city would flush the sample tap which is located directly on the distribution line for more than five minutes and then measure the disinfectant residual using a Hach SL1000. On some instances if the residual was below the required minimum disinfectant residual, the operator would then begin flushing from the nearest fire hydrant, sometimes flushing over an hour and from numerous fire hydrants to obtain the required minimum disinfectant residual. Using a Hach pocket colorimeter, the operators would periodically measure the disinfectant residual at various times during the flushing event. Once the required disinfectant residual was achieved, the operator would measure the disinfectant residual with the Hach SL1000 and record the results for compliance purposes.

The length of time the City was flushing prior to and during sample collection was not representative of the required monitoring activity. Additionally, not all the disinfectant residual measurements were reported on the SWMORs.

**Recommended Corrective Action:** The facility shall include in the compliance determination calculations all samples collected at sites designated in the monitoring plan as microbiological and disinfectant residual monitoring sites. In addition, accurate testing equipment or some other means of monitoring the effectiveness of any chemical treatment or pathogen inactivation or removal processes must be used by the system. Standard Methods state that a potable water distribution line should be flushed for two or three minutes, or for a time sufficient to permit clearing the service line prior to collecting the sample.

Track No: 589009 Compliance Due Date: To Be Determined

30 TAC Chapter 290.44(h)(4)(C)

30 TAC Chapter 290.46(f)(3)(B)(v)

**Alleged Violation:**

Investigation: 1288821

Comment Date: 12/10/2015

Failed to maintain complete records of the backflow prevention device program. The signed, dated original test report must be submitted to the public water supplier for record keeping purposes.

During the investigation conducted on September 16 and 25, 2015, the investigators determined that a few test reports completed by the backflow prevention assembly testers were not properly completed. Specifically, the reports were missing either the testers' signature or the dates the assemblies were tested.

**Recommended Corrective Action:** The facility shall maintain complete records of the backflow prevention device program. The signed, dated original test report must be submitted to the public water supplier for record keeping purposes.

**ALLEGED VIOLATION(S) NOTED AND RESOLVED  
ASSOCIATED TO A NOTICE OF ENFORCEMENT**

Track No: 587316

30 TAC Chapter 290.46(m)(4)

30 TAC Chapter 290.46(m)(6)

**Alleged Violation:**

Investigation: 1288821

Comment Date: 12/10/2015

Failed to maintain all pumps, motors, valves, and other mechanical devices in good working condition. In addition, all water treatment units, storage and pressure maintenance facilities, distribution system lines, and related appurtenances shall be maintained in a watertight condition and free of excessive solids.

During the investigation conducted on September 16, 2015, the investigator observed leaks at three of the City's pump stations. Specifically, leaks were seen on pump no. 1 at the Staples



Street Pump Station, pump no. 2 at the Holly Road Pump Station, and pump no.1 at the Sand Dollar Pump Station.

**Resolution:** On October 6, 2015, the facility submitted photographs that demonstrate that all leaks have been repaired.

Track No: 587322

30 TAC Chapter 290.46(f)(3)(A)(i)(I)

**Alleged Violation:**

Investigation: 1288821

Comment Date: 12/10/2015

Failed to maintain records for the amount of each chemical used each day.

During the investigation conducted on September 16 and 25, 2015, the investigators noted that the chemical usages for the plant and all sites where chemicals were being injected were being recorded by the City's supervisory control and data acquisition (SCADA) system. However, the records indicated that the facility only began recording chemical usage at the Holly Road Pump Station as of September 25, 2015 but had been injecting prior to that.

**Resolution:** On October 6, 2015, the City provided documentation that demonstrated that as of September 25, 2015, they were collecting and maintaining records for the amount of each chemical used each day at all sites to which they inject chemicals.

**ADDITIONAL ISSUES**

**Description**  
Item 9

**Additional Comments**

During the investigation of the water treatment plant, the investigator noted that the City's online pH meters were not being calibrated at proper intervals. Texas Administrative Code §290.46(s)(2)(A)(iii) requires online pH meters used for compliance testing to be properly calibrated at least once every 30 days. At this time, the City currently uses the equipment for process control and as such is exempt from this requirement. If at any time in the future the City wishes to use the data obtained from these meters for compliance, they must be properly calibrated to manufacturer specifications at least every 30 days.



TEXAS COMMISSION ON  
 ENVIRONMENTAL QUALITY  
 Region 14  
 NRC Bldg., Ste. 1200  
 6300 Ocean Dr., Unit 5839  
 Corpus Christi, Texas 78412-5839

RETURN SERVICE REQUESTED

**CERTIFIED MAIL**



91 7199 9991 7031 0234 5948



THE HONORABLE NELDA MARTINEZ  
 MAYOR OF CITY OF CORPUS CHRISTI  
 P. O. BOX 9277  
 CORPUS CHRISTI, TEXAS 78415

7846539277 B100



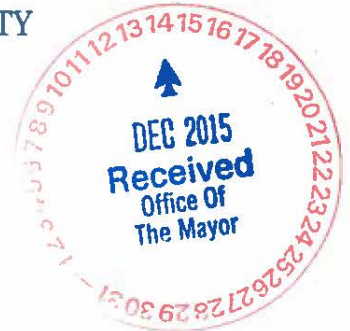
Bryan W. Shaw, Ph.D., P.E., *Chairman*  
Toby Baker, *Commissioner*  
Jon Niermann, *Commissioner*  
Richard A. Hyde, P.E., *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

December 11, 2015



**CERTIFIED MAIL 91 7199 9991 7031 0234 5948**  
**RETURN RECEIPT REQUESTED**

The Honorable Nelda Martinez  
Mayor of City of Corpus Christi  
P. O. Box 9277  
Corpus Christi, Texas 78415

Re: Notice of Enforcement for the Comprehensive Compliance & Complaint Investigations at: City of Corpus Christi Public Water Supply, 13101 Leopard Street, Nueces County, Texas Regulated Entity No.: 101385151, TCEQ ID No.: 1780003, Investigation No. : 1288821, Incident Nos.: 217383, 217632, 217908, 219622, 220512, 220591, and 220908

Dear Mayor Martinez:

On July 16, September 2, 3, 5, 6, 8, 16, and 25, 2015, Mr. Blas Rizzo and Mr. Travis Prater of the Texas Commission on Environmental Quality (TCEQ) Corpus Christi Region Office along with several members of the Water Section conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable requirements for public water supply. During this investigation, certain outstanding alleged violations were documented. Enclosed is a summary which lists the investigation findings and recommended corrective actions. Additional recommended corrective actions may be provided by the Enforcement Division.

In the listing of the alleged violations, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules (GI 032)* are located on our agency website at <http://www.tceq.state.tx.us> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the Corpus Christi Region Office at 361-825-3100 or the Central Office Publications Ordering Team at 512-239-0028.

Also, please be advised that the Legislature has granted enforcement powers to the TCEQ to carry out its mission to protect human health and the environment. Due to the apparent seriousness of the alleged violations, formal enforcement action has been initiated, and additional violations may be cited upon further review. We encourage you to immediately begin taking actions to address the outstanding alleged violations. Corrective action must be completed so your public water supply may be operated and maintained in accordance with the requirements for a "Superior" system.





October 4, 2016

Mr. Farhaud Abbaszadeh, Enforcement Coordinator  
Water Enforcement Section, MC 169  
Enforcement Division  
Texas Commission on Environmental Quality  
12100 Park Thirty Five Circle  
Austin, Texas 78753  
**VIA LONE STAR OVERNIGHT**

**LEGAL DEPARTMENT**

PO Box 9277  
Corpus Christi  
Texas 78469-9277  
Phone 361-826-3360  
Fax 361-826-3239  
www.cctexas.com

*Municipal Court  
Prosecutor's Office*  
120 N. Chaparral  
Corpus Christi  
Texas 78401  
Phone 361-886-2530  
Fax 886-2567

*Human Relations*  
PO Box 9277  
Corpus Christi  
Texas 78469-9277  
Phone 361-826-3190  
Fax 361-826-3192

*Risk Management*  
PO Box 9277  
Corpus Christi  
Texas 78469-9277  
Phone 361-826-3680  
Fax 361-826-3697

RE: Revised Proposed Agreed Order  
City of Corpus Christi  
RN101610400; TPDES Permit No. WQ0010401003  
Docket No. 2016-0638-MLM-E; Enforcement Case No. 52223  
**FOR SETTLEMENT PURPOSES ONLY**

Dear Mr. Abbaszadeh:

Enclosed please find the original executed Agreed Order.

If you have any questions, please do not hesitate to contact our office.

Sincerely,

Lisa Aguilar  
Assistant City Attorney

LA/jec

Enclosure

cc: Mr. Brad Castleberry  
Lloyd Gosselink Attorneys at Law  
816 Congress Avenue, Suite 1900  
Austin, Tx 78701

Mr. Dan Grimsbo  
Interim Assistant Director Utilities Treatment & Dir Development  
Services

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
CITY OF CORPUS CHRISTI  
RN101610400**

§  
§  
§  
§  
§

**BEFORE THE  
TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY**

**AGREED ORDER  
DOCKET NO. 2016-0638-MLM-E**

**I. JURISDICTION AND STIPULATIONS**

On \_\_\_\_\_, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding the City of Corpus Christi (the "Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE chs. 7 and 26. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent, represented by Mr. Brad Castleberry of the law firm of Lloyd Gosselink, together stipulate that:

1. The Respondent owns and operates a wastewater treatment facility located at 6541 Greenwood Drive, at the intersection of State Highway 357 (Saratoga Boulevard) and Greenwood Drive, about 1.5 miles south of South Padre Island Drive in Corpus Christi, Nueces County, Texas (the "Facility"). The Facility is near or adjacent to water in the state as defined in TEX. WATER CODE § 26.001(5). The Facility consists or consisted of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
2. The Executive Director and the Respondent agree that the TCEQ has jurisdiction to enter this Order pursuant to TEX. WATER CODE §§ 7.002, 7.051, and 7.073, and that the Respondent is subject to TCEQ's jurisdiction. The TCEQ has jurisdiction in this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. WATER CODE ch. 26 and the rules of the TCEQ.
3. The occurrence of any violation is in dispute and the entry of this Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
4. An administrative penalty in the amount of \$30,563 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The amount of \$6,112 is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Order and shall be waived only upon full compliance with all the terms and conditions of this Order. If the Respondent fails to timely and satisfactorily comply with any of the terms and conditions contained in this Order, the Executive Director may demand payment of all or part of the deferred penalty amount.

Pursuant to TEX. WATER CODE § 7.067, \$24,451 of the penalty shall be conditionally offset by the Respondent's timely and satisfactory completion of a Supplemental Environmental Project ("SEP") as defined in the attached SEP Agreement ("Attachment A", incorporated herein by reference). The Respondent's obligation to pay the conditionally offset portion of the penalty shall be discharged upon full compliance with all the terms and conditions of this Order, which includes the timely and satisfactory completion of all provisions of the SEP Agreement, as determined by the Executive Director.

5. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a). Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
6. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Order.
7. This Order represents the complete and fully-integrated agreement of the parties. The provisions of this Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Order unenforceable, the remaining provisions shall be valid and enforceable.
8. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.
9. The Executive Director recognizes that on July 20, 2015, the Respondent removed the debris clogging the pumps on the primary clarifier and removed the polyvinyl chloride ("PVC") pipe jamming the rake.

## II. ALLEGATIONS

During investigations conducted on July 16, 2015; July 21, 2015; and October 12, 2015, it was documented that the Respondent:

1. Failed to prevent nuisance odor conditions, in violation of 30 TEX. ADMIN. CODE § 101.4 and TEX. HEALTH & SAFETY CODE § 382.085(a) and (b). Specifically, TCEQ staff conducted odor surveillance along Saratoga Boulevard and in the Los Colonias neighborhood utilizing the TCEQ Frequency, Intensity, Duration and Offensiveness Chart. As a result, odor was characterized as highly offensive and the intensity of the odor was assessed as strong to very strong. In addition, hand-held surveillance equipment recorded elevated levels of total reduced sulfur concentrations.
2. Failed to properly operate and maintain the Facility and all of its systems of collection, treatment, and disposal, in violation of 30 TEX. ADMIN. CODE § 305.125(1) and (5) and Texas Pollutant Discharge Elimination System Permit No. WQ0010401003, Operational Requirements No. 1. Specifically, as a result of a bar screen failure at the headworks, debris clogged the pumps on the primary clarifier and prevented the transfer of sludge,



causing the sludge to become septic. Also, the clarifier's skimming rake was damaged by a PVC pipe that became lodged between it and the drain.

### III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

### IV. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed a penalty as set forth in Section I, Paragraph 4. The payment of this penalty and the Respondent's compliance with all of the requirements set forth in this Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: City of Corpus Christi, Docket No. 2016-0638-MLM-E" to:

Financial Administration Division, Revenue Operations Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088

2. The Respondent shall implement and complete an SEP as set forth in Section I, Paragraph 4. The amount of \$24,451 of the assessed penalty is conditionally offset based on the Respondent's implementation and completion of the SEP pursuant to the terms of the SEP Agreement, as defined in Attachment A. Penalty payments for any portion of the SEP deemed by the Executive Director as not complete shall be paid within 30 days after the date the Executive Director demands payment.
3. The Respondent shall undertake the following technical requirements:
  - a. Within 180 days after the effective date of this Order, implement measures designed to control odor nuisances at the Facility;
  - b. Within 195 days after the effective date of this Order, submit written certification, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 3.a. The certification shall be signed by the Respondent and shall include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false

information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team  
Enforcement Division, MC 149A  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

with a copy to:

Water Section Manager  
Corpus Christi Regional Office  
Texas Commission on Environmental Quality  
6300 Ocean Drive, Suite 1200  
Corpus Christi, Texas 78412-5503

4. All relief not expressly granted in this Order is denied.

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5. The duties and provisions imposed by this Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of this Order to personnel who maintain day-to-day control over the Facility operations referenced in this Order.
6. If the Respondent fails to comply with any of the Ordering Provisions in this Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
7. The Executive Director may grant an extension of any deadline in this Order or in any plan, report, or other document submitted pursuant to this Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director. Extension requests shall be sent to the Order Compliance Team at the address listed above.
8. This Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
9. This Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and



may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms: electronic transmission, owner, person, writing, and written, shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

10. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

## SIGNATURE PAGE

### TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

\_\_\_\_\_  
Date

\_\_\_\_\_  
For the Executive Director

\_\_\_\_\_  
Date

I, the undersigned, have read and understand the attached Order. I am authorized to agree to the attached Order, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

Margie C. Rose

Signature

10.3.16

Date

Margie C. Rose

Name (Printed or typed)  
Authorized Representative of  
City of Corpus Christi

City Manager

Title

**Instructions:** Send the original, signed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Order.

*If mailing address has changed, please check this box and provide the new address below:*

**Attachment A**  
**Docket Number: 2016-0638-MLM-E**  
**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	City of Corpus Christi
<b>Penalty Amount:</b>	Twenty-Four Thousand Four Hundred Fifty-One Dollars (\$24,451)
<b>SEP Offset Amount:</b>	Twenty-Four Thousand Four Hundred Fifty-One Dollars (\$24,451)
<b>Type of SEP:</b>	Compliance SEP
<b>Project Name:</b>	<i>Installation of Vapor Phase Unit</i>
<b>Location of SEP:</b>	Nueces County; Nueces River Basin

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset the administrative Penalty Amount assessed in this Agreed Order for Respondent to perform a Supplemental Environmental Project ("SEP"). The SEP Offset Amount is set forth above and such offset is conditioned upon completion of the project in accordance with the terms of this Attachment A.

Respondent is a Local Government that qualifies under TEX. WATER CODE § 7.067 to apply the SEP Offset Amount set forth above to correct violations at its wastewater treatment facility which are described in this Agreed Order. This Agreed Order cites violations at Respondent's wastewater treatment facility.

**1. Project Description**

**A. Project**

Respondent shall hire a contractor to purchase and install a 250 CFM (cubic feet per minute) Vapor Phase Unit with Ecosorb 505 (an industrial absorbent) and install 520 linear feet of 6-inch PVC pipe at the Greenwood Wastewater Treatment Facility. The 250 CFM Vapor Phase Unit will help to control and neutralize odors. Specifically, the SEP Offset Amount shall be used for materials, supplies, and equipment for one or more of the following: 250 CFM Vapor Phase Unit, Ecosorb 505, piping, and contract labor to install equipment (the "Project").

Respondent shall solicit bids from qualified contractors to install the system. Any advertisements related to the SEP, including solicitation for bids publication, **must include the enforcement statement** as stated in Section 6, Publicity. The Project will be performed in accordance with all federal, state, and local environmental laws and regulations, including obtaining any permits that may be required prior to commencement of the work.

Respondent shall use the SEP Offset Amount only for the direct cost of implementing the Project, including supplies, materials, and equipment rentals, as listed in Subsection C, Minimum Expenditure, Estimated Cost Schedule. No portion of the SEP Offset Amount shall be spent on administrative costs, including but not limited to

operating costs, reporting expenses, handling of expenses, project coordination, liability, or equipment breakdowns.

Respondent's signature affixed to the attached Agreed Order certifies that Respondent is performing the Compliance SEP solely as part of the terms of settlement in this enforcement action.

**B. Environmental Benefit**

The SEP project will reduce and control the nuisance odors at the wastewater treatment facility.

**C. Minimum Expenditure**

Respondent shall spend at least the SEP Offset Amount to complete the Project described in Section 1, above, and comply with all other provisions of this SEP. Respondent understands that it may cost more than the SEP Offset Amount to complete the Project.

**Estimated Cost Schedule**

<b>Item</b>	<b>Quantity</b>	<b>Units</b>	<b>Cost</b>	<b>Total</b>
250 CFM Vapor Phase Unit	1	Each	\$12,825	\$12,825
6" PVC pipe (including materials and labor to install)	520	Feet	\$9,500	\$9,500
Ecosorb 505	2	55 gallon drums	\$1,155	\$2,310
<b>Total</b>				<b>\$24,635</b>

**2. Performance Schedule**

Within 30 days after the effective date of this Agreed Order, Respondent shall begin implementation of the SEP. Respondent shall have completed the SEP in its entirety within 45 days after the effective date of this Agreed Order.

**3. Records and Reporting**

**A. Progress Report**

Within 30 days after the effective date of this Agreed Order, Respondent shall submit a Notice of Commencement to the TCEQ describing actions performed to date to implement the Project. Within 45 days after the effective date of this Agreed Order, Respondent shall submit a Final Report detailing the progress made and all actions completed on the Project within the 45-day time-frame set forth in Section 2, Performance Schedule, above. Respondent shall submit reports to the TCEQ containing detailed information on all actions completed on the Project to date as set forth in the Reporting Schedule table below:



Days from Effective Order Date	Information Required
30	Notice of Commencement describing actions taken to begin project
45	Actions completed during previous 15-day period and Notice of SEP completion

B. Final Report

Within 45 days after the effective date of the Agreed Order, or within 30 days after completion of SEP, whichever is earlier, Respondent shall submit a Final Report to the TCEQ, which shall include the following:

1. Itemized list of expenditures and total cost of the Project;
2. Copies of invoices, paid receipts, cleared checks or payment records corresponding to the itemized list in paragraph 3.B.1., above;
3. Proof of publication of invitation for bids (publication **must include the enforcement statement**, as stated in Section 6, Publicity), if applicable;
4. Dated photographs of the purchased equipment; the equipment being removed; work being performed during the installation process; and of the completed Project;
5. Copies of all engineering plans related to work performed pursuant to the Project, if applicable;
6. A notarized/certified statement and supporting documentation demonstrating the quantifiable environmental benefits achieved as a result of the Project; and
7. Any additional information demonstrating compliance with this Attachment A.

C. Address

Respondent shall submit all SEP reports and any additional information as requested to the following address:

Texas Commission on Environmental Quality  
Litigation Division  
Attention: SEP Coordinator, MC 175  
P.O. Box 13087  
Austin, Texas 78711-3087

4. Additional Information and Access

Respondent shall provide additional information as requested by TCEQ staff, and shall allow access to all records related to the SEP Offset Amount. Respondent shall also allow representatives of the TCEQ access to the site of any work being financed in whole or in part by the SEP Offset Amount. This provision shall survive the termination of this Agreed Order.

**5. Failure to Fully Perform**

If Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 through 4 above, the Executive Director ("ED") may require immediate payment of all or part of the SEP Offset Amount as set forth in the attached Agreed Order.

In the event the ED determines that Respondent failed to fully implement and complete the Project, Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for reimbursement of a SEP, shall make the check payable to "Texas Commission on Environmental Quality," and shall mail it to:

Texas Commission on Environmental Quality  
Litigation Division  
Attention: SEP Coordinator, MC 175  
P.O. Box 13087  
Austin, Texas 78711-3087

**6. Publicity**

Any public statements concerning this Project made by or on behalf of Respondent must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

**7. Recognition**

Respondent may not seek recognition for this project in any other state or federal regulatory program.

**8. Other SEPs by TCEQ or Other Agencies**

The SEP Offset Amount identified in this Attachment A and in the attached Agreed Order has not been, and shall not be, included as a SEP for Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Policy Revision 4 (April 2014)

## Penalty Calculation Worksheet (PCW)

PCW Revision March 26, 2014

<b>DATES</b>	<b>Assigned PCW</b>	4-Apr-2016	<b>Screening</b>	18-Apr-2016	<b>EPA Due</b>	
		28-Apr-2016				

<b>RESPONDENT/FACILITY INFORMATION</b>	
<b>Respondent</b>	City of Corpus Christi
<b>Reg. Ent. Ref. No.</b>	RN101610400
<b>Facility/Site Region</b>	14-Corpus Christi
<b>Major/Minor Source</b>	Major

<b>CASE INFORMATION</b>			
<b>Enf./Case ID No.</b>	52223	<b>No. of Violations</b>	2
<b>Docket No.</b>	2016-0638-MLM-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Water Quality	<b>Government/Non-Profit</b>	Yes
<b>Multi-Media</b>	Air	<b>Enf. Coordinator</b>	Farhaud Abbaszadeh
		<b>EC's Team</b>	Enforcement Team 1
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** **Subtotal 1** **\$26,250**

**ADJUSTMENTS (+/-) TO SUBTOTAL 1**

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

**Compliance History** **20.0%** Adjustment **Subtotals 2, 3, & 7** **\$5,250**

Notes: Enhancement for three months of self-reported effluent violations and one NOV with same/similar violations.

**Culpability** **No** **0.0%** Enhancement **Subtotal 4** **\$0**

Notes: The Respondent does not meet the culpability criteria.

**Good Faith Effort to Comply Total Adjustments** **Subtotal 5** **-\$937**

**Economic Benefit** **0.0%** Enhancement\* **Subtotal 6** **\$0**

Total EB Amounts **\$142,086**  
 Estimated Cost of Compliance **\$1,997,435**  
 \*Capped at the Total EB \$ Amount

**SUM OF SUBTOTALS 1-7** **Final Subtotal** **\$30,563**

**OTHER FACTORS AS JUSTICE MAY REQUIRE** **0.0%** Adjustment **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

**Final Penalty Amount** **\$30,563**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty** **\$30,563**

**DEFERRAL** **20.0%** Reduction Adjustment **-\$6,112**

Reduces the Final Assessed Penalty by the indicated percentage.

Notes:

Deferral offered for expedited settlement.

**PAYABLE PENALTY** **\$24,451**



**Screening Date** 18-Apr-2016

**Docket No.** 2016-0638-MLM-E

**PCW**

**Respondent** City of Corpus Christi

Policy Revision 4 (April 2014)

**Case ID No.** 52223

PCW Revision March 26, 2014

**Reg. Ent. Reference No.** RN101610400

**Media [Statute]** Water Quality

**Enf. Coordinator** Farhaud Abbaszadeh

**Compliance History Worksheet**

>> **Compliance History Site Enhancement (Subtotal 2)**

Component	Number of...	Number	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	4	20%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgments or consent decrees meeting criteria</i> )	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government ( <i>number of counts</i> )	0	0%
Emissions	Chronic excessive emissions events ( <i>number of events</i> )	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which notices were submitted</i> )	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	0	0%
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

**Adjustment Percentage (Subtotal 2)** 20%

>> **Repeat Violator (Subtotal 3)**

No

**Adjustment Percentage (Subtotal 3)** 0%

>> **Compliance History Person Classification (Subtotal 7)**

Satisfactory Performer

**Adjustment Percentage (Subtotal 7)** 0%

>> **Compliance History Summary**

**Compliance History Notes**

Enhancement for three months of self-reported effluent violations and one NOV with same/similar violations.

**Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7)** 20%

>> **Final Compliance History Adjustment**

**Final Adjustment Percentage \*capped at 100%** 20%



**Screening Date** 18-Apr-2016  
**Respondent** City of Corpus Christi  
**Case ID No.** 52223  
**Reg. Ent. Reference No.** RN101610400  
**Media [Statute]** Water Quality  
**Enf. Coordinator** Farhaud Abbaszadeh

**Docket No.** 2016-0638-MLM-E

**PCW**

Policy Revision 4 (April 2014)  
 PCW Revision March 26, 2014

**Violation Number**

**Rule Cite(s)**

**Violation Description**

Failed to prevent nuisance odor conditions, as documented during an investigation conducted on July 16, 2015; July 21, 2015; and October 12, 2015. Specifically, TCEQ staff conducted odor surveillance along Saratoga Boulevard and in the Los Colonias neighborhood utilizing the TCEQ Frequency, Intensity, Duration and Offensiveness Chart. As a result, odor was characterized as highly offensive and the intensity of the odor was assessed as strong to very strong. In addition, hand-held surveillance equipment recorded elevated levels of total reduced sulfur concentrations.

**Base Penalty**

**>> Environmental, Property and Human Health Matrix**

OR	Release	Harm			Percent
		Major	Moderate	Minor	
Actual	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="text"/>	<input type="text" value="30.0%"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	

**>> Programmatic Matrix**

Falsification	Major	Moderate	Minor	Percent
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0.0%"/>

Matrix Notes

Human health or the environment has been exposed to significant amounts of pollutants.

**Adjustment**

**Violation Events**

Number of Violation Events  Number of violation days

daily	<input type="text"/>
weekly	<input type="text"/>
monthly	<input type="text"/>
quarterly	<input type="text"/>
semlannual	<input type="text"/>
annual	<input type="text"/>
single event	<input checked="" type="checkbox"/>

**Violation Base Penalty**

Three single events are recommended (one for each documented nuisance condition).

**Good Faith Efforts to Comply**

Reduction

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text"/>	<input type="text"/>
N/A	<input checked="" type="checkbox"/>	<input type="text"/>

Notes

The Respondent does not meet the good faith criteria for this violation.

**Violation Subtotal**

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

## Economic Benefit Worksheet

**Respondent** City of Corpus Christi  
**Case ID No.** 52223  
**Reg. Ent. Reference No.** RN101610400  
**Media** Water Quality  
**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

**Delayed Costs**

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$1,747,435	16-Jul-2015	28-Feb-2017	1.62	\$141,949	n/a	\$141,949

Notes for DELAYED costs

Estimated cost to implement measures designed to control nuisance odor conditions at the Facility. Date required is the first day nuisance odors were documented. Final date is the estimated compliance date.

**Avoided Costs**

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,747,435

**TOTAL**

\$141,949

**Screening Date** 18-Apr-2016  
**Respondent** City of Corpus Christi  
**Case ID No.** 52223

**Docket No.** 2016-0638-MLM-E

**PCW**

Policy Revision 4 (April 2014)  
 PCW Revision March 26, 2014

**Reg. Ent. Reference No.** RN101610400  
**Media [Statute]** Water Quality  
**Enf. Coordinator** Farhaud Abbaszadeh

**Violation Number** 2  
**Rule Cite(s)**

30 Tex. Admin. Code § 305.125(1) and (5) and Texas Pollutant Discharge Elimination System Permit No. WQ0010401003, Operational Requirements No. 1

**Violation Description**

Failed to properly operate and maintain the Facility and all of its systems of collection, treatment, and disposal, as documented during an investigation conducted on July 16, 2015. Specifically, as a result of a bar screen failure at the headworks, debris clogged the pumps on the primary clarifier and prevented the transfer of sludge, causing the sludge to become septic. Also, the clarifier's skimming rake was damaged by a polyvinyl chloride pipe ("PVC") that became lodged between it and the drain.

**Base Penalty** \$25,000

**>> Environmental, Property and Human Health Matrix**

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				15.0%
Potential		x		

**>> Programmatic Matrix**

Falsification	Major	Moderate	Minor	Percent
				0.0%

**Matrix Notes**

Human health or the environment will or could be exposed to significant amounts of pollutants that would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

**Adjustment** \$21,250

\$3,750

**Violation Events**

Number of Violation Events 1 4 Number of violation days

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

**Violation Base Penalty** \$3,750

One quarterly event is recommended from the investigation date (July 16, 2015) to the compliance date (July 20, 2015).

**Good Faith Efforts to Comply**

25.0%

Reduction \$937

	Before NOE/NOV	NOE/NOV to EDRP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		

**Notes** The Respondent achieved compliance on July 20, 2015.

**Violation Subtotal** \$2,813

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount** \$137

**Violation Final Penalty Total** \$3,563

**This violation Final Assessed Penalty (adjusted for limits)** \$3,563



## Economic Benefit Worksheet

**Respondent** City of Corpus Christi  
**Case ID No.** 52223  
**Reg. Ent. Reference No.** RN101610400  
**Media** Water Quality  
**Violation No.** 2

<b>Percent Interest</b>	<b>Years of Depreciation</b>
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

**Delayed Costs**

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250,000	16-Jul-2015	20-Jul-2015	0.01	\$137	n/a	\$137

Notes for DELAYED costs

The delayed cost is the estimated amount to remove the debris clogging the pumps on the primary clarifier and to remove the PVC pipe jamming the rake. Date required is the investigation date. The final date is the compliance date.

**Avoided Costs**

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$250,000

**TOTAL**

\$137

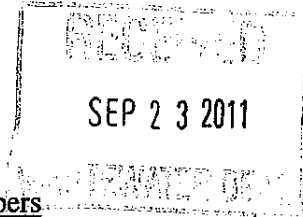


UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 6  
1445 ROSS AVENUE, SUITE 1200  
DALLAS, TX 75202-2733

SEP 19 2011

CERTIFIED MAIL - RETURN RECEIPT REQUESTED: 7011 0110 0001 3590 6568

The Honorable Henry Garrett  
Mayor, City of Corpus Christi  
P.O. Box 9277  
Corpus Christi, TX 78469-9277



Re: <u>Administrative Order Docket Numbers</u>	<u>NPDES Permit Numbers</u>
CWA-06-2011-1913	TX0047082
CWA-06-2011-1914	TX0047066
CWA-06-2011-1915	TX0047074
CWA-06-2011-1916	TX0047104
CWA-06-2011-1917	TX0047058
CWA-06-2011-1918	TX0047121

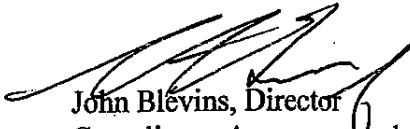
Dear Mayor Garrett:

Enclosed are six Administrative Orders (AOs) issued to the City of Corpus Christi (City) for violation of Section 301(a) of the Clean Water Act, 33 U.S.C. § 1311(a). The violations were identified through our review of respective permit files for wastewater treatment plants owned and operated by the City. The violations alleged are for unauthorized discharges of pollutant laden wastewater in sanitary sewer overflows (SSOs).

The AOs do not assess a monetary penalty; however, they do require compliance with applicable federal regulations. The first compliance deadline is immediately upon receipt of the AOs. In addition to the corrective actions required by the AOs, the City should submit a spreadsheet chronicling and documenting all reported SSOs from January 2007 to the present. The Environmental Protection Agency is committed to ensuring compliance with the requirements of the National Pollutant Discharge Elimination System (NPDES) program, and my staff will assist you in any way possible. Please reference the above-listed AO Docket Numbers and NPDES Permit Numbers in your response.

If you have any questions, please contact Ms. Jana Harvill, of my staff, at (214) 665-8369.

Sincerely,

  
John Blébins, Director  
Compliance Assurance and  
Enforcement Division

Enclosures

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**Re: Administrative Orders  
City of Corpus Christi**

**2**

**cc: Mr. Foster Crowell  
Director of Utilities  
City of Corpus Christi  
2627 Holly Road  
Corpus Christi, TX 78415**

**Ms. Susan Johnson  
Manager, Enforcement Section I (MC169)  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, TX 78711-3087**



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**  
Region 6 • 1445 Ross Avenue, Suite 1200 • Dallas, TX 75202-2733  
**FINDINGS OF VIOLATIONS and ORDER FOR COMPLIANCE**  
Docket Number: CWA-06-2011-1913, NPDES Permit Number: TX0047082

STATUTORY AUTHORITY

The following findings are made, and Order issued, under the authority vested in the Administrator of the United States Environmental Protection Agency ("EPA"), by Section 309(a) of the Clean Water Act ("the Act"), 33 U.S.C. § 1319(a). The Administrator of EPA delegated the authority to issue this Order to the Regional Administrator of EPA Region 6, who delegated this authority to the Director of the Compliance Assurance and Enforcement Division.

FINDINGS

1. Permittee, the City of Corpus Christi, is a "person," as that term is defined at Section 502(5) of the Act, 33 U.S.C. § 1362(5), and 40 C.F.R. § 122.2.
2. At all times relevant to this Order ("all relevant times"), the Permittee owned or operated the Allison Wastewater Treatment Plant, located at 4101 Allison Drive, in Corpus Christi, Nueces County, Texas ("facility"), and was, therefore, an "owner or operator" within the meaning of 40 C.F.R. § 122.2.
3. At all relevant times, the facility was a "point source" of a "discharge" of "pollutants" with its wastewater from outfall 001 to the Nueces River Tidal in Segment No. 2101 of the Nueces River Basin, and wastewater from outfall 002 to South Lake, thence to the Nueces Bay in Segment No. 2482 of the Bays and Estuaries, which are considered a "water of the United States" within the meaning of Section 502 of the Act, 33 U.S.C. § 1362, and 40 C.F.R. § 122.2.
4. Because the Permittee owned or operated a facility that acted as a point source of discharges of pollutants to waters of the United States, the Permittee and the facility were subject to the Act and the National Pollutant Discharge Elimination System ("NPDES") program.
5. Under Section 301 of the Act, 33 U.S.C. § 1311, it is unlawful for any person to discharge any pollutant from a point source to waters of the United States, except with the authorization of, and in compliance with, an NPDES permit issued pursuant to Section 402 of the Act, 33 U.S.C. § 1342.
6. Section 402(a) of the Act, 33 U.S.C. § 1342(a), provides that the Administrator of EPA may issue permits under the NPDES program for the discharge of pollutants from point sources to waters of the United States. Any such discharge is subject to the specific terms and conditions prescribed in the applicable permit.
7. The Permittee applied for and was issued NPDES Permit No. TX0047082 ("permit") under Section 402 of the Act, 33 U.S.C. § 1342, which became effective November 12, 2002, and expired on November 12, 2005. The current permit was issued by EPA on July 07, 2009, and expires on May 01, 2014. At all relevant times, the Permittee was authorized to discharge from the facility to waters of the United States.
8. The permit specifies that the Permittee is authorized to discharge treated wastewater from the facility to receiving waters, namely the Nueces River Tidal and Basin in Segments 2101 and 2482 of the Nueces River Basin, respectively. Therefore, overflows and/or bypasses from the facility are unauthorized discharges and constitute a violation of the conditions of the permit.
9. Non-compliance reports filed by the Permittee with the Texas Commission on Environmental Quality in compliance with the permit show unauthorized discharges. The unauthorized discharges are specified in Attachment A.
10. Each violation of the conditions of this permit described above is a violation of Section 301 of the Act, 33 U.S.C. § 1311.

ORDER

Based on the foregoing Findings and pursuant to the authority of Section 309 of the Act, EPA hereby orders the Permittee to take the following action:

- A. Effective immediately, the Permittee shall eliminate all bypasses of the wastewater treatment plant.
- B. Effective immediately, the Permittee shall eliminate all overflows from the sewage collection system, pump stations, and wastewater treatment plant.
- C. Within thirty (30) days of the effective date of this Order, the Permittee shall submit a report to EPA Region 6 describing all actions taken to eliminate bypassing and sanitary sewer overflows.

D. Within thirty (30) days of the effective date of this Order the Permittee shall submit a report describing the repair and rehabilitation plan for the city's sewer system. The report shall include any construction project(s) deemed necessary to reduce or eliminate sanitary sewer overflows ("SSOs").

E. In the event it will take the Permittee longer than thirty (30) days to eliminate bypassing, provide a sewer system repair and rehabilitation plan, and a description of construction project(s) needed to eliminate SSOs, the Respondent must arrange a meeting with EPA to discuss the allegations in this Order, within forty-five (45) days of the effective date of this Order. The meeting will be held at the Region 6 offices, 1445 Ross Ave., Dallas, Texas.

F. To arrange a meeting, or to ask questions or comment on this matter, please contact Ms. Jana Harvill, of my staff, at (214) 665-8369.

G. Any information or correspondence submitted by the Permittee to EPA under this Order shall be addressed to the following:

Ms. Jana Harvill  
Water Enforcement Branch (6EN-WM)  
EPA, Region 6  
1445 Ross Ave., Suite 1200  
Dallas, TX 75202-2733

GENERAL PROVISIONS

Issuance of this Order shall not be deemed an election by EPA to forego any administrative or judicial, civil or criminal action to seek penalties, fines, or any other relief appropriate under the Act for the violations cited herein, or other violations that become known. EPA reserves the right to seek any remedy available under the law that it deems appropriate.

Failure to comply with this Order or the Act can result in further administrative action, or a civil judicial action initiated by the United States Department of Justice.

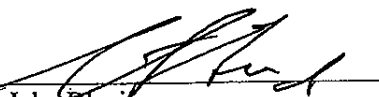
This Order does not constitute a waiver or modification of the terms or conditions of the Permittee's NPDES permit, which remain in full force and effect.

Compliance with the terms and conditions of this Order does not relieve the Permittee of its obligation to comply with any applicable federal, state, or local law or regulation.

The effective date of this Order is the date it is received by the Permittee.

SEP 19 2011

Date



John Blevins  
Director  
Compliance Assurance and  
Enforcement Division



Attachment A  
SSO Violations Allison TX0047082

Start Date	Gallons	Cause	Location of Discharge
2/27/2007	1000	Main line blockage, man hole overflow	Leopard Street & Western Street
3/1/2007	5400	Main line blockage, man hole overflow	Leopard Street & Western Street
3/23/2007	100	Grease in main line, man hole overflow	10515 Stonewall Boulevard
3/24/2007	150	Grease in main line, man hole overflow	3214 Richmond Street
3/29/2007	250	Man hole overflow	Richmond Street & Atlanta Street
5/31/2007	300	Man hole overflow	12400 Up River Road
6/30/2007	100	Grease in main line, man hole overflow	4514 Sharpsburg Road
7/2/2007	1000	I&I, man hole overflow	12900 Hearn
7/3/2007	1000	I&I, man hole overflow	12400 Up River Road
7/4/2007	5000	I&I, man hole overflow	8815 McNorton
7/4/2007	5000	I&I, man hole overflow	1600 Clarkwood
7/4/2007	Unknown	I&I, man hole overflow	9009 McNorton Road
7/4/2007	Unknown	I&I, man hole overflow	8911 McNorton Road
7/4/2007	Unknown	I&I, man hole overflow	9000 Caroline
7/4/2007	Unknown	I&I, man hole overflow	8809 Caroline
7/4/2007	Unknown	I&I, man hole overflow	8900 McNorton Road
7/26/2007	Unknown	I&I, man hole overflow	Ferry Road & Carbon Plant Road
7/26/2007	Unknown	I&I, man hole overflow	4434 Sharpsburg Road
8/26/2007	50	Main line blockage, man hole overflow	10655 Heizer Drive
8/30/2007	Unknown	Man hole overflow	9300 Ferry Road
9/9/2007	500	Main line blockage, man hole overflow	4300 Western Dr.
9/20/2007	100	Grease in main line, man hole overflow	13701 FM 624
9/23/2007	25	Blockage in main line, manhole overflow	11614 Flagstone Creek Circle
11/16/2007	250	Blockage in service line, manhole overflow	9840 Leopard Street
11/17/2007	12	Blockage in service line, manhole overflow	9006 McNorton Road
11/21/2007	2	Blockage in service line, manhole overflow	3442 Starlite Lane
11/26/2007	30	Blockage in service line, manhole overflow	2909 McKinzie Road
11/28/2007	10	Blockage in service line, manhole overflow	9545 Paula Drive
12/3/2007	100	Blockage in main line, manhole overflow	11610 Flagstone Creek Circle
12/4/2007	5	Blockage in service line, manhole overflow	4114 Praire Dog Fork Drive
12/5/2007	100	Blockage in main line, manhole overflow	13725 Northwest Blvd
12/7/2007	4	Blockage in service line, manhole overflow	14110 River Rock Drive
12/11/2007	20	Blockage in main line, manhole overflow	13725 Northwest Blvd
12/12/2007	5	Break in service line, blockage in service line	4317 Calallen Drive
12/14/2007	5	Blockage in private line	10901 Annaville Road
12/15/2007	10	Blockage in city service line	3908 Castle Valley Drive
12/18/2007	100	Blockage in main line, manhole overflow	11641 Leopard Street

Attachment A  
SSO Violations Allison TX0047082

Start Date	Gallons	Cause	Location of Discharge
12/26/2007	2	Blockage in city service line	4213 Sugar Magnolia Drive
12/31/2007	1000	Blockage in private line	10605 Rockwood Street
1/10/2008	1	Blockage in city service line	4017 Richwood Circle
1/10/2008	50	Blockage in main line, manhole overflow	11641 Leopard Street
1/11/2008	300	City clean out overflow at lift station	4502 Sharpsburg Road
1/12/2008	20	Blockage in city service line	9342 Sunshine Avenue
1/14/2008	10	Force main break, man hole overflow	4200 Spring Creek Drive
1/15/2008	5	Blockage in city service line	10103 North Harrington Drive
1/25/2008	15	Blockage in main line, manhole overflow	3720 Brookside Drive
1/26/2008	150	Blockage in main line, manhole overflow	13116 Oglethorpe Drive
2/1/2008	100	Blockage in main line, manhole overflow	15116 Oglethorpe Drive
2/2/2008	200	Blockage in main line, manhole overflow	11726 Haven Drive
2/4/2008	2	Blockage in city service line	9545 Paula Drive
2/6/2008	20	Blockage in city service line	10201 Kingsbury Dr
2/8/2008	15	Blockage in city service line	11649 Leopard Street
2/10/2008	3	Blockage in city service line	9545 Paula Drive
2/11/2008	5	Blockage in city service line	10201 Kingsbury Dr
2/12/2008	25	Blockage in city service line	10537 Saddle Lane
2/16/2008	30	Blockage in main line, manhole overflow	3810 Quig Circle
2/29/2008	5	Blockage in city service line	11423 Up River Road
2/29/2008	2	Blockage in city service line	4333 Starlite Lane
3/1/2008	5	Blockage in main line, manhole overflow	9017 McNorton Road
3/3/2008	20	Blockage in city service line	11309 Leopard Street
3/3/2008	30	Blockage in city service line	10501 Leopard Street
3/6/2008	100	Blockage in main line, manhole overflow	902 South Clarkwood Road
3/6/2008	200	Blockage in main line, manhole overflow	8911 McNorton Road
3/7/2008	20	Blockage in city service line	11309 Leopard Street
3/7/2008	150	Blockage in city service line	1501 Leopard Street
3/7/2008	100	Blockage in main line, manhole overflow	902 South Clarkwood Road
3/12/2008	30	Force main leak	14200 Northwest Boulevard
3/14/2008	9	Blockage in city service line	13941 Northwest Blvd
3/17/2008	30	Blockage in main line, manhole overflow	9301 Mars Avenue
3/21/2008	1	Blockage in private service line	2006 Overland Trail
3/26/2008	40	Blockage in main line, manhole overflow	11641 Leopard Street
4/2/2008	4	Blockage in city service line	4154 Western Drive
4/3/2008	50	Blockage in private service line	3921 US Hwy 77 Road
5/1/2008	35	Break in force main	8300 Leopard Street
5/8/2008	20	Line cut during repair	4314 Wordsworth Creek Drive
5/13/2008	10	Blockage in private service line	4917 Avenue C
5/22/2008	5	repair to City service line	11821 Fontana Avenue
5/23/2008	5	Blockage in private service line	14017 Northwest Boulevard
6/5/2008	100	Blockage in main line, manhole overflow	10514 Leopard Street

Attachment A  
SSO Violations Allison TX0047082

Start Date	Gallons	Cause	Location of Discharge
6/6/2008	50	Blockage in main line, manhole overflow	10501 Stonewall Boulevard
6/12/2008	100	Blockage in main line, manhole overflow	10821 IH 37
6/13/2008	1	Blockage in city service line	2726 Silverspur Drive
6/16/2008	50	Blockage in main line, manhole overflow	3202 McKinzie Road
6/18/2008	75	Blockage in main line, manhole overflow	3205 Richmond Street
6/18/2008	200	Blockage in main line, manhole overflow	10834 Julianna Drive
6/20/2008	5000	Blockage in main line, manhole overflow	10802 IH 37
6/20/2008	3	Break in main line	5323 East Riverview Drive
6/23/2008	10	Blockage in city service line	3213 Fair Oaks Dr
7/11/2008	50	Blockage in main line, manhole overflow	15125 Northwest Boulevard
7/11/2008	20	Blockage in main line, manhole overflow	3922 West River Drive
7/16/2008	150	Blockage in main line, manhole overflow	11641 Leopard Street
7/21/2008	10	Blockage in main line, manhole overflow	902 South Clarkwood Road
7/23/2008	20	Man hole overflow due to rainfall	8911 McNorton Road
7/24/2008	5000	Man hole overflow due to rainfall	8813 Caroline Road
7/24/2008	2	Blockage in city service line	11125 Timbergrove Lane
8/4/2008	100	Blockage in main line, manhole overflow	3720 Brookside Drive
8/4/2008	200	Blockage in main line, manhole overflow	3802 Country Estate Drive
8/5/2008	6	Blockage in city service line	10625 Potomac Street
8/13/2008	50	Blockage in main line, manhole overflow	11302 Red Creek Circle
8/19/2008	7	Blockage in city service line	2428 Widgeon Drive
8/20/2008	20	Blockage in main line, manhole overflow	3524 Starlite Lane
8/21/2008	40	Blockage in main line, manhole overflow	3720 Brookside Drive
8/22/2008	40	Lift station off line- pump repairs	1602 Blanco Road
8/22/2008	20	Lift station off line- pump repairs	1619 Blanco Road
8/22/2008	40	Lift station off line- pump repairs	8913 Caroline Road
8/22/2008	60	Lift station off line- pump repairs	8923 Caroline Road
8/22/2008	40	Lift station off line- pump repairs	8915 McNorton Road
8/22/2008	30	Lift station off line- pump repairs	9009 McNorton Road
8/22/2008	20	Lift station off line- pump repairs	8911 McNorton Road
9/2/2008	14	Blockage in city service line	10914 Shady Lane
9/14/2008	15	Blockage in city service line	11618 Coleta Creek Dr
9/18/2008	35	Force main break, man hole overflow	13801 IH 37 Access Road
9/19/2008	10	Blockage in city service line	11929 Hearn Road
9/22/2008	2	Contractor broke line	10300 Up River Road
9/22/2008	60	Blockage in main line, manhole overflow	Spaulding and Nichols Drive
9/29/2008	3	Blockage in main line, manhole overflow	11641 Leopard Street
9/30/2008	20	Contractor broke line	2000 Clarkwood Road
9/30/2008	30	Blockage in main line, manhole overflow	4033 Nichols Drive
10/6/2008	200	Blockage in main line, manhole overflow	4414 Clear Fork Drive

Attachment A  
SSO Violations Allison TX0047082

Start Date	Gallons	Cause	Location of Discharge
10/9/2008	50	Blockage in main line, manhole overflow	10655 Heizer Drive
10/15/2008	10	Blockage in city service line	4350 Catallen Drive
10/20/2008	6	Blockage in city service line	4162 Western Drive
10/21/2008	5	Break in service line	2749 Silverspur Drive
11/4/2008	20	Break in service line	10501 Leopard Street
11/7/2008	80	Break in main line	13517 Northwest Boulevard
11/8/2008	25	Blockage in main line, manhole overflow	11641 Leopard Street
11/9/2008	30	Blockage in main line, manhole overflow	4301 Western Drive
11/26/2008	20	Blockage in main line, manhole overflow	4302 Western Drive
11/28/2008	10	Blockage in city service line	4215 Western Drive
12/9/2008	26	Blockage in city service line	10650 Outpost Drive
12/9/2008	15	Septic tank overflow	7759 Leopard Street
12/24/2008	200	Blockage in main line, manhole overflow	15233 Pecos River Drive
12/28/2008	20	Blockage in main line, manhole overflow	4313 Lavaca River Drive
12/28/2008	2	Blockage in city service line	4133 Petronila Creek Court
12/28/2008	20	Blockage in main line, manhole overflow	4313 Lavaca River Drive
12/30/2008	60	Blockage in main line, manhole overflow	15125 FM 624
1/6/2009	15	Blockage in city service line	3126 Deer Run Drive
1/12/2009	30	Blockage in main line, manhole overflow	10501 Leopard Street
1/19/2009	5	Break in service line	4317 Woodland Creek Drive
1/22/2009	20	Blockage in city service line	4504 Hart Road
2/3/2009	100	Private blockage of force main line	2130 Rand Morgan Road
2/6/2009	10	Blockage in city service line	9317 Evening Star Lane
2/17/2009	40	Break in force main	12236 Up River Road
2/18/2009	50	Force main leak	12451 Up River Road
2/18/2009	200	Break in private line	2120 Rand Morgan Road
2/27/2009	50	Force main break	2120 Rand Morgan Road
3/5/2009	13	Blockage in private service line	10601 Gettysburg Street
3/6/2009	50	Blockage in main line, manhole overflow	13701 Northwest Boulevard
3/7/2009	30	Blockage in main line, manhole overflow	4301 Western Drive
3/7/2009	30	Blockage in main line, manhole overflow	11302 Woodway Creek Drive
3/10/2009	20	Blockage in main line, manhole overflow	11613 Agua Dulce Creek Drive
3/17/2009	50	Line Break	4209 Spring Creek Drive
3/17/2009	30	Line Blockage (other than grease)	10655 Heizer Drive
3/18/2009	14	Line Blockage (other than grease)	3702 N. Creek Circle
3/19/2009	19	Line Blockage (other than grease)	4313 Lavaca River Court
4/3/2009	4	Blockage in city service line	3725 Starlite Lane
4/3/2009	10	Blockage in private service line	14702 Red River Drive
4/13/2009	40	Blockage in city service line	13941 Northwest Blvd
4/15/2009	10	Blockage in main line, manhole overflow	13517 Northwest Boulevard
4/16/2009	50	Blockage in main line, manhole overflow	13637 Northwest Boulevard
4/23/2009	100	Blockage in main line, manhole overflow	9359 IH 37 Access Road

Attachment A  
SSO Violations Allison TX0047082

Start Date	Gallons	Cause	Location of Discharge
5/11/2009	6000	Improper storm water connection	10702 IH 37 Access Road
5/14/2009	20	Blockage in city service line	10501 Leopard Street
5/20/2009	20	Blockage in private service line	3680 US Highway 77 Road
5/22/2009	15	Blockage in main line, manhole overflow	3945 US Highway 77 Road
5/26/2009	50	Private sewer overflow	10702 IH 37 Access Road
6/2/2009	30	Blockage in main line, manhole overflow	3746 Brookhill Drive
6/2/2009	25	Blockage in main line, manhole overflow	13116 Oglethorpe Drive
6/4/2009	50	Blockage in main line, manhole overflow	9725 Up River Road
6/5/2009	30	Blockage in city service line	10501 Leopard Street
6/11/2009	30	Blockage in city service line	13821 River Canyon Drive
6/22/2009	16	Blockage in service line, manhole overflow	10914 Shady Lane
6/24/2009	60	Blockage in service line, manhole overflow	10721 Dogwood Street
6/28/2009	100	Blockage in main private line	3720 Brookside Drive
7/1/2009	5	Blockage in city service line	4810 Avenue C
7/7/2009	40	Blockage in city service line	9725 Wilkins Drive
7/14/2009	50	Break in main line	3362 County Road 52
7/14/2009	5	Blockage in main line, manhole overflow	11613 Agua Dulce Creek Drive
7/16/2009	24	Blockage in service line, manhole overflow	10501 Leopard Street
7/16/2009	40	Break in main line	13630 Northwest Boulevard
7/24/2009	25	Cut in force main line	3362 County Road 52
7/27/2009	25	Repair to 10 inch main line by contractor	4201 Calallen Drive
7/31/2009	30	Repairs to 2 inch force main line	3386 County Road 52
8/6/2009	5	Blockage in city service line	9725 Wilkins Drive
8/10/2009	30	Line Break for sludge pump	4101 Allison Drive
8/12/2009	5	Repair of man hole	10201 Kingsbury Drive
8/13/2009	75	Private line clogged	1645 Tuloso Circle
8/22/2009	5	Blockage in city service line	3213 Fair Oaks Drive
8/26/2009	5	Blockage in city service line	10914 Shady Lane
9/6/2009	200	Blockage in main line, manhole overflow	4457 Church Street
9/15/2009	500	Blockage in main line, manhole overflow	10802 IH 37 Access Road
9/15/2009	50	Private clogged main line	702 North Clarkwood Road
9/26/2009	39	Blockage in city service line	10501 Leopard Street
10/9/2009	60	Blockage in main line, manhole overflow	11641 Leopard Street
10/12/2009	40	Private clogged service line	2902 McKinzie
10/27/2009	10	Blockage in service line, manhole overflow	10501 Leopard Street
11/2/2009	18	Blockage in city service line	4110 Prairie Dog Fork Drive
11/24/2009	5	Blockage in city service line	326 South Clarkwood Road
11/29/2009	22	Break in service line	2314 Mercury Lane
12/10/2009	30	Blockage in main line, manhole overflow	9301 Mars Avenue
12/12/2009	35	Blockage in city service line	11306 Red Creek Drive

Attachment A  
SSO Violations Allison TX0047082

Start Date	Gallons	Cause	Location of Discharge
12/23/2009	100	Blockage in main line, manhole overflow	13725 Northwest Boulevard
12/26/2009	50	Blockage in main line, manhole overflow	11602 Flagstone Creek Circle
12/31/2009	40	Blockage in main line, manhole overflow	O FM Road 624
12/31/2009	30	Break in service line	10717 Rockwood Street
1/3/2010	3	Blockage in city service line	4102 Prairie Dog Fork Drive
1/4/2010	4	Blockage in city service line	10901 Annville Road
1/10/2010	20	Blockage in city service line	1314 Main Drive
1/15/2010	50	I&I, man hole overflow	8813 Caroline Road
1/15/2010	60	Blockage in main line, manhole overflow	243 Wildwood Drive
1/23/2010	20	Blockage in main line, manhole overflow	10902 Gates Lane
2/9/2010	2	Blockage in city service line	10917 Stacy Lane
2/10/2010	10	Private line blockage	9069 Scapular Street
2/15/2010	20	Blockage in main line, manhole overflow	3806 Brookhaven Drive
2/15/2010	20	Blockage in city service line	11206 Woodway Creek Drive
2/25/2010	30	Blockage in main line, manhole overflow	13425 Brookhaven Drive
2/26/2010	15	Blockage in main line, manhole overflow	10638 Outpost Drive
3/2/2010	10	Blockage in city service line	10501 Leopard Street
3/4/2010	5	Blockage in city service line	10501 Leopard Street
3/5/2010	20	Blockage in city service line	10501 Leopard Street
3/8/2010	50	Blockage in city service line	3814 Brookside Drive
3/10/2010	39	Blockage in main line, manhole overflow	11613 Agua Dulce Creek Drive
3/15/2010	10	Private line blockage	11223 Up River Road
3/17/2010	60	Blockage in main line, manhole overflow	10638 Outpost Drive
4/6/2010	3	Private man hole overflow, private lift station	14329 Northwest Boulevard
4/11/2010	50	Blockage in main line, manhole overflow	11602 Flagstone Circle
4/18/2010	100	Blockage in main line, manhole overflow	9305 Mars Avenue
4/20/2010	15	Blockage in main line, manhole overflow	10821 Eastwood Drive
5/14/2010	30	Force main break	13837 River Ridge Drive
6/17/2010	8	Blockage in city service line	3126 Deer Run Drive
7/14/2010	150	Blockage in main line, manhole overflow	11641 Leopard Street
7/19/2010	20	Blockage in main line, manhole overflow	10638 Outpost Drive
7/28/2010	400	Man hole overflow due to rainfall	9009 McNorton Road
7/28/2010	200	Man hole overflow due to rainfall	8813 Caroline Road
8/1/2010	20	Blockage in city service line	4221 Western Drive
8/7/2010	30	Blockage in main line, manhole overflow	9305 Mars Avenue
8/9/2010	30	Blockage in city service line	10501 Leopard Street
8/15/2010	20	Private service line clogged	9850 La Branch Street
8/23/2010	20	Blockage in city service line	3722 Honey Creek Drive
8/27/2010	10	Blockage in main line, manhole overflow	15125 Northwest Boulevard
8/29/2010	80	Blockage in main line, manhole overflow	9301 Mars Avenue
9/20/2010	15	Man hole overflow due to rainfall	9009 McNorton Road

Attachment A  
SSO Violations Allison TX0047082

Start Date	Gallons	Cause	Location of Discharge
9/20/2010	15	Man hole overflow due to rainfall	8815 McNorton Road
9/25/2010	200	Blockage in main line, manhole overflow	3655 Starlite Lane
9/25/2010	40	Blockage in main line, manhole overflow	9301 Mars Avenue
9/26/2010	500	Blockage in main line, manhole overflow	10821 Julianna Drive
9/28/2010	10	Line break	10209 Kingsbury Drive
9/30/2010	40	Blockage in main line, manhole overflow	4132 Wood River Drive
10/2/2010	50	Blockage in main line, manhole overflow	11718 Mallard Drive
10/5/2010	250	Blockage in main line, manhole overflow	9360 Leopard Street
10/8/2010	15	Blockage in main line, manhole overflow	11609 Chispa Creek Drive
10/11/2010	20	Line Blockage	10914 Shady Lane
10/11/2010	20	Blockage in main line, manhole overflow	4302 Western Drive
10/13/2010	20	Line Blockage	10821 Stacy Lane
10/21/2010	50	Overflow due to scada system failure	4101 Allison Drive
11/7/2010	100	Blockage in main line, manhole overflow	3829 US Highway 77 Road
11/11/2010	10	Line Blockage	2428 Widgeon Drive
11/16/2010	100	Blockage in main line, manhole overflow	3829 US Highway 77 Road
11/19/2010	30	Blockage in main line, manhole overflow	9301 Mars Avenue
11/29/2010	3	Line Break	2842 Tumbleweed Drive
11/29/2010	30	Blockage in main line, manhole overflow	3838 San Roque Creek
12/12/2010	5	Blockage in main line, manhole overflow	10821 Eastwood Drive
12/13/2010	5	Blockage in main line, manhole overflow	10802 IH 37 Access Road
12/14/2010	100	Blockage in main line, manhole overflow	10802 IH 37 Access Road
12/14/2010	150	Blockage in main line, manhole overflow	10834 Julianna Drive
12/16/2010	200	Line Break	11033 Leopard Street
12/21/2010	20	Blockage in main line, manhole overflow	9301 Mars Avenue
12/23/2010	20	Blockage in main line, manhole overflow	2345 Rain Mist Lane
12/30/2010	10	Blockage in main line, manhole overflow	10821 Eastwood Drive
1/10/2011	20	Blockage in main line, manhole overflow	701 Louisiana Avenue
1/12/2011	20	Line Blockage	11634 Flagstone Creek Drive
1/28/2011	10	Line Break	9126 Scapular Street
1/28/2011	10	Line Blockage	9204 McNorton Road
1/28/2011	30	Blockage in city service line	4504 Hart Road



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**  
Region 6 • 1445 Ross Avenue, Suite 1200 • Dallas, TX 75202-2733  
**FINDINGS OF VIOLATIONS and ORDER FOR COMPLIANCE**  
Docket Number: CWA-06-2011-1914, NPDES Permit Number: TX0047066

STATUTORY AUTHORITY

The following findings are made, and Order issued, under the authority vested in the Administrator of the United States Environmental Protection Agency ("EPA"), by Section 309(a) of the Clean Water Act ("the Act"), 33 U.S.C. § 1319(a). The Administrator of EPA delegated the authority to issue this Order to the Regional Administrator of EPA Region 6, who delegated this authority to the Director of the Compliance Assurance and Enforcement Division.

FINDINGS

1. Permittee, the City of Corpus Christi, is a "person," as that term is defined at Section 502(5) of the Act, 33 U.S.C. § 1362(5), and 40 C.F.R. § 122.2.

2. At all times relevant to this Order ("all relevant times"), the Permittee owned or operated the Broadway Wastewater Treatment Plant, located at 1402 West Broadway, in Corpus Christi, Nueces County, Texas ("facility"), and was, therefore, an "owner or operator" within the meaning of 40 C.F.R. § 122.2. The mailing address for the Permittee is City of Corpus Christi, P.O. Box 9277, Corpus Christi, TX 78469.

3. At all relevant times, the facility was a "point source" of a "discharge" of "pollutants" with its wastewater directly into the receiving waters of the Corpus Christi Inner Harbor in Segment No. 2484 of the Bays and Estuaries, which are considered a "water of the United States" within the meaning of Section 502 of the Act, 33 U.S.C. § 1362, and 40 C.F.R. § 122.2.

4. Because the Permittee owned or operated a facility that acted as a point source of discharges of pollutants to waters of the United States, the Permittee and the facility were subject to the Act and the National Pollutant Discharge Elimination System ("NPDES") program.

5. Under Section 301 of the Act, 33 U.S.C. § 1311, it is unlawful for any person to discharge any pollutant from a point source to waters of the United States, except with the authorization of, and in compliance with, an NPDES permit issued pursuant to Section 402 of the Act, 33 U.S.C. § 1342.

6. Section 402(a) of the Act, 33 U.S.C. § 1342(a), provides that the Administrator of EPA may issue permits under the NPDES program for the discharge of pollutants from point sources to waters of the United States. Any such discharge is subject to the specific terms and conditions prescribed in the applicable permit.

7. The Permittee applied for and was issued NPDES Permit No. TX0047066 ("permit") under Section 402 of the Act, 33 U.S.C. § 1342, which became effective on June 06, 2005, and expired on June 01, 2010. The current permit was issued on June 28, 2011, and expires on June 01, 2015. At all relevant times, the Permittee was authorized to discharge from the facility to waters of the United States, but only in compliance with the specific terms and conditions of the permit.

8. The permit specifies that the Permittee is authorized to discharge treated wastewater from the facility to Corpus Christi Inner Harbor in Segment No. 2484 of the Bays and Estuaries. Therefore, overflows and/or bypasses from the facility are unauthorized discharges and constitute a violation of the conditions of the permit.

9. Non-compliance reports filed by the Permittee with the Texas Commission on Environmental Quality in compliance with the permit show unauthorized discharges. The unauthorized discharges are specified in Attachment A.

10. Each violation of the conditions of this permit described above is a violation of Section 301 of the Act, 33 U.S.C. § 1311.

ORDER

Based on the foregoing Findings and pursuant to the authority of Section 309 of the Act, EPA hereby orders the Permittee to take the following action:

A. Effective immediately, the Permittee shall eliminate all bypasses of the wastewater treatment plant.

B. Effective immediately, the Permittee shall eliminate all overflows from the sewage collection system, pump stations, and wastewater treatment plant.

C. Within thirty (30) days of the effective date of this Order, the Permittee shall submit a report to EPA Region 6 describing all actions taken to eliminate bypassing and sanitary sewer overflows.



Within thirty (30) days of the effective date of this Order, the Permittee shall submit a report describing the repair and rehabilitation plan for the city's sewer system. The report shall include a description of the construction project(s) deemed necessary to reduce or eliminate sanitary sewer overflows (SSOs).

E. In the event it will take the Permittee longer than thirty (30) days to eliminate bypassing, provide a sewer system repair and rehabilitation plan, and a description of construction projects needed to eliminate SSOs, the Permittee must arrange a meeting with EPA to discuss the allegations in this Order, within forty-five (45) days of the effective date of this Order. The meeting will be held at the Region 6 offices, 1445 Ross Ave., Dallas, Texas.

F. To arrange a meeting, or to ask questions or comment on this matter, please contact Ms. Jana Harvill, of my staff, at (214) 665-8369.

G. Any information or correspondence submitted by the Permittee to EPA under this Order shall be addressed to the following:

Ms. Jana Harvill  
Water Enforcement Branch (6EN-WM)  
EPA, Region 6  
1445 Ross Ave., Suite 1200  
Dallas, TX 75202-2733

GENERAL PROVISIONS

Issuance of this Order shall not be deemed an election by EPA to forego any administrative or judicial, civil or criminal action to seek penalties, fines, or any other relief appropriate under the Act for the violations cited herein, or other violations that become known. EPA reserves the right to seek any remedy available under the law that it deems appropriate.

Failure to comply with this Order or the Act can result in further administrative action, or a civil judicial action initiated by the United States Department of Justice.

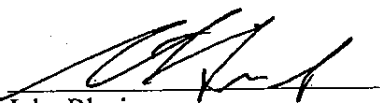
This Order does not constitute a waiver or modification of the terms or conditions of the Permittee's NPDES permit, which remain in full force and effect.

Compliance with the terms and conditions of this Order does not relieve the Permittee of its obligation to comply with any applicable federal, state, or local law or regulation.

The effective date of this Order is the date it is received by the Permittee.

SEP 19 2011

Date



John Blevins  
Director  
Compliance Assurance and  
Enforcement Division

Attachment A  
SSO Violations Broadway TX0047066

Start Date	Gallons	Cause	Location of Discharge
5/7/2007	100	Blocked line	Blucher & Caranchaua St
6/22/2007	50	Lift Station Failure	2100 Nueces Bay Blvd
7/2/2007	500	I&I	Nueces Bay Blvd & Summer St.
7/2/2007	500	I&I	Cooper's Alley & N. upper Broadway St.
7/2/2007	200	I&I	Riggan & Keys Streets
7/2/2007	1000	I&I	Winnebago & Brownlee Roads
7/2/2007	200	I&I	Mesquite & N. Upper Broadway
7/2/2007	1000	I&I	Old Robstown & Fairfax Roads
7/2/2007	1000	I&I	Blucher & Caranchaua St
7/3/2007	500	I&I	1500 Winnebago St
7/3/2007	1000	I&I	Coke & Leopard Streets
7/3/2007	200	I&I	Riggan & Keys Streets
7/3/2007	500	I&I	Old Robstown Rd & Fairfax St.
7/4/2007	500	I&I	138 Clemmer Street
7/9/2007	200	Blockage in main line	3633 Liberty Street
7/26/2007	Unknown	I&I	438 Louisiana Street
7/26/2007	Unknown	I&I	Winnebago & Brownlee Roads
7/26/2007	Unknown	I&I	Fairfax & Old Robstown Road
7/26/2007	Unknown	I&I	Mesquite & Copper's Alley
7/27/2007	Unknown	I&I	5441 Up River Road
7/27/2007	Unknown	I&I	3633 Liberty Street
7/27/2007	Unknown	I&I	3334 Elgin Street
8/28/2007	20	Blockage in main line	2526 Crew Street
9/22/2007	50	Blockage in main line	Riggan & Keys Streets
9/29/2007	Unknown	I&I	Bartlett Drive & Old Robstown Road
10/1/2007	Unknown	I&I	500 Hughes Street
10/4/2007	200	Blockage in private service line	1208 12th Street
10/13/2007	300	Blockage in sewer main	2730 Cloyde Street
10/16/2007	50	Blockage in wastewater	1004 Coleman Avenue
10/20/2007	500	Blockage in wastewater	1437 Maryland Drive
10/23/2007	400	Blockage in main line	600 Elizabeth Street
10/28/2007	200	Blockage in main line	3469 Southland Drive
10/29/2007	1000	Blockage in main line	1815 Howard Street
11/1/2007	30	Block in city's service line	3022 Leopard Street
11/2/2007	500	Blockage in main line	1930 Winnebago St.
11/3/2007	75	Block in city's service line	318 Brook Drive
11/4/2007	100	Block in city's service line	2601 West Broadway Street
11/5/2007	30	Blockage in service line	805 Bluntzer Street
11/6/2007	20	Blockage in main line	4201 Leopard Street
11/9/2007	70	Blockage in sewer service line	305 Hiawatha Street
11/9/2007	500	Blockage in city's main sewer line	1450 S. Brownlee Blvd
11/13/2007	200	Blockage in sewer main	3712 MacLeod drive
11/13/2007	50	Blockage in private service line	3002 Antelope Street
11/14/2007	150	Blockage in sewer main	3425 Southland Drive

Attachment A  
SSO Violations Broadway TX0047066

Start Date	Gallons	Cause	Location of Discharge
11/14/2007	100	Blockage in sewer service line	1735 Lake Street
11/15/2007	15	Blockage in service line	550 Balboa St
11/16/2007	1	Blockage in service line	2940 Marguerite St.
11/25/2007	50	Broken main	3562 Naylor Circle
11/26/2007	50	Clogged Main	1815 Howard Street
11/26/2007	3	Clogged Main	237 Osage Street
11/27/2007	50	Clogged Main	902 Twelfth Street
11/27/2007	10	Clogged service -grease	3762 Up River Rd.
11/27/2007	50	Blockage in service line	1007 Twenty Fifth Street
11/28/2007	2	Blockage in service line	2117 Niagara Street
11/28/2007	800	Private Service Line clogged-grease	2515 Leopard Street
11/28/2007	5	Blockage in service line	2109 Howard St
11/29/2007	1	Blockage in service line	912 Nineteenth Street
11/29/2007	10	Blockage in service line	5438 Crockett Street (433 Louisiana Ave)
12/1/2007	10	Blockage in service line	2510 Terrace Street
12/2/2007	5	Blockage in service line	1331 5th Street
12/2/2007	5	Blockage in service line	512 14th Street
12/2/2007	300	Blockage in the main line	3628 Mimosa Street
12/2/2007	100	Blockage in service line	4946 Cheryl Street
12/2/2007	2	Blockage in service line	1462 17th Street
12/3/2007	4	Blockage in service line	1050 Dorothy Drive
12/4/2007	10	Blockage in main line	545 North Upper Broadway Street
12/4/2007	20	Blockage in service line	1533 South Brownlee Blvd
12/4/2007	50	Blockage in service line	2822 North Shore Blvd
12/5/2007	20	Blockage in the main line	19th Street & Hancock Ave
12/5/2007	120	Blockage in service line	921 North Port Avenue
12/6/2007	30	Blockage in the private line service	326 Cheyenne Street
12/8/2007	20	Blockage in service line	909 Louisiana Ave.
12/9/2007	50	Blockage in the private line service	1017 Acacia Drive
12/9/2007	20	Blockage in service line	2822 North Shoreline Boulevard
12/9/2007	55	Block in the main line	3712 MacLeod drive
12/11/2007	1	Blockage in main line	466 Texas Ave
12/11/2007	10	Blockage in main line	461 Indiana Ave
12/12/2007	4	Blockage in service line	426 Palmero
12/13/2007	20	Blockage in private service line	2622 Cloyde St
12/14/2007	10	Breakage in the main line	3712 MacLeod Drive
12/14/2007	10	Blockage in service line	2513 Quebec Dr.
12/15/2007	50	Breakage in the main line	Up River Rd & Nueces Bay Blvd
12/18/2007	10	Breakage in the service line	305 Hlawatha Street
12/18/2007	50	Blockage in service line	1315 5th Street
12/20/2007	20	Blockage in main line	3425 Southland Drive
12/20/2007	1	Breakage in the service line	100 2nd Street
12/20/2007	Unknown	Blockage in main line	3433 Southland Drive
12/22/2007	5	Blockage in service line	541 Dixon Dr
12/22/2007	50	Blockage in main line	1518 Dahlia Drive
12/27/2007	10	Blockage in main line	337 Rosebud Avenue
12/27/2007	50	Blockage in service line	1721 Fifteenth St
1/1/2008	10	Blockage in service line	1211 Van Loan Ave
1/2/2008	50	Blockage in main line	1214 14th Street
1/2/2008	40	Break in line	1502 Frank Street

Attachment A  
SSO Violations Broadway TX0047066

Start Date	Gallons	Cause	Location of Discharge
1/2/2008	1	Blockage in private service line	337 Clifford St
1/3/2008	20	Blockage in service line	1911 Ayers Street
1/3/2008	15	Blockage in service line	1554 S. 19th Street
1/3/2008	30	Blockage in main line	1110 Logan Ave
1/3/2008	10	Blockage in private service line	905 Louisiana Ave
1/3/2008	10	Blockage in main line	410 Brooks Drive
1/4/2008	300	Blockage in main line	933 Nandina Drive
1/4/2008	300	Break in city's main line	410 brooks Drive
1/6/2008	30	Blockage in main line	914 23rd Street
1/7/2008	1	Blockage in private service line	919 Elizabeth Street
1/7/2008	5	Blockage in service line	1323 Peabody Ave
1/7/2008	30	Blockage in service line	4110 live Oak Street
1/8/2008	20	Blockage in main line	2829 Elizabeth Street
1/9/2008	5	Blockage in private service line	1611 Peabody Ave
1/9/2008	10	Break in service line	2526 Lynch Street
1/9/2008	30	Break in the line	416 Starr St
1/11/2008	3	Blockage in service line	1347 17th Street
1/12/2008	5	Blockage in service line	1103 11th Street
1/12/2008	10	Blockage in service line	1110 11th Street
1/14/2008	20	Blockage in service line	600 N. Shoreline Blvd
1/14/2008	80	Blockage in private service line	3521 Colonial Court
1/14/2008	150	Blockage in private service line	600 N. Shoreline Blvd
1/15/2008	1	Blockage in service line	2012 Buford Avenue
1/15/2008	15	Blockage in main line	1002 Ligustrum Drive
1/15/2008	40	Blockage in private service line	1408 Winnebago St
1/16/2008	50	Blockage in main line	2700 Rigger Street
1/16/2008	30	Blockage in private service line	326 Cheyenne Street
1/16/2008	15	Blockage in private service line	470 Old Robstown Road
1/17/2008	150	Blockage in main line	933 Fairview Dr
1/18/2008	300	Blockage in service line	900 N. Shoreline Blvd
1/19/2008	2	Blockage in main line	534 Shawnee St.
1/19/2008	20	Blockage in main line	550 Shawnee St.
1/19/2008	5	Blockage in main line	2940 Marguerite St.
1/19/2008	40	Blockage in service line	3902 Petty Dr.
1/22/2008	3	Blockage in service line	4010 Zaragosa Street
1/22/2008	5	Blockage in service line	1205 19th Street
1/22/2008	2	Blockage in private service line	416 Ohio Ave
1/22/2008	2	Blockage in service line	314 Osage Street
1/22/2008	20	Blockage in private service line	1527 Tenth Street
1/23/2008	150	Blockage in private service line	1408 Winnebago St
1/26/2008	10	Blockage in private service line	109 Glendale Drive
1/26/2008	20	Blockage in service line	1636 18th Street
1/26/2008	20	Blockage in service line	1640 18th Street
1/26/2008	35	Break in city's main line	1501 Fern Drive
1/27/2008	50	Blockage in city main line	2100 Sarita Street
1/27/2008	5	Blockage in service line	1202 Sabinas Street y
1/27/2008	25	Blockage in service line	1218 6th Street
1/28/2008	15	Blockage in service line	463 Louisiana Ave
1/28/2008	25	Blockage in service line	1200 S. Port Ave

Attachment A  
SSO Violations Broadway TX0047066

Start Date	Gallons	Cause	Location of Discharge
1/28/2008	40	Blockage in service line	1214 2nd Street
1/29/2008	25	Blockage in service line	909 Louisiana Ave.
1/29/2008	30	Blockage in city's main sewer line	1002 19th Street
1/29/2008	20	Blockage in city's main sewer line	7225 S. Brownlee Blvd
1/30/2008	200	Blockage in city's main sewer line	241 Glendale Dr
1/31/2008	25	Blockage in private service line	310 Hiawatha Streete
1/31/2008	12	Blockage in private service line	1214 2nd Street
1/31/2008	25	Blockage in main line	1200 S. Port Ave
2/2/2008	2	Blockage in main line	3913 Leigh Dr
2/2/2008	50	Blockage in city's main sewer line	1466 Ormond Drive
2/2/2008	50	Blockage in main line	510 Dixon Drive
2/2/2008	5	Blockage in service line	1712 Ayers Street
2/3/2008	100	Blockage in private service line	1200 Tenth Street
2/3/2008	20	Blockage in main line	917 Gardenia Drive
2/4/2008	5	Blockage in service line	2518 Niagara Street
2/4/2008	1	Blockage in service line	1505 Sixth Street
2/4/2008	100	Blockage in main line	1815 Howard Street
2/4/2008	200	Blockage in private service line	2108 Stillman Ave
2/5/2008	20	Blockage in main line	2802 Elizabeth St
2/5/2008	3	Blockage in service line	1130 Verbena St
2/6/2008	50	Blockage in service line	3530 Naylor Circle
2/7/2008	50	Blockage in main line	921 N Port Ave
2/7/2008	5	Blockage in service line	907 South Brownlee
2/8/2008	6	Blockage in service line	1649 Fifteen Street
2/8/2008	5	Blockage in main line	502 Morgan Avenue
2/9/2008	2	Blockage in service line	3641 Wright Street
2/10/2008	5	Blockage in service line	1414 15th Street
2/11/2008	40	Blockage in main line	Hancock/S. Alameda
2/11/2008	80	Blockage in main line	2601 Ayers Street
2/11/2008	4	Blockage in main line	2214 Crews Street
2/11/2008	30	Blockage in main line	2730 Riggan Street
2/11/2008	40	Breakage in city's main line	429 Palmero Street
2/11/2008	40	Blockage in main line	Fern/Winnie Drive
2/11/2008	50	Blockage in service line	321 John Sartain Street
2/11/2008	50	Blockage in service line	439 Southern Street
2/11/2008	75	Blockage in private service line	409 Bartlett Dr
2/12/2008	40	Breakage in the city's main line	425 Palmero Street
2/12/2008	3	Blockage in service line	902 Buffalo Street
2/12/2008	10	Blockage in service line	1200 Tenth Street
2/12/2008	10	Blockage in service line	439 Southern Street
2/12/2008	60	Blockage in private service line	2102 Eighteenth Street
2/13/2008	9	Blockage in service line	3502 Up River Road
2/13/2008	14	Blockage in service line	1211 Van Loan Ave
2/13/2008	1000	Blockage in private service line	905 Park Avenue
2/14/2008	20	Blockage in main line	310 Del Mar Blvd
2/14/2008	20	Blockage in service line	2501 Headley Street
2/14/2008	5	Blockage in service line	3902 Petty Dr.

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Start Date	Gallons	Cause	Location of Discharge
2/15/2008	5	Blockage in service line	1554 S. 19th Street
2/15/2008	50	Blockage in service line	2310 Elizabeth Street
2/15/2008	50	Blockage in main line	1205 N. Staples Street
2/15/2008	20	Blockage in service line	606 Tulip Street
2/15/2008	35	Blockage in private service line	2013 Marguerite Street
2/16/2008	10	Blockage in service line	1636 Eighteenth St
2/16/2008	20	Blockage in private service line	1519 Howard Street
2/17/2008	500	Blockage in main line	1813 Shely Street
2/17/2008	25	Blockage in service line	819 Furman Avenue
2/17/2008	5	Blockage in main line	1431 1/2 12th Street
2/18/2008	1	Blockage in private service line	905 Cleveland Street
2/18/2008	10	Blockage in main line	3913 Leigh Dr
2/18/2008	75	Blockage in service line	1822 Sixteenth St
2/18/2008	5	Blockage in service line	3902 Leigh Drive
2/18/2008	75	Blockage in service line	1322 Sixteenth St
2/19/2008	15	Blockage in service line	2013 Marguerite Street
2/20/2008	3	Blockage in main line	3809 Quaille Dr
2/20/2008	20	Blockage in service line	3902 Petty Dr.
2/21/2008	5	Blockage in main line	2625 Niagra Street
2/22/2008	3	Blockage in service line	1554 Fifteenth Street
2/22/2008	1500	Blockage in service line	909 N. Shoreline Blvd
2/22/2008	50	Blockage in service line	1110 Elgin Street
2/23/2008	100	cleanout line	1901 N Shoreline Blvd
2/23/2008	20	Blockage in service line	433 Macleod Drive
2/24/2008	100	Blockage in service line	1545 Clodah Drive
2/25/2008	5	Blockage in private service line	2207 Howard Street
2/25/2008	75	Blockage in service line	1709 Peabody Ave
2/25/2008	40	Blockage in private service line	1224 Sixth Street
2/25/2008	1500	Blockage in main line	200 Neal Street
2/26/2008	15	Blockage in service line	913 Booty Street
2/26/2008	3	Blockage in private service line	336 S. Naylor Circle
2/27/2008	300	Blockage in private service line	905 Park Avenue
2/27/2008	20	Blockage in main line	2525 Cleo Street
2/28/2008	10	Broken sewer service line	1401 Palm Drive
2/28/2008	5	Blockage in service line	2510 Terrance Street
3/3/2008	4	City clogged overflow	4428 Leopard St
3/4/2008	2	Line Break	303 Osage St
3/4/2008	5	City clogged overflow	445 Virginia Ave
3/5/2008	10	Private cleanout overflow	445 Cheyenne St
3/6/2008	25	Private cleanout overflow	2102 18th St
3/6/2008	10	Private cleanout overflow	2621 Elizabeth St
3/8/2008	20	City clogged overflow	2702 Morgan Ave
3/11/2008	2	Private cleanout overflow	1258 Manchester Ave
3/11/2008	75	City manhole overflow	616 Indiana Ave
3/11/2008	20	Private Grease trap	3787 Leopard St
3/12/2008	10	Private cleanout overflow	1303 Third St
3/12/2008	10	Private cleanout overflow	660 N. Navigation Blvd
3/12/2008	50	City manhole overflow	1016 Eleventh St
3/12/2008	20	City cleanout overflow	1733 Fifteenth St
3/12/2008	2	City manhole overflow	9410 S. Cornelia Cr

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Start Date	Gallons	Cause	Location of Discharge
3/14/2008	10	City cleanout overflow	1509 Sixth St
3/14/2008	50	City manhole overflow	701 Louisiana Ave
3/14/2008	60	Leaking tank	Louisiana/Swatner Dr
3/15/2008	100	City manhole overflow	701 Louisiana Ave
3/16/2008	40	City manhole overflow	334 Breezeway Ave
3/17/2008	1	City cleanout overflow	3918 Navaho St
3/19/2008	5	City cleanout overflow	1007 Twelfth St
3/19/2008	50	Private cleanout overflow	443 Indiana Ave
3/19/2008	3	City clogged overflow	340 Brooks dr
3/21/2008	5	City cleanout overflow	3901 Carmon St
3/21/2008	25	City manhole overflow	400 Shoreline Blvd
3/23/2008	25	City manhole overflow	2949 S. Staples St
3/24/2008	2	City cleanout overflow	3117 Surfside Bld
3/24/2008	10	City cleanout overflow	105 Glendale Dr
3/25/2008	5	Private cleanout overflow	418 Brooks Dr
3/27/2008	30	City manhole overflow	201 Surfside Blvd
3/29/2008	20	City cleanout overflow	405 Delmar Blvd
3/30/2008	50	City manhole overflow	438 Louisiana Street
3/30/2008	2	City cleanout overflow	3016 Reyna St
3/31/2008	60	City clogged overflow	900 19th St
3/31/2008	30	City cleanout overflow	1649 Fourteenth St
3/31/2008	500	Line Break	464 Louisiana Ave
3/31/2008	5	City cleanout overflow	226 Indiana Ave
4/1/2008	5	City cleanout overflow	435 Ohio Ave
4/4/2008	10	Private cleanout overflow	2331 Agnes St
4/5/2008	50	City clogged overflow	444 N. Shoreline Bld
4/7/2008	9	Private cleanout overflow	1117 Ocean dr
4/7/2008	20	Private cleanout overflow	1518 Dalia Dr
4/8/2008	10	City cleanout overflow	433 Macleod Drive
4/10/2008	5	City cleanout overflow	433 Louisiana
4/11/2008	50	Private cleanout overflow	445 Cheyenne St
4/14/2008	5	City cleanout overflow	310 Hiawatha St
4/15/2008	5	City cleanout overflow	112 Glendale Dr
4/16/2008	15	Private cleanout overflow	1114 S. Port Ave
4/18/2008	30	City cleanout overflow	1203 14th St
4/20/2008	10	City manhole overflow	201 Surfside Blvd
4/21/2008	30	City cleanout overflow	1509 Sixth St
4/22/2008	4	Private cleanout overflow	1240 S. Port Ave
4/24/2008	150	Overflow inside trench	2617 Niagara St
4/25/2008	5	Broken sewer service line	1217 Sabinas St
4/30/2008	5	City cleanout overflow	2202 Cleo St
5/1/2008	35	Private cleanout overflow	2805 Nueces St
5/2/2008	18	Private cleanout overflow	1404 Palm Dr
5/3/2008	100	City cleanout overflow	1124 Seventh St
5/3/2008	10	City cleanout overflow	2921 Mary St
5/6/2008	2	Private cleanout overflow	2109 Morgan
5/7/2008	20	City manhole overflow	541 Scott Dr
5/7/2008	50	City cleanout overflow	510 Josephine St
5/7/2008	2	Private cleanout overflow	2104 Morgan Ave
5/8/2008	10	City cleanout overflow	1110 Eleventh Street

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Start Date	Gallons	Cause	Location of Discharge
5/9/2008	20	City cleanout overflow	3075 Reyna St
5/11/2008	14	City manhole overflow	222 Longview St West
5/12/2008	20	City cleanout overflow	3762 Up River Rd.
5/12/2008	10	Private cleanout overflow	712 Fifth St
5/12/2008	30	City cleanout overflow	1709 Peabody Ave
5/13/2008	30	City cleanout overflow	1116 N. Staples St
5/14/2008	20	Overflow inside trench	928 Park Ave
5/14/2008	25	City cleanout overflow	433 Brooks Dr
5/15/2008	20	Overflow within trench	2713 Elizabeth St
5/16/2008	100	City manhole overflow	309 S. Water St
5/16/2008	300	City manhole overflow	914 Erwin Ave
5/18/2008	50	Private cleanout overflow	3002 Antelope Street
5/19/2008	5	City cleanout overflow	2814 Nueces St
5/20/2008	40	City manhole overflow	914 Erwin Ave
5/22/2008	75	Overflow form inside trench	1006 Erwin Ave
5/22/2008	5	City cleanout overflow	1511 Howard St
5/25/2008	10	City cleanout overflow	2830 Willard St
5/28/2008	200	Exfiltration from broken 8"main	600 N Lower Broadway
5/29/2008	30	City manhole overflow	2500 Hulbert St
5/29/2008	40	City manhole overflow	702 Ohio Ave
6/2/2008	5	Private cleanout overflow	903 14th St
6/2/2008	50	Private manhole overflow	5115 Up River Rd
6/3/2008	3	City cleanout overflow	1432 16st
6/4/2008	3	City cleanout overflow	804 Eleventh St
6/4/2008	10	City cleanout overflow	1709 Peabody Ave
6/4/2008	20	Private cleanout overflow	1307 18th St
6/9/2008	20	City cleanout overflow	1515 Tanchhua St
6/10/2008	10	Overflow from inside trench	2910 Mary St
6/10/2008	29	Private cleanout overflow	510 Mexico St
6/10/2008	2	Private cleanout overflow	1301 Tenth St
6/12/2008	30	City cleanout overflow	713 Sam Rankin St
6/14/2008	20	City cleanout overflow	1515 N. Tanchhua St
6/15/2008	30	City cleanout overflow	629 Texas Ave
6/18/2008	2	City cleanout overflow	1615 Eighteenth St
6/19/2008	1000	Exfiltration from broken 8"sewer line	1421 Stillman Ave
6/19/2008	5	Private cleanout overflow	2615 Buford Ave
6/19/2008	5	Private cleanout overflow	1626 Tenth St
6/23/2008	20	Overflow from inside trench	1626 Tenth St
6/24/2008	5	Overflow from inside trench	1618 18th St
6/28/2008	7	City cleanout overflow	1602 Van Loan Ave
6/29/2008	2	City cleanout overflow	146 Osage St
7/4/2008	20	City manhole overflow	3647 S. Saxet Dr
7/6/2008	5	City cleanout overflow	600 S. Shoreline Blvd
7/7/2008	3	City cleanout overflow	2409 W. Broadway St
7/10/2008	50	City manhole overflow	3002 Antelopes St.
7/10/2008	20	Overflow from hole	525 Hiawatha St
7/11/2008	40	City cleanout overflow	3546 N. Naylor Cir
7/13/2008	100	Overflow inside trench	313 Josephine St
7/15/2008	13	Private cleanout overflow	1724 Sixteenth St
7/16/2008	15	City cleanout overflow	1547 Eighteenth St



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Start Date	Gallons	Cause	Location of Discharge
7/18/2008	300	Private Grease trap overflow	1301 Fifteenth St
7/19/2008	25	City cleanout overflow	626 Scott Dr
7/19/2008	5	City cleanout overflow	817 22nd St
7/20/2008	40	Private cleanout overflow	1534 Clodah
7/21/2008	2	Private cleanout overflow	1726 Seventeenth St
7/22/2008	10	City cleanout overflow	1506 Seventeenth St
7/22/2008	200	Line Break	3929 Westland Dr
7/23/2008	99	City manhole overflow	3810 Morgan Ave
7/23/2008	500	City manhole overflow	1261 Manchester Av
7/26/2008	25	City manhole overflow	1826 Keys St
7/27/2008	36	Blockage in private line	1301 Sixth St
7/27/2008	20	City manhole overflow	438, Brooks Dr
7/28/2008	20	Private cleanout overflow	1301 Sixth St
7/30/2008	15	City cleanout overflow	1420 Sixteenth St
7/30/2008	4	City cleanout overflow	921 Acacia dr
7/30/2008	2	City cleanout overflow	514 Dolores St
7/30/2008	13	Private cleanout overflow	1217 Seventh St
7/30/2008	999	City manhole overflow	2722 Elizabeth St
7/30/2008	25	Overflow inside trench	1306 Peabody
7/30/2008	2	Exfiltration from manhole	2011 Ocean Dr
7/31/2008	15	Private cleanout overflow	1529 17th St
7/31/2008	1000	City manhole overflow	2900 Summers/floral
7/31/2008	10	Overflow inside trench	Alameda/Martin Luther
7/31/2008	150	Private cleanout overflow	3201 Baldwin Blvd
8/2/2008	12	City cleanout overflow	1322 Stillman Ave
8/3/2008	20	City cleanout overflow	301 Clifford
8/4/2008	20	City manhole overflow	302 Louisiana Ave
8/4/2008	10	City cleanout overflow	3438 Kenwood Dr
8/5/2008	50	City manhole overflow	1429 Fern Dr
8/7/2008	10	City cleanout overflow	302 N. 19th St
8/8/2008	24	Private cleanout overflow	2610 Winnie Dr
8/8/2008	25	Private cleanout overflow	920 Kirney St
8/9/2008	150	Private cleanout overflow	3752 Up River Rd
8/10/2008	50	City cleanout overflow	504 S. Carancahua
8/12/2008	5	Private cleanout overflow	1521 Seventh St
8/13/2008	15	Private cleanout overflow	406 Clifford St
8/13/2008	20	City cleanout overflow	4318 Spring St
8/13/2008	25	Overflow within trench-city side	1812 S. Alameda St
8/14/2008	15	Overflow within trench-city side	426 Clifford St
8/14/2008	50	Overflow inside trench	1812 S. Alameda St
8/14/2008	60	City cleanout overflow	3625 Up River Rd
8/15/2008	10	Private cleanout overflow	444 Brooks Dr
8/17/2008	375	City manhole overflow	2100 Nueces Bay Blvd
8/20/2008	3	City cleanout overflow	805 S. Staples St
8/20/2008	40	City manhole overflow	1429 Fern Dr
8/20/2008	20	inside excavated trench	341 Westchester Dr
8/21/2008	20	Overflow inside trench	406 Clifford St
8/21/2008	10	Overflow inside excavated hole	3814 Petty Dr
8/22/2008	15	City cleanout overflow	1624 Mestina St
8/22/2008	6	City cleanout overflow	1421 Mary St
8/24/2008	15	Private cleanout overflow	3625 Up River Rd
8/25/2008	10	Private cleanout overflow	2722 Elizabeth St
8/26/2008	5	Overflow within trench-city wide	1010 Ayers St
8/27/2008	5	Overflow inside excavated trench	3585 S. Naylor Cir
8/30/2008	5	City cleanout overflow	1426 Sixteenth St

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Start Date	Gallons	Cause	Location of Discharge
8/31/2008	30	City manhole overflow	1916 Winnebago St
8/31/2008	5	Private cleanout overflow	2725 Santa Fe St
09/03/08	300	Line Blockage (other than grease)	Hancock/Nineteenth Street
09/05/08	30	Line Blockage (other than grease)	1628 Eighteenth Street
09/05/08	20	Service Line	417 Southern Street
09/08/08	30	clogged service	Baldwin Blvd & Ayers St
09/09/08	20	clogged service	101 Baldwin St
09/11/08	30	clogged service	909 Louisiana Ave.
09/11/08	5	Overflow inside trench in private side	506 Dixon Dr
09/12/08	15	Private cleanout overflow	1521 Seventh St
09/19/08	10	Line Blockage (other than grease)	1018 Hibiscus Street
09/19/08	10	Blockage in main line	449 Indiana Ave.
09/24/08	5	Line Blockage (other than grease)	101 Baldwin Boulevard
09/25/08	50	Line Blockage (other than grease)	2359 Howard Street
09/29/08	20	Line Blockage (other than grease)	542 Virginia Ave.
09/30/08	10	Line Blockage (other than grease)	101 Baldwin Boulevard
10/01/08	50	Exfiltration from Mainline	1223 12th St @ Morgan
10/01/08	5	Line Blockage (other than grease)	2830 Willard St.
10/01/08	3	Line Blockage (other than grease)	542 Virginia Ave.
10/01/08	1	Line Blockage (other than grease)	1450 Sixteenth St.
10/02/08	50	Line Blockage (other than grease)	3625 Up River Rd
10/07/08	50	Line Blockage (other than grease)	533 Fairview Dr
10/08/08	15	Blockage in service line	1634 Eighteenth St
10/09/08	2	Line Blockage (other than grease)	2512 Coleman Ave
10/09/08	30	Line Blockage (other than grease)	509 S Carancahua
10/10/08	40	Clogged service	3002 Antelope St.
10/14/08	20	Clogged service	301 Ethel Drive
10/14/08	10	Line Break	3718 Up River Road
10/15/08	25	Clogged service	1515 N. Tanchua
10/17/08	30	Clogged service	1050 Nueces Bay Blvd
10/17/08	20	Clogged service	406 Dixon
10/20/08	30	Line Break	405 Del Mar Blvd.
10/23/08	2	Line Blockage (other than grease)	4014 Iturbide St.
10/26/08	5	Line Blockage (other than grease)	305 Hiawatha St.
10/26/08	100	Blockage in main line	304 Spruce St.
10/27/08	5	Clogged service	1318 Sixth Street
10/29/08	150	Line Blockage (other than grease)	3000 Nueces Bay Blvd.
10/29/08	8	Line Blockage (other than grease)	3469 Southland Drive
10/30/08	7	Clogged service	3522 Colonial Court
11/01/08	4	Clogged service	1721 Van Loan Avenue

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Start Date	Gallons	Cause	Location of Discharge
11/02/08	5	Line Blockage (other than grease)	449 Pueblo St.
11/04/08	9	Cleanout overflow	3921 Navajo St.
11/04/08	5	Cleanout overflow	1314 Morgan Ave.
11/06/08	20	Cleanout overflow	3762 Up River Rd.
11/06/08	20	Line Blockage	400 N. Shoreline Blvd.
11/06/08	10	Cleanout overflow	413 Starr St.
11/08/08	5	Line Blockage	3601 Mimosa Drive
11/08/08	12	Cleanout overflow	1558 Seventeenth St
11/10/08	75	clogged service line	3762 Up River Rd.
11/11/08	2	clogged service line	2601 Sarita St
11/11/08	15	Overflow Inside trench	1901 N. Shoreline Blvd
11/15/08	80	Line Blockage (other than grease)	300 Coke St
11/15/08	10	Line Blockage (other than grease)	Petty Dr and Scott Dr
11/19/08	5	Line Blockage (other than grease)	217 Havana Street
11/20/08	30	Line Blockage (other than grease)	945 Eleanor Street
11/21/08	5	Line Blockage (other than grease)	1020 N Staples St
11/22/08	10	Line Break	3178 Buddy Lawrence Dr
11/23/08	80	Line Blockage (other than grease)	1116 North Staples
11/24/08	40	Line Blockage (other than grease)	1224 Sixth Street
11/26/08	10	Line Blockage	206 Havana Street
11/29/08	3	Line Blockage (other than grease)	3469 Southland Drive
11/30/08	5	Line Blockage (other than grease)	213 South Staples
12/01/08	10	Line break	207 Mexico St.
12/04/08	10	Private clean out overflow	3002 Antelope St
12/04/08	2	Private clean out overflow	301 Ethel St
12/04/08	40	Line Blockage (other than grease)	1234 Sixth Street
12/05/08	30	Private clean out overflow	413 Starr St.
12/07/08	5	Private clean out overflow	901 Ohio Ave
12/08/08	10	Line Blockage	1905 Stillman Ave
12/08/08	2	Line Blockage	769 Post Avenue
12/08/08	15	Line Blockage	909 Louisiana Ave.
12/09/08	10	Line Blockage	1649 14 Street
12/10/08	5	Line Blockage	406 Southern Street
12/13/08	20	Grease Blockage	128 Mesquite St.
12/14/08	10	Private Line Blockage	810 11 th Street
12/15/08	50	Private Line Blockage	810 11 th Street
12/15/08	3	clogged service	1829 Keys
12/15/08	10	clogged service	502 Villa
12/18/08	1500	Line Break	3002 Timon
12/18/08	10	clogged service	2515 Hulbirt
12/21/08	5	clogged service	461 Clifford
12/21/08	25	clogged service	907 South Brownlee
12/22/08	9	Line Blockage (other than grease)	3630 Fairchild St
12/22/08	14	Line Blockage (other than grease)	1330 Sabinas St
12/25/08	2	Line Blockage (other than grease)	465 Naples St

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Start Date	Gallons	Cause	Location of Discharge
12/26/08	5	Line Blockage (other than grease)	1554 S Nineteenth St
12/26/08	20	Line Blockage (other than grease)	1223 Sixth St
12/26/08	5	Line Blockage (other than grease)	2709 Riggan St
12/27/08	40	Line Blockage (other than grease)	501 Josephine St
12/27/08	20	Line Blockage (other than grease)	638 Ohio Ave
12/29/08	15	Line Blockage (other than grease)	2921 Mary Street
12/30/08	10	Private clean out overflow	745 Savage Lane
12/30/08	20	Line Blockage (other than grease)	4353 Baldwin Blvd.
12/31/08	90	Line Blockage (other than grease)	512 Mexico Street
01/02/09	30	Line Blockage (other than grease)	804 Eleanor St.
01/02/09	30	Line Blockage (other than grease)	1116 Elgin St.
01/04/09	20	Line Blockage (other than grease)	1018 Francesca St
01/05/09	150	Line Blockage	513 Josephine Street
01/05/09	10	Bypass line	3000 Surfside Blvd.
01/06/09	35	Line Blockage (other than grease)	501 Josephine Street
01/06/09	5	Line Blockage (other than grease)	3129 Huisache Street
01/06/09	5	Line Blockage (other than grease)	2012 Buford Avenue
01/06/09	5	Line Blockage (other than grease)	1721 Van Loan Avenue
01/06/09	30	Line Blockage (other than grease)	3110 Huisache Street
01/07/09	10	Line Blockage	1628 Eighteenth Street
01/08/09	15	Private Line Blockage	4902 Old Brownsville road
01/09/09	19	Line Blockage (other than grease)	3733 Liberty Drive
01/09/09	8	Line Blockage (other than grease)	109 Water Street
01/09/09	40	Line Blockage (other than grease)	1307 South Brownlee Blvd.
01/12/09	21	Service line blockage	1636 Eighteenth St
01/12/09	10	Service line blockage	2814 Blake St
01/12/09	8	Private Line Blockage	903 Elizabeth St
01/14/09	50	Service line blockage	1515 N Tanchua St
01/15/09	15	Line Blockage (other than grease)	921 N Port Ave
01/18/09	10	Service line blockage	1620 Caldwell St
01/19/09	4	Private clean out overflow	2500 Agnes St.
01/22/09	5	Line Blockage (other than grease)	2445 Riggan Street
01/22/09	5	Private clean out overflow	1310 Lobo St
01/23/09	50	Private Line Blockage	2515 Hulbirt St
01/23/09	10	Line Blockage (other than grease)	1613 Coleman Avenue
01/24/09	11	Line Blockage (other than grease)	130 Osage Street

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Start Date	Gallons	Cause	Location of Discharge
01/25/09	15	Line Blockage (other than grease)	458 Ohio Avenue
01/25/09	5	Line Blockage (other than grease)	825 South Alameda
01/26/09	50	Line Blockage (other than grease)	South Nineteenth Street and Hancock Street
01/27/09	10	Line Blockage (other than grease)	1735 Lake Street
01/30/09	10	Line Blockage (other than grease)	1554 South Nineteenth St
02/04/09	20	Line Blockage (other than grease)	1612 Howard St
02/04/09	25	Line Blockage (other than grease)	1628 Morgan Ave
02/04/09	20	City clogged serice	701 Ohio Ave.
02/04/09	20	Line Break	1506 Seventeenth St
02/05/09	10	Line Break	1600 W Broadway St.
02/05/09	10	Line Blockage (other than grease)	3469 Southland Drive
02/07/09	30	Line Blockage (other than grease)	3762 Up River Rd.
02/09/09	10	Line Blockage (other than grease)	2610 Cleo St
02/10/09	5	Line Blockage (other than grease)	1554 S 19th St
02/10/09	30	Line Blockage (other than grease)	309 Coke St.
02/12/09	20	Line Blockage (other than grease)	1628 Morgan Ave
02/14/09	26	Line Blockage (other than grease)	1033 Chamberlain St.
02/14/09	10	Line Blockage (other than grease)	1022 Gardinia Dr
02/16/09	20	Line Blockage (other than grease)	461 Clifford
02/17/09	10	Line Blockage (other than grease)	925 Gardenia
02/17/09	45	Line Blockage (other than grease)	309 N. Water
02/17/09	5	Line Blockage (other than grease)	1554 S. Nineteenth
02/20/09	9	Line Blockage (other than grease)	1010 Ayers
02/22/09	80	Line Blockage (other than grease)	633 Louisiana
02/23/09	4	Line Blockage (other than grease)	1127 Ocean Dr.
02/23/09	10	Line Blockage (other than grease)	522 Van Cleve Dr.
02/24/09	10	Line Blockage (other than grease)	1602 Morgane Ave.
02/26/09	20	Line Blockage (other than grease)	1602 Morgane Ave.
02/26/09	30	Line Blockage (other than grease)	4353 Baldwin Blvd.
02/27/09	30	Line Blockage (other than grease)	922 Erwin Ave.
02/28/09	31	Line Blockage (other than grease)	241 Virginia Ave.

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Start Date	Gallons	Cause	Location of Discharge
03/02/09	9	Line Blockage (other than grease)	909 Ayers Street
03/04/09	10	Line Blockage (other than grease).	702 Ohio Avenue
03/05/09	20	Line Blockage (other than grease)	757 West Cornelia Circle
03/06/09	15	Line Blockage (other than grease)	1010 Ayers
03/09/09	8	Line Blockage (other than grease)	1554 South Nineteenth St
03/10/09	15	Line Blockage (other than grease)	1320 Leopard Street
03/11/09	10	Line Blockage (other than grease)	1554 South Nineteenth St
03/11/09	50	Grease Blockage	1320 Leopard Street
03/11/09	50	Line Blockage (other than grease)	3408 Up River Road
03/11/09	22	Line Blockage (other than grease)	1324 Sixth Street
03/16/09	8	Line Blockage (other than grease)	712 Booty St.
03/17/09	50	Line Blockage (other than grease)	2822 N. Shoreline Blvd.
03/17/09	15	Line Blockage (other than grease)	464 Ohio Ave.
03/19/09	30	Line Blockage (other than grease)	3826 Surfside Blvd.
03/20/09	26	Line Blockage (other than grease)	905 Louisiana Ave.
03/20/09	10	Line Blockage (other than grease)	2445 Riggan St.
03/20/09	9	Line Blockage (other than grease)	1211 Van Loan Ave.
03/21/09	20	Private clean out overflow	2218 Sarita St
03/21/09	5	Line Blockage (other than grease)	813 Dolores St.
03/21/09	10	Line Blockage (other than grease)	3469 Southland Drive
03/21/09	2	Private clean out overflow	2830 Riggan Street
03/21/09	3	Line Blockage (other than grease)	701 Ohio Ave.
03/24/09	20	Private clean out overflow	1521 Seventh St
03/25/09	5	Private clean out overflow	333 Clifford St
03/25/09	20	Line Blockage (other than grease)	1010 Ayers
03/25/09	10	Line Blockage (other than grease)	2509 Koepke
03/25/09	5	Private clean out overflow	500 Blk Elsa St Apt #20
03/31/09	2	Line Blockage (other than grease)	1814 Juanita Street
04/01/09	10	Line Blockage (other than grease)	1634 Eighteenth Street
04/02/09	5	Line Blockage (other than grease)	1508 Palm Drive
04/03/09	5	Line Blockage (other than grease)	909 Nandina Drive
04/05/09	5	Line Blockage (other than grease)	2302 Ayers Street
04/06/09	40	Line Blockage (other than grease)	1807 Van loan Ave
04/07/09	5	Line Blockage (other than grease)	3225 Magnolia Dr

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Start Date	Gallons	Cause	Location of Discharge
04/09/09	26	Line Blockage (other than grease)	757 West Cornelia Circle
04/10/09	7	Line Blockage (other than grease)	3762 Up River Rd.
04/10/09	2	Line Blockage (other than grease)	353 Naples Dr
04/11/09	5	Line Blockage (other than grease)	461 Clifford
04/11/09	20	Line Blockage (other than grease)	649 Texas Ave
04/13/09	2	Line Blockage (other than grease)	2625 Elizabeth St
04/14/09	2	Line Blockage (other than grease)	1011 Santa Fe St
04/14/09	10	Line Blockage (other than grease)	550 Balboa St
04/14/09	10	Line Blockage (other than grease)	1011 Santa Fe St
04/16/09	10	Line Blockage (other than grease)	433 Vera Cruz St
04/17/09	50	Line Blockage (other than grease)	1515 N Tanchua St
04/17/09	30	Line Blockage (other than grease)	1211 Van Loan Ave.
04/17/09	20	Other	201 Pueblo St
04/17/09	40	Line Blockage (other than grease)	1602 Morgan Avenue
04/17/09	20	Other	522 Balboa St
04/18/09	15	Line Blockage (other than grease)	409 Villa Dr
04/19/09	25	Line Blockage (other than grease)	305 Rosebud Ave
04/20/09	10	Line Blockage (other than grease)	126 Osage
04/22/09	5	Line Blockage (other than grease)	323 North carancahua
04/22/09	14	Line Blockage (other than grease)	1505 Lexington
04/23/09	2	Line Blockage (other than grease)	323 North carancahua
04/26/09	10	Line Blockage (other than grease)	1521 Seventh
04/27/09	20	Line Blockage (other than grease)	1618 Seventh Street
04/27/09	10	Private Line Overflow	1608 S. Staples St
04/30/09	2	Private clean out overflow	2819 Hurlbirt St
04/30/09	25	Private clean out overflow	520 Francesca St
05/01/09	20	Line Blockage (other than grease)	665 Mohwk Street
05/01/09	4	Line Blockage (other than grease)	435 Osage Street
05/03/09	4	Line Blockage (other than grease)	1110 Eleventh Street
05/04/09	10	Private Drain Line Overflow	1608 S. Staples St
05/06/09	50	Line Blockage (other than grease)	900 S Ninteenth Street
05/07/09	30	Private Service Line Overflow	1608 S Staples St
05/08/09	6	Private Clogged Service	3021 Reyna St
5/9/2009	20	City cleanout overflow	525 Hiawatha St
05/10/09	5	Line Blockage (other than grease)	1520 Seventeenth St

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Start Date	Gallons	Cause	Location of Discharge
05/11/09	10	Line Blockage (other than grease)	1021 Nandina Drive
05/11/09	50	Line Blockage (other than grease)	1815 Howard Street
05/11/09	50	Private clean out overflow	1821 S Alameda St
05/13/09	20	Line Blockage (other than grease)	2482 Baylor Street
05/14/09	29	Private clean out overflow	1524 Mussett St
05/15/09	10	Line Blockage (other than grease)	3416 Lou Street
05/17/09	20	Line Blockage (other than grease)	1310 Eleventh Street
05/19/09	15	Line Blockage (other than grease)	222 Longview West St
05/19/09	20	Line Blockage (other than grease)	1815 Howard Street
05/20/09	5	Line Blockage (other than grease)	1456 Sixteenth Street
05/25/09	10	Private clean out overflow	435 Osage Street
05/26/09	10	Line Blockage (other than grease)	502 Atlantic Street
05/27/09	20	Line Blockage (other than grease)	2115 Peabody Ave
05/27/09	10	Line Blockage (other than grease)	442 Airport Road
05/28/09	10	Line Blockage (other than grease)	3469 Southland Drive
05/29/09	60	Line Blockage (other than grease)	3937 Leigh Drive
05/31/09	15	Line Blockage (other than grease)	3712 Macleod Drive
06/01/09	10	Line Blockage (other than grease)	2611 Fig Street
06/03/09	5	Line Blockage (other than grease)	1911 Ayers Street
06/04/09	10	Private clean out overflow	210 Pueblo st
06/05/09	7	Private Grease Trap Overflow	2111 S Staples St
06/08/09	5	Line Blockage (other than grease)	3509 Naylor Circle
06/10/09	30	Line Blockage (other than grease)	442 Airport Road
06/10/09	4	Line Blockage (other than grease)	800 Hancock St
06/11/09	2	Line Blockage (other than grease)	241 Westgate Drive
06/11/09	5	Line Blockage (other than grease)	438 Brooks Dr
06/11/09	8	Line Blockage (other than grease)	217 Mohawk Dr
06/11/09	3	Line Blockage (other than grease)	1222 Van Loan Ave
06/14/09	30	Line Blockage (other than grease)	769 W Cornelia Circle
06/14/09	30	Private clean out overflow	3002 Antelope St
06/15/09	20	Line Blockage (other than grease)	442 Airport Road
06/16/09	40	Line Blockage (other than grease)	3002 Antelope
06/16/09	50	Line Blockage (other than grease)	2100 Lawnview
06/18/09	10	Line Blockage (other than grease)	1712 Ayers



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Start Date	Gallons	Cause	Location of Discharge
06/18/09	1	Line Blockage (other than grease)	1612 Tenth
06/18/09	2	Line Blockage (other than grease)	133 Glendale Drive
06/19/09	30	Line Blockage (other than grease)	3633 Liberty Drive
06/22/09	20	Line Blockage (other than grease)	2625 Elizabeth Street
06/23/09	3	Line Blockage (other than grease)	1807 Van Lean
06/24/09	30	Line Blockage (other than grease)	1001 N. Staples
06/24/09	25	Line Blockage (other than grease)	525 Villa Drive
06/25/09	10	Line Blockage (other than grease)	309 Coke Street
06/26/09	50	Line Blockage (other than grease)	2822 N. Shoreline Blvd.
06/27/09	2	Line Blockage (other than grease)	2207 Howard Street
06/28/09	15	Line Blockage (other than grease)	413 Dixon Drive
06/29/09	1	Line Blockage (other than grease)	3902 Santa Elena Street
06/30/09	2	Line Blockage (other than grease)	424 Texas Avenue
06/30/09	5	Line Blockage (other than grease)	322 Indiana Avenue
06/30/09	1	Line Blockage (other than grease)	2317 Ayers Street
07/01/09	20	Line Blockage (other than grease)	538 19th Street
07/02/09	3	Line Blockage (other than grease)	1217 Coleman Avenue #4
07/02/09	12	Line Blockage (other than grease)	2822 N. Shoreline Blvd.
07/03/09	24	Line Blockage (other than grease)	1602 Morgan Avenue
07/05/09	2	Line Blockage (other than grease)	2613 Terrace Street
07/06/09	1000	Line Blockage (other than grease)	1407 Buford Avenue
07/06/09	200	Line Break	1101 South Staples St
07/06/09	5	Line Blockage (other than grease)	1101 South Staples St
07/07/09	2	Line Blockage (other than grease)	757 West Cornelia Cr
07/07/09	9	Private clean out overflow	422 Indiana Ave
07/12/09	5	Line Break	1336 Seventh Street
07/13/09	29	Line Blockage (other than grease)	757 West Cornelia Cr
07/13/09	10	Line Blockage (other than grease)	1206 Fourteenth Street
07/13/09	40	Operator Error	1010 Ohio Street
07/14/09	5	Line Blockage (other than grease)	721 West Cornelia Cr
07/15/09	2	Line Blockage (other than grease)	1462 Seventeenth St
07/21/09	10	Construction	1524 North Port Avenue
07/23/09	24	Line Blockage (other than grease)	1719 Lake Street
07/23/09	5	Line Blockage (other than grease)	1812 South Alameda Street

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Start Date	Gallons	Cause	Location of Discharge
07/23/09	5	Line Blockage (other than grease)	1225 Morris Street
07/26/09	5	Line Blockage (other than grease)	241 Westgate Drive
07/27/09	20	Private clean out overflow	450 Atlantic St
07/28/09	2	City clogged serice	2203 Baldwin Ct
07/29/09	1	Line Blockage (other than grease)	1116 North Staples Street
07/30/09	5	Line Blockage (other than grease)	538 South Tancahua St
7/31/2009	10	City cleanout overflow	1649 15th St
07/31/09	100	Line Break	722 Burleson Ave.
08/02/09	30	Line Blockage (other than grease)	1515 North Tancahua Street
08/03/09	10	Line Blockage (other than grease)	3561 South Naylor Circle
08/03/09	14	Private Clean Out Overflow	1625 Mestina St
08/04/09	30	Contractor	305 Ohio Avenue
08/04/09	20	Contractor	309 Ohio Avenue
08/04/09	25	Contractor	313 Ohio Avenue
08/04/09	15	Contractor	317 Ohio Avenue
08/04/09	20	Contractor	321 Ohio Avenue
08/04/09	10	Contractor	323 Ohio Avenue
08/06/09	20	Line Blockage (other than grease)	114 Osage Street
08/11/09	20	Line Break	904 Hancock Ave
08/14/09	36	Line Blockage (other than grease)	1400 Stillman Ave
08/17/09	20	Line Blockage (other than grease)	3737 Mueller St
08/17/09	5	Line Blockage (other than grease)	2602 Riggan St
08/18/09	2	Line Blockage (other than grease)	1234 6th St
08/18/09	30	Line Blockage (other than grease)	1634 18th St
08/19/09	20	Line Blockage (other than grease)	1400 Stillman Ave
08/20/09	15	Line Break	305 Parr St
08/24/09	15	Private clean out overflow	1636 Eighteenth St
08/27/09	30	Overflow within the trench	133 Glendale Drive
08/27/09	3	Private clean out overflow	2101 Peabody Ave
08/31/09	8	City clogged serice	309 S. Water St
08/31/09	5	City clean out overflow	2814 Agrito St
08/31/09	20	City manhole overflow	438 Louisiana Ae
09/01/09	5	Blockage in city service line	1315 Hancock Ave
09/01/09	11	Private clean out overflow	2121 Leopard St
09/02/09	5	City clogged serice	1133 S Brownlee Blvd
09/05/09	5	Line Break	3177 Magnolia Street
09/08/09	10	City clogged main	458 Ohio Avenue
09/08/09	10	Line Break	1601 Palm Drive
09/09/09	2	City clogged serice	3605 Victory Drive
09/12/09	5	City clogged main	2714 Riggan Street
09/12/09	50	City clogged serice	465 Southern Street
09/12/09	50	City clogged main	702 Ohio Avenue
09/13/09	50	City clogged main	702 Ohio Avenue
09/17/09	120	City clogged serice	1010 Ayers St
09/20/09	2	City clogged main	309 Coke Street
09/21/09	50	Repairs in excavated trench	210 Glendale Drive
09/21/09	100	City clogged main	316 N Staples Street
09/24/09	10	City clogged serice	935 Lexington Ave

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Start Date	Gallons	Cause	Location of Discharge
09/25/09	10	City clogged serice	302 Louisiana Avenue
09/25/09	20	City clogged serice	1327 Sixth Street
09/25/09	25	City clogged main	434 Clifford Street
09/26/09	5	City clogged main	2825 Noakes St
09/27/09	8	City clogged serice	935 Lexington Ave
09/27/09	36	City clogged main	745 W Cornelia Cir
09/27/09	10	City clogged serice	1429 Fern Drive
09/28/09	50	Line Blockage (other than grease)	323 N. Carancahua St.
09/28/09	20	Line Blockage (other than grease)	821 Louisiana Ave.
09/28/09	5	Line Blockage (other than grease)	1733 Fifteenth St.
09/30/09	2	Line Blockage (other than grease)	921 Eighteenth St.
09/30/09	2	Line Blockage (other than grease)	3574 N. Naylor Circle
09/30/09	35	Line Blockage (other than grease)	446 Indiana Ave.
09/30/09	25	Line Blockage (other than grease)	2822 N. Shoreline Blvd.
09/30/09	5	Line Blockage (other than grease)	2014 Morris St,
10/01/09	30	Overflow in service line	2822 N. Shoreline Blvd.
10/02/09	3	Line Blockage (other than grease)	4140 Russell Dr.
10/04/09	5	Line Blockage (other than grease)	341 Garfield Dr.
10/04/09	5	Line Blockage (other than grease)	2856 Highland Ave.
10/05/09	200	Line Blockage (other than grease)	1327 Sixth Street
10/10/09	3	Private clean out overflow	810 Fifteenth St
10/10/09	2	Line Blockage (other than grease)	1214 Fourteenth Street
10/10/09	40	Line Blockage (other than grease)	1120 Seventh Street
10/13/09	15	Line Blockage (other than grease)	2801 Cloyde Street
10/15/09	2	Line Blockage (other than grease)	2816 Noakes Street
10/17/09	15	Line Blockage (other than grease)	905 Louisianna Ave
10/18/09	24	Line Blockage (other than grease)	1521 Seventh St
10/18/09	3	Line Blockage (other than grease)	3742 Up River Rd
10/19/09	75	Block in city main line	N Port Ave & John St
10/21/09	100	Break in main line	Howard St & 19th St
10/22/09	10	Blockage in private line	1753 Sixteenth St
10/23/09	10	Blockage in private line	905 Louisiana Ave
10/27/09	20	Line Blockage (other than grease)	458 Ohio
10/28/09	45	Line Blockage (other than grease)	1429 Fern
10/28/09	20	Line Blockage (other than grease)	1920 N. Port
10/28/09	10	Line Blockage (other than grease)	1320 Sixteenth
10/31/09	10	Line Blockage (other than grease)	757 West Cornelia

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Start Date	Gallons	Cause	Location of Discharge
11/06/09	5	Private Grease Trap Overflow	103 Old Robstown Rd
11/06/09	18	Line Blockage (other than grease)	918 Erwin Avenue
11/09/09	15	Line Blockage (other than grease)	414 Clifford Street
11/10/09	10	Line Blockage (other than grease)	900 South Nineteenth Street
11/13/09	10	Private Clogged Service	702 Power St
11/13/09	25	Line Blockage (other than grease)	757 West Cornelia Circle
11/13/09	15	Line Blockage (other than grease)	1422 Palm Drive
11/13/09	30	Line Blockage (other than grease)	1515 North Tancahua Street
11/13/09	10	Line Blockage (other than grease)	2118 Sarita Street
11/14/09	50	Line Blockage (other than grease)	420 Clifford Street
11/14/09	5	Line Break	1625 Lipan Street
11/15/09	50	Line Break	2900 Summers Street / Floral Street
11/16/09	5	Line Blockage (other than grease)	922 Erwin Avenue
11/17/09	200	Line Break	Salt Flats Ditch near Port Avenue
11/20/09	60000	Line Break	Salt Flats Ditch at Sam Rankin and Resaca Street
11/22/09	5	Line Blockage (other than grease)	819 Furman Avenue
11/22/09	150	Line Blockage (other than grease)	701 Louisiana Avenue
11/22/09	5	Line Blockage (other than grease)	2235 Howard Street
11/23/09	10	Private Clogged Service	904 Buford Ave
11/23/09	40	Line Blockage (other than grease)	905 Ligustrum Drive
11/23/09	15	Line Blockage (other than grease)	917 Ligustrum Drive
11/26/09	50	Line Blockage (other than grease)	1815 Howard Street
11/26/09	10	Line Blockage (other than grease)	114 Osage Street
11/27/09	50	Line Blockage (other than grease)	1214 Fourteenth Street
11/29/09	10	Line Blockage (other than grease)	1302 Sixth Street
12/01/09	5	Line Blockage (other than grease)	1303 Third Street
12/02/09	100	Line Blockage (other than grease)	1240 Third Street
12/02/09	30	Line Blockage (other than grease)	1004 Tenth Street
12/06/09	40	Line Blockage (other than grease)	757 West Cornelia Circle
12/06/09	10	Blockage in private line	2920 Seagull Blvd
12/08/09	5	Line Blockage (other than grease)	2814 Nueces St
12/08/09	8	Line Blockage (other than grease)	1217 Coleman Ave

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Start Date	Gallons	Cause	Location of Discharge
12/08/09	40	Line Blockage (other than grease)	1006 Verbena St
12/08/09	50	Line Break	1014 Nandina Dr
12/08/09	5	Line Blockage (other than grease)	1721 Van Loan Ave
12/09/09	40	Line Blockage (other than grease)	2013 Eighteenth St
12/09/09	10	Line Blockage (other than grease)	538 Scott Dr
12/10/09	20	Line Blockage (other than grease)	Floral St/Summers St
12/11/09	30	Private Grease Trap Overflow	2319 Morgan Ave
12/12/09	3	Line Blockage (other than grease)	2825 Noakes St
12/12/09	4	Line Blockage (other than grease)	917 Ligustrum Drive
12/12/09	10	Line Blockage (other than grease)	510 Josephine St
12/15/09	10	Line Blockage (other than grease)	1418 Craig St
12/15/09	5	Line Blockage (other than grease)	230 Indiana Ave
12/15/09	15	Line Blockage (other than grease)	2814 Nueces St
12/16/09	50	Line Break	129 Glendale Dr
12/17/09	50	Line Blockage (other than grease)	4353 Baldwin Blvd
12/17/09	3	Line Blockage (other than grease)	518 Indiana Ave
12/18/09	150	Line Blockage (other than grease)	4353 Baldwin Blvd
12/18/09	50	Line Blockage (other than grease)	3746 Liberty Dr
12/21/09	20	Line Blockage (other than grease)	1410 Comanche St
12/21/09	200	Line Blockage (other than grease)	1815 Howard Street
12/22/09	3	Line Blockage (other than grease)	3569 S Naylor Cir
12/22/09	15	Line Blockage (other than grease)	1208 Tenth St
12/22/09	10	Other	Nueces St & Port Ave
12/23/09	50	Other	3746 Liberty Dr
12/23/09	41	Other	909 Lexington St
12/24/09	10	Line Blockage (other than grease)	438 Virginia Ave
12/27/09	10	Line Blockage (other than grease)	213 Eastgate Dr
12/27/09	20	Line Blockage (other than grease)	426 Palmeso St
12/28/09	5	Private clean out overflow	1217 Coleman
12/28/09	3	Private clean out overflow	1420 Hancock Ave
12/29/09	10	Overflow within the trench	4017 Up River Rd
01/01/10	10	City manhole overflow	414 Ohio Ave
01/01/10	100	City manhole overflow	2907 S Staples Ave
01/02/10	40	City manhole overflow	545 Scott Drive
01/02/10	15	Overflow within the trench	314 Louisiana Ave
01/04/10	39	Line Blockage (other than grease)	3762 Upriver Road
01/04/10	5	Line Blockage (other than grease)	3125 Huisache Street

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Start Date	Gallons	Cause	Location of Discharge
01/05/10	5	Line Blockage (other than grease)	109 North Water Street
01/06/10	18	Line Blockage (other than grease)	1211 Van Loan Avenue
01/07/10	5	Line Blockage (other than grease)	501 South Tancahua Street
01/09/10	10	Line Blockage (other than grease)	333 Hiawatha Street
01/09/10	40	Line Blockage (other than grease)	716 Eleanor Street
01/09/10	50	Line Blockage (other than grease)	757 West Cornelia Circle
01/10/10	100	Line Blockage (other than grease)	1209 Mary Street
01/11/10	5	Line Blockage (other than grease)	327 Louisiana Avenue
01/11/10	20	Line Blockage (other than grease)	1210 Twelfth Street
01/13/10	50	Line Blockage (other than grease)	917 Acacia Drive
01/15/10	40	I&I	757 Mohawk Street
01/15/10	40	I&I	700 Mohawk Street
01/15/10	500	I&I	Old Robstown Road & Fairfax Drive
01/16/10	25	Line Blockage (other than grease)	2621 Elgin Street
01/18/10	36	Line Break	3420 East Causeway Boulevard
01/19/10	10	Line Blockage (other than grease)	200 Shoreline Drive
01/19/10	15	Line Blockage (other than grease)	2950 Sunrise Avenue
01/19/10	15	Line Blockage (other than grease)	2953 Sunrise Avenue
01/20/10	30	Line Blockage (other than grease)	746 Texas Avenue (2)
01/21/10	200	Line Break	1100 South Alameda Street
01/21/10	20	Line Blockage (other than grease)	1206 Coleman Avenue
01/21/10	20	Line Blockage (other than grease)	2830 Riggan Street
01/21/10	50	Line Blockage (other than grease)	2414 Crews Street
01/21/10	10	Line Break	502 Villa Drive
01/26/10	5	Line Blockage (other than grease)	2010 Stillman Avenue
01/26/10	41	Line Blockage (other than grease)	1532 Winnebago Street
01/27/10	5	Line Blockage (other than grease)	3122 Baldwin Boulevard
01/28/10	10	Line Blockage (other than grease)	3113 Huisache Street
01/28/10	30	Line Blockage (other than grease)	1802 North Port Avenue
01/29/10	5	Line Blockage (other than grease)	2322 Morgan Avenue
01/29/10	40	Line Blockage (other than grease)	446 Naples Street
02/05/10	20	Line Blockage (other than grease)	566 Balboa Street

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Start Date	Gallons	Cause	Location of Discharge
02/05/10	10	Line Blockage (other than grease)	423 South Brownlee Boulevard
02/05/10	5	Line Blockage (other than grease)	1207 Sixth Street
02/07/10	10	Line Blockage (other than grease)	3122 Baldwin Boulevard
02/08/10	30	Other	2606 Segrest Street
02/08/10	5	Line Blockage (other than grease)	2602 Segrest Street
02/10/10	30	Line Blockage (other than grease)	1235 Second Street
02/10/10	50	Line Blockage (other than grease)	1457 Fourteenth Street
02/10/10	20	Other	3122 Baldwin Boulevard
02/10/10	10	Line Blockage (other than grease)	1119 Sabinas Street
02/10/10	40	Line Blockage (other than grease)	3762 Up River Road
02/11/10	200	Other	446 Dixon Drive
02/11/10	220	Other	454 Breckenridge Drive
02/11/10	150	Other	3805 Quaille Drive
02/11/10	200	Other	3821 Quaille Drive
02/11/10	200	Other	4353 Baldwin Boulevard
02/11/10	250	Other	4470 Baldwin Boulevard
02/11/10	300	Other	545 Villa Drive
02/11/10	250	Other	441 Villa Drive
02/11/10	200	Other	401 Villa Drive
02/11/10	200	Other	500 Old Robstown Road
02/12/10	150	Line Blockage (other than grease)	2323 Morgan Avenue
02/12/10	20	Line Blockage (other than grease)	3742 Liberty Drive
02/13/10	10	Line Blockage (other than grease)	3537 Naylor Circle
02/14/10	15	Line Blockage (other than grease)	2700 Fifteenth Street
02/15/10	100	Line Blockage (other than grease)	702 Ohio Avenue
02/16/10	50	Line Blockage (other than grease)	3625 Up River Road
02/17/10	10	Line Blockage (other than grease)	541 Hiawatha Street
02/17/10	25	Line Blockage (other than grease)	507 Eighteenth Street
02/17/10	30	Line Blockage (other than grease)	1313 Sabinas Street
02/18/10	8	Line Blockage (other than grease)	818 Francesca Street
02/19/10	15	Line Blockage (other than grease)	1214 Fourteenth Street
02/19/10	75	Line Blockage (other than grease)	1714 Keys Street
02/20/10	30	Line Blockage (other than grease)	317 Shawnee Street
02/21/10	100	Line Blockage (other than grease)	Howard Avenue/Coke Street

Attachment A  
SSO Violations Broadway TX0047066

Start Date	Gallons	Cause	Location of Discharge
02/22/10	50	Line Blockage (other than grease)	3646 Liberty Drive
02/22/10	20	Line Blockage (other than grease)	2817 Elizabeth Street
02/22/10	20	Line Blockage (other than grease)	1227 Third Street
02/22/10	60	Line Blockage (other than grease)	3742 Liberty Drive
02/23/10	5	Other	1223 Sixth Street
02/23/10	5	Other	340 Palmero Street
02/23/10	5	Line Blockage (other than grease)	330 Palmero Street
02/24/10	10	Line Blockage (other than grease)	910 Ohio Avenue
02/25/10	33	Line Blockage (other than grease)	1001 Erwin Avenue
02/26/10	10	Line Blockage (other than grease)	302 Cole Street
02/27/10	80	Line Blockage (other than grease)	3500 Fairmont Drive
02/27/10	10	Line Blockage (other than grease)	906 Gardenia Drive
02/27/10	10	Line Blockage (other than grease)	1018 Gardenia Drive
02/28/10	100	Line Blockage (other than grease)	1541 Eighteenth Street
03/01/10	70	Line Blockage (other than grease)	545 Scott Drive
03/02/10	80	Line Blockage (other than grease)	3602 Mimosa Drive
03/03/10	22	Line Blockage (other than grease)	1001 Third Street (1)
03/04/10	40	Line Blockage (other than grease)	920 Kinney Street
03/06/10	10	Line Blockage (other than grease)	1023 Josephine Street
03/09/10	42	Line Blockage (other than grease)	2810 Willard Street
03/10/10	5	Line Blockage (other than grease)	3462 Southland Drive
03/11/10	0.5	Line Blockage (other than grease)	2012 Buford Avenue
03/11/10	15	Line Blockage (other than grease)	1501 Palm Drive
03/12/10	1	Line Blockage (other than grease)	818 Indiana Avenue
03/12/10	1	Line Blockage (other than grease)	1430 Seventeenth Street
03/13/10	29	Line Blockage (other than grease)	1216 Second Street
03/15/10	10	Line Blockage (other than grease)	326 Waco Street
03/16/10	10	Line Blockage (other than grease)	323 Culberson Street
03/17/10	13	Line Blockage (other than grease)	3901 Carmen Street
03/18/10	28	Line Blockage (other than grease)	201 West Surfside Boulevard
03/22/10	10	Line Blockage (other than grease)	1712 Ayers Street



Attachment A  
SSO Violations Broadway TX0047066

Start Date	Gallons	Cause	Location of Discharge
03/23/10	20	Line Blockage (other than grease)	920 Kinney Street
03/25/10	30	Line Blockage (other than grease)	1420 Sixteenth Street
03/28/10	15	Line Blockage (other than grease)	1012 South Brownlee Boulevard
03/29/10	40	Line Blockage (other than grease)	525 Villa Drive
03/29/10	20	Line Blockage (other than grease)	4602 Apt. A Leopard Street
04/05/10	20	Line Break	202 Josephine Street
04/05/10	25	Line Blockage (other than grease)	1216 Second Street
04/05/10	5	Line Blockage (other than grease)	1012 South Brownlee Boulevard
04/07/10	10	Line Blockage (other than grease)	209 Surfside Boulevard
04/08/10	10	Line Blockage (other than grease)	907 South Brownlee Boulevard
04/13/10	10	Line Break	1129 E. Port Ave. Impts.
04/13/10	25	Line Blockage (other than grease)	1608 Craig St
04/16/10	20	Line Blockage (other than grease)	509 South Carancahua Street
04/18/10	5	Line Blockage (other than grease)	1605 Sixth Street
04/19/10	30	Line Blockage (other than grease)	Ayers Street/Tenth Street
04/21/10	10	Line Blockage (other than grease)	920 Kinney Street
04/21/10	10	Line Blockage (other than grease)	309 South Water Street
04/22/10	20	Line Blockage (other than grease)	4042 Santa Elena Street
04/22/10	200	Line Blockage (other than grease)	1612 Tenth Street
04/22/10	15	Line Blockage (other than grease)	509 South Carancahua Street
04/29/10	15	Line Blockage (other than grease)	449 Pueblo Street
05/05/10	50	Line Break	2815 Coleman Avenue
05/05/10	15	Line Blockage (other than grease)	3518 Fairmont Drive
05/06/10	10	Line Blockage (other than grease)	1513 Mestina Street
05/09/10	5	Line Blockage (other than grease)	630 Indiana Avenue
05/11/10	2	Line Blockage (other than grease)	2617 Niagara Street
05/11/10	25	Line Blockage (other than grease)	3762 Up River Road Apt. #35
05/15/10	30	Line Blockage (other than grease)	3800 Surfside Boulevard
05/16/10	80	Line Blockage (other than grease)	406 Dixon Drive
05/16/10	20	Line Blockage (other than grease)	617 Tenth Street
05/22/10	5	Line Blockage (other than grease)	811 Coleman Avenue

Attachment A  
SSO Violations Broadway TX0047066

Start Date	Gallons	Cause	Location of Discharge
05/22/10	30	Line Blockage (other than grease)	3002 Antelope Street
05/24/10	10	Line Blockage (other than grease)	1214 Fourteenth Street
05/28/10	10	Line Blockage (other than grease)	1800 South Alameda Street
05/30/10	30	Line Blockage (other than grease)	1515 North Tanchua Street
06/07/10	1	Line Blockage (other than grease)	1720 Craig St
06/07/10	40	Other	212 South Staples Street
06/07/10	50	Line Blockage (other than grease)	737 West Cornelia Circle
06/08/10	40	Line Blockage (other than grease)	1214 Fourteenth Street
06/09/10	15	Line Blockage (other than grease)	3618 Liberty Drive
06/12/10	18	Line Blockage (other than grease)	445 Virginia Avenue
06/13/10	20	Line Blockage (other than grease)	1600 Hancock Street
06/15/10	50	Line Blockage (other than grease)	470 Old Robstown Road
06/15/10	10	Line Blockage (other than grease)	4215 Leopard Street
06/15/10	25	Line Blockage (other than grease)	2310 Elizabeth Street
06/16/10	50	Line Blockage (other than grease)	1006 Seventeenth Street
06/19/10	40	Line Blockage (other than grease)	1600 Hancock Street
06/23/10	150	Line Blockage (other than grease)	1116 North Staples Street
06/24/10	15	Line Blockage (other than grease)	1602 Morgan
06/27/10	40	Line Blockage (other than grease)	1002 S. Nineteenth Street
06/28/10	20	Cave in	456 Ohio Avenue
07/02/10	20	Line Blockage (other than grease)	1515 North Tanchua Street
07/03/10	150	Blockage in private line	2902 North Shoreline Boulevard
07/03/10	20	Line Blockage (other than grease)	638 Indian Avenue
07/04/10	20	Line Blockage (other than grease)	4034 Zaragoza Street
07/04/10	40	Line Blockage (other than grease)	637 Ohio Avenue
07/05/10	39	Line Blockage (other than grease)	2101 Peabody Avenue
07/05/10	40	Line Break	1000 Hancock Street/Third Street
07/08/10	30	Line Blockage (other than grease)	637 Ohio Avenue
07/08/10	350	Line Blockage (other than grease)	4353 Baldwin Boulevard
07/09/10	40	Line Blockage (other than grease)	1405 Caldwell Street
07/09/10	2	Line Blockage (other than grease)	505 Craig Street

Attachment A  
SSO Violations Broadway TX0047066

Start Date	Gallons	Cause	Location of Discharge
07/12/10	20	Line Blockage (other than grease)	309 Coke Street
07/12/10	50	Line Blockage (other than grease)	1416 Craig Street
07/17/10	50	Break in service line	2502 West Broadway Street
07/17/10	50	Line Blockage (other than grease)	3762 Up River Road
07/18/10	30	Line Blockage (other than grease)	2425 Riggan Street
07/19/10	30	Line Blockage (other than grease)	1415 Twelfth Street
07/23/10	40	Line Blockage (other than grease)	1939 Sixteenth Street
07/23/10	20	Private clean out overflow	905 Louisiana Ave
07/23/10	20	Line Blockage (other than grease)	1434 Sixteenth Street
07/24/10	30	Line Blockage (other than grease)	537 Scott Drive
07/29/10	10	Line Blockage (other than grease)	438 Ohio Avenue
07/30/10	15	Line Blockage (other than grease)	810 Morgan Avenue
07/30/10	20	Line Break	807 Dolores Street
08/10/10	16	Line Break	1901 Comanche Street
08/11/10	5	Line Break	202 Josephine Street
08/11/10	20	Line Blockage (other than grease)	624 Mesquite Street
08/18/10	20	Line Blockage (other than grease)	2501 Koepke Street
08/19/10	20	Line Blockage (other than grease)	2510 Terrace Street
08/19/10	30	Line Blockage (other than grease)	1017 Acacia Drive
08/20/10	40	Line Blockage (other than grease)	1023 Josephine Street
08/23/10	25	Line Break	113 Cole Street
08/24/10	5	Line Blockage (other than grease)	435 Osage Street
08/25/10	30	Line Blockage (other than grease)	312 Merrill Drive
08/31/10	80	Line Blockage (other than grease)	806 Hancock Street
08/31/10	15	Line Blockage (other than grease)	1001 North Staples Street
09/02/10	2	Line Break	624 Mesquite Street
09/05/10	40	Line Break	241 Cortez Street
09/07/10	50	Line Break	1919 Leopard Street
09/07/10	30	Clogged Main	2601 Ayers Street
09/12/10	80	Clogged Main	222 Longview West Street
09/14/10	5	Manhole overflow-clogged main	1800 South Alameda Street
09/19/10	5000	Rainfall-l/i	1402 West Broadway
09/19/10	5000	Rainfall-l/i	1402 West Broadway
09/20/10	300	Manhole overflow-Rainfall	400 Old Robstown Road
09/20/10	200	Manhole overflow-Rainfall	462 Old Robstown Road
09/20/10	70	Manhole overflow-Rainfall	Virginia Avenue/Navajo Street

Attachment A  
SSO Violations Broadway TX0047066

Start Date	Gallons	Cause	Location of Discharge
09/20/10	200	Manhole overflow-Rainfall	Virgina Avenue/Chippewa Street
09/20/10	100	Manhole overflow-Rainfall	4506 Baldwin Boulevard
09/22/10	40	Manhole overflow-clogged main	302 Louisiana Avenue
09/22/10	20	Manhole overflow-clogged main	304 Spruce Street
09/22/10	5000	Rainfall-1/1	1402 West Broadway
09/22/10	3000	Rainfall-1/1	1402 West Broadway
09/25/10	100	Clogged Service Line	2822 North Shoreline Boulevard
09/25/10	20	Clogged Main	424 Clifford Street
09/26/10	20	Manhole overflow-clogged main	302 Louisiana Avenue
09/27/10	150	Line Break	426 Clifford Street
09/27/10	10	Line Break	1331 Fifth Street
09/27/10	10	Line Break	545 Pueblo Street
09/28/10	20	Clogged Main	1018 Francesca Street
10/02/10	100	Clogged Main	3518 Fairmont Drive
10/03/10	30	Clogged Service Line	2822 North Shoreline Boulevard
10/04/10	20	Clogged Main	538 Scott Drive
10/04/10	10	Private clogged Service line	502 Villa Drive
10/04/10	75	Clogged Main	4101 Leopard Street
10/11/10	30	Clogged Service Line	507 Eighteenth Street
10/11/10	30	Clogged Service Line	1111 Twelfth Street
10/11/10	80	Clogged Service Line	400 Mann Street
10/12/10	10	Private Clogged Service Line	1225 Second Street
10/14/10	10	Clogged Main	222 Longview West Street
10/15/10	20	Private clogged Service line	1316 Sixth Street
10/17/10	50	Clogged Main	2302 North Port Avenue
10/18/10	10	Line Break	1018 Hibiscus Street
10/18/10	10	Private clogged Service line	3414 Wellington Court
10/18/10	50	Mahole overflow-Clogged Main	2502 West Broadway Street
10/21/10	20	Private overflow-Clogged Main	3821 Morgan Avenue
10/22/10	20	Clogged Service Line	510 Dixon Drive
10/22/10	50	Clogged Service Line	2822 North Shoreline Boulevard
10/23/10	5	Line Break	430 Cole Street
10/23/10	50	Clogged Service Line	1515 North Tancahua Street
10/23/10	50	Manhole overlow-Clogged Main	3553 Bluebonnet Drive
10/25/10	5	Private clogged Service line	522 Balboa Street
10/28/10	15	Clogged Service Line	1322 Leopard Street
10/28/10	5	Clogged Service Line	3749 Liberty Drive
10/29/10	40	Line break by water dept	817 Brewster Street
10/31/10	15	Private Clogged Service Line	3625 Up River Road
11/04/10	20	Clogged Service Line	1733 Sixteenth Street
11/05/10	1	Private Clogged Service Line	3154 Buddy Lawrence Drive
11/05/10	30	Clogged Service Line	3737 Mueller Street
11/06/10	50	Clogged Main	3621 Old Brownsville Road
11/09/10	20	Clogged Service Line	1437 South Brownlee Boulevard

Attachment A  
SSO Violations Broadway TX0047066

Start Date	Gallons	Cause	Location of Discharge
11/09/10	40	Clogged main	1426 Fourteenth Street
11/10/10	10	Clogged main-line break	802 South Brownlee Boulevard
11/13/10	10	Clogged Main	444 North Shoreline Boulevard
11/15/10	100	Clogged Main	1101 Eleventh Street
11/16/10	150	Clogged Main	201 South Upper Broadway Street
11/18/10	5	Clogged Main	426 South Tanchua Street
11/24/10	15	Clogged Service Line	1557 Fifteenth Street
11/29/10	15	Clogged Service Line	433 Brooks Drive
12/01/10	20	Clogged Service Line	401 Dixon Drive
12/01/10	2	Line Break	1001 Twenty Third Street
12/03/10	20	Clogged Service	1733 Fifteenth Street
12/03/10	30	Clogged Service Line	2509 David Street
12/06/10	10	Private clogged service line	3741 Mueller Street
12/10/10	20	Clogged Service Line	417 Vera Cruz Street
12/11/10	10	Clogged Service Line	550 Airport Road
12/11/10	20	Clogged main	538 Scott Drive
12/12/10	15	Private clogged Service line	550 Airport Road
12/12/10	40	Manhole overflow-clogged main	2202 Baldwin Court
12/13/10	5	Line Break	3749 Liberty Drive
12/15/10	40	Clogged Service Line	323 Culberson Street
12/16/10	15	Clogged Service Line	518 Villa Drive
12/17/10	10	Line Break	1225 Second Street
12/18/10	30	Line Break	2814 Nueces Street
12/22/10	30	Manhole overflow-clogged main	3809 Westland Drive
12/24/10	10	Clogged Service Line	1005 Eighteenth Street
12/26/10	10	Private clogged Service line	3901 Quail Drive
12/27/10	5	Clogged Main	306 Ohio Avenue
12/28/10	30	Privated Clogged Service Line	2726 Elizabeth Street
12/31/10	10	Clogged Main	501 Nueces Bay Boulevard
01/06/11	10	Private Clogged Service Line	2605 Fig Street
01/07/11	30	Line Blockage (other than grease)	1646 Eighteenth Street
01/08/11	25	Clogged service line	1743 Sixteenth Street
01/13/11	15	Private clogged service line	2120 South Staples Street
1/28/2011	25	Break in main line	3705 S. Saxet Drive
01/31/11	20	Line Blockage (other than grease)	114 Osage Street
02/01/11	20	Mahole overflow-Clogged Main	426 South Tanchua Street
02/01/11	5	Line,Blockage (other than grease)	2840 South Alameda Street
02/03/11	30	Line Blockage (other than grease)	317 Culberson Street
10/07/11	10	Private clean out overflow	2918 Prescott St
1021/10	20	Clogged Service Line	2822 North Shoreline Boulevard



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**  
Region 6 • 1445 Ross Avenue, Suite 1200 • Dallas, TX 75202-2733  
**FINDINGS OF VIOLATIONS and ORDER FOR COMPLIANCE**  
Docket Number: CWA-06-2011-1915, NPDES Permit Number: TX0047074

STATUTORY AUTHORITY

The following findings are made, and Order issued, under the authority vested in the Administrator of the United States Environmental Protection Agency ("EPA"), by Section 309(a) of the Clean Water Act ("the Act"), 33 U.S.C. § 1319(a). The Administrator of EPA delegated the authority to issue this Order to the Regional Administrator of EPA Region 6, who delegated this authority to the Director of the Compliance Assurance and Enforcement Division.

FINDINGS

1. Permittee, the City of Corpus Christi, is a "person," as that term is defined at Section 502(5) of the Act, 33 U.S.C. § 1362(5), and 40 C.F.R. § 122.2.

2. At all times relevant to this Order ("all relevant times"), the Permittee owned or operated the Greenwood Wastewater Treatment Plant, located at 6541 Greenwood Drive, in Corpus Christi, Nueces County, Texas ("facility"), and was, therefore, an "owner or operator" within the meaning of 40 C.F.R. § 122.2.

3. At all relevant times, the facility was a "point source" of a "discharge" of "pollutants" with its wastewater via a pipeline to an unnamed tributary (locally known as LaVolla Creek) thence to Oso Creek, thence to Oso Bay, which is considered a "water of the United States" within the meaning of Section 502 of the Act, 33 U.S.C. § 1362, and 40 C.F.R. § 122.2.

4. Because the Permittee owned or operated a facility that acted as a point source of discharges of pollutants to waters of the United States, the Permittee and the facility were subject to the Act and the National Pollutant Discharge Elimination System ("NPDES") program.

5. Under Section 301 of the Act, 33 U.S.C. § 1311, it is unlawful for any person to discharge any pollutant from a point source to waters of the United States, except with the authorization of, and in compliance with, an NPDES permit issued pursuant to Section 402 of the Act, 33 U.S.C. § 1342.

6. Section 402(a) of the Act, 33 U.S.C. § 1342(a), provides that the Administrator of EPA may issue permits under the NPDES program for the discharge of pollutants from point sources to waters of the United States. Any such discharge is subject to the specific terms and conditions prescribed in the applicable permit.

7. The Permittee applied for and was issued NPDES Permit No. TX0047074 ("permit") under Section 402 of the Act, 33 U.S.C. § 1342, which became effective January 28, 2005, and expired on June 01, 2007. The current permit was issued by EPA on April 16, 2008, and expired on June 01, 2010. At all relevant times, the Permittee was authorized to discharge from the facility to waters of the United States, but only in compliance with the specific terms and conditions of the permit.

8. The permit specifies that the Permittee is authorized to discharge treated wastewater from the facility via a pipeline to an unnamed tributary, thence to Oso Creek, and thence to Oso Bay. Therefore, overflows and/or bypasses from the facility are unauthorized discharges and constitute a violation of the conditions of the permit.

9. Non-compliance reports filed by the Permittee with the Texas Commission on Environmental Quality in compliance with the permit show unauthorized discharges. The unauthorized discharges are specified in Attachment A.

10. Each violation of the conditions of this permit described above is a violation of Section 301 of the Act, 33 U.S.C. § 1311.

ORDER

Based on the foregoing Findings and pursuant to the authority of Section 309 of the Act, EPA hereby orders the Permittee to take the following action:

A. Effective immediately, the Permittee shall eliminate all bypasses of the wastewater treatment plant.

B. Effective immediately, the Permittee shall eliminate all overflows from the sewage collection system, pump stations, and wastewater treatment plant.

C. Within thirty (30) days of the effective date of this Order, the Permittee shall submit a report to EPA Region 6 describing all actions taken to eliminate bypassing and sanitary sewer overflows.

D. Within thirty (30) days of the effective date of this Order the Permittee shall submit a report describing the repair and rehabilitation plan for the city's sewer system. The report shall include a description of any construction project(s) deemed necessary to reduce or eliminate sanitary sewer overflows (SSOs).

E. In the event it will take the Permittee longer than thirty (30) days to eliminate bypassing, provide a repair and rehabilitation plan for the city's sewer system, and a description of construction project(s) needed to eliminate SSOs, the Permittee must arrange a meeting with EPA to discuss the allegations in this Order, within forty-five (45) days of the effective date of this Order. The meeting will be held at the Region 6 offices, 1445 Ross Ave., Dallas, Texas.

F. To arrange a meeting, or to ask questions or comment on this matter, please contact Ms. Jana Harvill, of my staff, at (214) 665-8369.

G. Any information or correspondence submitted by the Permittee to EPA under this Order shall be addressed to the following:

Ms. Jana Harvill  
Water Enforcement Branch (6EN-WM)  
EPA, Region 6  
1445 Ross Ave., Suite 1200  
Dallas, TX 75202-2733

GENERAL PROVISIONS

Issuance of this Order shall not be deemed an election by EPA to forego any administrative or judicial, civil or criminal action to seek penalties, fines, or any other relief appropriate under the Act for the violations cited herein, or other violations that become known. EPA reserves the right to seek any remedy available under the law that it deems appropriate.

Failure to comply with this Order or the Act can result in further administrative action, or a civil judicial action initiated by the United States Department of Justice.

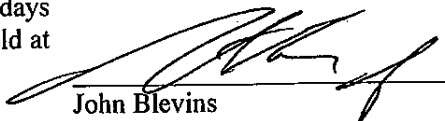
This Order does not constitute a waiver or modification of the terms or conditions of the Permittee's NPDES permit, which remain in full force and effect.

Compliance with the terms and conditions of this Order does not relieve the Permittee of its obligation to comply with any applicable federal, state, or local law or regulation.

The effective date of this Order is the date it is received by the Permittee.

SEP 19 2011

Date



John Blevins  
Director  
Compliance Assurance and  
Enforcement Division

Attachment A  
SSO Violations Greenwood TX0047074

Start Date	Gallons	Cause	Location of Discharge
2/24/2007	Unknown	Private line break	2602 South Padre Island Drive
7/26/2007	Unknown	I&I, rainfall event	Navigation and Savage Lane
9/29/2007	Unknown	I&I, rainfall event	6541 Greenwood Drive
9/29/2007	Unknown	I&I, rainfall event	1021 Riverton Drive
9/29/2007	Unknown	I&I, rainfall event	5714 Escondido Street
10/3/2007	300	Blockage in main line	3065 South Staples Street
10/11/2007	50	Blockage in main line	4002 Niagara Street
10/18/2007	100	Blockage in main line	1000 International Drive
10/19/2007	100	Blockage in main line	1021 Riverton Drive
10/19/2007	50	Blockage in main line	2945 Niagara Street
10/23/2007	100	Grease blockage in main line	1442 Devon Drive
10/23/2007	1000	Blockage in main line	1810 Trenton Drive
10/27/2007	15	Blockage in service line	3205 Greenwood Drive
10/27/2007	5	Blockage in main line	4405 Jose Drive
10/27/2007	100	Blockage in main line	4301 Jose Drive
10/30/2007	75	Force main leak	1000 International Drive
10/30/2007	100	Blockage in main line	4626 Anita Drive
11/2/2007	100	Blockage in service line	4402 Crosstown Expressway
11/2/2007	10	Blockage in service line	1734 Shower Drive
11/3/2007	200	Blockage in main line	3941 Ayers Street
11/3/2007	15	Blockage in service line	4101 Bascule Drive
11/7/2007	100	Blockage in main line	5642 Hall Avenue
11/9/2007	10	Blockage in main line	1826 Hawthorne Drive
11/9/2007	20	Blockage in service line	3717 MacArthur Street
11/9/2007	10	Blockage in service line	909 Louisiana Ave.
11/11/2007	10	Blockage in private service line	749 Horne Road
11/13/2007	500	Blockage in main line	4921 Lauren Drive
11/20/2007	200	Blockage in main line	917 Corn Products Road
11/27/2007	200	Blockage in main line	1309 Tyler Avenue
11/28/2007	10	Blockage in service line	1118 Elgin Street
11/28/2007	15	Blockage in service line	2925 Lawton Street
11/29/2007	2	Blockage in service line	1057 Post Avenue
11/29/2007	5	Blockage in main line	3257 Lawnview Street
11/29/2007	5	Blockage in service line	3805 Sarita Street
11/29/2007	5	Blockage in service line	5438 Crockett Street
11/30/2007	5	Blockage in service line	5721 Ayers Street
11/30/2007	5	Blockage in service line	1054 Beachcraft Street
11/30/2007	3	Blockage in service line	2512 Goliad Drive
12/2/2007	2	Blockage in service line	3341 Greenwood Drive
12/2/2007	2	Blockage in service line	5342 Alaniz Street
12/2/2007	100	Blockage in service line	1306 Brentwood Drive
12/3/2007	6	Blockage in service line	1806 Talisman Street
12/3/2007	3	Blockage in service line	3614 Fairchild Street
12/4/2007	300	Blockage in main line	5646 Kostoryz Road
12/4/2007	15	Blockage in service line	138 Green Gate Drive
12/5/2007	25	Blockage in service line	4981 Ayers Street
12/5/2007	20	Blockage in service line	1146 Logan Avenue
12/5/2007	10	Blockage in main line	1826 Hawthorne Drive
12/7/2007	30	Blockage in service line	2209 Guadalupe Street
12/7/2007	20	Blockage in service line	1318 Florida Avenue
12/7/2007	3	Blockage in service line	450 Vera Cruz Street
12/9/2007	5	Blockage in service line	6025 Deer Creek Drive
1/3/2008	50	Blockage in city and private line	740 Texas Ave
1/6/2008	1000	Blockage in main line	1809 Shely Street



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Start Date	Gallons	Cause	Location of Discharge
1/7/2008	20	Blockage in service line	135 North Navigation Boulevard
1/7/2008	20	Blockage in service line	5902 Solomon Lane
1/8/2008	1	Blockage in main line	1630 Hickory Place
1/8/2008	10	Blockage in service line	1118 Elgin Street
1/8/2008	50	Blockage in service line	3701 MacArthur Street
1/9/2008	5	Blockage in service line	1242 Dona Avenue
1/10/2008	6	Blockage in service line	1506 Valencia Drive
1/12/2008	2	Blockage in main line	2829 Elizabeth Street
1/13/2008	20	Blockage in main line	1021 Riverton Drive
1/13/2008	40	Blockage in main line	2705 Willard Street
1/14/2008	40	Blockage in private service line	224 Watson Street
1/15/2008	8	Blockage in service line	1737 Robin Drive
1/15/2008	10	Blockage in service line	3614 Fairchild Street
1/17/2008	10	Blockage in service line	4305 Yolanda Drive
1/18/2008	50	Blockage in main line	1201 Maryland Drive
1/20/2008	100	Blockage in main line	2241 Guadalupe Street
1/20/2008	10	Break in service line	2611 Dunbar Street
1/20/2008	5	Blockage in main line	1126 York Avenue
1/20/2008	5	Blockage in main line	1101 Florida Avenue
1/21/2008	50	Blockage in main line	902 West Point Road
1/21/2008	40	Broken PVC pipe	1625 Sycamore Place
1/21/2008	20	Break in private line	133 Gibson Lane
1/22/2008	15	Blockage in private service line	2615 San Jacinto Drive
1/22/2008	5	Blockage in service line	206 East Vanderbilt Drive
1/23/2008	10	Break in main line	1509 Clodah Drive
1/23/2008	5	Break in service line	4214 Arcdale Drive
1/24/2008	7	Blockage in service line	129 Green Gate Drive
1/24/2008	5	Blockage in service line	4745 Larcade Drive
1/26/2008	15	Blockage in service line	6105 Calloway Drive
1/27/2008	2	Blockage in service line	4725 Prescott Street
1/27/2008	5	Blockage in service line	3802 Betel Street
1/27/2008	10	Blockage in service line	2525 Montgomery Street
1/27/2008	50	Break in main line	1445 Fern Drive
1/27/2008	30	Blockage in service line	2725 Willard Street
1/27/2008	50	Blockage in main line	2717 Willard Street
1/27/2008	100	Blockage in main line	2705 Willard Street
1/27/2008	50	Blockage in service line	2710 Cloyde Street
1/27/2008	20	Blockage in service line	2726 Cloyde Street
1/27/2008	15	Blockage in service line	2750 Allencrest Drive
1/27/2008	20	Blockage in main line	2729 Willard Street
1/27/2008	5	Blockage in main line	2813 Willard Street
1/27/2008	5	Blockage in main line	2809 Willard Street
1/28/2008	30	Blockage in service line	222 Flato Road
1/28/2008	30	Blockage in main line	4802 Bluebelle Lane
1/28/2008	20	Blockage in main line	4701 Bluebelle Lane
1/28/2008	30	Blockage in main line	4702 Lakespur Lane
1/28/2008	50	Break in main line	4501 Orchid Lane
1/29/2008	20	Blockage in main line	4502 Prescott Street
1/29/2008	30	Blockage in service line	4023 West Vanderbilt Drive
1/29/2008	1	Blockage in main line	4517 Orchid Lane
1/29/2008	3	Blockage in main line	4501 Orchid Lane
1/29/2008	1	Blockage in main line	1346 Logan Avenue
1/31/2008	50	Blockage in main line	2849 Sarita Street
1/31/2008	10	Blockage in main line	2837 Sarita Street

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Start Date	Gallons	Cause	Location of Discharge
2/1/2008	3	Blockage in service line	2626 Nimitz Street
2/1/2008	50	Blockage in service line	2918 Bexar Drive
2/1/2008	25	Maintence truck spill	1253 Tyler Avenue
2/2/2008	10	Blockage in service line	2610 Tarlton Street
2/3/2008	20	Blockage in main line	1606 Birch Place
2/3/2008	350	Blockage in main line	3137 Sarita Street
2/3/2008	200	Blockage in service line	3762 Up River Road
2/3/2008	50	Blockage in service line	425 Cheyenne Street
2/3/2008	100	Blockage in private service line	1200 Tenth Street
2/4/2008	100	Blockage in main line	2922 Prescott Street
2/5/2008	10	Blockage in service line	1702 Trenton Drive
2/5/2008	5	Blockage in service line	1733 Hemlock Place
2/6/2008	20	Blockage in main line	4422 Christie Street
2/6/2008	200	Blockage in main line	4845 Johnston Drive
2/8/2008	40	Blockage in main line	4425 Castenon Street
2/8/2008	20	Blockage in main line	1201 Maryland Drive
2/8/2008	10	Blockage in service line	407 Clark Drive
2/10/2008	10	Blockage in main line	2009 Harriett Drive
2/11/2008	10	Blockage in main line	1188 Florida Avenue
2/11/2008	16	Blockage in service line	2614 Nogales Street
2/11/2008	5	Blockage in service line	2513 Tarlton Street
2/11/2008	10	Blockage in service line	2726 Greenwood Drive
2/12/2008	2	Blockage in service line	2002 Harvard Street
2/15/2008	25	Blockage in service line	810 Villarreal Drive
2/15/2008	10	Blockage in main line	2721 Guadalupe Street
2/16/2008	3	Blockage in service line	1238 Florida Avenue
2/17/2008	400	Blockage in main line	1322 Daytona Drive
2/19/2008	24	Blockage in service line	1438 Barcelona Drive
2/19/2008	2	Blockage in service line	2502 Nogales Street
2/19/2008	20	Blockage in main line	1254 Logan Avenue
2/19/2008	10	Blockage in private service line	5938 Horizon Drive
2/20/2008	20	Break in main line	1237 Brentwood Drive
2/21/2008	10	Blockage in private service line	4308 Barrera Drive
2/22/2008	1.5	Blockage in service line	2214 Roslyn Street
2/23/2008	4	Blockage in service line	129 Green Gate Drive
2/23/2008	50	Blockage in main line	3334 Elgin Street
2/25/2008	25	Blockage in main line	4301 Jose Drive
2/25/2008	15	Blockage in main line	4405 Jose Drive
2/25/2008	40	Blockage in service line	5418 Bowie Street
2/25/2008	N/I	Blockage in private service line	1224 Sixth Street
2/26/2008	20	Blockage in service line	1411 Watson Street
2/26/2008	9000	Blockage in main line	1430 Horne Road
2/28/2008	15	Blockage in main line	1749 Arlington Drive
2/29/2008	10	Blockage in main line	3601 Prosper Drive
2/29/2008	200	Blockage in service line	4410 Dillon Lane
3/5/2008	5	Blockage in private service line	2137 Islla Street
3/6/2008	10	Blockage in service line	1438 Barcelona Drive
3/7/2008	20	Blockage in service line	2921 Carver Drive
3/9/2008	80	Blockage in service line	1749 Arlington Drive
3/10/2008	1000	Power failure at lift station	2306 Pearse Street
3/10/2008	2	Blockage in service line	5701 Cresthaven Drive
3/10/2008	5	Blockage in main line	325 Norton Street
3/11/2008	20	Blockage in private service line	101 Baldwin Boulevard
3/11/2008	50	Blockage in service line	1702 Trenton Drive

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Start Date	Gallons	Cause	Location of Discharge
3/11/2008	1000	Blockage in main line	1809 Shely Street
3/13/2008	8	Blockage in main line	3810 Reynosa Street
3/14/2008	75	Blockage in main line	4417 Castenon Street
3/14/2008	5	Blockage in service line	5337 Alejandro Street
3/16/2008	20	Break in service line	1237 Vernon Street
3/18/2008	15	Blockage in main line	1809 Whittier Drive
3/18/2008	40	Blockage in main line	1821 Whittier Drive
3/19/2008	2	Blockage in service line	2615 San Jacinto Drive
3/19/2008	100	Break in main line	545 Hiawatha Street
3/19/2008	100	Blockage in main line	545 Shawnee Street
3/20/2008	200	Blockage in main line	1461 Maryland Drive
3/21/2008	80	Blockage in main line	218 North Padre Island Drive
3/22/2008	100	Blockage in main line	2341 Horne Street
3/23/2008	25	Blockage in main line	3321 Lanier Drive
3/25/2008	10	Blockage in private service line	4205 Barrera Drive
3/26/2008	2	Blockage in service line	4341 Elvira Drive
3/26/2008	10	Blockage in service line	2852 Greenwood Drive
3/27/2008	50	Blockage in service line	2935 South Staple Street
3/29/2008	20	Blockage in main line	3730 Sarita Street
3/29/2008	50	Blockage in main line	4826 Larkspur Lane
4/1/2008	1	Blockage in service line	1734 Sherman Street
4/3/2008	20	line	1249 Florida Avenue
4/5/2008	100	Blockage in main line	4213 South Port Avenue
4/6/2008	10	Blockage in main line	3837 MacArthur Street
4/7/2008	15	Break in main line	3434 Sarita Street
4/7/2008	5	Blockage in main line	3837 MacArthur Street
4/8/2008	25	Blockage in main line	1742 Arlington Drive
4/8/2008	2	Blockage in service line	4202 Archdale Drive
4/10/2008	50	Break in main line	1717 Whittier Drive
4/10/2008	13	Grease blockage in private service line	2601 Ayers Street
4/11/2008	4	Blockage in private service line	4926 Greenwood Drive
4/11/2008	20	Blockage in main line	1021 Riverton Drive
4/15/2008	20	Blockage in service line	4713 Barrera Drive
4/16/2008	50	Blockage in private service line	1006 Ralston Avenue
4/16/2008	20	Blockage in service line	5834 Hall Avenue
4/18/2008	5	Blockage in private service line	2621 Holly Road
4/22/2008	20	Blockage in service line	360 Norton Street
4/22/2008	10	Blockage in main line	4705 Hamlett Drive
4/23/2008	20	Blockage in service line	1702 Trenton Drive
4/30/2008	10	Blockage in service line	741 Mohawk Street
5/1/2008	25	Break in main line	241 Norton Street
5/6/2008	30	Blockage in main line	1501 Holly Road
5/7/2008	3	Blockage in service line	3141 Greenwood Drive
5/7/2008	30	Blockage in service line	5834 Hall Avenue
5/7/2008	100	Break in main line	1810 Hawthorne Drive
5/8/2008	30	Blockage in main line	137 Green Point Drive
5/8/2008	10	Blockage in main line	738 Santana Drive
5/8/2008	20	Blockage in main line	2805 Willard Street
5/9/2008	50	Blockage in main line	2705 Willard Street
5/10/2008	2	Blockage in service line	4034 West Vanderbilt Drive
5/10/2008	25	Break in main line	314 Clark Drive
5/12/2008	30	Blockage in service line	3641 Wright Street
5/13/2008	40	Blockage in main line	1821 Whittier Drive
5/16/2008	8000	Mechanical problem at lift station	5400 Up River Road

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Start Date	Gallons	Cause	Location of Discharge
5/17/2008	20	Blockage in service line	901 North Navigation Boulevard
5/18/2008	40	Blockage in main line	North Padre Island Drive/Hall Drive
5/19/2008	80	Blockage in main line	14005 South Padre Island Drive
5/22/2008	20	Blockage in private service line	1310 Crest Valley Drive
5/24/2008	40	Blockage in main line	2800 McArdle Road
5/27/2008	40	Blockage in main line	McArdle Road at Johnston
5/27/2008	5	Break in main line	2931 South Staples Street
5/29/2008	15	Blockage in service line	3202 Elgin Street
5/29/2008	20	Break in main line	1210 Devon Drive
6/1/2008	1000	Blockage in private main line	3800 Ayers Street
6/1/2008	40	Blockage in main line	2729 Willard Street
6/2/2008	30	Break in main line	2129 Presa Street
6/2/2008	50	Blockage in main line	5115 Up River Road
6/2/2008	2	Blockage in service line	3037 Carver Drive
6/3/2008	20	Blockage in service line	2509 Viola Avenue
6/4/2008	5	Blockage in main line	5934 Ralston Avenue
6/7/2008	30	Blockage in main line	2621 Persimmon Street
6/8/2008	5	Blockage in service line	1713 Citation Drive
6/10/2008	30	Blockage in service line	1261 Manchester Avenue
6/11/2008	15	Break in line	6541 Greenwood Drive
6/11/2008	30	Blockage in main line	4421 Castenon Street
6/11/2008	10	Blockage in private line	3613 Crestbrook Court
6/15/2008	10	Break in main line	3025 Cornwall Drive
6/16/2008	50	Break in service line	1306 Brentwood Drive
6/16/2008	30	Blockage in main line	1713 Modesto Street
6/17/2008	20	Blockage in main line	2534 Allencrest Drive
6/19/2008	40	Blockage in main line	4921 Lauren Drive
6/26/2008	9	Blockage in private service line	360 Norton Street
6/29/2008	30	Blockage in main line	3601 Prosper Drive
6/30/2008	9	Blockage in service line	1317 Miami Drive
6/30/2008	2	Blockage in private line	4328 Molina Drive
7/2/2008	5	Blockage in service line	326 Emerson Circle
7/2/2008	30	Blockage in service line	4261 Beacon Street
7/4/2008	40	Blockage in main line	1261 Manchester Avenue
7/9/2008	8	Blockage in private line	4949 Franklin Drive
7/9/2008	10	Blockage in service line	1438 Barcelona Drive
7/14/2008	10	Blockage in service line	4626 Larkspur Lane
7/15/2008	4	Blockage in private line	2505 Tarlton Street
7/15/2008	15	Blockage in service line	1218 Bloomington Street
7/15/2008	20	Blockage in service line	741 Cheyenne Street
7/16/2008	5	Blockage in service line	6121 Camway Drive
7/17/2008	25	Contractor cut line	1500 Greenwood Drive
7/17/2008	15	Blockage in private line	1430 Acapulco Street
7/18/2008	10	Blockage in service line	5701 Cresthaven Drive
7/19/2008	10	Blockage in service line	2613 Presa Street
7/20/2008	40	Blockage in main line	1534 Clodah Drive
7/22/2008	2	Blockage in private service line	2813 Cloyde Street
7/22/2008	20	Blockage in private service line	4949 Franklin Drive
7/23/2008	3000	I&I, rainfall event	3931 Ayers Street
7/23/2008	75	I&I, rainfall event	1614 Harvard Street
7/23/2008	9000	I&I, rainfall event	5441 Up River Road
7/23/2008	144	I&I, rainfall event	3158 Greenwood Drive
7/23/2008	75	I&I, rainfall event	1614 Harvard Street
7/24/2008	1000	I&I, rainfall event	4702 Old Brownsville Road

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Start Date	Gallons	Cause	Location of Discharge
7/24/2008	20	I&I, rainfall event	2754 Lawton Street
7/24/2008	10	Blockage in service line	1449 Maryland Drive
7/24/2008	422	I&I, rainfall event	3014 Daytona Drive
7/24/2008	1000	I&I, rainfall event	6541 Greenwood Drive
7/25/2008	5	I&I, rainfall event	1814 Tarlton Street
7/27/2008	50	Blockage in main line	4417 Castenon Street
7/28/2008	200	Blockage in main line	3021 Cornwall Drive
7/28/2008	100	Blockage in private line	4702 Brownsville Road
7/28/2008	25	Collasped main line	2103 Shirley Drive
7/30/2008	10	Blockage in main line	4015 Ayers Street
7/30/2008	20	Break in main line	3017 David Street
7/30/2008	5	Blockage in main line	3714 Reynosa Street
7/31/2008	40	Blockage in service line	1221 Logan Avenue
7/31/2008	15	Blockage in service line	2846 Sarita Street
7/31/2008	40	Blockage in main line	Ayers Street & Pearse Drive
8/1/2008	20	Blockage in service line	1338 Maryland Drive
8/2/2008	2	Blockage in main line	2722 Elizabeth Street
8/3/2008	1000	Blockage in main line	1265 Manchester Avenue
8/4/2008	20	Blockage in service line	4629 Archer
8/4/2008	3	Blockage in service line	4626 Larkspur Lane
8/4/2008	2	Break in line	1210 York Avenue
8/5/2008	3	Blockage in service line	1221 Logan Avenue
8/6/2008	10	Blockage in main line	Shely Street & David Street
8/11/2008	5	Blockage in service line	1702 Mission Drive
8/11/2008	30	Blockage in service line	2205 Soledad Street
8/11/2008	5	Blockage in service line	2925 Lawton Street
8/12/2008	20	Blockage in private line	1134 York Avenue
8/12/2008	500	Main line cave in	301 Junior Beck Drive
8/14/2008	20	Blockage in service line	2534 Tarlton Street
8/14/2008	50	Blockage in main line	2621 Persimmon Street
8/18/2008	5	Blockage in service line	4546 Bluebelle Lane
8/19/2008	20	Break in service line	3602 Prosper Drive
8/20/2008	10	Blockage in private line	1201 Brentwood Drive
8/20/2008	10	Blockage in service line	5834 Hall Avenue
8/21/2008	20	Blockage in service line	5922 Liptonshire Drive
8/21/2008	12	Blockage in service line	1205 Manchester Avenue
8/27/2008	20	Blockage in private line	1805 Bernardino Street
8/27/2008	6	Blockage in main line	1841 Shely Street
8/27/2008	5	Blockage in service line	3065 South Staples Street
8/27/2008	7	Blockage in service line	3738 Bertram Street
8/27/2008	20	Break in line	6541 Greenwood Drive
8/28/2008	20	Blockage in private line	950 Lolita Street
8/29/2008	45	Blockage in main line	4505 Molina Drive
8/30/2008	15	Blockage in service line	752 Virginia Avenue
8/31/2008	10	Blockage in service line	4438 Angela Drive
8/31/2008	10	Blockage in private service line	2622 Presa Street
8/31/2008	2	Blockage in service line	1116 Sabinas Street
9/1/2008	40	Blockage in service line	4201 Naples Street
9/1/2008	5	Blockage in service line	5713 Bobalo Drive
9/2/2008	33	Blockage in main line	1209 Florida Avenue
9/3/2008	2	Blockage in service line	4346 Vestal Street
9/3/2008	50	Blockage in main line	1066 South Padre Island Drive
9/3/2008	2	Blockage in private line	138 Green Gate Drive
9/5/2008	10	Blockage in service line	2641 South Padre Island Drive

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Start Date	Gallons	Cause	Location of Discharge
9/8/2008	4	Break in main line by contractor	1469 Daytona Drive
9/8/2008	50	Blockage in main line	4921 Lauren Drive
9/9/2008	5	Dept	538 Holly Road
9/9/2008	2	Blockage in service line	1337 York Avenue
9/11/2008	10	Blockage in service line	220 Watson Street
9/16/2008	10	Blockage in private line	5115 Up River Road
9/16/2008	20	Blockage in private line	1007 25th Street
9/17/2008	20	Blockage in service line	1442 Brentwood Drive
9/18/2008	75	Blockage in main line	4410 Dillon Lane
9/21/2008	20	Blockage in main line	2226 Bolivar Street
9/25/2008	25	Break in main line	3433 Ayers Street
9/25/2008	30	Blockage in main line	360 Norton Street
9/25/2008	10	Blockage in service line	1457 Devon Drive
9/25/2008	30	Blockage in main line	1614 Pamona Street
9/26/2008	10	Blockage in main line	1814 Whiting Drive
9/29/2008	10	Blockage in service line	2017 Isla Drive
9/30/2008	10	Blockage in service line	5413 Bowie Street
9/30/2008	10	Blockage in private service line	2613 Presa Street
9/30/2008	30	Blockage in main line	1410 Sulaine Place
9/30/2008	30	Blockage in service line	5429 Crockett Street
10/1/2008	100	Clogged weir at station	6541 Greenwood Drive
10/4/2008	20	Blockage in service line	5107 Up River Road
10/4/2008	5	Blockage in service line	6002 Ayers Street
10/5/2008	75	Blockage in main line	1470 Daytona Drive
10/5/2008	2	Blockage in service line	2645 Camargo Drive
10/6/2008	2	Blockage in service line	1406 Ormand Drive
10/6/2008	17	Blockage in service line	5834 Hall Avenue
10/6/2008	10	Blockage in main line	1802 Bernardino Street
10/7/2008	5	Anaerobic digester/scum	6541 Greenwood Drive
10/8/2008	20	Blockage in main line	1021 Riverton Drive
10/9/2008	9	Blockage in private line	3001 Lewis Street
10/12/2008	30	Blockage in main line	1462 Devon Drive
10/13/2008	30	Blockage in service line	3202 Crestwater Drive
10/15/2008	20	Blockage in service line	2410 Bevecrest Street
10/17/2008	100	Digester overflow/scum	6541 Greenwood Drive
10/19/2008	4	Blockage in service line	2502 CrestLea Drive
10/21/2008	12	Blockage in service line	406 West Vanderbilt Drive
10/22/2008	20	Blockage in main line	2246 Soledad Street
10/22/2008	10	Blockage in main line	1313 Ormond Drive
10/22/2008	20	Blockage in main line	2830 Willard Street
10/23/2008	5	Blockage in service line	938 Louis Lynch Drive
10/23/2008	5	Blockage in service line	6189 Angus Drive
10/27/2008	10	Blockage in service line	2514 Montgomery Street
10/27/2008	2	Blockage in service line	4438 Shaw Street
10/27/2008	4	Blockage in service line	6002 Ayers Street
10/28/2008	5	Blockage in service line	909 Louisiana Avenue
10/29/2008	25	Blockage in main line	2825 Rogers Street
10/29/2008	15	Blockage in private line	1130 Logan Avenue
11/1/2008	25	Blockage in service line	6001 Ayers Street
11/3/2008	5	Blockage in private line	2914 Dixie Street
11/3/2008	28	Blockage in main line	1257 Golla Drive
11/4/2008	5	Blockage in service line	225 East Vanderbilt Drive
11/4/2008	5	Blockage in main line	4902 Ayers Street
11/5/2008	20	Break in main line	2949 South Staples Street

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Start Date	Gallons	Cause	Location of Discharge
11/5/2008	20	Blockage in main line	4301 Jose Drive
11/6/2008	5	Blockage in private line	1101 North Navigation Boulevard
11/6/2008	5	Blockage in main line	2821 Elizabeth Street
11/10/2008	49	Blockage in private line	2815 Ayers Street
11/11/2008	5	Blockage in service line	6002 Ayers Street
11/12/2008	3	Blockage in service line	3901 Reynosa Street
11/14/2008	40	Blockage in main line	1134 Logan Avenue
11/14/2008	10	Blockage in main line	2913 South Staples Street
11/15/2008	3	Blockage in service line	2909 Greenwood Drive
11/15/2008	45	Blockage in main line	1265 Golla Drive
11/15/2008	5	Blockage in service line	2914 Blake Street
11/17/2008	30	Blockage in private line	1838 Hawthorne Drive
11/18/2008	20	Blockage in service line	478 Clarkwood Drive
11/19/2008	15	Blockage in main line	2221 Soledad Street
11/20/2008	46	Blockage in private line	4110 South Port Avenue
11/20/2008	80	Blockage in main line	4002 Niagara Street
11/23/2008	15	Blockage in service line	1418 Annapolis Drive
11/24/2008	10	Blockage in service line	3001 Blake Street
11/25/2008	12	Blockage in service line	1027 Ralston Avenue
11/26/2008	10	Blockage in main line	4649 Valdez Drive
11/26/2008	10	Blockage in service line	2843 South Staples Street
11/27/2008	4	Blockage in service line	2822 Willard Street
11/28/2008	10	Blockage in service line	470 Clark Drive
11/28/2008	10	Blockage in service line	4060 South Port Avenue
11/28/2008	20	Blockage in service line	1929 Juarez Street
12/2/2008	10	Blockage in private line	2205 Guadalupe Street
12/3/2008	15	Blockage in service line	2737 Lawton Street
12/3/2008	15	Blockage in service line	5352 Ayers Street
12/4/2008	10	Blockage in private line	1321 Sabinas Street
12/8/2008	2	Blockage in service line	3238 Greenwood Drive
12/8/2008	5	Blockage in service line	2250 Nogales Street
12/9/2008	2	Blockage in service line	6102 Camwood Drive
12/9/2008	18	Blockage in private line	5401 Leopard Street
12/11/2008	7	Blockage in service line	2062 Rockford Street
12/13/2008	20	Blockage in service line	2434 Milo Street
12/13/2008	40	Blockage in main line	2728 South Port Avenue
12/16/2008	80	Blockage in main line	1265 Golla Drive
12/16/2008	10	Blockage in service line	2341 Pearse Street
12/16/2008	15	Private overflow of septic tank	2022 Saratoga Boulevard
12/18/2008	10	Blockage in main line	125 Watson Street
12/18/2008	12	Blockage in service line	2518 Nimitz Street
12/19/2008	20	Blockage in service line	4701 IH 37
12/23/2008	4	Blockage in main line	1437 Annapolis Drive
12/26/2008	75	Blockage in service line	1317 Miami Drive
12/29/2008	10	Cave in on main line	1454 Ormond Drive
12/29/2008	30	Blockage in service line	1437 Annapolis Drive
12/29/2008	50	Force main break	1000 International Drive
1/5/2009	40	Blockage in main line	1750 Triple Crown Drive
1/5/2009	20	Blockage in service line	2834 Elgin Street
1/5/2009	20	Digester overflow/scum	6541 Greenwood Drive
1/7/2009	10	Blockage in main line	360 Norton Street
1/9/2009	9	Blockage in service line	3101 Sarita Street
1/9/2009	20	Blockage in main line	3137 Sarita Street
1/10/2009	50	Blockage in main line	2800 Rogers Street

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Start Date	Gallons	Cause	Location of Discharge
1/12/2009	10	Blockage in service line	2213 Bolivar Street
1/16/2009	20	Blockage in main line	614 Savage Lane
1/18/2009	15	Blockage in service line	4650 Valdez Drive
1/18/2009	10	Blockage in service line	6109 Allencrest Circle
1/23/2009	10	Blockage in service line	4902 Old Brownsville Road
1/24/2009	5	Break in line	2725 Persimmon Street
1/25/2009	3	Blockage in service line	1509 Barcelona Drive
1/31/2009	20	Blockage in main line	2009 Harriett Drive
2/3/2009	5	Blockage in service line	1730 Rockford Drive
2/3/2009	30	Blockage in main line	206 Clemmer Street
2/5/2009	30	Blockage in main line	754 Flato Rd
2/6/2009	15	Blockage in service line	3105 Greenwood Drive
2/8/2009	2	Blockage in service line	4505 Yolanda Street
2/9/2009	5	Blockage in service line	5834 Hall Avenue
2/10/2009	10	Blockage in service line	1014 Green Meadow Drive
2/10/2009	80	Blockage in main line	1134 York Avenue
2/11/2009	40	Blockage in main line	4015 Ayers Street
2/11/2009	10	Blockage in main line	1809 Timrod Drive
2/14/2009	15	Blockage in service line	2221 Niagra Street
2/14/2009	9	Blockage in main line	3302 Holly Road
2/18/2009	30	Blockage in main line	206 Clemmer Street
2/18/2009	1	Blockage in main line	1205 Maryland Drive
2/19/2009	5	Blockage in service line	1171 Logan Avenue
2/19/2009	5	Blockage in service line	2610 Guadalupe Street
2/20/2009	5	Blockage in service line	906 Linda Vista
2/20/2009	15	Blockage in service line	113 Richard Street
2/21/2009	12	Blockage in service line	3342 Elgin Street
2/23/2009	10	Blockage in service line	225 Watson Street
2/23/2009	15	Blockage in service line	614 Harrison Street
2/25/2009	10	Blockage in main line	3390 Mavis Drive
2/25/2009	10	Blockage in main line	614 Harrison Street
2/25/2009	20	Blockage in main line	2825 Rogers Street
2/25/2009	30	Blockage in main line	1141 Dona Drive
2/27/2009	5	Blockage in main line	3714 Reynosa Street
3/2/2009	5	Blockage in main line	653 Sorrell Street
3/2/2009	20	Blockage in service line	4745 Larcade Drive
3/3/2009	35	Blockage in main line	1461 Maryland Drive
3/3/2009	2	Blockage in main line	1401 Maryland Drive
3/6/2009	50	Blockage in main line	4210 Dryer Circle
3/6/2009	15	Blockage in service line	3037 MacArthur Street
3/8/2009	10	Blockage in service line	2017 Isla Drive
3/9/2009	25	Repair to main line	1171 Logan Avenue
3/10/2009	19	Blockage in service line	3150 Prescott Street
3/11/2009	20	Blockage in service line	5834 Hall Avenue
3/11/2009	3	Blockage in service line	4058 South Port Avenue
3/17/2009	2	Blockage in service line	1638 Boisduc Place
3/20/2009	20	Blockage in main line	1002 McClendon Street
3/23/2009	15	Blockage in service line	4006 Santa Elena Street
3/23/2009	2	Line Blockage (other than grease)	3029 David Street
3/23/2009	3	Line Blockage (other than grease)	4021 Hidalgo Street
3/24/2009	10	Blockage in service line	763 Mohawk Street
3/25/2009	4	Break in service line	1519 Barcelona Drive
3/26/2009	15	Blockage in service line	2925 Lawton Street
3/27/2009	5	Factor tank spill at plant	6541 Greenwood Drive



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Start Date	Gallons	Cause	Location of Discharge
3/27/2009	10	Blockage in service line	3313 Greenwood Drive
3/28/2009	20	Blockage in main line	2246 Soledad Street
3/28/2009	11	Blockage in service line	2925 Lawton Street
3/28/2009	5	Blockage in main line	221 Adams Drive
3/29/2009	10	Blockage in main line	1461 Maryland Drive
3/29/2009	23	Blockage in service line	2637 Presa Street
3/30/2009	10	Blockage in private service line	4981 Ayers Street
3/30/2009	10	Blockage in service line	1726 Whittier Drive
3/31/2009	10	Blockage in service line	2925 Lawton Street
4/1/2009	2	Contractor cut line	3729 Betel Street
4/2/2009	25	Blockage in service line	2925 Lawton Street
4/2/2009	5	Blockage in main line	2714 Cloyde Street
4/5/2009	50	Blockage in main line	5218 Honeysuckle Lane
4/8/2009	40	Blockage in main line	2749 Ada Street
4/8/2009	15	Blockage in main line	3730 Sarita Street
4/8/2009	20	Blockage in main line	3730 Sarita Street
4/8/2009	20	Blockage in main line	2246 Soledad Street
4/8/2009	60	Blockage in main line	5217 Honeysuckle Ln
4/9/2009	100	Blockage in main line	4105 Agnes Street
4/9/2009	15	Blockage in main line	221 Adams Drive
4/10/2009	30	Blockage in main line	1746 Mission Drive
4/10/2009	10	Blockage in main line	1107 Annapolis Drive
4/11/2009	3	Blockage in service line	1726 Whittier Drive
4/11/2009	5	Blockage in service line	1826 Misty Drive
4/11/2009	2	Blockage in service line	2214 Nogales Street
4/13/2009	2	Blockage in service line	2321 Frederick Drive
4/13/2009	2	Blockage in service line	230 East Vanderbilt Drive
4/14/2009	10	Blockage in service line	2509 Goliad Drive
4/16/2009	40	Blockage of private service line	4121 South Port Avenue
4/16/2009	10	Blockage of main line	3738 Betel Street
4/17/2009	10	Blockage in service line	4521 Bluebelle Lane
4/17/2009	150	Blockage of private service line	4121 South Port Avenue
4/18/2009	26	Blockage in main line	4921 Lauren Drive
4/21/2009	18	Blockage in main line	2729 Kitchens Street
4/21/2009	2	Blockage in service line	1437 Annapolis Drive
4/21/2009	30	Blockage in main line	Rogers Street & Carver Drive
4/23/2009	10	Blockage in private line	2921 Lawton Street
4/24/2009	5	Blockage in service line	2818 Dixie Street
4/27/2009	11	Blockage in service line	4347 Barrera Drive
4/28/2009	30	Blockage of main line	1438 Daytona Drive
4/29/2009	1	Blockage in service line	1317 Miami Drive
5/1/2009	10	Blockage in main line	2941 David Street
5/4/2009	24	Blockage in main line	4502 Prescott Street
5/5/2009	150	Blockage in main line	4105 Agnes Street
5/10/2009	15	Blockage in main line	4925 Lauren Drive
5/13/2009	10	Blockage and break in service line	1822 Darcy Drive
5/13/2009	1	Blockage and break in service line	2618 Belton Street
5/14/2009	10	Blockage in main line	2242 Guadalupe Street
5/14/2009	15	Blockage in service line	2925 Ada Street
5/14/2009	30	Blockage in main line	849 Villarreal Drive
5/15/2009	30	Blockage in service line	4410 Dillon Lane
5/20/2009	20	Break in sewer main line	849 Villarreal Drive
5/21/2009	15	Blockage in service line	2538 Nogales Street
5/22/2009	20	Blockage in main line	1818 Whiting Drive

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Start Date	Gallons	Cause	Location of Discharge
5/24/2009	60	Blockage in main line	1265 Manchester Avenue
5/26/2009	10	Blockage in service line	2729 Kitchens Street
5/26/2009	10	Blockage in service line	3132 Green Street
5/29/2009	10	City maintence crew installed pipe	142 North Omaha Drive
5/29/2009	2	Blockage in service line	114 Green Trail Drive
5/29/2009	20	Blockage in main line	1478 Ormond Drive
6/3/2009	500	Broken release valve	4001 Ayers Street
6/4/2009	10	Blockage in service line	1802 Glenfield Drive
6/4/2009	20	Blockage in main line	1318 Florida Avenue
6/4/2009	39	Break in service line by contractor	North Navigation/Up River Road
6/5/2009	50	Private grease trap overflow	4402 Crosstown
6/7/2009	20	Blockage in service line	1449 Maryland Drive
6/7/2009	20	Blockage in main line	1141 Dona Drive
6/8/2009	30	Blockage in service line	4110 South Port Avenue
6/8/2009	20	Blockage in main line	4921 Lauren Drive
6/9/2009	12	Blockage in main line	1461 Maryland Drive
6/10/2009	3	Blockage in service line	5892 Hampshire Rd
6/10/2009	10	Blockage in main line	2949 South Staples
6/10/2009	50	Blockage in main line	1266 Manchester Ave
6/11/2009	100	Blockage in main line	1126 Green Willow Dr
6/12/2009	13	Blockage in main line	1461 Maryland Drive
6/13/2009	2	Blockage in service line	105 Adams Dr
6/14/2009	20	Blockage in service line	218 Adams Dr
6/15/2009	30	Blockage in main line	1242 Tyler Avenue
6/15/2009	2	Blockage in private sewer line	4402 Crosstown
6/15/2009	5	Blockage in service line	2954 Water Lily Drive
6/16/2009	5	Break in line by contractor	1002 Vaky
6/17/2009	10	Line Break	5730 Crestmore
6/17/2009	10	Blockage in private service line	130 Clemmer
6/17/2009	5	Break in line by contractor	1018 Vaky
6/17/2009	2	Break in line by contractor	1034 Vaky
6/17/2009	8	Break in line by contractor	1022 Vaky
6/17/2009	1	Break in line by contractor	1002 Vaky
6/17/2009	2	Break in line by contractor	1006 Vaky
6/17/2009	15	Break in line by contractor	1026 Vaky
6/17/2009	10	Break in line by contractor	1012 Vaky
6/17/2009	20	Break in line by contractor	1038 Vaky
6/17/2009	3	Break in line by contractor	1030 Vaky
6/18/2009	30	Blockage in main line	1233 Florida Avenue
6/18/2009	4	Blockage in service line	4733 Molina
6/18/2009	4	Blockage in private service line	1213 Imperial Circle
6/18/2009	5	Blockage in private service line	238 East Vanderbilt
6/18/2009	3	Blockage in service line	1709 Horne Road
6/20/2009	4	Blockage in service line	2733 Solidad
6/21/2009	2000	Blockage in private main line	3600 Ayers @ East Drive
6/23/2009	2	Break in line by contractor	1050 Vaky
6/23/2009	2	Break in line by contractor	1046 Vaky
6/23/2009	10	Break in line by contractor	1054 Vaky
6/23/2009	6	Break in line by contractor	1062 Vaky
6/23/2009	5	Break in line by contractor	1058 Vaky
6/23/2009	3	Break in line by contractor	1042 Vaky
6/23/2009	10	Blockage in main line	206 Clemmer Street
6/25/2009	8	Blockage in service line	2529 Crestlea
6/25/2009	50	Blockage in main line	3801 Niagara

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Start Date	Gallons	Cause	Location of Discharge
6/28/2009	4	Blockage in service line	4549 Barrera Drive
6/30/2009	100	Contractor cut main line	6724 Leopard Street
6/30/2009	15	Blockage in service line	1117 Green Willow Drive
6/30/2009	2	Blockage in service line	221 Clemmer Street
6/30/2009	1	Blockage in service line	4737 Molina Drive
7/2/2009	5	Blockage in service line	2925 Ada Street
7/4/2009	30	Blockage in main line	5600 Hall Street
7/5/2009	20	Blockage in main line	3834 Betel Street
7/7/2009	10	Blockage in service line	2737 Lawton Street
7/8/2009	15	Blockage in service line	3110 Greenwood Drive
7/9/2009	10	Blockage in main line	3834 Betel Street
7/10/2009	20	Blockage in service line	202 North Omaha Drive
7/10/2009	100	Force main break	6000 Bear Lane
7/10/2009	10	Blockage in main line	4066 South Port Avenue
7/13/2009	9	Blockage in main line	2257 Loritte Drive
7/14/2009	5	Blockage in main line	4015 Ayers St.
7/15/2009	2	Blockage in service line	2250 Guadalupe Street
7/16/2009	3	Blockage in service line	1014 Green Meadow Dr
7/17/2009	10	Blockage in main line	1446 Ormond Drive
7/17/2009	10	Blockage in main line	1466 Ormond Drive
7/20/2009	1	Blockage in service line	3158 Greenwood Drive
7/22/2009	5	Blockage in main line	1337 Tyler Avenue
7/23/2009	40	Break in service line	1034 McClendon Street
7/27/2009	25	Blockage in main line	2509 Goliad Drive
7/27/2009	200	Break in effluent line	4401 Old Brownsville Road
7/29/2009	75	Blockage in main line	1466 Ormond Drive
7/30/2009	14	Blockage in service line	474 Clark Drive
8/3/2009	15	Blockage in service line	205 Edwards Street
8/3/2009	10	Blockage in service line	4713 Orchid Lane
8/5/2009	20	Blockage in service line	202 North Omaha Drive
8/5/2009	24	Blockage in main line	4848 Leopard Street
8/6/2009	8	Blockage in service line	1434 Madrid Circle
8/8/2009	100	Blockage in service line	2618 Presa Street
8/9/2009	2	Blockage in service line	3029 Greenwood Drive
8/10/2009	30	Blockage in main line	2629 Elgin St
8/10/2009	4	Blockage in service line	5606 Escondido
8/12/2009	13	Blockage in service line	4621 Vestal St
8/12/2009	2	Blockage in service line	5937 Rio Grande Dr.
8/15/2009	10	Blockage in service line	5937 Rio Grande Dr.
8/19/2009	20	Line Break	902 Airport Rd
8/19/2009	20	Blockage in private main line	902 Airport Rd
8/19/2009	10	Blockage in service line	6025 Pendleton Dr
8/20/2009	17	Blockage in private service line	4410 Dillon Lane
8/20/2009	10	Blockage in main line	1901 Shely St
8/25/2009	20	Blockage in service line	1031 Ralston Ave
8/28/2009	200	Blockage in main line	146 Watson
8/31/2009	5	Blockage in main line	334 Clark Drive
8/31/2009	20	Blockage in main line	4921 Lauren Drive
9/1/2009	10	Blockage in main line	1234 Tyler Avenue
9/1/2009	5	Blockage in main line	1237 Florida Avenue
9/2/2009	5	Blockage in service line	6009 Liptonshire Drive
9/3/2009	50	Break in main line	1230 Tyler Avenue
9/7/2009	15	Blockage in main line	3315 Lanier Drive
9/7/2009	30	Blockage in main line	1526 Frio Street

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Start Date	Gallons	Cause	Location of Discharge
9/8/2009	5	Blockage in service line	2849 Alvin Drive
9/10/2009	5000	I&I, rainfall event	6541 Greenwood Drive
9/10/2009	50	Blockage in private main line	1548 Westpoint Road
9/11/2009	15	Blockage in main line	1001 Vaky Street
9/12/2009	25	Blockage in main line	3834 Niagara Street
9/12/2009	5	Blockage in main line	4126 Naples Street
9/12/2009	80	Blockage in main line	1223 Devon Drive
9/13/2009	25	Blockage in main line	4717 Larcade Drive
9/13/2009	30	Blockage in main line	1850 Shely Street
9/14/2009	15	Blockage in main line	1706 Trenton Drive
9/14/2009	10	Blockage in main line	3065 South Staples Street
9/14/2009	40	Blockage in service line	2513 Dunbar Street
9/16/2009	10	Break in main line	1001 Ralston Avenue
9/16/2009	60	Blockage in main line	1225 Florida Avenue
9/17/2009	16	Blockage in main line	4410 Dillon Lane
9/18/2009	500	Force main break	1200 McBride Lane
9/19/2009	30	Blockage in main line	1141 Dona Drive
9/20/2009	25	Blockage in main line	4417 Castenon Street
9/21/2009	10	Blockage in service line	2737 Lawton Street
9/21/2009	14	Blockage in main line	2105 Shirley Road
9/22/2009	10	Blockage in main line	4421 Castenon Street
9/24/2009	20	Blockage in main line	4417 Castenon Street
9/24/2009	200	Blockage in main line	4626 Anita Drive
9/26/2009	3	Blockage in service line	1806 Juarez Street
9/28/2009	10	Blockage in service line	1802 Timrod Drive
9/30/2009	20	Blockage in main line	1310 Ormond Drive
9/30/2009	15	Blockage in main line	4002 Niagara Street
10/1/2009	15	Blockage in main line	2000 South Padre Island Drive
10/2/2009	5	Blockage in private line	1846 Roslyn Street
10/10/2009	20	Blockage in service line	5921 Rio Grande Drive
10/28/2009	15	Blockage in service line	4129 Barrera
10/28/2009	5	Blockage in service line	2734 Soledad
11/2/2009	25	Blockage in main line	1717 Whiting Drive
11/2/2009	10	Blockage in service line	2618 Presa Street
11/2/2009	10	Blockage in private service line	2610 Nogales Street
11/3/2009	50	Blockage in main line	1346 Devon Drive
11/4/2009	20	Blockage in main line	4925 Lauren Drive
11/5/2009	100	Blockage in main line	1802 Tarlton Street
11/5/2009	40	Break in main line	1900 Tasco Street
11/10/2009	20	Blockage in main line	3005 David Street
11/10/2009	15	Blockage in service line	1402 Trojan Drive
11/12/2009	20	Blockage in private line	1314 York Avenue
11/13/2009	100	Break in main line	3802 Bertram Street
11/14/2009	8	Blockage in service line	925 Lolita Street
11/16/2009	100	Blockage in main line	2217 Nogales Street
11/17/2009	5	Blockage in service line	3005 Sabinas Street
11/20/2009	unknown	Break in force main at lift station, I&I	1200 McBride Lane
11/21/2009	25	Blockage in main line	2100 Shely Street
11/21/2009	25	Blockage in main line	1614 Harvard Street
11/23/2009	40	Blockage in main line	1734 Trenton Drive
11/23/2009	30	Blockage in main line	4601 Salazar Street
11/23/2009	40	Blockage in main line	3065 South Staples Street
11/24/2009	40	Blockage in main line	4417 Castenon Street
11/25/2009	20	Blockage in main line	2725 David Street

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Start Date	Gallons	Cause	Location of Discharge
11/25/2009	1	Blockage in service line	2530 Tarlton Street
11/28/2009	5	Blockage in service line	2634 Nogales Street
12/1/2009	50	I&I	2100 Shely Street
12/2/2009	30	Blockage in main line	3000 Churchill Drive
12/2/2009	20	Blockage in main line	3642 Lockheed Street
12/8/2009	8	Blockage in service line	2945 River Bend Ct
12/8/2009	15	Blockage in service line	1437 Annapolis Dr.
12/9/2009	7	Blockage in service line	3349 Greenwood Dr
12/9/2009	50	Blockage in main line	2949 S Staples St
12/11/2009	20	Blockage in main line	1141 Dona Drive
12/11/2009	20	Blockage in main line	3101 Santa Ana Street
12/11/2009	20	Blockage in main line	3001 Santa Ana Street
12/11/2009	20	Blockage in main line	2901 Santa Ana Street
12/12/2009	10	Blockage in service line	2917 Greenwood Dr
12/12/2009	2	Blockage in main line	3205 Lanier Dr
12/14/2009	1000	Break in line by contractor	2018 Horne Rd
12/14/2009	5	Blockage in service line	2945 River Bend Ct
12/15/2009	20	Blockage in service line	2730 Dixie Street
12/15/2009	20	Blockage in main line	1305 Ormond Drive
12/16/2009	10	Break in service line	4458 Kilgore Street
12/17/2009	50	Blockage in main line	2901 Kitchens Street
12/20/2009	30	Blockage in private service line	229 Pearse Street
12/20/2009	28	Blockage in main line	3065 South Staples Street
12/21/2009	40	Blockage in main line	2605 Ayers Street
12/21/2009	5	Blockage in main line	1902 Hawthorne Drive
12/21/2009	10	Blockage in service line	3029 Greenwood Drive
12/21/2009	20	Blockage in service line	2823 Soledad Street
12/22/2009	150	Blockage in service line	2921 David Street
12/22/2009	10	Blockage in service line	3650 Cub Street
12/23/2009	15	Blockage in service line	2937 Greenwood Drive
12/23/2009	120	Blockage in service line	710 Ponder Street
12/23/2009	20	Blockage in service line	1006 Ponder Street
12/24/2009	10	Blockage in main line	1817 Trenton Drive
12/25/2009	10	Blockage in main line	1305 Ormond Drive
12/26/2009	150	Blockage in main line	1021 Riverton Drive
12/27/2009	10	Blockage in service line	2933 Lawton Street
12/27/2009	30	Blockage in main line	1226 Maryland Drive
12/28/2009	5	Blockage in main line	3001 Santa Ana Street
12/28/2009	5	Blockage in main line	3101 Santa Ana Street
12/28/2009	5	Blockage in main line	2901 San Lucia Street
12/30/2009	100	Blockage in main line	1001 Harrison Street
12/30/2009	10	Blockage in service line	2618 Presa Street
12/31/2009	10	Blockage in service line	3622 Fairchild Street
1/1/2010	25	Blockage in private line	5414 Buggywhip Drive
1/2/2010	20	Blockage in main line	1733 Trenton Drive
1/2/2010	40	Blockage in service line	1317 Daytona Drive
1/4/2010	19	Blockage in service line	2606 Wainwright Street
1/4/2010	5	Blockage in service line	1205 Manchester Avenue
1/5/2010	30	Blockage in main line	1920 North Port Avenue
1/6/2010	2	department	1026 Vaky Street
1/7/2010	5	Blockage in private service line	2410 Baldwin Boulevard
1/7/2010	40	Blockage in main line	1106 Maryland Drive
1/8/2010	15	Blockage in service line	2321 Frederick Drive
1/8/2010	29	Blockage in service line	2117 Harriett Drive

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Start Date	Gallons	Cause	Location of Discharge
1/8/2010	5	Blockage in main line	1119 Annapolis Drive
1/11/2010	5	Blockage in service line	1229 Calle San Lucas
1/11/2010	300	Blockage in main line	720 Omaha Drive
1/11/2010	15	Blockage in main line	4553 Bernardino Street
1/11/2010	10	Blockage in main line	2802 Elizabeth Street
1/11/2010	15	Blockage in main line	102 Roosevelt Drive
1/12/2010	200	Blockage in main line	1001 Harrison Street
1/13/2010	50	Blockage in service line	1314 York Avenue
1/14/2010	50	Blockage in service line	1805 Juanita Street
1/15/2010	>150,000	I&I, rainfall event	6541 Greenwood Drive
1/15/2010	40	I&I, rainfall event	5426 Wharton Street
1/15/2010	20	I&I, rainfall event	5453 Wharton Street
1/15/2010	200	I&I, rainfall event	2749 Dixie Street
1/15/2010	300	I&I, rainfall event	2310 Pearse Drive
1/15/2010	500	Force main break, I&I rainfall event	1100 McBride Lane
1/15/2010	150	I&I, rainfall event	McBride Lane & Up River Road
1/15/2010	300	I&I, rainfall event	5929 Choctaw Drive
1/15/2010	20	I&I, rainfall event	2900 Sokol Drive
1/16/2010	50	Blockage in main line	2740 Rogers Street
1/16/2010	15	Blockage in main line	4533 Bernardino Street
1/17/2010	10	Blockage in main line	1845 Shely Street
1/18/2010	32	Blockage in main line	3834 Niagara Street
1/18/2010	100	Break in air relief valve	3900 Ayers Street & Painter Drive
1/18/2010	10	Blockage in main line	334 Clark Drive
1/18/2010	80	Blockage in main line	1106 Maryland Drive
1/19/2010	15	Blockage in main line	221 Adams Drive
1/20/2010	15	Blockage in service line	2912 Sonora Street
1/20/2010	5	Blockage in main line	2321 Frederick Drive
1/21/2010	20	Blockage in main line	1801 Whittier Drive
1/21/2010	200	Blockage in main line	1606 Birch Place
1/21/2010	100	Blockage and break in main line	1310 Ormond Drive
1/22/2010	10	Blockage in service line	1202 Logan Avenue
1/24/2010	10	Blockage in main line	3730 Sarita Street
1/24/2010	5	Blockage in main line	334 Clark Drive
1/25/2010	5	Cave in	4434 Jose Drive
1/25/2010	10	Blockage in main line	4301 Elvira Drive
1/26/2010	5	Blockage in private line	1817 Rockford Drive
1/26/2010	37	Blockage in service line	653 Rosewood Street
1/27/2010	10	Blockage in service line	205 Pearse Street
1/30/2010	5	Blockage in service line	2145 Shirley Drive
2/3/2010	15	Blockage in main line	1718 Keys Street
2/3/2010	60	I&I, rainfall event	1739 Arlington Drive
2/3/2010	25	Blockage in main line	1338 Tyler Avenue
2/4/2010	100	Blockage in main line	4549 Bernardino Street
2/4/2010	100	Blockage in main line	3334 Elgin Street
2/4/2010	15	Blockage in main line	1329 Logan Avenue
2/5/2010	40	Blockage in main line	601 Ralston Avenue
2/5/2010	5	Blockage in main line	3102 Crestwater Drive
2/5/2010	10	Blockage in main line	4621 Larkspur Lane
2/5/2010	100	Blockage in main line	1238 Dona Drive
2/6/2010	200	Blockage in main line	1145 Florida Avenue
2/6/2010	44	Blockage in main line	3101 Crestwater Drive
2/7/2010	50	Blockage in main line	3058 Daytona Drive
2/7/2010	60	Blockage in main line	4557 Bernardino Street

Attachment A  
SSO Violations Greenwood TX0047074

Start Date	Gallons	Cause	Location of Discharge
2/7/2010	30	Cave in on main line	1817 Bernardino Street
2/8/2010	20	Blockage in main line	4417 Castenon Street
2/8/2010	5	Blockage in service line	1938 Andrews Drive
2/8/2010	150	Blockage in main line	1310 Ormond Drive
2/11/2010	250	I&I, rainfall event	3061 Mac Arthur Street
2/11/2010	250	I&I, rainfall event	3226 Mac Arthur Street
2/11/2010	30	I&I, rainfall event	2217 Tarlton Street
2/11/2010	15	I&I, rainfall event	2910 Dixie Street
2/12/2010	50	Blockage in main line	3065 South Staples Street
2/13/2010	10	Blockage in main line	1809 Tarlton Street
2/14/2010	10	Blockage in main line	3702 Reynosa Street
2/15/2010	25	Blockage in main line	4301 Jose Drive
2/15/2010	10	Blockage in main line	3005 South Staples Street
2/15/2010	70	Blockage in main line	3062 Daytona Drive
2/15/2010	500	Break in sludge line	6541 Greenwood Drive
2/16/2010	10	Blockage in main line	2949 South Staples Street
2/17/2010	200	Blockage in main line	3065 South Staples Street
2/17/2010	50	Blockage in main line	1314 Daytona Drive
2/17/2010	20	Blockage in service line	2806 Niagara Street
2/17/2010	150	Blockage in main line	1809 Shely Street
2/18/2010	200	Blockage in private line	5813 Weber Road C
2/18/2010	8	Blockage in service line	1313 Sabinas Street
2/19/2010	250	Blockage in main line	3065 South Staples Street
2/19/2010	50	Blockage in main line	3334 Elgin Street
2/19/2010	50	Blockage in main line	3042 Churchill Street
2/20/2010	30	Blockage in main line	1710 El Monte Street
2/20/2010	10	Blockage in main line	3058 Daytona Drive
2/20/2010	80	Blockage in main line	1705 Whittier Drive
2/20/2010	15	Blockage in service line	125 Adams Drive
2/20/2010	5	Blockage in main line	2901 Blake Street
2/20/2010	50	Blockage in main line	4454 Shaw Street
2/20/2010	15	Blockage in service line	3245 Sarita Street
2/20/2010	18	Blockage in main line	4506 Leon Street
2/21/2010	5	Blockage in main line	1909 Tarlton Street
2/21/2010	20	Blockage in main line	622 Texan Trail
2/21/2010	200	Blockage in main line	701 Louisiana Avenue
2/22/2010	50	Break in line	2521 Bolivar Street
2/22/2010	50	Blockage in main line	5613 Pamona Street
2/23/2010	5	Blockage in service line	205 Pearse Street
2/25/2010	50	Break in line	3310 South Port Avenue
2/25/2010	40	Blockage in private line	4605 Elvira Drive
2/26/2010	30	Blockage in service line	4110 South Port Avenue
2/26/2010	32	Blockage in main line	1809 Morales Street
2/27/2010	5	Blockage in service line	3006 Sabinas Street
3/1/2010	50	Cave in	1701 Whittier Drive
3/1/2010	5	Blockage in private line	665 Mohawk Street
3/2/2010	15	Blockage in private line	1057 Beechcraft Avenue
3/2/2010	10	Break in line	133 Glendale Drive
3/5/2010	5	Blockage in service line	1513 El Paso Street
3/5/2010	5	Blockage in service line	133 Green Branch Drive
3/5/2010	25	Blockage in main line	5642 Hall Avenue
3/5/2010	46	Blockage in service line	246 Richard Street
3/6/2010	20	Blockage in service line	2610 Belton Street
3/7/2010	5	Blockage in service line	2321 Frederick Drive

Attachment A  
SSO Violations Greenwood TX0047074

Start Date	Gallons	Cause	Location of Discharge
3/8/2010	70	Blockage in main line	221 Adams Drive
3/9/2010	15	Blockage in service line	2946 Greenwood Drive
3/9/2010	15	Blockage in main line	3714 Reynosa Street
3/10/2010	40	Blockage in main line	1907 Shely Street
3/12/2010	50	Blockage in main line	1431 Brentwood Drive
3/12/2010	20	Blockage in main line	1442 Annapolis Drive
3/13/2010	10	Blockage in main line	1922 Archdale Drive
3/15/2010	10	Blockage in service line	4322 Naples Street
3/17/2010	5	Blockage in private line	2929 South Port Avenue
3/17/2010	5	Blockage in private line	1322 Ormond Drive
3/17/2010	50	Blockage in service line	2739 Soledad Drive
3/18/2010	50	Blockage in main line	2837 Riggan Street
3/19/2010	38	Blockage in main line	4553 Bernardino Street
3/23/2010	20	Blockage in service line	4066 South Port Avenue
3/24/2010	50	Blockage in main line	1110 Logan Avenue
3/24/2010	20	Blockage in service line	929 Lolita Street
3/25/2010	20	Blockage in main line	1001 Vaky Street
3/25/2010	40	Blockage in main line	614 Savage Lane
3/27/2010	30	Blockage in service line	1318 Ormond Drive
3/29/2010	20	Break in line by contractor	4201 Greenwood Drive
3/29/2010	20	Blockage in private line	2750 Soledad Street
3/29/2010	200	Break in sludge line	6541 Greenwood Drive
3/31/2010	80	Blockage in main line	1309 Annapolis Drive
3/31/2010	20	Blockage in main line	4930 Old Brownsville Road
3/31/2010	10	Blockage in service line	3745 Reynosa Street
4/1/2010	15	Blockage in service line	3742 Sarita Street
4/2/2010	8	Blockage in service line	1317 Daytona Drive
4/2/2010	2	Blockage in main line	2201 Roslyn Street
4/3/2010	15	Blockage in main line	1346 Logan Avenue
4/5/2010	80	Blockage in main line	1730 Juanita Street
4/6/2010	20	Blockage in main line	3700 David Street
4/6/2010	200	Break in line by contractor	201 Watson Street
4/6/2010	29	Blockage in service line	2713 Lawton Street
4/7/2010	20	Blockage in private line	1215 Horne Road
4/7/2010	15	Break in line	3105 Sarita Street
4/8/2010	20	Break in line	2245 Tarlton Street
4/8/2010	5	Blockage in service line	4110 South Port Avenue
4/9/2010	5	Blockage in main line	4113 Naples Street
4/10/2010	40	Blockage in service line	2606 Niagara Street
4/10/2010	10	Blockage in service line	1634 Harriett Drive
4/11/2010	10	Blockage in private line	4401 Old Brownsville Road
4/12/2010	8	Blockage in service line	1513 El Paso Street
4/13/2010	10	Blockage in service line	5769 Hampshire Road
4/14/2010	30	Blockage in main line	1310 Ormond Drive
4/14/2010	15	Blockage in service line	4518 Angela Drive
4/20/2010	10	Line Break	2241 Tarlton Street
4/20/2010	1	Line Break	745 North Padre Island Drive
4/21/2010	10	Blockage in main line	4301 Jose Drive
4/22/2010	20	Blockage in main line	3834 Niagara Street
4/22/2010	30	Blockage in private line	4930 Old Brownsville Road
4/26/2010	4	Blockage in private line	1913 Loritte Drive
4/27/2010	15	Line Break	5410 Buggywhip Drive
4/29/2010	20	Blockage in service line	4930 Old Brownsville Road
4/29/2010	10	Blockage in service line	4060 South Port Avenue



Attachment A  
SSO Violations Greenwood TX0047074

Start Date	Gallons	Cause	Location of Discharge
5/1/2010	10	Blockage in main line	2629 Persimmon Street
5/4/2010	5	Blockage in service line	1710 Arlington Drive
5/4/2010	5	Line Break	4504 Angela Drive
5/4/2010	5	Blockage in service line	137 Blevins Street
5/11/2010	15	Blockage in main line	3200 Sarita Street
5/18/2010	20	Blockage in service line	3217 Washington Street
5/24/2010	24	Blockage in private line	1922 Loritte Drive
5/25/2010	75	12 inch main repair	146 Watson Street
5/27/2010	50	Blockage in main line	1726 Whiting Drive
5/28/2010	50	Blockage in main line	1802 Trenton Drive
5/31/2010	15	Blockage in main line	1017 Green Valley Drive
6/7/2010	20	Blockage in main line	4015 Ayers Street
6/8/2010	10	Overflow bypass pump	Green Park
6/8/2010	40	Blockage in main line	3714 Mac Arthur Street
6/10/2010	30	Break in line	2901 Blake Street
6/10/2010	10	Blockage in service line	3605 Crestbrook Court
6/12/2010	8	Blockage in main line	1202 Brentwood Drive
6/14/2010	4	Blockage in service line	2622 Presa Street
6/16/2010	50	Blockage in service line	1714 Whiting Drive
6/16/2010	20	Blockage in service line	3641 Wright Street
6/18/2010	200	Blockage in service line	1141 Dona Drive
6/20/2010	23	Blockage in main line	902 Airport Road
6/24/2010	30	Blockage in main line	1469 Miami Drive
6/25/2010	10	Blockage in private line	5002 Kostoryz Road
6/30/2010	100	Blockage in main line	Products Road
7/3/2010	10	Blockage in main line	1902 Hawthorne Drive
7/4/2010	10	Blockage in main line	1601 Chula Vista Street
7/5/2010	50	Blockage in main line	1302 Daytona Drive
7/6/2010	10	Blockage in main line	719 Lanatana Road
7/6/2010	20	Blockage in main line	3002 South Port Avenue
7/6/2010	20	Blockage in service line	2852 Greenwood Drive
7/7/2010	5	Line Break	1338 Logan Avenue
7/8/2010	4000	Line Break	1045 McBride Lane/Up River Road
7/9/2010	20	Blockage in main line	Fifteenth Street/Ohio Street
7/10/2010	75	Line Break	1818 Trenton Drive
7/10/2010	75	Line Break	1814 Trenton Drive
7/10/2010	50	Blockage in main line	4437 Angela Drive
7/11/2010	40	Blockage in main line	1021 Riverton Drive
7/11/2010	15	Blockage in main line	601 Ralston Avenue
7/14/2010	5	Damage to air valve	1926 Horne Road
7/17/2010	20	Blockage in main line	1750 Triple Crown Drive
7/17/2010	50	Blockage in main line	4015 Ayers Street
7/18/2010	20	Blockage in service line	1438 Gavilan Street
7/23/2010	200	Blockage in main line	1501 Holly Road
7/27/2010	10	Blockage in main line	1138 Logan Avenue
8/1/2010	30	Blockage in main line	3730 Sarita Street
8/2/2010	20	Blockage in private line	901 North Omaha Drive
8/6/2010	10	Blockage in main line	4015 Ayers Street
8/6/2010	20	Blockage in main line	1934 Archdale Drive
8/16/2010	10	Blockage in service line	2841 Elgin Street
8/22/2010	20	Blockage in main line	701 Ohio Avenue
8/23/2010	20	Blockage in service line	2849 Alvin Drive
8/23/2010	40	Blockage in private service line	3209 Greenwood Drive
8/24/2010	8	Blockage in service line	5902 Kostoryz Road

Attachment A  
SSO Violations Greenwood TX0047074

Start Date	Gallons	Cause	Location of Discharge
8/26/2010	10	Force main break	6100 Greenwood Drive
8/27/2010	10	Blockage in main line	1445 Fern Drive
8/27/2010	10	Blockage in service line	2734 Cleo Street
8/29/2010	15	Blockage in service line	2909 Blake Street
8/31/2010	75	Blockage in main line	3809 Mac Arthur Street
9/1/2010	10	Break in line by contractor	1502 Tarlton Street
9/2/2010	30	Blockage in main line	4902 Ayers Street
9/9/2010	15	Blockage in service line	5433 Bonham Street
9/14/2010	15	Blockage in service line	1606 Triple Crown Drive
9/14/2010	10	Blockage in main line	1601 Chula Vista Street
9/16/2010	20	Blockage in service line	5468 Buggywhip Drive
9/17/2010	20	Blockage in private service line	1441 Maryland Drive
9/18/2010	20	Blockage in service line	2613 Presa Street
9/18/2010	10000	I&I, rainfall event	6541 Greenwood Drive
9/19/2010	100000	flooding	6541 Greenwood Drive
9/20/2010	150	I&I, rainfall event	3126 Naples Street
9/20/2010	150	I&I, rainfall event	Naples Street/Blevins Street
9/20/2010	100	I&I, rainfall event	2751 South Port Avenue
9/22/2010	200	I&I, rainfall event	4421 Castenion Street
9/22/2010	500	Line Break	4102 Crosstown State Highway
9/22/2010	200	I&I, rainfall event	1205 Maryland Drive
9/22/2010	200	I&I, rainfall event	Port Avenue/Horne Road
9/22/2010	400	I&I, rainfall event	3249 Greenwood Drive
9/22/2010	15000	I&I, rainfall event	Drive
9/23/2010	30	Blockage in main line	4925 Pels Avenue
9/24/2010	50	Blockage in main line	1001 De Forrest Street
9/26/2010	20	Blockage in main line	1801 Tarlton Street
9/27/2010	30	Blockage in service line	1602 Triple Crown Drive
9/27/2010	40	Blockage in main line	1526 Frio Street
9/28/2010	100	Blockage in main line	3061 South Staples Street
9/28/2010	20	Blockage in main line	2034 Islla Drive
9/28/2010	50	Blockage in main line	3065 South Staples Street
9/28/2010	100	Force main break	1101 Mc Bride Lane
10/1/2010	2	Blockage in service line	710 Indiana Avenue
10/4/2010	20	Blockage in main line	1002 Mc Clendon Street
10/4/2010	6	Line Break	1606 Triple Crown Drive
10/4/2010	6	Line Break	1602 Triple Crown Drive
10/5/2010	100	Blockage in main line	4626 Anita Drive
10/5/2010	15	overflow in trench by contractor	4000 Block of South Port Avenue
10/5/2010	25	Blockage in main line	3730 Sarita Street
10/6/2010	20	Line Break	1401 Miami Drive
10/6/2010	15	Blockage in private service line	1622 Sherman Street
10/7/2010	50	Line Break	3602 Crestbrook Court
10/10/2010	10	Blockage in main line	2829 Elizabeth Street
10/12/2010	50	Blockage in service line	2000 South Padre Island Drive
10/13/2010	10	Blockage in private service line	3700 Itaska Court
10/14/2010	75	Blockage in main line	2341 Pearse Street
10/15/2010	100	Blockage in private service line	2341 Pearse Drive
10/18/2010	20	Break in line by contractor	5445 Greenwood Drive
10/19/2010	50	Blockage in main line	1302 Miami Drive
10/21/2010	5	Blockage in service line	1538 Clodah Drive
10/21/2010	10	Blockage in main line	3334 Elgin Street
10/23/2010	25	overflow caused by contractor	1929 Horne Road
10/26/2010	5	Line Break	2602 Tarlton Street

Attachment A  
SSO Violations Greenwood TX0047074

Start Date	Gallons	Cause	Location of Discharge
10/30/2010	20	Blockage in main line	3322 Crestmeadow Drive
10/31/2010	50	Blockage in main line	4549 Bernardino Street
11/2/2010	1	Blockage in main line	1729 Morales Street
11/3/2010	50	Blockage in private main line	1458 West Point Road
11/3/2010	10	Blockage in main line	1458 West Point Road
11/3/2010	100	Blockage in main line	3506 Valhalla Drive
11/4/2010	30	Blockage in main line	3810 Reynosa Street
11/8/2010	500	Bypass pump failure	6541 Greenwood Drive
11/16/2010	50	Blockage in main line	2800 Ayers Street
11/21/2010	10	Blockage in main line	3158 Greenwood Drive
11/21/2010	300	Blockage in private main line	3605 Rojo Street
11/23/2010	25	Blockage in service line	3825 Morgan Avenue
11/27/2010	20	Blockage in main line	1730 El Monte Street
11/29/2010	50	Blockage in private service line	1404 Tompkins Street
11/30/2010	20	Blockage in main line	4550 Elvira Drive
11/30/2010	20	Blockage in service line	5926 Liptonshire Drive
12/7/2010	10	Blockage in main line	2835 Blake Street
12/8/2010	20	Line Break	1250 Golla Drive
12/9/2010	25	Blockage in main line	5642 Hall Avenue
12/10/2010	10	Line Break	1206 Maryland Drive
12/16/2010	10	Blockage in service line	2223 Joyce Drive
12/16/2010	50	Line Break	2206 Soledad Street
12/17/2010	10	Blockage in service line	2821 Lawton Street
12/20/2010	10	Blockage in main line	3613 Lockheed Street
12/23/2010	20	Blockage in main line	5620 Lexington Road
12/27/2010	10	Blockage in service line	1034 De Forrest Street
12/28/2010	10	Blockage in service line	2849 Alvin Drive
12/31/2010	30	Blockage in main line	1402 El Paso Street
1/4/2011	40	Blockage in service line	1114 York Avenue
1/11/2011	100	Blockage in main line	1200 Lantana Road
1/28/2011	10	Blockage in service line	3029 Greenwood Drive
1/28/2011	10	Blockage in service line	466 Clark Drive
1/29/2011	20	Blockage in main line	2602 Tarlton Street
1/29/2011	15	Blockage in main line	1729 Whiting Drive
1/31/2011	30	Blockage in main line	3101 Crestwater Drive
2/2/2011	20	Blockage in service line	1406 Daytona Drive
2/3/2011	20	Blockage in service line	925 Lolita Street



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**  
Region 6 • 1445 Ross Avenue, Suite 1200 • Dallas, TX 75202-2733  
**FINDINGS OF VIOLATIONS and ORDER FOR COMPLIANCE**  
Docket Number: CWA-06-2011-1916, NPDES Permit Number: TX0047104

STATUTORY AUTHORITY

The following findings are made, and Order issued, under the authority vested in the Administrator of the United States Environmental Protection Agency ("EPA"), by Section 309(a) of the Clean Water Act ("the Act"), 33 U.S.C. § 1319(a). The Administrator of EPA delegated the authority to issue this Order to the Regional Administrator of EPA Region 6, who delegated this authority to the Director of the Compliance Assurance and Enforcement Division.

FINDINGS

1. Permittee, the City of Corpus Christi, is a "person," as that term is defined at Section 502(5) of the Act, 33 U.S.C. § 1362(5), and 40 C.F.R. § 122.2.
2. At all times relevant to this Order ("all relevant times"), the Permittee owned or operated the Laguna Madre Wastewater Treatment Plant, located at 201 Jester, in Corpus Christi, Nueces County, Texas ("facility"), and was, therefore, an "owner or operator" within the meaning of 40 C.F.R. § 122.2. The mailing address for the Permittee is City of Corpus Christi, P.O. Box 9277, Corpus Christi, TX 78469.
3. At all relevant times, the facility was a "point source" of a "discharge" of "pollutants" with its wastewater via a pipeline into the receiving waters of the Laguna Madre in Segment 2491 of the Bays and Estuaries, which are considered a "water of the United States" within the meaning of Section 502 of the Act, 33 U.S.C. § 1362, and 40 C.F.R. § 122.2.
4. Because the Permittee owned or operated a facility that acted as a point source of discharges of pollutants to waters of the United States, the Permittee and the facility were subject to the Act and the National Pollutant Discharge Elimination System ("NPDES") program.
5. Under Section 301 of the Act, 33 U.S.C. § 1311, it is unlawful for any person to discharge any pollutant from a point source to waters of the United States, except with the authorization of, and in compliance with, an NPDES permit issued pursuant to Section 402 of the Act, 33 U.S.C. § 1342.
6. Section 402(a) of the Act, 33 U.S.C. § 1342(a), provides that the Administrator of EPA may issue permits under the NPDES program for the discharge of pollutants from point sources to waters of the United States. Any such discharge is

subject to the specific terms and conditions prescribed in the applicable permit.

7. The Permittee applied for and was issued NPDES Permit No. TX0047104 ("permit") under Section 402 of the Act, 33 U.S.C. § 1342, which became effective on July 27, 2005, and expired on July 01, 2010. The current permit was issued by EPA on August 02, 2010, and expires on April 01, 2015. At all relevant times, the Permittee was authorized to discharge from the facility to waters of the United States, but only in compliance with the specific terms and conditions of the permit.
8. The permit specifies that the Permittee is authorized to discharge treated wastewater from the facility via a pipeline to Laguna Madre. Therefore, overflows and/or bypasses from the facility are unauthorized discharges and constitute a violation of the conditions of the permit.
9. Non-compliance reports filed by the Permittee with the Texas Commission on Environmental Quality in compliance with the permit show unauthorized discharges. The unauthorized discharges are specified in Attachment A.
10. Each violation of the conditions of this permit described above is a violation of Section 301 of the Act, 33 U.S.C. § 1311.

ORDER

Based on the foregoing findings and pursuant to the authority of Section 309 of the Act, EPA hereby orders the Permittee to take the following action:

- A. Effective immediately, the Permittee shall eliminate all bypasses of the wastewater treatment plant.
- B. Effective immediately, the Permittee shall eliminate all overflows from the sewage collection system, pump stations, and wastewater treatment plant.
- C. Within thirty (30) days of the effective date of this Order, the Permittee shall submit a report to EPA Region 6 describing all actions taken to eliminate bypassing and sanitary sewer overflows.

Within thirty (30) days of the effective date of this Order, the Permittee shall submit a report describing the repair and rehabilitation plan for the city's sewer system. The report shall include a description of construction project(s) deemed necessary to reduce or eliminate sanitary sewer overflows (SSOs).

E. In the event it will take the Permittee longer than thirty (30) days to eliminate bypassing, provide a sewer system repair plan and a description of construction project(s) needed to eliminate SSOs, the Permittee must arrange a meeting with EPA to discuss the allegations in this Order, within forty-five (45) days of the effective date of this Order. The meeting will be held at the Region 6 offices, 1445 Ross Ave., Dallas, Texas.

F. To arrange a meeting, or to ask questions or comment on this matter, please contact Ms. Jana Harvill, of my staff, at (214) 665-8369.

G. Any information or correspondence submitted by the Permittee to EPA under this Order shall be addressed to the following:

Ms. Jana Harvill  
Water Enforcement Branch (6EN-WM)  
EPA, Region 6  
1445 Ross Ave., Suite 1200  
Dallas, TX 75202-2733

GENERAL PROVISIONS

Issuance of this Order shall not be deemed an election by EPA to forego any administrative or judicial, civil or criminal action to seek penalties, fines, or any other relief appropriate under the Act for the violations cited herein, or other violations that become known. EPA reserves the right to seek any remedy available under the law that it deems appropriate.

Failure to comply with this Order or the Act can result in further administrative action, or a civil judicial action initiated by the United States Department of Justice.

This Order does not constitute a waiver or modification of the terms or conditions of the Permittee's NPDES permit, which remain in full force and effect.

Compliance with the terms and conditions of this Order does not relieve the Permittee of its obligation to comply with any applicable federal, state, or local law or regulation.

The effective date of this Order is the date it is received by the Permittee.

SEP 19 2011

Date

  
John Blevins

Director

Compliance Assurance and  
Enforcement Division

Attachment A  
SSO Violations Laguna Madre TX0047104

Start Date	Gallons	Cause	Location of Discharge
4/24/2007	100	broken 8 inch sanitary sewer line	Matlock Street and Behman Street
7/5/2007	Unknown	Heavy rainfall event	900 block of Weaver Street
7/27/2007	200	force main air release valve leakage	3301 Laguna Shores Road
8/17/2007	100	manhole overflow/cave-in on City main line	9842 S Padre Island Drive
8/31/2007	500	manhole overflow/blockage in City main line	2826 South Sea Drive
9/4/2007	Unknown	manhole overflow/cave-in on City main line	2610 Debra Lane
9/8/2007	Unknown	contractor by-pass pump leaking	1400 block of Waldron Road
9/9/2007	100	manhole overflow/blockage in City main line	2561 Lorine Drive
9/22/2007	800	manhole overflow/blockage in City main line	737 Orleans Drive
9/30/2007	500	manhole overflow/blockage in City main line	837 New Orleans Drive
11/19/2007	50	contractor broke 8 inch waste water main	711 Glenoak Drive
12/7/2007	20	clean-out overflow/blockage in City service line	1010 Greenbay Drive
4/16/2008	100	force main overflow/break in force main line	1900 Matlock Street
4/17/2008	13	clean-out overflow/blockage in City service line	1006 Greenbay Drive
4/21/2008	20	manhole overflow/blockage in City main line	134 Whiteley Drive
5/29/2008	300	manhole overflow/blockage in City main line	749 St Lucy Drive
6/10/2008	15	manhole overflow/blockage in City main line	901 Red Bishop Circle
6/15/2008	5	clean-out overflow/blockage in City service line	301 Easy Street
6/16/2008	5	overflow from inside trench/break in service line	301 Easy Street
6/16/2008	50	overflow from wastewater bypass/leak in pump discharge line	3000 block of Waldron Road
6/19/2008	40	clean-out overflow/blockage in City main line	3407 Jamaica Drive
6/23/2008	5	clean-out overflow/blockage in City service line	838 McDonald Street
6/25/2008	20	manhole overflow/blockage in City main line	901 Red Bishop Circle
7/17/2008	10	private septic tank overflow/blockage in private septic tank line	3938 Herring Drive
7/29/2008	8	private clean-out overflow/blockage in City service line	1213 Jonnell Street
8/1/2008	10	clean-out overflow/blockage in City service line	3330 Otranto Drive
8/21/2008	5	private clean-out overflow/blockage in private service line	2721 South Sea Drive
9/19/2008	50	manhole overflow/blockage in City main line	2826 South Sea Drive
9/26/2008	3	manhole overflow/blockage in City main line	838 Naval Air Station Drive
10/12/2008	30	manhole overflow/blockage in City main line	2206 Redfish Bay Drive

Attachment A  
SSO Violations Laguna Madre TX0047104

Start Date	Gallons	Cause	Location of Discharge
10/12/2008	20	clean-out overflow/blockage in City service line	2636 Waldron Road
10/24/2008	35	clean-out overflow/blockage in City service line	1006 Greenbay Drive
10/24/2008	25	Private line was clogged	2634 Waldron Road
10/24/2008	35	Line blockage/ no 24 hour notice found	1006 Greenbay Drive
10/28/2008	5	private clean-out overflow/blockage in private service line	436 Lakeside Drive
10/31/2008	75	manhole overflow/blockage in City main line	902 McDonald Street
11/3/2008	5	manhole overflow/blockage in City main line	10525 S Padre Island Drive
11/15/2008	75	Line blockage	2145 Baffin Bay Drive
11/20/2008	30	manhole overflow/blockage in City main line	1101 Selkirk Drive
12/12/2008	20	clean-out overflow/blockage in City service line	734 McDonald Street
12/13/2008	30	manhole overflow/blockage in City main line	1900 Matlock Street
12/15/2008	4	clean-out overflow/blockage in City service line	3018 Monmouth Street
12/27/2008	20	clean-out overflow/blockage in City service line	2241 Baffin Bay Drive
12/27/2008	30	manhole overflow/blockage in City main line	322 Belmont Drive
1/19/2009	16	private clean-out overflow/blockage in private service line	949 Quetzal Street
1/21/2009	8	clean-out overflow/blockage in City service line	2038 Woodcrest Drive
2/5/2009	8	clean-out overflow/blockage in City service line	3330 Otranto Drive
3/17/2009	100	manhole overflow/blockage in City main line	2250 Saxony Drive
3/24/2009	30	manhole overflow/blockage in City main line	10533 S Padre Island Drive
3/27/2009	10	private clean-out overflow/blockage in private service line	1925 Sand Way Avenue
3/28/2009	50	manhole overflow/blockage in City main line	9818 Compton Road
4/1/2009	400	manhole overflow/blockage in City main line	2610 Debra Lane
4/1/2009	50	manhole overflow/blockage in City main line	205 Juniper Drive
4/2/2009	700	manhole overflow/blockage in City main line	200 Hustling Hornet Drive
4/4/2009	1000	manhole overflow/blockage in City main line	200 block of Hustlin Hornet Drive
4/10/2009	20	manhole overflow/blockage in City main line	2826 South Sea Drive
4/13/2009	10	Line blockage	734 Oriole Street
4/13/2009	10	Line blockage/ repeat occurrence	734 Oriole Street
4/20/2009	25	manhole overflow/blockage in City main line	10309 S Padre Island Drive
4/23/2009	15	manhole overflow/blockage in City main line	10309 S Padre Island Drive
5/9/2009	15	clean-out overflow/blockage and break in City main line	421 Polaris Place

Attachment A  
SSO Violations Laguna Madre TX0047104

Start Date	Gallons	Cause	Location of Discharge
5/9/2009	10	manhole overflow/blockage in City main line	2225 Burgundy Drive
5/12/2009	20	private clean-out overflow/blockage in City private service line	2630 Waldron Road
5/14/2009	20	private clean-out overflow/blockage in private service line	2634 Waldron Road
5/19/2009	10	clean-out overflow/blockage in City service line	1006 Greenbay Drive
6/18/2009	25	clean-out overflow/blockage and break in City main line	4025 Laguna Shores Road
6/18/2009	30	clean-out overflow/blockage to Rex lift station	101 Rex Lane
6/18/2009	50	clean-out overflow/blockage to Rex lift station	105 Rex Lane
6/18/2009	20	clean-out overflow/blockage to Rex lift station	113 Rex Lane
6/18/2009	1	manhole overflow/blockage in City main line	4041 Laguna Shores Road
6/18/2009	20	clean-out overflow/blockage to Rex lift station	4042 Walker Drive
6/18/2009	70	clean-out overflow/blockage in City service line	4033 Laguna Shores Road
6/18/2009	25	clean-out overflow/blockage in City service line	4029 Laguna Shores Road
6/19/2009	5	private clean-out overflow/blockage in private service line	624 Santana Drive
7/2/2009	5	clean-out overflow/blockage in City service line	341 Lakeside Drive
7/6/2009	9	clean-out overflow/blockage in City service line	341 Lakeside Drive
7/21/2009	2	clean-out overflow/blockage in City service line	3018 Monmouth Street
7/24/2009	12	manhole overflow/blockage in City main line	2342 Vialoux Drive
8/11/2009	30	private clean-out overflow/blockage in private service line	2026 Waldron Road
8/18/2009	5	private clean-out overflow/blockage in private service line	2602 Waldron Road
8/27/2009	75	manhole overflow/blockage in City main line	205 Juniper Drive
9/13/2009	10	private clean-out overflow/blockage in City service line	741 Alhambra Drive
9/18/2009	60	manhole overflow/blockage in City main line	909 McDonald Street
9/20/2009	50	manhole overflow/blockage in City main line	601 Bel Air Drive
9/23/2009	40	private clean-out overflow/blockage in City service line	655 Castle Park Drive
10/2/2009	3000	Other	Waldron Road and Belma Street
10/16/2009	30	manhole overflow/blockage in City main line	737 St Lucy Drive
11/5/2009	10	clean-out overflow/blockage in City service line	1217 First National Boulevard



Attachment A  
SSO Violations Laguna Madre TX0047104

Start Date	Gallons	Cause	Location of Discharge
11/7/2009	50	private clean-out overflow/blockage in private service line	2124 Waldron Road
12/12/2009	20	clean-out overflow/blockage in City service line	2650 Waldron Road
12/26/2009	50	Blockage in main line	2826 South Sea Drive
12/28/2009	250	clean-out overflow/blockage in City main line	205 Juniper Drive
12/30/2009	20	manhole overflow/blockage in City main line	738 Santana Drive
1/13/2010	2	clean-out overflow/blockage in City service line	1933 Lynhurst Street
1/15/2010	200	manhole overflow/rainfall event	Matlock Street and Weaver Street
1/17/2010	2	over flow within trench/blockage and break in City service line	842 Purdue Road
1/19/2010	16	private clean-out overflow/blockage in private service line	949 Quetzal Street
1/21/2010	20	clean-out overflow/blockage in City service line	1805 Jeremiah Court
1/23/2010	30	private clean-out/line blockage	949 Quetzal Street
1/25/2010	75	private clean-out overflow/blockage in private service line	425 Vega Drive
1/28/2010	25	clean-out overflow/blockage in City service line	1226 Baywood Lane
2/14/2010	25	manhole overflow/blockage in City main line	2229 Burgundy Drive
2/17/2010	100	clean-out overflow/force main tie in by contractors	3001 Laguna Shores Road
2/17/2010	5000	overflow at force main by contractor	2101 Laguna Shores Road
2/17/2010	300	manhole overflow/force main tie in by contractors	2902 Laguna Shores Road
2/19/2010	1	clean-out overflow/blockage in City service line	941 Greenbay Drive
3/15/2010	5	manhole overflow/blockage in City main line	2307 Greer Drive
3/22/2010	200	manhole overflow/blockage in City main line	1101 Selkirk Drive
3/28/2010	25	clean-out overflow/blockage in City service line	1226 Baywood Lane
3/29/2010	3	over flow within trench/line break	326 Caribbean Drive
4/9/2010	10	clean-out overflow/blockage in City service line	1006 Greenbay Drive
4/26/2010	15	Blockage in main line	1101 Ontario Drive
5/5/2010	10	clean-out overflow/blockage in City service line	806 Tulia Street
6/8/2010	10	overflow in valve box at lift station/line break	9547 Blue Jay Street
6/9/2010	40	overflow with cave-in	10281 S Padre Island Drive
6/18/2010	2	overflow within trench/line break	826 Redmond Street
6/29/2010	100	overflow within trench/force main line break by private contractor	201 Jester Street
7/12/2010	25	private clean-out overflow/blockage in City main line	9197 S Padre Island Drive
7/15/2010	400	private clean-out overflow/lift station	9197 S Padre Island Drive

Attachment A  
SSO Violations Laguna Madre TX0047104

Start Date	Gallons	Cause	Location of Discharge
8/4/2010	20	private clean-out overflow/blockage in private service line	426 Carleta Street
9/9/2010	2	private grease trap overflow/blockage in private service line	602 Naval Air Station Drive
9/23/2010	30	manhole overflow/rainfall event	2610 Debra Lane
10/1/2010	50	manhole overflow/blockage in City main line	2613 Tonga Street
10/2/2010	10	overflow within trench/line break service	625 Webb Street
10/30/2010	50	clean-out overflow/Lift station overflow caused by private contractor	3029 Laguna Shores Drive
10/30/2010	100	manhole overflow/Lift station overflow caused by private contractor	213 Juniper Drive
11/2/2010	25	overflow from discharge hose/reconnecting discharge hose	1409 O'Neill Street
11/5/2010	20	manhole overflow/blockage in City main line	2250 Saxony Drive
11/8/2010	10	manhole overflow/blockage in City main line	2561 Lorine Drive
11/16/2010	30	manhole overflow/blockage in City main line	9505 Blue Jay Street
11/27/2010	20	manhole overflow/blockage in City main line	318 Belmont Drive
12/21/2010	10	manhole overflow/blockage in City main line	601 Bel Air Drive
12/28/2010	1000	force main/corrosion of ductile iron force main	201 Jester Street
1/6/2011	75	manhole overflow/blockage in City main line	205 Juniper Drive
1/6/2011	175	Line blockage	213 Juniper Drive
1/12/2011	40	manhole overflow/blockage in City main line	845 McDonald Street



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**  
Region 6 • 1445 Ross Avenue, Suite 1200 • Dallas, TX 75202-2733  
**FINDINGS OF VIOLATIONS and ORDER FOR COMPLIANCE**  
Docket Number: CWA-06-2011-1917, NPDES Permit Number: TX0047058

STATUTORY AUTHORITY

The following findings are made, and Order issued, under the authority vested in the Administrator of the United States Environmental Protection Agency ("EPA"), by Section 309(a) of the Clean Water Act ("the Act"), 33 U.S.C. § 1319(a). The Administrator of EPA delegated the authority to issue this Order to the Regional Administrator of EPA Region 6, who delegated this authority to the Director of the Compliance Assurance and Enforcement Division.

FINDINGS

1. Permittee, the City of Corpus Christi, is a "person," as that term is defined at Section 502(5) of the Act, 33 U.S.C. § 1362(5), and 40 C.F.R. § 122.2.
2. At all times relevant to this Order ("all relevant times"), the Permittee owned or operated the Oso Wastewater Treatment Plant, located at 501 Nile Drive, in Corpus Christi, Nueces County, Texas ("facility"), and was, therefore, an "owner or operator" within the meaning of 40 C.F.R. § 122.2. The mailing address for the Permittee is City of Corpus Christi, P.O. Box 9277, Corpus Christi, TX 78469.
3. At all relevant times, the facility was a "point source" of a "discharge" of "pollutants" with its wastewater into the receiving waters of a 40 foot wide tidal channel via a 72 inch pipe, thence to Oso Bay which is considered a "water of the United States" within the meaning of Section 502 of the Act, 33 U.S.C. § 1362, and 40 C.F.R. § 122.2.
4. Because the Permittee owned or operated a facility that acted as a point source of discharges of pollutants to waters of the United States, the Permittee and the facility were subject to the Act and the National Pollutant Discharge Elimination System ("NPDES") program.
5. Under Section 301 of the Act, 33 U.S.C. § 1311, it is unlawful for any person to discharge any pollutant from a point source to waters of the United States, except with the authorization of, and in compliance with, an NPDES permit issued pursuant to Section 402 of the Act, 33 U.S.C. § 1342.
6. Section 402(a) of the Act, 33 U.S.C. § 1342(a), provides that the Administrator of EPA may issue permits under the NPDES program for the discharge of pollutants from point sources to waters of the United States. Any such discharge is subject to the specific terms and conditions prescribed in the applicable permit.

7. The Permittee applied for and was issued NPDES Permit No. TX0047058 ("permit") under Section 402 of the Act, 33 U.S.C. § 1342, which became effective on December 07, 2006, and expired on June 01, 2010. The current permit was issued on April 29, 2011, and expires on June 01, 2014. At all relevant times, the Permittee was authorized to discharge from the facility to waters of the United States, but only in compliance with the specific terms and conditions of the permit.

8. The permit specifies that the Permittee is authorized to discharge treated wastewater from the facility into a 40 foot wide tidal channel via a 72 inch pipe, thence to Oso Bay. Therefore, overflows and/or bypasses from the facility are unauthorized discharges and constitute a violation of the conditions of the permit.

9. Non-compliance reports filed by the Permittee with the Texas Commission on Environmental Quality in compliance with the permit show unauthorized discharges. The unauthorized discharges are specified in Attachment A.

10. Each violation of the conditions of this permit described above is a violation of Section 301 of the Act, 33 U.S.C. § 1311.

ORDER

Based on the foregoing Findings and pursuant to the authority of Section 309 of the Act, EPA hereby orders the Permittee to take the following action:

- A. Effective immediately, the Permittee shall eliminate all bypasses of the wastewater treatment plant.
- B. Effective immediately, the Permittee shall eliminate all overflows from the sewage collection system, pump stations, and wastewater treatment plant.
- C. Within thirty (30) days of the effective date of this Order, the Permittee shall submit a report to EPA Region 6 describing all actions taken to eliminate bypassing and sanitary sewer overflows.

D. Within thirty (30) days of the effective date of this Order, the Permittee shall submit a report describing the repair and rehabilitation plan for the city's sewer system. The report shall include a description of any construction projects deemed necessary to reduce or eliminate sanitary sewer overflows (SSOs).

E. In the event it will take the Permittee longer than thirty (30) days to eliminate bypassing, provide a repair and rehabilitation plan for the city's sewer system, and a description of construction project(s) needed to eliminate SSOs, the Permittee must arrange a meeting with EPA to discuss the allegations in this Order, within forty-five (45) days of the effective date of this Order. The meeting will be held at the Region 6 offices, 1445 Ross Ave., Dallas, Texas.

F. To arrange a meeting, or to ask questions or comment on this matter, please contact Ms. Jana Harvill, of my staff, at (214) 665-8369.

G. Any information or correspondence submitted by the Permittee to EPA under this Order shall be addressed to the following:

Ms. Jana Harvill  
Water Enforcement Branch (6EN-WM)  
EPA, Region 6  
1445 Ross Ave., Suite 1200  
Dallas, TX 75202-2733

GENERAL PROVISIONS

Issuance of this Order shall not be deemed an election by EPA to forego any administrative or judicial, civil or criminal action to seek penalties, fines, or any other relief appropriate under the Act for the violations cited herein, or other violations that become known. EPA reserves the right to seek any remedy available under the law that it deems appropriate.

Failure to comply with this Order or the Act can result in further administrative action, or a civil judicial action initiated by the United States Department of Justice.

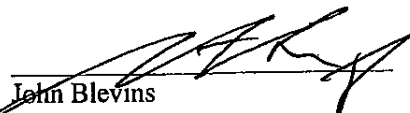
This Order does not constitute a waiver or modification of the terms or conditions of the Permittee's NPDES permit, which remain in full force and effect.

Compliance with the terms and conditions of this Order does not relieve the Permittee of its obligation to comply with any applicable federal, state, or local law or regulation.

The effective date of this Order is the date it is received by the Permittee.

SEP 1 9 2011

Date

  
John Blevins  
Director  
Compliance Assurance and  
Enforcement Division

Attachment A  
SSO Violations Oso TX0047058

Start Date	Gallons	Cause	Location of Discharge
5/4/2006	50	Force Main Broken	Aaron/Grand Junc
7/6/2006	500	Rainfall-I/I	Rosebud and Denver
7/27/2006	unknown	Collection system break	6929 Meadow
10/2/2006	200	Line blockage	5500 blok S.Alameda
10/14/2006	1000	Rainfall-I/I	2600 McArdle
1/26/2007	unknown	Clogged Main	2900 Denver Ave
1/28/2007	unknown	Cave-In	Denver and Oleander
2/7/2007	unknown	Clogged Main	Denver and Oleander
2/21/2007	unknown	Clogged Main	Denver and Oleander
3/7/2007	200	Line Blockage	Denver and Oleander
3/13/2007	100	Line Blockage	7061 Lake View
6/19/2007	50	Main break	7001 Wooldridge
7/2/2007	1000	Rainfall-I/I	Brawner and Devon
7/2/2007	200	Rainfall-I/I	Denver and Oleander
7/2/2007	200	Rainfall-I/I	Brawner and Devon
7/3/2007	200	Rainfall-I/I	Kostoryz and Housto
7/3/2007	unknown	Rainfall-I/I	Oleander and Denver
7/10/2007	500	Main line blockage	Merganser
8/25/2007	100	Main line blockage	5321 Timbergate
8/27/2007	unknown	Rainfall-I/I	2460 Belton
8/29/2007	100	Grease blockage in main	5118 Woolridge
9/5/2007	15	Main blockage	4849 Hamlett Drive
9/7/2007	500	Main blockage	4850 Ingram Street
9/9/2007	unknown	Main blockage	4841 Hamlett
9/20/2007	20	Main blockage	5400 Kostoryz
9/21/2007	100	Main blockage	3326 S Padre Is.Dr
9/25/2007	100	Grease blockage in main	6309 Fitzhugh Dr
9/26/2007	50	Grease blockage in main	4902 S. Alameda
9/29/2007	40	Rainfall-I/I	123 Oleander
9/30/2007	50	Main blockage	818 Indiana
10/6/2007	100	Main blockage	4029 Herndon
10/12/2007	1200	Blockage in private service line	5301 Everhart Rd
10/14/2007	300	Main blockage	1737 Mermaid
10/15/2007	20	Main blockage	1249 Sandpiper Drive
10/24/2007	5	Service line blockage	3737 LaPaz Drive
10/25/2007	100	Private line clog-grease	7125 S. Staples
10/25/2007	unknown	Prive line clog	5445 S. Alameda
10/26/2007	200	Main line blockage	4109 Del Star Drive
10/26/2007	10	Service line blockage	#29 Hewitt
10/27/2007	50	Service line blockage	750 Everhart
10/30/2007	10	Service line blockage	4646 Corona Dr
10/31/2007	20	Service line blockage	2613 Houston
11/4/2007	150	Main blockage	4337 Spadre Island Dr
11/5/2007	100	Main blockage	4925 Kosarek Drive
11/6/2007	100	Main blockage	5942 S. Staples Street
11/8/2007	200	Main blockage	5437 Williams Drive
11/11/2007	40	Service line blockage	23 Hewitt Drive
11/19/2007	20	Service line blockage	4745 Larcade
11/20/2007	100	Main blockage	510 Texan Trail
11/21/2007	12	Main blockage	4710 Gabriel Street
11/21/2007	4	Main blockage	4706 Gabriel Street
11/21/2007	10	Main blockage	4702 Gabriel Street
11/22/2007	40	Main blockage	4170 Gabriel Street
11/22/2007	3	Main blockage	4713 Hamlett Street
11/24/2007	10	Main blockage	1602 Brentwood Drive
11/26/2007	300	Main blockage	4837 Hamlett Drive
11/27/2007	50	Main blockage	5437 Williams Drive
11/28/2007	10	Main blockage	1318 Sandstone Drive
11/28/2007	5	Service line blockage	1947 Scan Drive
11/29/2007	10	Service line blockage	4617 Townsend St
11/29/2007	250	Main blockage	4510 S.Padre Is.Dr
11/29/2007	250	Main blockage	4511 S.Padre Is Dr

Attachment A  
SSO Violations Oso TX0047058

Start Date	Gallons	Cause	Location of Discharge
11/29/2007	30	Service line blockage	4405 Randall Dr
11/29/2007	3	Service line blockage	601 Barracuda Place
11/30/2007	10	Service line blockage	1709 Grand Lake
11/30/2007	5	Service line blockage	325 Foster
11/30/2007	10	Service line blockage	4709 Grand Lake
11/30/2007	2	Service line blockage	4126 Robin Hood
12/1/2007	50	Blockage in service line	6637 Hardywick Dr
12/2/2007	100	Blockage in main line	5437 Williams Dr
12/2/2007	55	Blockage in service line	750 Everhard Rd
12/3/2007	2	Blockage in service line	4802 Meadow Vale Cir
12/4/2007	3	Blockage in service line	646 DeForest St
12/4/2007	30	Blockage in service line	525 Sorrell St
12/4/2007	3	Blockage in service line	4205 Junior Terrace
12/4/2007	500	Blockage in the main line	4931 Mokry Drive
12/4/2007	10	Blockage in service line	308 Louise Dr
12/4/2007	1200	Blockage in the main line	2605 Grand Isle Cir.
12/5/2007	5	Blockage in service line	4602 Green Grove Dr
12/5/2007	3	Blockage in service line	249 Melrose Ave
12/5/2007	50	Blockage in the main line	4501 S. Padre Island Dr.
12/5/2007	25	Blockage in the main line	4535 S. Padre Island Dr.
12/6/2007	2	Blockage in service line	3225 Lariat Lane
12/6/2007	10	Blockage in the main line	4710 Gabriel Dr.
12/6/2007	30	Blockage in the main line	3920 SPID
12/6/2007	7	Blockage in service line	5350 Lexington Rd
12/6/2007	10	Blockage in the main line	4706 Gabriel Dr.
12/6/2007	10	Blockage in the main line	4702 Gabriel Dr.
12/6/2007	10	Blockage in the main line	4713 Hamlett Dr
12/6/2007	3	Blockage in the private line service	461 Ashland Dr
12/7/2007	50	Blockage in service line	4247 Santa Fe St
12/7/2007	30	Blockage in service line	349 Poenisch Drive
12/7/2007	15	Blockage in service line	1309 Sand Piper Dr
12/8/2007	20	Blockage in service line	4410 Mistletoe Dr.
12/8/2007	10	Blockage in service line	4505 Greensboro Dr
12/10/2007	30	Blockage in the private line service	4914 S. Padre Island Dr
12/11/2007	300	Blockage in main line	4845 Johnston Dr.
12/11/2007	5	Blockage in service line	3737 La Paz Dr
12/11/2007	100	Blockage in main line	2901 McArdle Road
12/11/2007	10	Blockage in main line	337 Angelo Dr.
12/11/2007	10	Blockage in service line	349 Poenisch Dr.
12/12/2007	20	Blockage in service line	638 McClendon St
12/12/2007	500	Blockage in main line	1001 Carmel Pkwy
12/12/2007	10	Blockage in service line	7721 Starnbery Lake Dr.
12/13/2007	5	Blockage in private service line	1528 Clare Dr
12/14/2007	10	Blockage in service line	4914 Goldeneye Drive
12/14/2007	50	Blockage in private service line	1609 West Manor Dr
12/14/2007	50	Blockage in main line	3601 Tripoli Dr
12/15/2007	5	Blockage in service line	4914 Goldeneye Drive
12/15/2007	300	Blockage in main line	4414 Wesley Dr
12/15/2007	800	Blockage in main line	5560 S. Staples St.
12/15/2007	50	Blockage in the main line	1205 Belmeade Dr.
12/16/2007	5	Blockage in private service line	2042 Hidden Lake St.
12/16/2007	1000	Blockage in main line	1701 Micheline Dr
12/16/2007	3	Blockage in main line	4705 Philip Drive
12/17/2007	3	Blockage in service line	5325 Bonner Drive
12/17/2007	20	Blockage in main line	4329 Cambridge Dr
12/17/2007	15	Blockage in main line	3717 Topeka St
12/17/2007	5	Blockage in service line	3702 Waterloo Drive
12/17/2007	3	Blockage in service line	4317 Crane Street
12/17/2007	1000	Equipment failure: Faulty Check Valve	Oso Wastewater Treatment Plant

Attachment A  
SSO Violations Oso TX0047058

Start Date	Gallons	Cause	Location of Discharge
12/18/2007	25	Blockage in private service line	5830 McArdle Rd
12/18/2007	10	Blockage in service line	3236 Reid Drive
12/19/2007	5	Blockage in main line	301 Doddridge Street
12/19/2007	5	Blockage in main line	4931 Mokry Drive
12/19/2007	5	Blockage in main line	4925 Kosarek Dr.
12/19/2007	3	Blockage in main line	4924 Kosarek Dr.
12/20/2007	5	Blockage in service line	1602 Daly Drive
12/20/2007	40	Blockage in service line	5338 Woodgage Dr.
12/20/2007	500	Blockage in private service line	4334 Ocean Drive
12/20/2007	100	Blockage in main line	3390 Mavis Drive
12/21/2007	75	Blockage in service line	5705 Babalo Drive
12/22/2007	5	Blockage in service line	3241 Brairhurst St
12/23/2007	400	Blockage in private service line	6730 Everhart Road
12/23/2007	2	Breakage in service line	4722 Cosner Dr.
12/23/2007	3	Blockage in service line	5057 Wingfoot Lane
12/24/2007	5	Blockage in service line	7721 Starnberg Lake Dr.
12/24/2007	20	Blockage in main line	1118 Stratton Drive
12/24/2007	150	Blockage in main line	1117 Stratton Drive
12/24/2007	20	Blockage in main line	4657 Franklin Dr
12/24/2007	8	Blockage in service line	3437 Olson Dr.
12/25/2007	5	Blockage in service line	933 Ashland Dr
12/25/2007	5	Blockage in service line	432 University Dr
12/26/2007	500	Blockage in main line	4222 Ocean Dr
12/26/2007	25	Blockage in service line	1108 Whitaker Dr
12/26/2007	300	Blockage in main line	7317 The Mansions Dr
12/26/2007	2	Blockage in private service line	4046 Robinhood Dr
12/27/2007	4	Blockage in service line	4245 Santa Fe Street
12/28/2007	10	Damaged clean-out assembly in the city's service line	5522 King's Circle
12/28/2007	5	Blockage in service line	750 Everhard Rd
12/29/2007	3	Blockage in main line	4744 Ayers Street
12/29/2007	3	Blockage in main line	4744 1/2 Ayers Street
12/29/2007	1	Blockage in main line	7301 Ottawa Circle
12/29/2007	5	Blockage in main line	4741 Archer Drive
12/29/2007	50	Blockage in main line	2102 Aboto Drive
12/29/2007	10	Blockage in service line	4845 Philips Drive
12/29/2007	9	Blockage in service line	4645 Christie Street
12/29/2007	10	Blockage in private service line	649 Robinson Street
12/31/2007	20	Blockage in service line	7861 Etienne Drive
12/31/2007	250	Equipment failure: 3 pumps became inoperative due to mechanical problems	6610 Wooldridge Dr
1/1/2008	40	Main blockage	3624 S. Alameda St.
1/1/2008	5	Service line blockage	902 Sharon Drive
1/2/2008	3000	Main break	8050 S. Padre Isl Dr
1/3/2008	400	Leakage in force main	8050 S. Padre Isl Dr
1/3/2008	3	Spill from disconnecting vacuum	8050 S. Padre Isl Dr
1/3/2008	50	Service line blockage	1038 Whitaker Drive
1/5/2008	300	Main blockage	5488 S. Padre Isl Dr
1/8/2008	20	Service line blockage	5811 Ocean Drive
1/9/2008	50	Main blockage	4925 Mokry Drive
1/9/2008	80	Service line blockage	1309 Sandpiper Dr
1/9/2008	5	Service line blockage	4225 Naples Street
1/9/2008	10	Main blockage	4925 Kosarek Drive
1/9/2008	200	Main break	225 Oleander Drive
1/9/2008	20	Main blockage	4931 Mokry Drive
1/10/2008	20	Service line blockage	3409 Houston Street
1/10/2008	2	Private Service Line Blockage	1309 Ray Drive
1/10/2008	30	Service line blockage	750 Everhart Road
1/11/2008	50	Main blockage	5600 McArdle /Lum
1/11/2008	150	Main blockage	1841 Micheline Drive
1/11/2008	10	Service line blockage	4802 Golden Eye Dri

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Start Date	Gallons	Cause	Location of Discharge
1/11/2008	12	Service line blockage	7622 Lake Bolsena
1/11/2008	5	Private Service Line Blockage	217 Montclair drive
1/11/2008	100	Main blockage	1701 Micheline
1/12/2008	25	Main blockage	4222 Ocean Drive
1/12/2008	10	Main line blockage	4162 Crenshaw Drive
1/12/2008	6	Service line blockage	3410 Lawnview
1/13/2008	5	Service line blockage	4630 Green Grove Dr
1/13/2008	300	Main line blockage	6517 Long Meadow
1/14/2008	20	Service line blockage	4949 High Meadow
1/14/2008	150	Service line blockage	705 Everhart Rd
1/14/2008	100	Main line blockage	1407 Crescent Dr
1/14/2008	15	Main line blockage	4602 Cedar Pass Dr
1/15/2008	50	Service line blockage	4917 Goldeneye Dr
1/16/2008	100	Service line blockage	750 Everhart d
1/16/2008	100	Main line blockage	5997 Williams Dr
1/17/2008	5	Service line blockage	4330 Willow St
1/17/2008	15	Service line blockage	750 Everhart Road
1/18/2008	5	Service line/repair clean-out	1124 Whitacker Dr
1/19/2008	20	Service line blockage	3821 Kingston Dr
1/19/2008	100	Main line blockage	1701 Micheline
1/19/2008	5	Service line blockage	432 University Dr
1/19/2008	1	Service line blockage	7809 Falcon Dr
1/19/2008	30	Main line blockage	1841 Micheline Drive
1/20/2008	4	Service line blockage	4325 Crane Street
1/20/2008	10	Service line blockage	3821 Kingston Dr
1/20/2008	200	Private Clean out overflow	7508 McArdle Rd
1/22/2008	30	Service line blockage	2718 Quebec Dr
1/22/2008	10	Service line blockage	3360 Floyd Street
1/22/2008	30	Service line blockage	5226 Millwood D
1/23/2008	100	Main line blockage	3920 S.Padre Isl Dr
1/23/2008	500	Main line blockage	1 Camden Place
1/23/2008	5	Service line blockage	5218 Edinburg
1/24/2008	5	Service line break	3745 Marion Street
1/25/2008	30	Main line blockage	1817 Micheline Drive
1/25/2008	15	Main line blockage	1841 Micheline Drive
1/27/2008	5	Main line blockage	2866 Lawnview Drive
1/28/2008	100	Lift station/block at service line	6610 Woldridge Dr
1/28/2008	50	Service line blockage	5222 Edinburg Circle
1/28/2008	1000	Main line blockage	5990 S. Staples St
1/28/2008	60	Main line blockage	1001 Doodridge St
1/28/2008	4	Service line blockage	5934 Norvel Drive
1/29/2008	20	Main line blockage	501 Hoffman Street
1/30/2008	20	Service line blockage	5729 Kimrought Drive
1/30/2008	200	Main line blockage	3624 S.Alameda St.
1/30/2008	40	Service line blockage	5037 Wingfoot
1/30/2008	100	Main line blockage	4201 Naples Street
1/30/2008	20	Main line blockage	4924 Kosarek Drive
1/31/2008	10	Main line blockage	4425 s.Alameda Drive
1/31/2008	3	Main blockage	4306 Willow Street
1/31/2008	5	Main blockage	738 Sheridan Dr
2/1/2008	10	Main blockage	5033 Baldpate Drive
2/1/2008	25	Main blockage	4425 s.Alameda Drive
2/2/2008	40	Service line blockage	4417 Hollywood Drive
2/2/2008	5	Service line blockage	933 Clare Drive
2/4/2008	4	Main blockage	4936 Kosarek Drive
2/4/2008	2	Service line blockage	4745 Archer Drive
2/4/2008	6	Main blockage	4925 Mokry Drive
2/5/2008	3	Main blockage	4217 Mokry Drive
2/5/2008	3	Service and Main Line blockage	4830 Easter Drive
2/5/2008	2	Main line blockagw	5521 McArdle Road
2/5/2008	200	Main line blockage	4848 Alameda Street
2/5/2008	60	Main line blockage	4126 Naples Street



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Start Date	Gallons	Cause	Location of Discharge
2/5/2008	20	Service line blockage	3555 S. Padre Drive
2/5/2008	10	Service line blockage	1113 Shiels Drive
2/5/2008	2	Service line blockagw	441 Waverly Drive
2/5/2008	10	Main line blockage	1645 Ariline Road
2/5/2008	20	Main line blockage	329 Angelo Drive
2/5/2008	5	Service line blockage	4806 Goldeyeye Drive
2/6/2008	20	Service line blockage	4534 Woodland St
2/6/2008	50	Main line blockage	4222 Kostoryz Road
2/7/2008	40	Main line cave in	4810 Ingram Drive
2/8/2008	5	Service line blockage	4034 Silver Hollow
2/8/2008	5	Service line blockage	4529 Silver Hollow Dr
2/9/2008	5	Service line blockage	7721 Starnberg Lake
2/9/2008	8	Service line blockage	1717 Leslie Lane
2/9/2008	300	Service line blockage	1014 Clave Drive
2/9/2008	10	Service line blockage	702 Ralston Ave
2/10/2008	30	Private Service Line Blockage	4405 Congressioal
2/11/2008	10	Service line blockage	401 Parade Drive
2/11/2008	80	Service line blockage	5515 Ocean Drive
2/12/2008	12	Service line break	401 Parade Drive
2/12/2008	15	Service line blockage	806 Anderson Street
2/12/2008	5	Service line blockage	3325 Hampton Street
2/12/2008	15	Main line blockage	3461 Austin Street
2/13/2008	100	Main line blockage	7017 Club Gate Dr
2/13/2008	30	Mian line blockagw	341 N. Morningside
2/15/2008	40	Service line break	4617 Nesbitt Dr
2/15/2008	30	Service line blockage	6629 Whitewing Dr
2/16/2008	5	Service line clean-out	4617 Nesbitt Dr
2/18/2008	2	Service line blockage	5515 Ocean Drive
2/19/2008	50	Main line blockage	4722 Archer Drive
2/19/2008	1	Service line blockage	6113 Callaway Drive
2/20/2008	1	Contractor installation	37010 Denver Ave
2/20/2008	20	Line Break	1237 Brentwood
2/20/2008	14	Service line blockage	1225 Sheils Drive
2/21/2008	2	Main line -grease blockage	4501 Weber Road
2/21/2008	10	Service line blockage	222 Stages Drive
2/22/2008	5	Service line blockage	4909 Landown Drive
2/22/2008	20	Service line blockage	4825 Dodd Drive
2/22/2008	5	Service line blockage	3525 S.Washam Dr
2/23/2008	100	Main line blockage	6206 Higgin Drive
2/23/2008	8	Service line blockage	7309 Tangle Ridge
2/24/2008	10	Main line blockage	1234 Prince Drive
2/24/2008	5	Main line blockage	1535 Lazy Lane
2/25/2008	10	Service line blockage	1921 Toben Drive
2/25/2008	88	Main line -pipe burst (contractor)	222 Doddridge
2/27/2008	10	Service line blockage	5113 Carroll Lane
2/28/2008	20	Service line blockage	4245 Santa Fe Street
2/28/2008	5	Service line blockage	910 Ariline Road
2/29/2008	5	Service line blockage	457 Claremore St
2/29/2008	5	Main line blocak	902 Airport Road
2/29/2008	5	blockage in private service line	5734 Wooldrige Rd
3/1/2008	10	blockage in service line	5997 Williams Dr
3/1/2008	15	blockage in main line	3624 S Alameda St
3/6/2008	20	blockage in service line	5333 S Staples St
3/6/2008	5	blockage in private service line	4422 Christi Str
3/7/2008	100	blockage in main line	Denver and Oleander
3/7/2008	unknown	Main blockage	218 Chandler Ln @ Arnim Ave
3/7/2008	50	Private main line blockage	6702 Everhart Road
3/8/2008	20	Main line blockage	634 Caddo Street
3/8/2008	30	blockage in service line	1010 Whitaker Dr
3/9/2008	20	blockage in service line	5333 S Staples St
3/9/2008	20	blockage in service line	1002 Shiels Dr

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Start Date	Gallons	Cause	Location of Discharge
3/13/2008	30	blockage in main line	2602 Bruin Dr
3/13/2008	5	blockage in service line	3911 Carroll Ln
3/13/2008	25	pipe burst project/contractor	2840 Denver Ave
3/13/2008	25	pipe burst project/contractor	2840 Santa Fe
3/13/2008	10	pipe burst project/contractor	2840 Denver Ave
3/13/2008	20	main line overflow/contractor & gas dept	4717 Franklin Dr
3/14/2008	20	blockage in main line	335 Laurel Dr
3/14/2008	5	blockage in main line	255 Rosebud
3/14/2008	50	blockage in main line	5301 Woodgate
3/16/2008	50	blockage in service line	4730 Grand Lake Dr
3/16/2008	50	blockage in main line	4342 Alameda St
3/17/2008	40	force main leak	7300 Block Canadian Drive
3/19/2008	10	blockage in service line	3221 Olsen Drive
3/23/2008	15	blockage in service line	5721 Bobalo Drive
3/24/2008	50	blockage in main line	#3 Ocean Park Drive
3/25/2008	15	blockage in main line	1401 Rodd Field Rd
3/25/2008	4	blockage in service line	7010 Adbury Drive
3/27/2008	50	blockage in main line	5301 Woodgate
3/27/2008	20	Service line blockage	1006 Ralston
3/30/2008	50	Service line blockage	627 Sorrell Street
3/31/2008	15	Service line blockage	806 Anderson Street
4/1/2008	30	Main line blockage	4222 Ocean Drive
4/2/2008	30	Service line blockage	4737 Rogerson Drive
4/3/2008	20	Main line blockage	4834 Queen Drive
4/4/2008	10	Line break	425 Homecrest
4/5/2008	50	Main line blockage	701 Louisiana Dr
4/6/2008	100	Main line blockage	7017 Club Gate Dr
4/6/2008	10	Service line blockage	705 Ralston
4/7/2008	35	Main line blockage	4341 Devon Dr
4/8/2008	19	Main line blockage	4341 Devon Dr
4/8/2008	5	Service line break	4306 Patrick Drive
4/9/2008	14	Service line blockage	5057 Wingfoot Lane
4/9/2008	20	Private line blockage	1006 Ralston
4/12/2008	35	Main line blockage	5052 Maylands Drive
4/14/2008	5	Broken Service Line	1718 Volga Drive
4/14/2008	5	Line Break by contractor	Hull/Terrier
4/15/2008	20	Main line blockage	4842 Blundell Rd
4/15/2008	2	Service line blockage	4741 Kostoryz Rd
4/15/2008	5	Service line blockage	3527 Monterey St
4/17/2008	5	Line Break	2840 Denver
4/19/2008	50	Main line blockage	5421 Cross Ridge
4/20/2008	8	Service line blockage	7014 Abury Drive
4/20/2008	20	Service line blockage	3618 Graeburn
4/20/2008	300	Main line blockage	4014 Capitol
4/25/2008	100	Main line blockage	5041 Anthony Street
4/27/2008	50	Main line blockage	7049 Edgebrook Dr
4/27/2008	200	Main line blockage	4848 S. Alameda
4/29/2008	20	Private line blockage	4610 Arlene Drive
4/29/2008	10	Service line blockage	1253 Ray Drive
4/30/2008	1	Contractor installation	2840 Denver
4/30/2008	10	Main line blockage	4229 Avalon
5/1/2008	40	Main line blockagw	633 Hoffman
5/2/2008	2	Main line blockage	641 Sorrell
5/6/2008	60	Private line blockage	3453 Topeka Street
5/8/2008	200	Contractor overflow trench	6600 Everhart Road
5/8/2008	30	Service line blockage	4402 Ayers
5/8/2008	5	Service line blockag	4528 Anthony
5/9/2008	10	Service line blockage	1109 Shield
5/12/2008	10	Private line blockage	222 Lorraine
5/13/2008	5	Service Line Blockage	3618 Braeburn Dr

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Start Date	Gallons	Cause	Location of Discharge
5/14/2008	50	Main line blockage	6230 Duke Drive
5/18/2008	100	Main Line blockage	3 Ocean Park Drive
5/19/2008	80	Main Line blockage	5542 S.Padre Is Dr
5/20/2008	25	Service Line blockage	4629 Christie St
5/21/2008	30	Service line blockage	4126 Robin Hood
5/21/2008	5	Main Line blockage	341 N. Morningside Drive
5/22/2008	150	Private Line -Mechanical Problem	5934 S.Padre Is Dr
5/23/2008	5	Blockage Service Line	1233 Airline
5/23/2008	15	Private Clean out overflow	4617 Gollihar
5/24/2008	10	Main Line blockage	1109 Vance
5/27/2008	40	Main Line Blockage	McArdle/Johnson
5/30/2008	50	Main Line blockage	4030 Willow
5/30/2008	75	Private Clean out overflow	4535 S.Padre
6/3/2008	10	Service Line blockage	4337 Aspen Street
6/4/2008	2	Private Service Line Blockage	424 Texas Ave
6/5/2008	3	Service line blockage	1225 Airline Road
6/5/2008	30	Main line blockage	4845 Johnston Drive
6/7/2008	25	Main line break	830 Rossi Drive
6/8/2008	20	Main line blockage	400 Eldon Drive
6/9/2008	2	Main line blockage	3652 Topeka Steet
6/9/2008	20	Main line blockage	Oso Pkw and Ceder cr
6/9/2008	20	Main line blockage	5214 Oso Hills Drive
6/10/2008	20	Main line blockage	1516 Wynnwood Dr
6/11/2008	50	Main line blockage	6306 Hollister Drive
6/12/2008	25	Main line blockag	5938 Kimbrough
6/12/2008	10	Private line blockage	4738 Ayers Street
6/13/2008	50	Main line blockage	4901 Blundell Drive
6/13/2008	50	Main line break	5238 Fulwell Drive
6/18/2008	10	Service line break	4709 Rogerson
6/19/2008	30	Main line break-contractor	2633 Bruin Drive
6/20/2008	50	Main blockage	1001 Carmel Pkwy
6/20/2008	30	Main line blockage	1416 Airline Road
6/22/2008	30	Main line blockage	6929 Braesvalley Dr
6/23/2008	2	Service line blockage	622 John Lee Street
6/25/2008	300	Main line blockage	14717 Keegan Drive
6/26/2008	20	Service line blockage	6713 Wood Iron Dr
6/26/2008	20	Private line break	4122 Congressional
6/27/2008	200	Main line blockage	Parkway & Esplanade
6/27/2008	200	Main line blockage	900 Carmel Pkwy
6/28/2008	30	Service line blockage	4809 Willow Brooks
6/28/2008	50	Main line blockage	1900 Block Trayway
6/29/2008	20	Main line blockage	4725 Archer Drive
6/30/2008	10	Service line blockage	634 Caddo Street
6/30/2008	14	Private Service Line Blockage	3830 S.Staples
7/3/2008	50	Main line blockage	5801 S. Andrews
7/4/2008	30	Main line blockage	5900 S. Staples
7/7/2008	2	Private Service Line Blockage	1322 Whitaker
7/7/2008	5	Main line blockage	4099 Saratoga
7/9/2008	8	Private line blockage	4949 Franklin Dr
7/9/2008	5	Main line blockage	3646 Braeburn dr
7/10/2008	5	Main line blockage	4918 Goldeneye Dr
7/10/2008	.5	Main line blockage	7302 Ursa Dr
7/11/2008	50	Main line blockage	1117 Stratton dr
7/11/2008	3	Private Service Line Blockage	922 Miramar Pl
7/11/2008	50	Main line blockage	1118 Straton Dr
7/11/2008	2	Service Line blockage	3642 LaPaz Drive
7/12/2008	2	Service Line blockage	3701 LaPaz Drive
7/12/2008	40	Main line blockage	4845 Johnston Drive
7/12/2008	700	Main line blockage	1313 Ormond Drive
7/14/2008	13	Private Clean out overflow	501 DeForest St
7/14/2008	5	Service Line blockage	4045 Congressional Dr
7/15/2008	5	Service Line Blockage	4921 Cheryl Drive

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Start Date	Gallons	Cause	Location of Discharge
7/15/2008	3	Service Line Blockage	4330 Devon Dr
7/16/2008	30	Operator Error	2529 Gollihar Dr
7/16/2008	5	Service Line Blockage	6309 Boca Raton Dr
7/16/2008	200	Operator Error	2529 Gollihar Rd
7/17/2008	30	Main Line Blockage	6929 Edgebrook Dr
7/17/2008	50	Private Clean out overflow	3802 Saturn Rd
7/18/2008	20	Service Line Blockage	2617 Quebex Dr
7/18/2008	10	Service Line Blockage	4942 Carroll Ln
7/18/2008	10	Private Clean out overflow	3305 Houston St
7/18/2008	75	Main Line blockage	2529 Gollihar Rd
7/18/2008	20	Main Line Blockage	4938 S. Staples St
7/22/2008	5	Private Clean out overflow	4701 Easter Dr
7/22/2008	3	Service Line Blockage	746 Woodson Cir
7/23/2008	5	Service Line Blockage	746 Woodson Cir
7/23/2008	100	Main Line blockage	McArdle/Easter Dr
7/23/2008	199	Heavy Rain	4805 Meadow Vale Cir
7/23/2008	30	Service Line Blockage	1041 Monette Dr.
7/23/2008	10	Service Line Blockage	1910 Sean Dr
7/24/2008	3000	Main Line Blockage	5601 S. Alameda
7/24/2008	5	Main line blockage	917 Bradshaw Dr
7/24/2008	5	Private Clean out overflow	1825 Airline Road
7/24/2008	40	Main Line blockage	4833 Hackel
7/25/2008	10	Main Line blockage	5622 McArdle Rd
7/25/2008	5	Main line blockage	4806 Marie Dr
7/25/2008	10	Service Line Blockage	382 Wray Ln
7/25/2008	50	Main line blockage	3402 Austin Street
7/25/2008	5	Line Break	4806 Marie St
7/25/2008	50	Main line blockage	3402 Austin Street
7/27/2008	40	Main line blockage	5300 s. Alameda St
7/28/2008	30	Main line blockage	4302 Devon Dr
7/29/2008	20	Main line blockage	5488 S. Padre Island
7/29/2008	20	Service Line Blockage	4817 Olympia Dr
7/29/2008	10	Service Line Blockage	1105 Bradshaw Dr
7/30/2008	5	Service Line Blockage	3802 Saturn Rd
7/30/2008	2000	Main line blockage	1538 Wynwood Dr
7/31/2008	50	Main line blockage	4717 Franklin Dr
7/31/2008	10	Service Line Blockage	614 Chase Dr
8/1/2008	30	Service Line Blockage	4817 Olympia Dr
8/1/2008	5	Main line blockage	641 Everhart Rd
8/1/2008	1	Service Line Blockage	738 Sheridan Dr
8/2/2008	8	Private line clog-grease	4813 Kostoryz Rd
8/2/2008	2	Service line blockage	5622 McArdle Rd
8/3/2008	50	Main line blockage	3509 Xanadu St
8/3/2008	60	Main line blockage	7001 Ridge Stone Dr
8/3/2008	13	Main line blockage	4710 Ingram Dr
8/4/2008	30	Main line blockage	3390 Mavis Dr
8/4/2008	20	Service line blockage	4629 Archer Dr.
8/4/2008	4	Service line blockage	730 Sheridan Dr
8/5/2008	20	Private Clean out overflow	4702 Cheryl Dr
8/6/2008	40	Main Line Blockage	4710 Ingram Dr
8/7/2008	5	Main Line Blockage	106 Buccaneer Dr
8/7/2008	2	Service Line blockage	3461 Monterey St
8/11/2008	5	Service Line blockage	610 Chase Dr
8/11/2008	20	Service Line blockage	1050 De Forrest St
8/12/2008	20	Main Line Blockage	1058 McClendon St
8/12/2008	5	Service Line Blockage	5838 Lucille Dr
8/12/2008	5	Service Line Blockage	5737 Babato
8/13/2008	20	Service Line Blockage	4318 Spring Street
8/13/2008	50	Service Line Blockage	3802 Saturn Rd
8/13/2008	5	Service Line Blockage	5035 Kosarek Dr
8/13/2008	5	Service Line Blockage	3453 Picagilly Ln

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Start Date	Gallons	Cause	Location of Discharge
8/13/2008	20	Service Line Blockage	4501 Townsend St
8/15/2008	15	Service Line Blockage	353 Jackson Pl
8/17/2008	150	Main Line blockage	762 Monette Dr
8/17/2008	24	Heavy Rain	4810 Fern Forreest Cir
8/17/2008	20	Service Line Blockage	4301 Carlton St
8/18/2008	50	Main Line blockage	1113 Stratton Dr
8/20/2008	6	Main Line blockage	4326 Devon Dr
8/20/2008	50	Service Line Blockage	1026 Wilshire Pl
8/21/2008	8	Private Clean out overflow	3126 Austin St
8/23/2008	75	Main Line blockage	1118 Stratton Dr
8/24/2008	5	Main Line blockage	1750 Star Cove Dr
8/24/2008	20	Service Line Blockage	638 McClendon St
8/24/2008	15	Service Line Blockage	6717 Canyon Creek Dr
8/25/2008	10	Main Line blockage	5300 S. Alameda St
8/26/2008	10	Service Line Blockage	614 Chase Dr
8/26/2008	30	Service Line Blockage	3150 Boar Thicket Dr
8/26/2008	40	Main Line blockage	4501 S. Padre Island Drive
8/27/2008	30	Private Service Line Blockage	4040 Schanen Blvd
8/28/2008	6	Private Service Line Blockage	609 Landsdown dr
8/28/2008	4	Main line blockage	662 Roberts Dr
8/28/2008	50	Service Line Blockage	4734 Prinston Dr
8/28/2008	10	Service Line Blockage	4706 Alma St
8/29/2008	30	Main line blockage	6305 Fitzhugh Drive
8/29/2008	100	Main line blockage	S. Staples/Williams
8/29/2008	5	Main line blockage	5035 Kosarek Dr
8/29/2008	40	Main line blockage	6306 Hollister Drive
8/30/2008	50	Main line blockage	4341 Devon Dr
8/30/2008	5	Private Service Line Blockage	5035 Kosarek Dr
8/30/2008	10	Service Line Blockage	4769 Sierra Blanca Blvd
09/01/08	5	Service Line Blockage	7309 Southridge Ct
09/01/08	30	Main line blockage	1249 Sandpiper Drive
09/01/08	40	Main line blockage	Alameda St/Robert Dr
09/01/08	5	Service Line Blockage	5713 Bobalo Drive
09/02/08	20	Main line blockage	320 S. Alameda St
09/03/08	50	Private Service Line Blockage	4718 Johnston Drive
09/04/08	30	Service Line Blockage	3350 Mavis Drive
09/04/08	65	Service Line Blockage	4535 SPID
09/04/08	20	Service Line Blockage	4921 Cheryl Drive
09/04/08	30	Service Line Blockage	4634 Mildred Drive
09/04/08	10	Main Line Blockage	768 Collingswood Dr
09/07/08	30	Service Line Blockage	5425 SPID
09/08/08	20	Service Line Blockage	4125 Markins Dr
09/08/08	10	Main Line Blockage	4824 Cheryl Dr
09/08/08	5	Service Line Blockage	4713 Wexford Dr
09/10/08	30	Main Line blockage	4717 Franklin Dr
09/10/08	30	Main Line blockage	4320 S. Alameda St
09/10/08	50	Main Line blockage	1301 Rodd Field Rd
09/11/08	20	Main Line blockage	5037 Anthinoy St
09/11/08	50	Service Line Blockage	4649 Spring Fork Dr
09/12/08	40	Main Line blockage	2410 Captain Dr
09/12/08	10	Service Line Blockage	4017 Brentwood Dr
09/13/08	30	Main Line blockage	4320 S. Alameda St
09/15/08	15	Service Line Blockage	4734 Preston Drive
09/16/08	23	Main Line blockage	3929 Delphine St
09/17/08	50	Private Service Line Blockage	5513 Saratoga Blvd
09/17/08	3	Private Service Line Blockage	4810 Willowbrook Dr
09/18/08	75	Main Line blockage	3933 Delphine
09/18/08	2	Operator Error	7350 McArdle
09/20/08	5	Main Line blockage	7125 SouthHaven Dr
09/20/08	20	Main Line blockage	4830 Oak Knoll Circle
09/22/08	40	Main Line blockage	3929 Delphine Street

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Start Date	Gallons	Cause	Location of Discharge
09/22/08	15	Service Line Blockage	934 Lum Avenue
09/22/08	15	Service Line Blockage	5401 Timbergate Dr
09/25/08	2	Private Service Line Blockage	1517 Lazy Lane
09/25/08	30	Service Line Blockage	3238 Brawner Pkwy
09/26/08	10	Main Line blockage	5801 Rio Vista Ave
09/29/08	80	Main Line blockage	4455 S Padre Island Dr
09/29/08	10	Service Line Blockage	4629 Archer Dr.
09/30/08	30	Main line blockage	4551 South Padre Island Dr.
09/30/08	10	Service Line Blockage	4409 Spring St.
09/30/08	70	Main line blockage	4709 Spring Fork Dr.
10/01/08	10	Service Line Blockage	4421 Willow St.
10/06/08	14	Service Line Blockage	4638 Evelyn St
10/07/08	5	Private line break	3655 Santa Fe St
10/07/08	30	Private Clean out overflow	5807 Weber Rd
10/08/08	17	Private line clogged	4422 S Alameda St
10/08/08	10	Service Line Blockage	1013 Peerman Place
10/09/08	20	Main line blockage	4146 Eagle Dr
10/09/08	4	Line Break	4330 Devon Dr
10/11/08	20	Service Line Blockage	4717 SPID
10/14/08	50	Private line clogged	1134 York Ave
10/14/08	10	Service Line Blockage	3913 Dunbrook
10/15/08	50	Main Line Blockage	3346 Manitou
10/17/08	50	Main Line Blockage	3817 Montego
10/18/08	50	Main Line Blockage	1917 Treyway
10/18/08	10	Service Line Blockage	4537 Hakel
10/19/08	24	Main Line Blockage	6202 Whitaker
10/20/08	300	Other	5649 Saratoga Blvd.
10/20/08	25	Service Line Blockage	4717 SPID
10/20/08	40	Service Line Blockage	5746 Bobalo Dr.
10/21/08	150	Main Line Blockage	4709 Spring Fork Dr.
10/21/08	4	Service Line Blockage	4326 Sequoia St.
10/27/08	10	Service Line Blockage	4302 S. Alameda
10/27/08	10	Service Line Blockage	4101 Ayers Street
10/28/08	5	Private Service Line Blockage	6401 Saratoga Blvd.
10/29/08	5	Service Line Blockage	4426 Nesbitt Drive
10/29/08	28	Private service line blockage	3241 Reid Drive
10/29/08	2	Service Line Blockage	1105 Harbor Lights Dr
10/31/08	15	Service Line Blockage	4426 Nesbitt Drive
10/31/08	500	Main Line blockage	5321 Lexington Rd.
11/01/08	80	Main Line blockage	2101 Airline Road
11/01/08	10	Service Line Blockage	4214 Markins Drive
11/02/08	20	Main Line blockage	1001 Carmel Pkwy
11/03/08	2	Cleanout overflow	3813 Wickersham Dr
11/04/08	5	Service Line Blockage	6333 Vincent Dr.
11/04/08	20	Service Line Blockage	5802 S. Staples St,
11/05/08	12	Service Line Blockage	4845 Johnston Drive
11/06/08	3	Cleanout overflow	4629 Archer Drive
11/07/08	10	Main Line blockage	4438 Spring Street
11/07/08	2	Service Line Blockage	602 Brawner Pkwy
11/07/08	15	Service Line Blockage	6921 Aswan Drive
11/07/08	10	Service Line Blockage	5029 Kosarek Drive
11/08/08	40	Main Line blockage	4625 Dodd Drive
11/09/08	15	Main Line blockage	4813 Sweetbriar Cr
11/10/08	25	Service Line Blockage	4629 Christie St
11/14/08	3	Service Line Blockage	6334 Aspenwood Dr
11/15/08	3	Service Line Blockage	4714 Jarvis St
11/17/08	5	Service Line Blockage	3705 Prosper Drive
11/18/08	2	Private Service Line Blockage	4201 Clinton Drive
11/19/08	10	Private Service Line Blockage	6433 South Staples
11/19/08	3	Service Line Blockage	788 Collingswood Dr
11/19/08	10	Service Line Blockage	4718 Ceder Pass Dr

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Start Date	Gallons	Cause	Location of Discharge
11/20/08	1000	Other	6302 Kristen Drive
11/21/08	10	Service Line Blockage	5038 Bevely Drive
11/23/08	5	Service Line Blockage	4426 Nesbitt Drive
11/24/08	5	Service Line Blockage	734 Sheridan Drive
11/24/08	15	Service Line Blockage	4122 Bradford Drive
11/25/08	2	Service Line Blockage	4218 O'Day Parkway
11/25/08	50	Main Line Blockage	5990 South Staples St
11/25/08	10	Service Line Blockage	1114 Sealane Drive
11/27/08	10	Main Line Blockage	4602 Cedar Pass Dr
11/27/08	10	Service Line Blockage	6842 Crosstimbers Dr
11/29/08	10	Service Line Blockage	5735 Cordelia Street
11/29/08	40	Main Line Blockage	4826 Ingram Drive
12/01/08	15	Main Line Blockage	4841 Johnston Dr.
12/01/08	50	Main Line Blockage	2622 Bruin Dr.
12/01/08	5	Service Line Blockage	2706 Quebec Dr.
12/02/08	50	Main Line Blockage	3933 Delphine
12/02/08	25	Service Line Blockage	4821 Johnston Dr.
12/02/08	5	Service Line Blockage	3306 Lariat Ln.
12/02/08	16	Main Line Blockage	633 Glazebrook St.
12/04/08	80	Main Line blockage	5742 Spohn Dr.
12/05/08	35	Service Line Blockage	5990 South Staples St
12/06/08	5	Main Line blockage	4309 Nesbitt Dr.
12/09/08	20	Private service line blockage	3417 Lawnview St
12/09/08	22	Service Line Blockage	5201 Cain Drive
12/09/08	200	Private Service Line Blockage	4109 Del Star Drive
12/10/08	20	Main Line blockage	4501 S Padre Island Dr
12/12/08	3	Service Line Blockage	414 Waverly Drive
12/12/08	100	Main Line blockage	5905 Lucinda Lane
12/12/08	40	Main Line blockage	5742 Babalo Drive
12/12/08	40	Main Line blockage	5746 Babalo Drive
12/12/08	200	Main Line blockage	4109 Del Star Drive
12/13/08	70	Main Line blockage	1402 Rodd Field Rd
12/14/08	5	Operator Error	5734 Cain Drive
12/15/08	50	Main Line blockage	5118 Woolridge
12/15/08	15	Service Line Blockage	2306 Airline
12/16/08	5	Service Line Blockage	461 Homecrest
12/17/08	200	Main Line blockage	5742 Spohn Dr.
12/17/08	2	Private Service Line Blockage	817 Anderson
12/18/08	10	Service Line Blockage	2306 Airline
12/19/08	5	Operator Error	3045 Austin
12/20/08	30	Main Line blockage	4514 Grand lake
12/21/08	2	Private Service Line Blockage	7102 Lake Whitney
12/22/08	25	Service Line Blockage	4426 Nesbitt Drive
12/23/08	10	Main Line Blockage	3622 SPID
12/24/08	11	Private Service Line Blockage	2306 Airline
12/25/08	50	Main Line Blockage	3658 Lawnview Rd
12/27/08	50	Main Line Blockage	1110 Belmeade Drive
12/27/08	2	Service Line Blockage	4209 Holly Ridge Drive
12/28/08	10	Service Line Blockage	4029 King Richard Drive
12/28/08	40	Main Line Blockage	4754 SPID
12/28/08	2	Main Line Blockage	4726 Blundell Drive
12/29/08	50	Service Line Blockage	6702 Everhart Road
12/29/08	20	Service Line Blockage	4810 Kostoryz Road
12/29/08	10	Service Line Blockage	3122 Topeka St.
12/29/08	30	Main Line Blockage	5610 Oso Parkway
12/30/08	50	Main Line Blockage	4102 Herndon St at Wasserman St.
12/30/08	75	Main Line Blockage	2410 Captain Dr
1/1/2009	200	Line Break	6526 S. Staples St
1/3/2009	10	Private Clean out overflow	4337 Devon Drive
1/3/2009	15	Line Blockage (other than grease)	4925 Goldeneye Dr.
1/3/2009	500	Line Break	6528 S. Staples St.

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Start Date	Gallons	Cause	Location of Discharge
1/3/2009	5	Line Blockage (other than grease)	6005 Norvel Dr.
1/4/2009	20	City clogged main	4754 S Padre Island
1/6/2009	10	Line Blockage (other than grease)	710 Ponder Street
1/6/2009	5	Line Blockage (other than grease)	920 Sharon Drive
1/6/2009	2	Line Blockage (other than grease)	1925 Merriman Avenue
1/6/2009	40	Line Blockage (other than grease)	4841 Johnston Drive
1/6/2009	60	Line Blockage (other than grease)	1105 Bobalo Drive
1/7/2009	50	Private Line Blockage	4754 SPID
1/7/2009	9	Private Line Blockage	3214 Hampton Street
1/8/2009	14	Private Line Blockage	4337 Devon Drive
1/8/2009	40	Line Blockage (other than grease)	526 Pennington Drive
1/9/2009	30	Line Blockage (other than grease)	4837 Dodd Drive
1/9/2009	16	Line Blockage (other than grease)	649 Sharon Drive
1/10/2009	45	Line Blockage	3522 Lawnview Street
1/12/2009	6	Service line blockage	5633 S. Staples St
1/12/2009	19	Service line blockage	1009 Airline Rd
1/14/2009	30	Service line blockage	1205 Crescent Dr
1/14/2009	20	Service line blockage	1045 DeForrest St
1/14/2009	80	Line Break	6526 S. Staples St
1/14/2009	30	Line Break	1442 Maryland Dr
1/14/2009	20	Line Blockage (other than grease)	517 Sharon Dr
1/14/2009	20	Service line blockage	4734 Queen Dr
1/15/2009	10	Service line blockage	3510 Carrolleton St
1/16/2009	30	Service line blockage	7010 S. Padre Island Dr
1/17/2009	10	Service line blockage	4953 Weber Rd
1/18/2009	10	Service line blockage	4506 Janssen Dr
1/18/2009	20	Line Blockage (other than grease)	2414 Capitan Dr
1/19/2009	5	Line Blockage (other than grease)	7469 Convair Drive
1/20/2009	40	Line Blockage (other than grease)	4649 Spring Fork Drive
1/20/2009	10	Line Blockage (other than grease)	526 Pennington Drive
1/22/2009	25	Line Blockage (other than grease)	4914 Lansdown Drive
1/26/2009	20	Line Blockage (other than grease)	4129 Eagle Drive
1/26/2009	10	Other	6300 North Washam Drive
1/27/2009	30	Line Blockage (other than grease)	5226 Honeysuckle Road
1/28/2009	20	Line Blockage (other than grease)	4800 South Alameda Street
1/29/2009	24	Line Blockage (other than grease)	601 Sharon Drive
1/29/2009	20	Line Blockage (other than grease)	5414 Everhart Road
1/30/2009	30	Line Blockage (other than grease)	5542 South Padre Island Drive
1/31/2009	10	Line Blockage (other than grease)	4117 Bradford Drive
1/31/2009	50	Line Blockage (other than grease)	4033 Lowman Street
1/31/2009	8	Line Break	4505 Greensboro Drive
2/1/2009	5	Line Blockage (other than grease)	4941 Willowbrook Drive
2/1/2009	1	Line Blockage (other than grease)	4102 Dinn Street
2/1/2009	20	Line Blockage (other than grease)	4809 Kendall Drive
2/2/2009	20	Line Blockage (other than grease)	1600 Airline
2/2/2009	10	Line Blockage (other than grease)	4848 S Alameda St.
2/3/2009	50	Line Blockage (other than grease)	4725 Archer Dr.
2/4/2009	50	Line Blockage (other than grease)	4509 Christie St
2/4/2009	20	Private Clean out overflow	3745 Kingston Dr
2/4/2009	5	Private Clean out overflow	4801 Lansdown Dr
2/5/2009	10	Private Clean out overflow	5346 Gateridge Dr
2/6/2009	5	Line Blockage (other than grease)	3661 Monterey St.
2/10/2009	10	Line Blockage (other than grease)	4909 Easter Drive
2/10/2009	10	Line Blockage (other than grease)	4509 Christie St
2/10/2009	29	Line Blockage (other than grease)	5746 Bobalo Dr.
2/11/2009	15	Line Blockage (other than grease)	4701 Nesbitt St
2/13/2009	30	Line Blockage (other than grease)	6600 Theda Dr
2/14/2009	5	Line Blockage (other than grease)	5346 Gateridge Dr
2/15/2009	100	Line Blockage (other than grease)	4102 Herndon St.
2/16/2009	5	Line Blockage (other than grease)	518 Meadowbrook
2/16/2009	50	Line Blockage (other than grease)	5226 Honeysuckle Road
2/17/2009	10	Line Blockage (other than grease)	409 Rita



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Start Date	Gallons	Cause	Location of Discharge
2/17/2009	20	Line Blockage (other than grease)	3755 S. Alameda
2/18/2009	75	Line Blockage (other than grease)	7325 Pepper Ridge
2/18/2009	16	Line Blockage (other than grease)	5413 Crossgate
2/20/2009	2	Line Blockage (other than grease)	5037 Anthony
2/20/2009	10	Line Blockage (other than grease)	4405 Moravian
2/21/2009	15	Line Blockage (other than grease)	4462 Dinn
2/23/2009	15	Private Clean out overflow	773 Pennington Dr
2/24/2009	900	Line Break	354 University D
2/26/2009	20	City clogged main	802 Alden Dr
3/3/2009	20	Line Blockage (other than grease)	5118 South Staples Street
3/3/2009	2	Private Clean out overflow	929 Ashland Drive
3/3/2009	25	Line Blockage (other than grease)	4629 Christi Street
3/5/2009	25	Operator Error	6345 North Washam Drive
3/5/2009	10	Line Blockage (other than grease)	7514 Star Harbor Drive
3/5/2009	5	Line Blockage (other than grease)	7502 Star Harbor Drive
3/5/2009	3	Line Blockage (other than grease)	7534 Star Harbor Drive
3/5/2009	15	Line Blockage (other than grease)	2324 Starglow Drive
3/5/2009	20	Line Blockage (other than grease)	2302 Starglow Drive
3/5/2009	20	Line Blockage (other than grease)	2317 Starglow Drive
3/6/2009	3	Private Clean out overflow	6229 Pebble Peach Dr
3/7/2009	20	Line Blockage (other than grease)	5200 Wentworth
3/7/2009	30	Line Blockage (other than grease)	5810 St. Andrew's Drive
3/7/2009	20	Line Blockage (other than grease)	5905 Lucinda Lane
3/8/2009	30	Line Blockage (other than grease)	3220 Gollihar Rd.
3/10/2009	16	Line Blockage (other than grease)	3914 Redwood Street
3/10/2009	1	Line Blockage (other than grease)	5034 Curtis Clark Drive
3/11/2009	15	Line Break	3720 South Alameda Street
3/13/2009	20	Line Blockage (other than grease)	5614 Mc Ardle road
3/13/2009	10	City clogged main	1830 Jordan Drive
3/16/2009	5	Line Blockage (other than grease)	6814 Sahara Dr.
3/16/2009	10	Line Blockage (other than grease)	3220 Gollihar Rd.
3/16/2009	20	Private Clean out overflow	5529 Saratoga Blvd
3/17/2009	14	Line Blockage (other than grease)	3722 Santa Fe St.
3/17/2009	2	Private Clean out overflow	629 Glaszebrook St
3/18/2009	30	Line Blockage (other than grease)	2414 Capitan Dr.
3/19/2009	5	Line Blockage (other than grease)	530 Chase Dr.
3/19/2009	30	Line Blockage (other than grease)	7052 Lakeview Dr.
3/19/2009	30	Line Blockage (other than grease)	3532 Lawnview St.
3/20/2009	2	Line Blockage (other than grease)	6621 Sahara Dr.
3/20/2009	20	Line Blockage (other than grease)	5001 Bonner Dr.
3/22/2009	20	Line Blockage (other than grease)	905 Ennis Joslin Rd.
3/23/2009	5	Line Blockage (other than grease)	4426 Nesbitt Drive
3/24/2009	3	Line Blockage (other than grease)	621 Meadowbrook Drive
3/25/2009	250	Line Break	Everhart Rd/Goldeneye Dr
3/25/2009	26	Line Blockage (other than grease)	4422 Randall Drive
3/26/2009	200	Line Break	6601 Everhart Road (E-1)
3/26/2009	375	Line Break	6601 Everhard Road (C-1)
3/26/2009	5	Line Break	400 Breezeway Ave
3/27/2009	10	Line Blockage (other than grease)	5721 Trieste Drive
3/27/2009	15	Line Blockage (other than grease)	4117 Bradford Drive
3/27/2009	50	Line Blockage (other than grease)	4033 Lowman Street
3/28/2009	100	Line Blockage (other than grease)	1001 Harrison Street
3/29/2009	20	Line Blockage (other than grease)	4306 Nicholson Street
3/29/2009	1	Line Blockage (other than grease)	638 Glazebrook Street
3/29/2009	2	Line Blockage (other than grease)	909 Stirman St
3/29/2009	5	Line Blockage (other than grease)	3126 Gollihar Road
3/30/2009	20	Private Clean out overflow	2305 Airline Rd
3/31/2009	16	Line Blockage (other than grease)	929 Ashland Drive
4/1/2009	15	Line Blockage (other than grease)	3220 Gollihar Road
4/1/2009	200	Line Blockage (other than grease)	1825 Airline Road
4/2/2009	10	Line Blockage (other than grease)	4321 Fir Street
4/2/2009	40	Private Clean out overflow	3417 Lawnview St

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Start Date	Gallons	Cause	Location of Discharge
4/4/2009	150	Other	5214 Oso Hills Drive
4/5/2009	10	Private Clean out overflow	4002 Oak Bay Driv
4/5/2009	10	Line Blockage (other than grease)	4629 Christie Street
4/5/2009	10	Line Blockage (other than grease)	601 Ralston Avenue
4/6/2009	3	Line Blockage (other than grease)	4832 Moravian
4/6/2009	5	Private Clean out overflow	4330 Beaver Creek Dr
4/7/2009	10	Line Blockage (other than grease)	3555 South Padre Island Dr.
4/8/2009	40	Line Blockage (other than grease)	6226 Saratoga Blvd
4/8/2009	10	Line Blockage (other than grease)	353 Bermuda
4/8/2009	20	Line Blockage (other than grease)	4526 Kirkwood Dr
4/9/2009	2	Line Blockage (other than grease)	4818 Urban St
4/13/2009	40	Line Blockage (other than grease)	334 Angelo Drive
4/14/2009	200	Other	7314 Sun Valley Drive
4/15/2009	30	City clogged main	5181 Middle Coff
4/15/2009	10	Line Blockage (other than grease)	4320 S Alameda St
4/18/2009	10	Line Blockage (other than grease)	633 Hoffman St
4/18/2009	15	Line Blockage (other than grease)	4713 Nesbitt Dr
4/18/2009	5	Line Blockage (other than grease)	1222 Zarsky Dr
4/18/2009	10	Other	8202 S Padre Island Drive
4/18/2009	9	Other	2306 Airline Rd
4/19/2009	13	Line Blockage (other than grease)	3220 Gollihar Rd.
4/20/2009	200	Line break	7500 Cimarron
4/20/2009	20	Line Blockage (other than grease)	4834 Hamlett
4/21/2009	20	Line Blockage (other than grease)	5901 Lucinda
4/21/2009	28	Line Blockage (other than grease)	5623 Carroll
4/21/2009	25	Line Blockage (other than grease)	1110 Belmeade Drive
4/22/2009	1	Line Blockage (other than grease)	1249 Sandpiper
4/22/2009	30	Line Blockage (other than grease)	4322 Kostoryz
4/22/2009	100	Line break	6700 Everhart
4/23/2009	3	Line Blockage (other than grease)	4221 Carlton Street
4/24/2009	4	Line Blockage (other than grease)	6521 Ample Arbor
4/24/2009	10	Line Blockage (other than grease)	4713 Nesbitt Dr
4/25/2009	50	Line Blockage (other than grease)	4214 Ayers
4/26/2009	40	Line Blockage (other than grease)	4928 Gollihar
4/26/2009	30	Line Blockage (other than grease)	4535 SPID
4/26/2009	30	Private Gas Line Overflow	5133 SPID
4/28/2009	10	Private Clean out overflow	4455 SPID
4/28/2009	10	Line Blockage (other than grease)	6833Braesvalley Drive
4/28/2009	10	Private Clean out overflow	621 Meadowbrook Drive
4/29/2009	10	Line Blockage (other than grease)	3914 Redwood Street
5/1/2009	10	Line Blockage (other than grease)	4702 Alice Street
5/1/2009	25	Line Blockage (other than grease)	3220 Gollihar Road
5/2/2009	20	Line Blockage (other than grease)	4221 Carlton Street
5/4/2009	5	Line Blockage (other than grease)	461 Glenmore Street
5/7/2009	100	Private lift station overflow	4224 Ocean Dr
5/7/2009	30	Line Blockage (other than grease)	2930 Westgard Lane
5/7/2009	16	Line Blockage (other than grease)	4601 Vail Street
5/8/2009	50	Operator Error	5022 Kasper Street
5/8/2009	10	Line Blockage (other than grease)	4710 Ingram Drive
5/8/2009	8	Line Blockage (other than grease)	3409 Lawnview Street
5/8/2009	15	Line Break	4906 Chatfield Road
5/10/2009	10	Line Blockage (other than grease)	5720 South Alameda Street
5/10/2009	15	Line Blockage (other than grease)	4700 Easter Drive & Franklin Drive
5/11/2009	2	Private Clean out overflow	4730 Hamlet Dr
5/13/2009	10	Private Clean out overflow	1017 Clare Dr
5/15/2009	5	Private Clean out overflow	5212 Weber Rd
5/17/2009	4	Line Blockage (other than grease)	1114 Sealane Drive
5/18/2009	20	Line Blockage (other than grease)	4722 Archer Drive
5/18/2009	12	Line Blockage (other than grease)	3621 Topeka Street
5/18/2009	2	Line Blockage (other than grease)	4621 Trotton Drive
5/19/2009	50	Private Clean out overflow	5757 Woodridge Rd
5/19/2009	2	Service line blockage	3621 Topeka Street

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Start Date	Gallons	Cause	Location of Discharge
5/20/2009	30	Line Blockage (other than grease)	4309 Carlton Street
5/20/2009	50	Line Blockage (other than grease)	5430 Betty Jean Drive
5/22/2009	15	Line Blockage (other than grease)	734 Sheridan Drive
5/23/2009	5	Line Blockage (other than grease)	716 Ponder Street
5/25/2009	20	Line Blockage (other than grease)	734 Sheridan Drive
5/25/2009	19	Main Line Blockage	5118 Wooldridge Rd
5/27/2009	20	Line Blockage (other than grease)	6306 Hollister Drive
5/27/2009	20	Line Blockage (other than grease)	2533 Chuckster Drive
5/27/2009	20	Line Blockage (other than grease)	6305 Fitzhugh Drive
5/28/2009	5	Line Blockage (other than grease)	817 Airline Road
5/31/2009	10	Line Blockage (other than grease)	4214 Ayers Street
5/31/2009	10	Line Blockage (other than grease)	609 Sheridan Drive
6/2/2009	8	Main Line Blockage	4838 Larcade Drive
6/4/2009	20	Other	4214 Ayers Street
6/5/2009	5	Line Break	3446 Topeka Street
6/5/2009	10	Service line blockage	5022 Goldeneye Drive
6/7/2009	1	Line Blockage (other than grease)	4718 Jarvis Street
6/9/2009	150	Main Line Blockage	2341 Horne Rd
6/10/2009	50	Main Line Blockage	7052 Lakeview Dr.
6/10/2009	30	Main Line Blockage	3522 Lawnview Street
6/10/2009	2	Service line blockage	4445 Ramsey St
6/12/2009	21	Main Line Blockage	2930 Westgard Lane
6/13/2009	10	Service line blockage	930 Delaine
6/14/2009	10	Main Line Blockage	4733 Gabriel Dr
6/14/2009	15	Service line blockage	4337 Yucca St
6/15/2009	11	Main Line Blockage	4733 Gabriel Dr
6/17/2009	15	Service line blockage	1114 Sealane Drive
6/18/2009	15	Main Line Blockage	4130 South Alameda
6/20/2009	5	Service line blockage	4914 Williams Drive
6/20/2009	19	Main Line Blockage	4202 Estate Drive
6/20/2009	2	Service line blockage	1265 Ray Drive
6/21/2009	25	Main Line Blockage	2050 Silver Sands Drive
6/21/2009	250	Private Clean out overflow	3535 Cottonwood
6/21/2009	10	Service line blockage	901 Campbell Street
6/22/2009	4	Service line blockage	7122 Fort Collins Drive
6/22/2009	2	Private Clean out overflow	461 Sharon Drive
6/22/2009	8	Service line blockage	1221 Belmeade Drive
6/23/2009	10	Service line blockage	4210 Patrick Drive
6/23/2009	20	Private Clean out overflow	439 Peerman Place
6/24/2009	80	Main Line Blockage	4322 Kostoryz
6/24/2009	10	Service line blockage	3555 SPID
6/24/2009	5	Service line blockage	4306 Nicholson Street
6/25/2009	2	Service line blockage	2953 Sunrise Ave
6/26/2009	10	Service line blockage	4925 Gabriel Drive
6/26/2009	200	Private Clean out overflow	3720 Brookside Drive
6/27/2009	5	Service line blockage	6210 Brewton Drive
6/27/2009	20	Service line blockage	4337 Yucca St
6/28/2009	4	Main Line Blockage	7033 Rivergate Drive
6/29/2009	1	Service line blockage	29 Hewit Drive
6/30/2009	10	Main Line Blockage	2026 Melisa Lane
6/30/2009	10	Main Line Blockage	2014 Melisa Lane
6/30/2009	10	Main Line Blockage	2018 Melisa Lane
6/30/2009	10	Main Line Blockage	2010 Melisa Lane
6/30/2009	10	Main Line Blockage	2006 Melisa Lane
6/30/2009	10	Main Line Blockage	2022 Melisa Lane
6/30/2009	3	Service line blockage	7838 Wolverine Drive
6/30/2009	40	Main Line Blockage	4202 Estate Drive
6/30/2009	2	Service line blockage	4914 Williams Drive
7/1/2009	2	Main Line Blockage	3226 Houston Street
7/1/2009	5	Service line blockage	4433 Driftwood Place
7/2/2009	3	Service line blockage	3520 Austin Street
7/3/2009	10	Service line blockage	4654 Totton Drive

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Start Date	Gallons	Cause	Location of Discharge
7/5/2009	60	Main Line Blockage	3214 Dunbarton Oak Street
7/6/2009	9	Main Line Blockage	4725 Archer Dr.
7/6/2009	50	Service line overflow	1045 Doddridge Street
7/6/2009	5	Service line blockage	3606 Prosper Drive
7/7/2009	5	Main Line Blockage	633 Hoffman St
7/7/2009	10	Service line blockage	1129 Nancy Drive
7/7/2009	10	Service line blockage	4337 Yucca St
7/8/2009	5	Service line blockage	5602 Tanglewood Drive
7/8/2009	14	Service line blockage	1626 Brentwood Drive
7/8/2009	5	Service line blockage	4809 Kendall Drive
7/9/2009	50	Main Line Blockage	1102 Stratton Drive
7/9/2009	3	Service line blockage	6210 Brewton Drive
7/10/2009	100	Operator Error	5400 South Staples Street
7/12/2009	5	Service line blockage	4842 Kasper Street
7/12/2009	20	Service line blockage	610 Chase Drive
7/13/2009	150	Main Line Blockage	7522 Holly Road
7/13/2009	10	Service line overflow	3220 Gollihar Road
7/14/2009	29	Main Line Blockage	1102 Stratton Drive
7/15/2009	1	Service line blockage	5029 Kasper St
7/15/2009	75	Operator Error	3502 South Padre Island Drive
7/15/2009	11	Service line blockage	1120 Whitaker Drive
7/16/2009	30	Operator Error	1830 Melissa Lane
7/16/2009	10	Operator Error	1814 Melissa lane
7/16/2009	20	Operator Error	1822 Melissa Lane
7/16/2009	20	Operator Error	1818 Melissa Lane
7/16/2009	15	Operator Error	1826 Melissa Lane
7/18/2009	5	Service line blockage	1517 Devon Drive
7/18/2009	200	Main Line Blockage	8100 South Padre Island Drive, Bldg #300
7/19/2009	50	Service line blockage	1130 Delta Drive
7/19/2009	10	Service line blockage	4514 Grand Lake Drive
7/20/2009	30	Service line blockage	4710 Ingram Drive
7/20/2009	10	Service line blockage	919 Grant Place
7/20/2009	20	Main Line Blockage	7177 Cano Lane
7/22/2009	5	Main Line Blockage	3001 Brawner Parkway
7/25/2009	20	Main Line Blockage	4938 South Staples Street
7/26/2009	4	Private Line Blockage	1654 Airline Rd
7/26/2009	8	Service line blockage	909 Anderson Street
7/27/2009	10	Private Line Blockage	6725 Wood Duck Dr
7/27/2009	50	Main Line Blockage	3153 Lawnview St
7/27/2009	20	Service line blockage	322 Stages Dr
7/28/2009	2	Private Clean out overflow	6225 Norchester Dr
7/28/2009	20	Main Line Blockage	4322 Kostorye R
7/29/2009	5	Service line blockage	4130 Monaco Dr
7/31/2009	3	Service line blockage	4946 Wexford Drive
8/1/2009	10	Service line blockage	3722 La Paz Drive
8/2/2009	300	Service line overflow	Oso WWTP
8/5/2009	1	Service line blockage	7102 Southhaven Drive
8/7/2009	5	Main Line Blockage	3233 Austin Street
8/8/2009	25	Main Line Blockage	3229 Austin Street
8/9/2009	10	Service line blockage	3626 La Paz Drive
8/10/2009	10	Private service line blockage	4606 Arlene Dr
8/10/2009	5	Service line blockage	4341 St. George St
8/10/2009	5	Service line blockage	4927 Carroll Ln
8/11/2009	40	Service line blockage	6709 Deerwood Dr.
8/11/2009	9	Service line blockage	1526 Casa De Oro Dr.
8/13/2009	50	Main Line Blockage	4802 Odem Dr
8/15/2009	20	Main Line Blockage	4730 Gabriel Dr.
8/18/2009	2	Service line blockage	1034 Berkshire Dr
8/19/2009	40	Main Line Blockage	3658 Lawnview
8/20/2009	5	Service line blockage	7140 Everhart Rd
8/25/2009	5	Main Line Blockage	1530 Airline Rd
8/25/2009	5	Service line blockage	4906 Dodd Dr

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Start Date	Gallons	Cause	Location of Discharge
8/27/2009	5	Service line blockage	4209 Cambridge Dr
8/27/2009	10	Main Line Blockage	4629 Christie Street
8/31/2009	1	Service line blockage	6405 Oakbrook Dr
9/1/2009	40	Main Line Blockage	6606 Theda Dr
9/2/2009	20	Operator Error	1030 Lum Ave
9/2/2009	10	Operator Error	1034 Lum Ave
9/2/2009	25	Operator Error	1038 Lum Ave
9/2/2009	5	Operator Error	1042 Lum Ave
9/2/2009	10	Operator Error	1046 Lum Ave
9/2/2009	20	Operator Error	1050 Lum Ave
9/2/2009	5	Operator Error	1054 Lum Ave
9/2/2009	2	Service line blockage	2209 Meadowcreek Dr
9/2/2009	2	Service line blockage	2134 Meadowgrove
9/2/2009	25	Service line blockage	3220 Gollihar Rd.
9/2/2009	20	Main Line Blockage	4841 Cheryl Dr
9/2/2009	10	Main Line Blockage	1134 Dorthy Dr
9/2/2009	5	Main Line Blockage	1110 Dorthy Dr
9/2/2009	5	Main Line Blockage	1118 Dorthy Dr
9/2/2009	5	Main Line Blockage	1126 Dorthy Dr
9/3/2009	10	Service line blockage	439 Peerman Place
9/5/2009	25	Main Line Blockage	542 Sorrell St
9/8/2009	10	Operator Error	1042 Dorthy Dr
9/8/2009	8	Operator Error	1046 Dorthy Dr
9/8/2009	5	Operator Error	1050 Dorthy Dr
9/8/2009	10	Operator Error	1054 Dorthy Dr
9/8/2009	7	Operator Error	1060 Dorthy Dr
9/8/2009	4	Operator Error	1064 Dorthy Dr
9/8/2009	4	Operator Error	1102 Dorthy Dr
9/8/2009	7	Operator Error	1106 Dorthy Dr
9/8/2009	5	Operator Error	1110 Dorthy Dr
9/8/2009	30	Main Line Blockage	4829 Cheryl Dr
9/9/2009	25	Service line blockage	633 Hoffman St
9/10/2009	20	Main Line Blockage	4833 Franklin Dr
9/10/2009	237696	Main Line Blockage	5601 S. Alameda
9/11/2009	50	Main Line Blockage	625 Philomena Dr
9/11/2009	5	Service line blockage	4602 Monette Dr
9/11/2009	2	Main Line Blockage	1221 Harbor Village Dr
9/11/2009	300	Main Line Blockage	5601 S Alameda St
9/11/2009	150	Main Line Blockage	7122 Edgebrook Dr
9/11/2009	75	Main Line Blockage	4842 Franklin Dr
9/11/2009	15	Main Line Blockage	5990 S. Staples St
9/13/2009	75	Main Line Blockage	4733 Hamlett Dr
9/13/2009	10	Main Line Blockage	4850 Franklin Dr
9/13/2009	25	Service line blockage	4825 Fern Forest Circle
9/14/2009	5	Operator Error	1042 Dorthy Dr
9/14/2009	5	Operator Error	1038 Dorthy Dr
9/14/2009	5	Operator Error	1034 Dorthy Dr
9/14/2009	15	Operator Error	1030 Dorthy Dr
9/14/2009	5	Operator Error	1026 Dorthy Dr
9/14/2009	20	Main Line Blockage	4850 Franklin Dr
9/14/2009	20	Main Line Blockage	4813 Franklin Dr
9/15/2009	8	Main Line Blockage	4845 Hamlett Dr
9/15/2009	10	Main Line Blockage	312 Buccaneer Dr
9/15/2009	10	Main Line Blockage	4833 Franklin Dr
9/15/2009	100	Main Line Blockage	630 McCall St
9/15/2009	10	Main Line Blockage	5905 Lucinda Lane
9/16/2009	2	Main Line Blockage	4849 Easter Dr
9/16/2009	19	Service line blockage	3220 Gollihar Rd.
9/16/2009	20	Main Line Blockage	1105 Vance Dr
9/16/2009	30	Main Line Blockage	4738 Gabriel Dr
9/16/2009	29	Private service line blockage	5301 Everhart Rd
9/16/2009	25	Service line blockage	1218 Tyler Ave

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Start Date	Gallons	Cause	Location of Discharge
9/17/2009	5	Main Line Blockage	4721 Johnston Drive
9/17/2009	2	Main Line Blockage	4918 Kosarek Dr
9/17/2009	10	Service line blockage	4426 Nesbitt Drive
9/18/2009	29	Main Line Blockage	4633 Christie Dr
9/18/2009	60	Main Line Blockage	1205 Belmeade Dr
9/18/2009	10	Main Line Blockage	3033 Topeka Dr
9/19/2009	90	Main Line Blockage	1205 Belmeade Dr
9/19/2009	20	Service line blockage	4929 Cedar Pass Dr
9/19/2009	20	Main Line Blockage	4849 Easter Dr
9/19/2009	10	Private service line blockage	709 Brock Dr
9/19/2009	25	Private service line blockage	4918 Chatfield Rd
9/20/2009	5	Main Line Blockage	4358 Kosarek Dr
9/21/2009	31	Private service line blockage	4513 S. Staples St
9/21/2009	30	Main Line Blockage	501 Pennington Dr
9/21/2009	25	Main Line Blockage	533 Pennington Dr
9/21/2009	10	Private Clean out overflow	5220 Weber Rd
9/22/2009	50	Main Line Blockage	4849 Easter Dr
9/22/2009	5	Service line blockage	3433 Manitou St
9/23/2009	75	Main Line Blockage	5206 Oso Parkway
9/24/2009	200	Main Line Blockage	7706 Van Zandt Dr.
9/25/2009	40	Service line blockage	3220 Gollihar Rd.
9/25/2009	40	Main Line Blockage	4834 Easter Dr
9/25/2009	30	Main Line Blockage	3321 Manitou St
9/26/2009	3	Private service line blockage	610 Dolphin Pl
9/27/2009	15	Service line blockage	4845 Phillip Dr
9/28/2009	5	Service line blockage	423 Grant Pl.
9/28/2009	25	Main Line Blockage	3220 Gollihar Rd.
9/28/2009	5	Private service line blockage	3520 Austin St.
9/29/2009	20	Main Line Blockage	4602 Acushnet Dr.
9/29/2009	15	Service line blockage	614 Glazebrook St.
9/29/2009	50	Operator Error	3117 Austin St.
10/1/2009	32	Service line blockage	725 Anderson St.
10/1/2009	200	Operator Error	737 Meadowbrook Dr.
10/1/2009	20	Main Line Blockage	330 Oleander Ave.
10/2/2009	4	Service line overflow	4822 Wooldridge Rd.
10/3/2009	10	Service line overflow	3912 Ramsey St.
10/3/2009	50	Main Line Blockage	5214 Oso Hills Dr.
10/6/2009	20	Main Line Blockage	230 Circle Drive
10/6/2009	20	Main Line Blockage	3568 Lawnview Street
10/7/2009	20	Service line overflow	5522 Everhart Road
10/8/2009	15	Service line overflow	4925 Goldeneye Drive
10/8/2009	1	Main Line Blockage	4645 Archer Drive
10/8/2009	20	Main Line Blockage	4702 Cheryl Drive
10/8/2009	50	Private Clean out overflow	654 Glazebrook Street
10/9/2009	10	Service line overflow	3510 Carrolleton Street
10/10/2009	2	Main Line Blockage	4817 Wynona Drive
10/12/2009	10	Service line overflow	4522 Carroll Lane
10/13/2009	3	Service line overflow	4822 Oak Knoll Circle
10/14/2009	25	Private service line blockage	4014 Little John Dr
10/15/2009	2	Service line overflow	4925 Goldeneye Drive
10/15/2009	20	Service line overflow	630 Larisdown Dr.
10/16/2009	30	Main Line Blockage	1205 Belmeade Dr.
10/16/2009	30	Main Line Blockage	4506 Corona Dr.
10/17/2009	3	Service line overflow	725 Anderson St.
10/18/2009	10	Main Line Blockage	1121 Vance Dr.
10/18/2009	150	Main Line Blockage	5725 Curtis Clark Dr
10/19/2009	5	Service line blockage	200 Alta Plaza St
10/19/2009	30	Main Line Blockage	4322 Kostoryz Rd
10/20/2009	20	Main Line Blockage	5526 Oso Pkwy
10/20/2009	50	Main Line Blockage	4109 Del Star Dr
10/21/2009	400	Main Line Blockage	6000 S Staples St
10/22/2009	10	Main Line Blockage	4838 Larcade Dr

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Start Date	Gallons	Cause	Location of Discharge
10/23/2009	10	Service line blockage	6010 Rio Vista Ave.
10/23/2009	1	Private Clean out overflow	4702 Cherly Dr
10/23/2009	25	Main Line Blockage	242 Circle Dr
10/26/2009	20	Main Line Blockage	6602 Riding Wind
10/27/2009	30	Main Line Blockage	7052 Lakeview
10/27/2009	unknown	Main Line Blockage	5601 S. Alameda
10/27/2009	10	Main Line Blockage	301 Stages
10/27/2009	20	Main Line Blockage	945 Shepard
10/28/2009	5	Service line blockage	4209 Beard
10/29/2009	30	Main Line Blockage	6402 Weber
10/30/2009	20	Main Line Blockage	4506 Corona Dr.
10/30/2009	59	Main Line Blockage	7129 South Haven
10/30/2009	10	Main Line Blockage	1101 Lum
10/30/2009	5	Service line blockage	3433 Manitou
10/31/2009	90	Main Line Blockage	110 Ocean View
10/31/2009	10	Main Line Blockage	330 Louise
10/31/2009	8	Service line blockage	3313 Austin St.
11/1/2009	25	Main Line Blockage	4014 Capitol
11/2/2009	10	Service line blockage	5518 Betty Jean Drive
11/3/2009	10	Service line blockage	725 Ashland Drive
11/3/2009	5	Service line blockage	7025 Tree Top Place
11/3/2009	5	Service line blockage	4834 Franklin Drive
11/3/2009	5	Main Line Blockage	3520 Floyd Street
11/3/2009	10	Private Line Blockage	3214 Olsen Dr
11/4/2009	5	Service line blockage	4938 Urban Street
11/5/2009	5	Service line blockage	510 Pennington Drive
11/9/2009	20	Main Line Blockage	3702 Dalradia Street
11/9/2009	15	Service line blockage	5114 Weber Rd
11/10/2009	20	Main Line Blockage	7469 Convair Drive
11/11/2009	39	Main Line Blockage	5018 High Meadow Drive
11/11/2009	5	Service line blockage	1006 Whitaker Drive
11/11/2009	29	Service line blockage	5517 South Alameda Street
11/11/2009	25	Private Line Blockage	4810 Willowbrook Dr
11/12/2009	20	Main Line Blockage	505 Hopper Drive
11/12/2009	5	Service line blockage	749 Monette Drive
11/14/2009	8	Service line blockage	4721 Johnston Drive
11/14/2009	5	Service line blockage	3730 Lincoln Street
11/17/2009	15	Service line blockage	7805 Wolverine Drive
11/17/2009	5	Main Line Blockage	633 Glazebrook Street
11/18/2009	25	Main Line Blockage	4641 Stonegate
11/18/2009	50	Main Line Blockage	4506 Corona Drive
11/20/2009	100	Main Line Blockage	817 Crestview
11/20/2009	5	Main Line Blockage	1330 Nile Drive
11/20/2009	unknown	Main Line Blockage	5601 South Alameda Street
11/21/2009	10	Main Line Blockage	626 Cunningham Street
11/22/2009	20	Main Line Blockage	5901 Lucinda Lane
11/22/2009	25	Main Line Blockage	4849 Hamlett Drive
11/23/2009	40	Main Line Blockage	905 Ashland Drive
11/23/2009	25	Main Line Blockage	4930 Carroll Lane
11/23/2009	30	Main Line Blockage	5601 Cordelia Street
11/23/2009	50	Main Line Blockage	649 Robinson Street
11/23/2009	10	Main Line Blockage	4834 Queen Drive
11/23/2009	5	Service line blockage	6709 Wood Iron Drive
11/23/2009	50	Main Line Blockage	634 McCall Street
11/24/2009	40	Main Line Blockage	4109 Del Starr Drive
11/24/2009	10	Main Line Blockage	4829 Dodd Drive
11/24/2009	30	Main Line Blockage	4809 Dodd Drive
11/25/2009	15	Service line blockage	3214 Olsen Dr
11/25/2009	10	Main Line Blockage	4848 South Alameda Street
11/27/2009	20	Main Line Blockage	4701 Johnston Drive
11/29/2009	20	Service line blockage	6630 Yorktown Blvd
11/30/2009	20	Main Line Blockage	4701 Johnston Drive

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Start Date	Gallons	Cause	Location of Discharge
12/2/2009	100	Main Line Blockage	1602 Brentwood Drive
12/2/2009	75	Service line blockage	301 Doddridge Street
12/2/2009	20	Main Line Blockage	3458 Austin Street
12/3/2009	300	Main Line Blockage	5209 Blanche D. Moore Drive
12/4/2009	100	Main Line Blockage	1102 Stratton Drive
12/5/2009	20	Main Line Blockage	505 Hopper Drive
12/5/2009	50	Main Line Blockage	4402 Christie Street
12/6/2009	10	Service line blockage	3910 Keighley Crossing
12/7/2009	15	Service line blockage	4717 Johnston Dr
12/7/2009	100	Operator Error	Everhart Rd and Curtis Clark Dr
12/8/2009	10	Service line blockage	479 Claremore St
12/8/2009	10	Main Line Blockage	3533 S Alameda
12/8/2009	40	Main Line Blockage	5110 Janssen Dr
12/8/2009	15	Main Line Blockage	402 Breezeway Ave
12/9/2009	10	Main Line Blockage	4834 Mable St
12/9/2009	10	Main Line Blockage	3636 S Alameda
12/10/2009	250	Main Line Blockage	4455 S Padre Island Dr
12/10/2009	100	Main Line Blockage	4931 Mokry Dr
12/10/2009	3	Service line blockage	301 Beverly Dr.
12/11/2009	50	Service line blockage	611 Chamberlain St
12/11/2009	15	Service line blockage	3854 S Padre Island Dr
12/12/2009	25	Operator Error	938 Ashland Dr
12/12/2009	5	Service line blockage	4022 Capitol Dr
12/12/2009	4	Service line blockage	610 Pasadena Pl
12/13/2009	10	Private Clean out overflow	5410 Burton Ln
12/14/2009	15	Main Line Blockage	642 Chamberlain St
12/14/2009	20	Main Line Blockage	5901 Lucinda
12/14/2009	50	Main Line Blockage	4033 Lowman St
12/14/2009	10	Main Line Blockage	4848 Alameda St
12/14/2009	30	Main Line Blockage	4824 Cheryl Dr
12/14/2009	50	Main Line Blockage	4925 Mokry Dr
12/15/2009	2	Service line blockage	4009 Donaho Dr
12/16/2009	10	Main Line Blockage	5742 Spohn Dr
12/16/2009	20	Service line blockage	4637 Gayle Circle
12/17/2009	50	Main Line Blockage	336 Sunset Ave
12/17/2009	15	Main Line Blockage	905 Ashland Drive
12/18/2009	150	Main Line Blockage	6701 Everhart Rd
12/18/2009	20	Main Line Blockage	541 Harrison St
12/19/2009	41	Main Line Blockage	2621 Bruin Dr
12/19/2009	30	Main Line Blockage	3221 S Staples St
12/20/2009	20	Main Line Blockage	1947 Sean Dr
12/20/2009	20	Main Line Blockage	4618 Cheryl Dr
12/21/2009	20	Service line blockage	3532 Lawnview St
12/21/2009	10	Main Line Blockage	4848 S Alameda St
12/22/2009	150	Main Line Blockage	4931 Mokry Dr
12/22/2009	56	Main Line Blockage	6701 Everhart Rd
12/22/2009	150	Main Line Blockage	4713 Johnston Dr
12/22/2009	150	Main Line Blockage	4936 Kosarek Dr
12/22/2009	120	Main Line Blockage	6629 Whitewing Dr
12/22/2009	20	Main Line Blockage	6617 Whitewing Dr
12/22/2009	20	Main Line Blockage	6729 Whitewing Dr
12/23/2009	10	Service line blockage	7225 Pepper Ridge Rd
12/23/2009	20	Main Line Blockage	510 Monette Dr
12/23/2009	20	Main Line Blockage	501 Pennington Dr
12/24/2009	15	Main Line Blockage	1001 Carmel Pkwy
12/24/2009	30	Main Line Blockage	6701 Everhart Rd
12/24/2009	38	Main Line Blockage	1205 Belmeade Dr
12/25/2009	10	Main Line Blockage	906 Ashland Dr
12/25/2009	30	Service line blockage	3941 Linden St
12/25/2009	30	Main Line Blockage	7034 Powderhorn Court
12/25/2009	10	Main Line Blockage	7037 Arapahoe St
12/27/2009	1	Service line blockage	2441 Cricket Hollow Dr



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Start Date	Gallons	Cause	Location of Discharge
12/27/2009	10	Service line blockage	6717 Pintail Dr
12/28/2009	30	Service line blockage	1222 Vance Dr
12/28/2009	30	Main Line Blockage	4713 Spring Fork Drive
12/30/2009	3	Private service line blockage	5714 Hinman Drive
12/31/2009	15	Main Line Blockage	6809 Crosstimbers Dr
12/31/2009	15	Service line blockage	4946 Cheryl Dr
1/2/2010	25	Main Line Blockage	3301 Houston Dr
1/2/2010	10	Private service line blockage	326 Chenoweth Drive
1/2/2010	10	Service line blockage	7430 Spitfire Dr
1/2/2010	20	Main Line Blockage	5018 High Meadow Drive
1/2/2010	20	Main Line Blockage	906 Ashland Dr
1/4/2010	2	Main Line Blockage	8213 Argonne Drive
1/4/2010	22	Service line blockage	434 Montclair
1/4/2010	3	Service line blockage	4842 Eider Drive
1/4/2010	20	Service line blockage	3402 Ocean Drive
1/4/2010	20	Main Line Blockage	4814 Archer Drive
1/5/2010	3	Service line blockage	4319 Carroll Lane
1/5/2010	30	Main Line Blockage	4626 Blundell Drive
1/6/2010	60	Main Line Blockage	5030 Concord Street
1/7/2010	2	Service line blockage	4409 Christie Street
1/7/2010	4	Main Line Blockage	321 Laurel Drive
1/7/2010	2	Service line blockage	5021 Brandesky Drive
1/9/2010	3	Service line blockage	505 Chase Drive
1/11/2010	100	Service line blockage	3120 Santa Fe Street
1/11/2010	40	Main Line Blockage	4416 Christie Street
1/12/2010	20	Service line blockage	3622 South Alameda Street
1/12/2010	100	Main Line Blockage	15 Hewit Drive
1/12/2010	50	Operator Error	3336 Manitou Street
1/12/2010	10	Main Line Blockage	443 Bermuda Place
1/14/2010	40	Service line blockage	4201 Clinton Dr
1/15/2010	250000	I&I	5601 South Alameda Street
1/15/2010	15	I&I	5750 Curtis Clark Drive
1/15/2010	10	I&I	4737 Johnston Drive
1/15/2010	20	I&I	4726 Blundell Drive
1/15/2010	15	I&I	5805 Bonner Drive
1/15/2010	20	I&I	4945 Blundell Drive
1/15/2010	20	I&I	1009 Driftwood Place
1/15/2010	600	I&I	4902 Dodd Drive
1/15/2010	50	Main Line Blockage	7129 Laramie Lane
1/15/2010	50	Main Line Blockage	7129 Laramie Lane
1/16/2010	15	Main Line Blockage	3522 Houston Street
1/16/2010	50	Main Line Blockage	2740 Rogers Street
1/16/2010	15	Main Line Blockage	3522 Houston Street
1/16/2010	15	Main Line Blockage	4533 Bernardino Street
1/17/2010	50	Service line blockage	627 Sorrell Street
1/17/2010	20	Service line blockage	7010 Buttermilk Drive
1/17/2010	22	Main Line Blockage	6622 Long Meadow Drive
1/17/2010	30	Main Line Blockage	4730 Gabriel Drive
1/18/2010	20	Main Line Blockage	317 South Morningside Drive
1/18/2010	60	Main Line Blockage	1537 Lazy Lane
1/18/2010	56	Line Break	3201 Topeka Street
1/18/2010	10	Main Line Blockage	5937 McArdle Road
1/20/2010	30	Service line blockage	7502 McArdle Road
1/20/2010	13	Private service line blockage	5137 Weber Road
1/20/2010	80	Service line blockage	4842 Eider Drive
1/20/2010	10	Main Line Blockage	4022 Ramsey Street
1/20/2010	20	Private service line blockage	4918 South Padre Island Drive
1/20/2010	5	Main Line Blockage	4721 Vail Street
1/20/2010	5	Main Line Blockage	4713 Vail Street
1/21/2010	80	Service line blockage	6706 Whitewing Drive
1/22/2010	5	Private service line blockage	400 Breezeway Avenue
1/22/2010	30	Main Line Blockage	408 Rita Drive

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Start Date	Gallons	Cause	Location of Discharge
1/23/2010	10	Main Line Blockage	341 North Morningside Drive
1/23/2010	36	Main Line Blockage	4842 Eider Drive
1/24/2010	10	Main Line Blockage	929 Wilshire Place
1/25/2010	10	Private service line blockage	4646 Janssen Drive
1/25/2010	40	Main Line Blockage	4722 Phillip Drive
1/25/2010	30	Main Line Blockage	300 Doddridge Street
1/25/2010	20	Main Line Blockage	3 Ocean Park Drive
1/25/2010	5	Main Line Blockage	5841 Woodhaven Drive
1/25/2010	100	Private service line blockage	4721 Johnston Drive
1/26/2010	10	Main Line Blockage	4722 Archer Drive
1/26/2010	80	Main Line Blockage	6809 Glasgow Drive
1/26/2010	50	Main Line Blockage	4602 Townsend Street
1/26/2010	50	Private service line blockage	4730 Ingram Drive
1/27/2010	50	Main Line Blockage	705 Chase Drive
1/27/2010	20	Main Line Blockage	4510 Corona Drive
1/28/2010	15	Private service line blockage	621 Glazebrook Street
1/28/2010	80	Main Line Blockage	4106 Naples Street
1/28/2010	5	Private service line blockage	143 Rossiter Street
1/28/2010	100	Main Line Blockage	4421 Laura Place
1/29/2010	5	Main Line Blockage	4610 Kostoryz Road
1/29/2010	5	Private service line blockage	5022 Wingfoot Lane
1/29/2010	39	Main Line Blockage	4937 Mokry Drive
1/29/2010	3	Private service line blockage	4945 Franklin Drive
1/30/2010	20	Main Line Blockage	4502 Cororia Drive
1/30/2010	20	Main Line Blockage	6921 Monarch Street
1/30/2010	50	Private service line blockage	5445 South Alameda Street
1/31/2010	5	Main Line Blockage	910 Airline Road
1/31/2010	50	Main Line Blockage	5181 Middlecoff Road
1/31/2010	15	Main Line Blockage	741 Chase Drive
1/31/2010	25	Main Line Blockage	1002 Shiels Drive
1/31/2010	20	Main Line Blockage	402 Breezeway Avenue
2/1/2010	30	Main Line Blockage	2221 Meadow Walk Drive
2/2/2010	100	Main Line Blockage	4334 Cambridge Drive
2/2/2010	3	Other	342 Sunset Avenue
2/3/2010	500	Main Line Blockage	Dodd Drive/Mc Ardle Road
2/3/2010	200	Main Line Blockage	5018 High Meadow Drive
2/3/2010	20	Main Line Blockage	793 Collingswood Drive
2/4/2010	20	Service line blockage	3330 Houston Street
2/4/2010	40	Main Line Blockage	4126 Naples Street
2/4/2010	5	Private service line blockage	4008 Willow Street
2/5/2010	10	Main Line Blockage	2866 Lawnview Street
2/6/2010	150	Main Line Blockage	7177 Cano Lane
2/6/2010	5	Main Line Blockage	5057 Wingfoot Lane
2/6/2010	60	Private service line blockage	930 Rosedale Drive
2/8/2010	40	Private service line blockage	3941 Linden St
2/9/2010	10	Main Line Blockage	8222 Etienne Drive
2/9/2010	40	Main Line Blockage	4702 Franklin Drive
2/9/2010	40	Main Line Blockage	4901 Concord Street
2/10/2010	10	Private service line blockage	4721 Johnston Drive
2/11/2010	100	Main Line Blockage	350 Pasadena Place
2/11/2010	unknown	Heavy Rain	5601 South Alameda Street
2/12/2010	50	Main Line Blockage	4825 Meadow Vale Circle
2/12/2010	20	Main Line Blockage	4238 Mulligan Drive
2/12/2010	5	Main Line Blockage	4802 South Padre Island Drive
2/12/2010	20	Main Line Blockage	3702 South Alameda Street
2/12/2010	20	Main Line Blockage	4126 Naples Street
2/12/2010	50	Main Line Blockage	6622 Long Meadow Drive
2/12/2010	500	Private service line blockage	402 Buccaneer Drive
2/13/2010	10	Main Line Blockage	2862 Topeka Street
2/13/2010	20	Main Line Blockage	329 Foster Drive
2/13/2010	50	Main Line Blockage	2802 Erie Drive
2/14/2010	10	Main Line Blockage	3 Ocean Park Drive

Attachment A  
SSO Violations Oso TX0047058

Start Date	Gallons	Cause	Location of Discharge
2/14/2010	30	Main Line Blockage	4721 Hamlett Drive
2/14/2010	5	Service line overflow	5002 Meandering Lane
2/15/2010	42	Main Line Blockage	1002 Wilshire Place
2/15/2010	14	Main Line Blockage	4802 South Padre Island Drive
2/15/2010	50	Main Line Blockage	4502 Corona Drive
2/16/2010	10	Main Line Blockage	614 Glazebrook Street
2/16/2010	20	Main Line Blockage	5610 Oso Parkway
2/17/2010	10	Private service line blockage	5419 Burton Lane
2/17/2010	15	Service line blockage	302 Pasadena Place
2/17/2010	41	Main Line Blockage	5329 St. Andrews Street
2/17/2010	25	Main Line Blockage	4110 Rayado Creek Drive
2/18/2010	12	Main Line Blockage	5422 Flynn Parkway
2/19/2010	20	Service line blockage	1642 Cambridge Drive
2/20/2010	20	Main Line Blockage	4462 Dinn Street
2/20/2010	30	Main Line Blockage	4829 Queen Drive
2/20/2010	50	Main Line Blockage	4718 Kendall Drive
2/21/2010	50	Main Line Blockage	5301 Timbergate Drive
2/22/2010	16	Private service line blockage	6014 Hugo Drive
2/23/2010	19	Main Line Blockage	1022 Collingswood Drive
2/24/2010	30	Main Line Blockage	1513 Lazy Lane
2/25/2010	40	Main Line Blockage	1010 Rickey Drive
2/25/2010	10	Main Line Blockage	1532 Wynwood Drive
2/26/2010	10	Main Line Blockage	4706 Franklin Drive
2/27/2010	10	Main Line Blockage	4725 Blundell Drive
2/27/2010	10	Main Line Blockage	4905 Blundell Drive
2/27/2010	15	Private service line blockage	2725 Santa Fe Street
2/28/2010	10	Main Line Blockage	4706 Franklin Drive
2/28/2010	10	Private service line blockage	4334 Cambridge Drive
3/1/2010	10	Private service line blockage	4333 Amherst Drive
3/1/2010	50	Main Line Blockage	Long Meadow Drive/Middlecoff Road
3/3/2010	5	Main Line Blockage	425 Homecrest Street
3/4/2010	5	Main Line Blockage	613 Sheridan Drive
3/7/2010	25	Private service line blockage	3102 Austin Street
3/8/2010	24	Main Line Blockage	7037 Copper Mountain Drive
3/9/2010	50	Main Line Blockage	1 Camden Place
3/10/2010	5	Service line blockage	4746 Philip Drive
3/10/2010	20	Private service line blockage	2429 Nemece Street
3/10/2010	10	Service line blockage	6133 Parkway Drive
3/10/2010	5	Private service line blockage	902 Miramar Place
3/10/2010	50	Private service line blockage	5713 Park Street
3/11/2010	1	Service line blockage	6110 Burr Drive
3/11/2010	40	Main Line Blockage	4721 Johnston Drive
3/11/2010	40	Private service line blockage	1030 Belmeade Drive
3/14/2010	100	Private service line blockage	4729 Archer Drive
3/17/2010	10	Service line blockage	3308 Lawnview Street
3/17/2010	5	Service line blockage	4721 Larcade Drive
3/18/2010	50	Main Line Blockage	5722 Hinman Drive
3/18/2010	10	Service line blockage	4717 South Padre Island Drive
3/19/2010	25	Main Line Blockage	5302 Woodgate Drive
3/19/2010	10	Main Line Blockage	3461 Lawnview Street
3/20/2010	15	Main Line Blockage	4601 Sierra Blanca Boulevard
3/22/2010	30	Private service line blockage	4717 South Padre island Drive
3/24/2010	5	Private service line blockage	621 Glazebrook Street
3/24/2010	30	Main Line Blockage	4717 South Padre Island Drive
3/25/2010	40	Service line blockage	4526 Kirkwood Drive
3/26/2010	15	Service line blockage	713 Airline Road
3/26/2010	40	Main Line Blockage	4034 Herndon Street
3/27/2010	40	Main Line Blockage	4401 Sunlight Drive
3/28/2010	20	Service line blockage	709 Chase Drive
3/29/2010	15	Service line blockage	4909 Cosner Drive
4/2/2010	30	Private service line blockage	4526 Kirkwood Drive
4/3/2010	350	Main Line Blockage	6301 Meadowvista Drive

Attachment A  
SSO Violations Oso TX0047058

Start Date	Gallons	Cause	Location of Discharge
4/3/2010	100	Main Line Blockage	2200 Meadowlights Parkway
4/3/2010	75	Main Line Blockage	2222 Meadowgrove Drive
4/5/2010	30	Main Line Blockage	4922 Mildred Drive
4/7/2010	30	Service line blockage	5934 South Alameda Street
4/8/2010	80	Main Line Blockage	4034 Lowman Street
4/9/2010	10	Private service line blockage	5061 Cascade Drive
4/10/2010	5	Service line blockage	5222 Edinburgh Circle
4/10/2010	15	Main Line Blockage	3800 Lamont Street @ Monitor Drive
4/13/2010	100	Main Line Blockage	4100 Tiger Lane
4/13/2010	5	Main Line Blockage	1002 De Forrest St
4/17/2010	70	Main Line Blockage	7522 Holly Road
4/20/2010	35	Main Line Blockage	2854 Topeka Street
4/20/2010	30	Main Line Blockage	2 Camden Place
4/20/2010	10	Private service line blockage	4645 Ocean Drive
4/21/2010	100	Main Line Blockage	4705 Kendall Drive
4/21/2010	10	Private service line blockage	2844 South Alameda Street
4/21/2010	33	Private service line blockage	3226 Topeka Street
4/26/2010	100	Main Line Blockage	1249 Sandpiper Drive
4/26/2010	10	Main Line Blockage	5230 Cromwell Drive
4/28/2010	10	Service line blockage	4629 Christie Street
4/28/2010	20	Service line blockage	10501 Leopard St
4/29/2010	50	Line Break	3813 Lamont Street
5/3/2010	5	Main Line Blockage	201 Lemming Street
5/4/2010	50	Main Line Blockage	4034 Herndon Street
5/11/2010	3	Line Break	5144 Cape Ann Drive
5/16/2010	10	Service line blockage	3405 Lynwood Lane
5/18/2010	20	Main Line Blockage	650 De Forrest Street
5/18/2010	15	Service line blockage	4718 Gabriel Drive
5/18/2010	5	Main Line Blockage	1001 Doddridge Street
5/21/2010	5	Operator Error	4114 Dinn Street
5/23/2010	10	Main Line Blockage	2862 Topeka Street
5/23/2010	5	Service line blockage	4838 Curtis Clark Drive
5/24/2010	34	Service line blockage	538 Sorrell Street
5/24/2010	5	Line Blockage (other than grease)	4310 Willow Street
5/24/2010	31	Private service line blockage	6801 Galic Circle
5/25/2010	5	Service line blockage	4838 Curtis Clark Drive
5/27/2010	30	Main Line Blockage	5321 Timbergate Drive
5/27/2010	75	Private service line blockage	4921 Blundell Drive
5/30/2010	28	Service line blockage	310 Cape Hatteras Drive
6/8/2010	20	Main Line Blockage	1102 Straton Drive
6/8/2010	20	Main Line Blockage	4034 Herndon Street
6/11/2010	33	Private service line blockage	4222 Kostoryz Road
6/11/2010	50	Main Line Blockage	15 Hewit Drive
6/13/2010	10	Private service line blockage	809 Adel Drive
6/13/2010	10	Main Line Blockage	4825 Fern Forest Circle
6/13/2010	6	Private service line blockage	4122 Bradford Drive
6/15/2010	5	Main Line Blockage	4918 Creekbend Road
6/15/2010	3	Main Line Blockage	4849 Hamlett Drive
6/16/2010	10	Main Line Blockage	6722 Cottonwood Drive
6/19/2010	20	Private service line blockage	2601 Nemece Street
6/20/2010	3	Main Line Blockage	4938 Williams Drive
6/21/2010	22	Private service line blockage	4310 Acushnet Drive
6/22/2010	27	Main Line Blockage	1402 El Paso Street
6/23/2010	3	Main Line Blockage	913 Zarsky Drive
6/23/2010	5	Private service line blockage	4134 Crenshaw Drive
6/25/2010	37	Private service line blockage	638 Glazebrook Street
7/1/2010	100	I & I	McArdle Road/Archer Drive
7/1/2010	150	I & I	McArdle Road/Blundell Street
7/1/2010	300	I & I	McArdle Road/Dodd Drive
7/1/2010	10	I & I	2405 Mansheim Boulevard
7/1/2010	75	I & I	4702 Franklin Drive
7/1/2010	80	I & I	4850 Franklin Drive

Attachment A  
SSO Violations Oso TX0047058

Start Date	Gallons	Cause	Location of Discharge
7/1/2010	500	I & J	4902 Dodd Drive
7/2/2010	41	Main Line Blockage	5990 South Staples Street
7/4/2010	140	Main Line Blockage	4300 Tiger Lane
7/6/2010	10	Main Line Blockage	4702 Franklin Drive
7/6/2010	60	Main Line Blockage	4109 Del Starr Drive
7/6/2010	15	Main Line Blockage	15 Hewitt Drive
7/8/2010	20	Main Line Blockage	3601 Tripoli Drive
7/8/2010	5	Operator Error	4710 Ingram Drive
7/10/2010	10	Main Line Blockage	6909 Monarch Street
7/12/2010	10	Main Line Blockage	1922 Merriman Avenue
7/13/2010	5	Main Line Blockage	3656 Topeka Street
7/14/2010	35	Private service line blockage	3551 Austin Street
7/14/2010	20	Main Line Blockage	6200 South Staples Street
7/17/2010	100	Main Line Blockage	400 - 3900 Pasadena Place Center Drive
7/17/2010	10	Main Line Blockage	6722 Cottonwood Drive
7/19/2010	200	Main Line Blockage	4714 Franklin Drive
7/20/2010	20	Main Line Blockage	614 Williamson Place
7/21/2010	3	Private service line blockage	938 Ashland Drive
7/23/2010	20	Main Line Blockage	4729 Archer Drive
7/24/2010	20	Main Line Blockage	7490 Star Harbor Drive
7/26/2010	8	Private service line blockage	1337 West Cherrystone Drive
7/27/2010	20	Main Line Blockage	4342 South Alameda Street
7/29/2010	150	Main Line Blockage	1117 Stratton Drive
8/1/2010	40	Private service line blockage	4918 South Padre Island Drive
8/2/2010	30	Private service line blockage	4305 Willow Street
8/2/2010	100	Main Line Blockage	4702 Franklin Drive
8/3/2010	130	Private service line blockage	4918 South Padre Island Drive
8/3/2010	25	Main Line Blockage	4005 Robinhood Drive
8/3/2010	15	Main Line Blockage	2906 Westgard Lane
8/4/2010	25	Main Line Blockage	5155 Flynn Parkway
8/4/2010	100	Private service line blockage	5757 Wooldridge Road
8/5/2010	20	Main Line Blockage	4846 Johnston Drive
8/8/2010	50	Main Line Blockage	4109 Del Starr Drive
8/9/2010	5	Line Blockage and Line Break	1126 Hayward Drive
8/9/2010	5	Main Line Blockage	637 Lansdown Drive
8/10/2010	20	Line Blockage and Line Break	3501 San Antonio Street
8/12/2010	150	Main Line Blockage	7522 Holly Road
8/13/2010	120	Main Line Blockage	1345 Crescent Drive
8/16/2010	5	line break	7542 Yorkshire Drive
8/16/2010	100	line break	5400 Lexington Road
8/17/2010	50	Main Line Blockage	6230 South Staples Street
8/18/2010	25	Main Line Blockage	4329 Kirkwood Drive
8/19/2010	150	Main Line Blockage	402 Pasadena Place
8/21/2010	75	Main Line Blockage	1301 Airline Road
8/24/2010	40	Private service line blockage	4322 Kostoryz Road
8/24/2010	25	Main Line Blockage	6124 South Staples Street
8/24/2010	15	Main Line Blockage	341 Angelo Drive
8/26/2010	20	Main Line Blockage	6809 Glasgow Drive
8/26/2010	5	Main Line Blockage	5738 Cordelia Street
8/28/2010	10	Operator Error	6626 Sahara Drive
8/30/2010	10	line break	4221 Nicklaus Lane
8/31/2010	15	Main Line Blockage	5117 Weber Road
9/1/2010	15	Main Line Blockage	4162 Crenshaw Drive
9/4/2010	20	Main Line Blockage	2802 Erie Drive
9/4/2010	30	Main Line Blockage	2726 Erie Drive
9/4/2010	40	Main Line Blockage	1101 Crescent Drive
9/5/2010	5	Operator Error	5006 Anthony Street
9/5/2010	30	Main Line Blockage	4845 Hamlett Drive
9/10/2010	20	Private service line blockage	6702 Everhart Road
9/12/2010	500	Main Line Blockage	3002 Quail Springs Road
9/15/2010	20	Line break	7426 Bourget Drive
9/15/2010	10	Line Break	4021 Barnes Street

Attachment A  
SSO Violations Oso TX0047058

Start Date	Gallons	Cause	Location of Discharge
9/15/2010	5	Other	502 Driftwood Place
9/16/2010	10	Line Break	1618 Clare Drive
9/18/2010	1000	Heavy Rain	4902 Dodd Drive
9/18/2010	400	Heavy Rain	4902 Ayers Street
9/18/2010	400	Heavy Rain	Dodd Drive/McArdle Road
9/19/2010	200	Heavy Rain	McArdle Road/Archer Drive
9/19/2010	5000	Heavy Rain	5601 South Alameda Street
9/20/2010	5000	Heavy Rain	601 Nile Drive
9/20/2010	500	Heavy Rain	1650 Devon Drive
9/20/2010	20	Main Line Blockage	401 Peerman Place
9/22/2010	300	Heavy Rain	137 Rossiter Street
9/22/2010	800	Heavy Rain	4902 Dodd Drive
9/22/2010	100	Main Line Blockage	McArdle Road/Archer Drive
9/22/2010	400	Heavy Rain	Dodd Drive/McArdle Road
9/22/2010	400	Heavy Rain	4902 Ayers Street
9/23/2010	5	Operator Error	502 Driftwood Place
9/24/2010	100	Main Line Blockage	4718 Kendall Drive
9/24/2010	25	Main Line Blockage	4317 Devon Drive
9/24/2010	60	Main Line Blockage	5422 Chevy Chase Drive
9/25/2010	50	Main Line Blockage	945 Shepard Drive
9/26/2010	10	Main Line Blockage	313 Indiana Avenue
9/26/2010	50	Main Line Blockage	4722 Ayers Street
9/26/2010	10	Main Line Blockage	4402 Loveland Pass Court
9/27/2010	20	Main Line Blockage	4702 Johnston Drive
9/30/2010	5	Line Break	4833 Lavaca Drive
10/1/2010	2	Private service line blockage	4521 Townsend Street
10/2/2010	30	Main Line Blockage	1002 Wilshire Place
10/5/2010	1	Operator Error	902 Campbell Street
10/8/2010	20	Line Break	718 Collingswood Drive
10/9/2010	100	Main Line Blockage	350 Pasadena Place
10/10/2010	20	Main Line Blockage	4834 Easter Drive
10/11/2010	20	Main Line Blockage	653 Sorrell Street
10/12/2010	10	Private service line blockage	3312 Leopard St
10/14/2010	10	Main Line Blockage	1118 Prince Drive
10/15/2010	20	Main Line Blockage	4938 South Staples Street
10/16/2010	10	Line Break	4122 Lowman Street
10/17/2010	10	Line Break	4034 Killarmet Drive
10/17/2010	50	Private service line blockage	1641 Nile Drive
10/17/2010	10	Line Break	4038 Killarmet Drive
10/18/2010	10	Line Break	4037 Rooney Drive
10/21/2010	10	Main Line Blockage	901 Ashland Drive
10/25/2010	3	Private service line blockage	4205 O'Day Parkway
10/26/2010	5	Private service line blockage	4934 Carroll Lane
10/27/2010	15	Main Line Blockage	726 Caddo Street
10/28/2010	50	Other	344 Pasadena Place
10/28/2010	15	Main Line Blockage	4701 Dodd Drive
10/29/2010	40	Operator Error	1901 Paul Jones Avenue
10/30/2010	10	Main Line Blockage	4318 St. George Drive
11/3/2010	80	Main Line Blockage	3151 Reid Drive
11/4/2010	10	Main Line Blockage	4848 S. Alameda Street
11/5/2010	10	Main Line Blockage	4318 St. George Drive
11/5/2010	100	Private service line blockage	4428 Kostoryz Road
11/5/2010	30	Main Line Blockage	341 Angelo Drive
11/6/2010	20	Main Line Blockage	6222 Norchester Drive
11/9/2010	3	Main Line Blockage	1142 Arnold Drive
11/9/2010	1/2	Main Line Blockage	3310 Olsen Drive
11/9/2010	10	Main Line Blockage	4722 Wynona Drive
11/9/2010	10	Line Break	534 Chamberlain Street
11/13/2010	10	Private service line blockage	6225 Norchester Drive
11/14/2010	20	Line Break	6685 South Padre Island Drive
11/15/2010	30	Main Line Blockage	5037 Anthony Street
11/18/2010	20	Main Line Blockage	642 Robinson Street

Attachment A  
SSO Violations Oso TX0047058

Start Date	Gallons	Cause	Location of Discharge
11/19/2010	1	Main Line Blockage	5538 Betty Jean Drive
11/21/2010	20	Main Line Blockage	2613 Houston Street
11/22/2010	20	Main Line Blockage	6301 Ocean Drive
11/22/2010	30	Main Line Blockage	642 Robinson Street
11/23/2010	10	Main Line Blockage	6410 Suwanee Circle
11/29/2010	10	Operator Error	5937 Riley Drive
11/29/2010	60	Main Line Blockage	5301 Timbergate Drive
11/29/2010	75	Line Blockage (other than grease)	5601 South Padre Island Drive
11/29/2010	30	Main Line Blockage	1001 Carmel Parkway
11/30/2010	40	Private service line blockage	4541 Gollihar Road
12/2/2010	5	Main Line Blockage	1117 Hayward Drive
12/5/2010	50	Main Line Blockage	1109 Stratton Drive
12/6/2010	15	Private service line blockage	307 Paloma Street
12/7/2010	10	Main Line Blockage	1001 Carmel Parkway
12/8/2010	100	City clogged main	1001 Carmel Parkway
12/9/2010	3	Private line break	8102 Mount Zion Drive
12/11/2010	10	clogged service line	7034 Dunsford Drive
12/11/2010	15	city cleanout overflow	5045 Meandering Lane
12/11/2010	100	City clogged main	7513 Lake Travis Drive
12/11/2010	30	City clogged main	1001 Carmel Parkway
12/13/2010	20	City clogged main	6133 Parkway Drive
12/13/2010	5	city cleanout overflow	337 Waverly Drive
12/16/2010	5	city cleanout overflow	3537 Floyd Street
12/16/2010	50	City clogged main	5101 Middlecoff Road
12/18/2010	20	line break	4726 Megal Drive
12/19/2010	8	city cleanout overflow	4710 Cheryl Drive
12/21/2010	10	Line Break	4905 Anthony Street
12/22/2010	20	Private Clean out overflow	4833 Eider Drive
12/27/2010	30	city cleanout overflow	4225 Carlton Street
12/29/2010	10	city cleanout overflow	4434 Sequoia Street
12/30/2010	10	Other	309 Beverly Drive
1/5/2011	10	Line Break	1121 Whitaker Drive
1/6/2011	50	city cleanout overflow	534 Chase Drive
1/6/2011	20	City clogged main	5214 Oso Hills Drive
1/7/2011	100	Line Break	3529 Copus Street
1/10/2011	25	City clogged main	5437 Williams Drive
1/11/2011	10	Other	914 Whitaker Drive
2/2/2011	30	city cleanout overflow	4706 Megal Drive
2/2/2011	30	City clogged main	901 Ashland Drive
2/3/2011	40	city cleanout overflow	230 Indiana Avenue



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**  
Region 6 • 1445 Ross Avenue, Suite 1200 • Dallas, TX 75202-2733  
**FINDINGS OF VIOLATION and ORDER FOR COMPLIANCE**  
Docket Number: CWA-06-2011-1918, NPDES Permit Number: TX0047121

**STATUTORY AUTHORITY**

The following findings are made, and Order issued, under the authority vested in the Administrator of the United States Environmental Protection Agency ("EPA"), by Section 309(a) of the Clean Water Act ("the Act"), 33 U.S.C. § 1319(a). The Administrator of EPA delegated the authority to issue this Order to the Regional Administrator of EPA Region 6, who delegated this authority to the Director of the Compliance Assurance and Enforcement Division.

**FINDINGS**

1. Permittee, the City of Corpus Christi, is a "person," as that term is defined at Section 502(5) of the Act, 33 U.S.C. § 1362(5), and 40 C.F.R. § 122.2.
2. At all times relevant to this Order ("all relevant times"), the Permittee owned or operated the Whitecap Wastewater Treatment Plant, located at 13409 Whitecap Boulevard, in Corpus Christi, Nueces County, Texas ("facility"), and was, therefore, an "owner or operator" within the meaning of 40 C.F.R. § 122.2. The mailing address for the Permittee is City of Corpus Christi, P.O. Box 9277, Corpus Christi, TX 78401.
3. At all relevant times, the facility was a "point source" of a "discharge" of "pollutants" with its wastewater into the receiving waters of the Laguna Madre in Segment 2491 of the Bays and Estuaries, which are considered a "water of the United States" within the meaning of Section 502 of the Act, 33 U.S.C. § 1362, and 40 C.F.R. § 122.2.
4. Because the Permittee owned or operated a facility that acted as a point source of discharges of pollutants to waters of the United States, the Permittee and the facility were subject to the Act and the National Pollutant Discharge Elimination System ("NPDES") program.
5. Under Section 301 of the Act, 33 U.S.C. § 1311, it is unlawful for any person to discharge any pollutant from a point source to waters of the United States, except with the authorization of, and in compliance with, an NPDES permit issued pursuant to Section 402 of the Act, 33 U.S.C. § 1342.
6. Section 402(a) of the Act, 33 U.S.C. § 1342(a), provides that the Administrator of EPA may issue permits under the NPDES program for the discharge of pollutants from point source to waters of the United States. Any such discharge is

subject to the specific terms and conditions prescribed in the applicable permit.

7. The Permittee applied for and was issued NPDES Permit No. TX0047121 ("permit") under Section 402 of the Act, 33 U.S.C. § 1342, which became effective on March 7, 2005, and expired on July 1, 2009. The current permit was issued by EPA on September 30, 2009, and expires on July 1, 2014. At all relevant times, the Permittee was authorized to discharge pollutants from the facility to waters of the United States, but only in compliance with the specific terms and conditions of the permit.

8. The permit specifies that the Permittee is authorized to discharge treated wastewater from the facility directly to the Laguna Madre. Therefore, overflows and/or bypasses from the facility are unauthorized discharges and constitute a violation of the conditions of the permit.

9. Non-compliance reports filed by the Permittee with the Texas Commission on Environmental Quality in compliance with the permit show unauthorized discharges. The unauthorized discharges are specified in Attachment A.

10. Each violation of the conditions of the permit described above is a violation of Section 301 of the Act, 33 U.S.C. § 1311.

**ORDER**

Based on the foregoing findings and pursuant to the authority of Section 309 of the Act, EPA hereby orders the Permittee to take the following action:

A. Effective immediately, the Permittee shall eliminate all bypasses of the wastewater treatment plant.

B. Effective immediately, the Permittee shall eliminate all overflows from the sewage collection system, pump stations, and wastewater treatment plant.

C. Within thirty (30) days of the effective date of this Order, the Permittee shall submit a report to EPA Region 6 describing all actions taken to eliminate bypassing and sanitary sewer overflows.



D. Within thirty (30) days of the effective date of this Order the Permittee shall submit a report describing the repair and rehabilitation plan for the city's sewer system. The report shall include a description of any construction project(s) deemed necessary to reduce or eliminate sanitary sewer overflows (SSOs).

E. In the event it will take the Permittee longer than thirty (30) days to eliminate the bypassing, provide a sewer system repair and rehabilitation plan, and a description of the construction project(s) needed to eliminate SSOs, the Permittee must arrange a meeting with EPA to discuss the allegations in this Order within forty-five (45) days of the effective date of this Order. The meeting will be held at the Region 6 offices, 1445 Ross Ave., Dallas, Texas.

F. To arrange a meeting, or to ask questions or comment on this matter, please contact Ms. Jana Harvill, of my staff, at (214) 665-8369.

G. Any information or correspondence submitted by the Permittee to EPA under this Order shall be addressed to the following:

Ms. Jana Harvill  
Water Enforcement Branch (6EN-WM)  
EPA, Region 6  
1445 Ross Ave., Suite 1200  
Dallas, TX 75202-2733

GENERAL PROVISIONS

Issuance of this Order shall not be deemed an election by EPA to forego any administrative or judicial, civil or criminal action to seek penalties, fines, or any other relief appropriate under the Act for the violations cited herein, or other violations that become known. EPA reserves the right to seek any remedy available under the law that it deems appropriate.

Failure to comply with this Order or the Act can result in further administrative action, or a civil judicial action initiated by the United States Department of Justice.

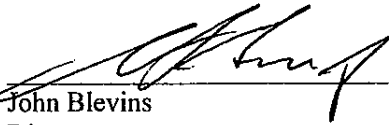
This Order does not constitute a waiver or modification of the terms or conditions of the Permittee's NPDES permit, which remain in full force and effect.

Compliance with the terms and conditions of this Order does not relieve the Permittee of its obligation to comply with any applicable federal, state, or local law or regulation.

The effective date of this Order is the date it is received by the Permittee.

SEP 19 2011

Date

  
John Blevins  
Director  
Compliance Assurance and  
Enforcement Division

Attachment A  
SSO Violations Whitecap TX0047121

Start Date	Gallons	Cause	Location of Discharge
5/20/2007	Unknown	Unknown	White Cap Blvd on S Padre Island
7/5/2007	100	manhole overflow/rain event	14701 Park Road 22
12/13/2007	5	manhole overflow/blockage in City service line	15606 Cumana Drive
12/21/2007	25	manhole overflow/blockage in City main line	15341 Isabella Court
1/4/2008	30	private clean out overflow/blockage in City service line	15290 Caragena Court
1/8/2008	50	manhole overflow/blockage in City main line	14802 Cobo De Bara Circle
1/23/2008	40	clean out overflow/blockage in City service line	16109 Seagrape Street
1/31/2008	10	clean out overflow/blockage in City service line	13753 Cayo Corda Court
2/5/2008	50	clean out overflow/blockage in City service line	13905 Blackbeard Drive
2/5/2008	3	clean out overflow/blockage in City service line	14233 Almeria Avenue
2/6/2008	5	clean out overflow/blockage in City service line	14233 Almeria Avenue
3/12/2008	15	clean out overflow/blockage in City main line	14910 Leeward Drive
3/22/2008	20	mainhole overflow/blockage in City main line	15817 Almeria Avenue
4/3/2008	30	manhole overflow/blockage in City main line	13790 Three Fathoms Bank Drive
4/5/2008	15	manhole overflow/blockage in City main line	14229 Almeria Avenue
4/8/2008	10	private grease trap overflow/blockage in private grease trap	15541 S Padre Island Drive
4/10/2008	200	manhole overflow/blockage in City main line	15062 Reales Drive
4/14/2008	5	repairing force main/break in City's force main line	14121 Whitecap Boulevard
5/14/2008	10	private clean out overflow/blockage in City service line	14300 S Padre Island Drive
5/19/2008	200	broken 4 inch force main overflow	13402 S Padre Island Drive
5/19/2008	200	force main break overflow/break in the force main line	13301 S Padre Island Drive
6/6/2008	50	manhole overflow/blockage in City main line	15333 Isabella Court
7/8/2008	2	manhole overflow/blockage in City main line	14701 S Padre Island Drive
8/3/2008	200	private clean out overflow/ blockage in City main line	14401 Commodores Drive
8/20/2008	10	manhole overflow/blockage in City main line	14225 Almeria Avenue
9/10/2008	70	manhole overflow/blockage in City main line	13835 Hawknest Bay Dr
9/20/2008	20	manhole overflow/blockage in City main line	15270 Cartegena Court
11/5/2008	20	manhole overflow/blockage in City main line	13313 S. Padre Island Drive
12/28/2008	30	private clean out overflow/blockage in City service line	15125 Leeward Dr

ATTACHMENT A  
SSO Violations Whitecap TX0047121

Start Date	Gallons	Cause	Location of Discharge
12/30/2008	10	private clean out overflow/blockage in private service line	15125 Leeward Dr
1/13/2009	50	clean out overflow/blockage in City main line	14401 Commodores Drive
3/20/2009	50	manhole overflow/blockage in City main line	13313 S. Padre Island Drive
4/4/2009	20	manhole overflow/blockage in City main line	15737 Dyna Street
4/4/2009	30	manhole overflow/blockage in City main line	14801 Quaterdeck Drive
4/13/2009	10	manhole overflow/blockage in City main line	734 Oriole Street
4/15/2009	225	manhole overflow/blockage in Whitecap Lift Station pumps	14701 S Padre Island Drive
4/20/2009	20	manhole overflow/blockage in City main line	15737 Dyna Street
4/20/2009	10	manhole overflow/blockage in City main line	13000 Dasmariñas Drive
4/26/2009	20	manhole overflow/blockage in City main line	16100 Seagrape Street
5/29/2009	50	manhole overflow/blockage in City main line	15405 Dyna Street
6/6/2009	15	force main break overflow/break in the force main line	14141 Whitecap Boulevard
6/10/2009	0.5	clean out overflow/leak from Contractor's bypass line	13304 S Padre Island Drive B
6/11/2009	15	manhole overflow/blockage in City main line	14427 Compass Street
6/23/2009	4	clean out overflow/blockage in City main line	13921 S Padre Island Drive
7/25/2009	20	manhole overflow/blockage in City main line	15341 Isabella Court
7/28/2009	150	private grate inlet overflow/ blockage in City main line	14401 Commodores Drive
8/12/2009	10	private clean out overflow/blockage in private service line	13510 Peseta Court
8/29/2009	5	manhole overflow/blockage in City main line	14225 Almeria Avenue
9/6/2009	10	manhole overflow/blockage in City main line	15966 Cabo Blanco Drive
10/15/2009	30	manhole overflow/blockage in City main line	Escapade Street/Cutlass Avenue
11/26/2009	30	manhole overflow/blockage in City main line	15062 Reales Drive
11/28/2009	20	manhole overflow/blockage in City main line	15002 Tesoro Drive
12/13/2009	20	manhole overflow/blockage in City main line	15006 Tesoro Drive
12/16/2009	20	manhole overflow/blockage in City main line	13853 Hawksnest Bay Drive
12/18/2009	20	manhole overflow/blockage in City main line	13853 Hawksnest Bay Drive
12/23/2009	150	manhole overflow/blockage in City main line	13730 Primavera Drive
12/25/2009	10	manhole overflow/blockage in City main line	15813 Lindo Drive
12/30/2009	25	manhole overflow/blockage in City main line	15817 Lindo Drive

Attachment A  
SSO Violations Whitecap TX0047121

Start Date	Gallons	Cause	Location of Discharge
12/31/2009	20	manhole overflow/blockage in City main line	13922 Primavera Drive
1/5/2010	75	manhole overflow/blockage and cave-in in City main line	14158 Bounty Avenue
1/12/2010	55	force main break overflow/break in the force main line	15338 Bounty Avenue
5/9/2010	10	private clean out overflow/ blockage in City service line	1412 Cabana North Avenue
5/15/2010	20	manhole overflow/blockage in City main line	14300 Aloha Street
5/17/2010	20	manhole overflow/blockage in City main line	15405 Dyna Street
5/20/2010	20	clean out overflow/blockage in City main line	14817 Dasmarias Drive
7/8/2010	300	manhole overflow/blockage in City main line	14005 S Padre Island Drive
7/9/2010	250	clean out overflow/lift station	13933 S Padre Island Drive
7/15/2010	20	cave-in inside excavated trench	13309 S Padre Island Drive
8/30/2010	5	force main break overflow/break in the force main line	14145 Whitecap Boulevard
9/23/2010	15	clean out overflow/blockage in City main line	15934 El Socorro Loop
9/28/2010	10	clean out overflow/blockage in City main line/ line break	13737 Tajamas Court
10/4/2010	5	force main break overflow/line break by Storm Water Department	13915 S Padre Island Drive
10/15/2010	20	force main break overflow/ line break	13921 Sea Pines Drive
10/17/2010	50	manhole overflow/blockage in City main line	16102 Jessamine Street
10/19/2010	20	clean out overflow/blockage in City service line	14401 S Padre Island Drive
11/25/2010	100	manhole overflow/blockage in City main line	13901 Cabana North Avenue
12/22/2010	5	Blockage in main line	13734 Primavera Drive



**City of  
Corpus  
Christi**

*Certified Mail 7007 1490 0002 5019 1921  
June 2, 2016*

Ms. Melanie Edwards, Water Section Manager  
TCEQ Region 14  
NRC Building, Suite 1200  
6300 Ocean Drive, Unit #5839  
Corpus Christi, TX 78412- 5839

**UTILITIES**

**Maintenance**

**of Lines**

**&**

**Treatment**

2726 Holly Road

Corpus Christi

Texas 78415

Phone 361-826-1800

Fax 361-826-1889

**Gas**

4225 S. Port Ave.

Corpus Christi

Texas 78415

Phone 361-885-6900

Fax 361-853-3200

**SUBJECT:** Notice of Violation for the Comprehensive Compliance Investigation and Reconnaissance. Investigation at: Greenwood Wastewater Treatment Plant, 6541 Greenwood Drive, Corpus Christi (Nueces Country), Texas  
Regulated Entity No.: 101610400, TCEQ ID No.: WQ0010401003  
Investigation No.: 1321929

Dear Ms. Edwards:

In response to the Notice of Violation for the Comprehensive Compliance Investigation and Reconnaissance at Greenwood Wastewater Treatment Plant dated May 20, 2016, the City of Corpus Christi Wastewater Department offers the following response regarding the Outstanding Alleged Violation(s) Associated to a Notice of Violation.

**Track No: 602927 Compliance Due Date: 06/20/2016**

**30 TAC Chapter 305.125(5)**

**PERMIT WQ0010401003, Operational Requirements No. 1**

The permittee shall at all times ensure that the facility and all of its systems of collection, treatment, and disposal are properly operated and maintained.

**Alleged Violation:**

Investigation: 1321929

Comment Date:05/03/2016

---

Failed to at all times ensure that the facility and all of its systems of collection, treatment, and disposal are properly operated and maintained.

During the investigation conducted on February 25, 2016, it was noted that the rakes on primary clarifiers 2 and 3 were not operational.

**Recommended Corrective Action:** Ensure that the Facility and all of its systems are properly operated and maintained.

Submit compliance documentation to the TCEQ Corpus Christi Region Office indicating that the rakes on primary clarifiers 2 and 3 are operational.

**City Response:**

The City diligently works to replace antiquated equipment as resources become available. Clarifier Number 3 stopped working due to catastrophic drive failure and replacement parts were ordered in a timely manner. Within a week of this event, the drive failed on Clarifier Number 2. Another drive was ordered and a spare was also ordered at this time. Flow has consistently passed through the clarifiers while the drive units were inoperable and did not affect the plant process or overall performance for compliance. Daily removal of scum and sludge was occurring manually during this period. The drive unit on Clarifier Number 2 was installed on April 28<sup>th</sup> and Clarifier Number 3 drive unit was installed on May 25, 2016. The prior response letter dated March 10, 2016 indicated that the repairs would be completed by May 30, 2016 and that deadline has been met.

If you have any questions or require further information, please contact Gerald A. Garcia, Wastewater Treatment Superintendent at (361) 826-1800.

Sincerely,



Dan Grimsbo, P.E.

Interim Director of Water Utilities

XC:

TCEQ/WQCMT (MC224) Enforcement Division, PO Box 13087, Austin TX 78711-3087  
Gerald Garcia, Wastewater Treatment Superintendent  
Greenwood Plant Administration File  
Administration File

Bryan W. Shaw, Ph.D., P.E., *Chairman*  
Toby Baker, *Commissioner*  
Jon Niermann, *Commissioner*  
Richard A. Hyde, P.E., *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

May 20, 2016

**CERTIFIED MAIL #91 7199 9991 7031 0231 5637**  
**RETURN RECEIPT REQUESTED**

The Honorable Nelda Martinez  
Mayor of Corpus Christi  
P.O. Box 9277  
Corpus Christi, Texas 78469

Re: Notice of Violation for the Comprehensive Compliance Investigation and Reconnaissance Investigation at: Greenwood Wastewater Treatment Plant, 65-11 Greenwood Drive, Corpus Christi (Nueces County), Texas  
Regulated Entity No.: 101610400; TCEQ ID No.: WQ0010401003; Investigation No.: 1321929

Dear Mayor Martinez:

On February 25, 2016 and March 21, 2016, Karla Treviño and Jay Halepeska of the Texas Commission on Environmental Quality (TCEQ) Corpus Christi Region Office conducted investigations of the above-referenced regulated entity to evaluate compliance with applicable requirements for wastewater treatment. Enclosed is a summary which lists the investigation findings. During the investigation, a certain outstanding alleged violation was identified for which compliance documentation is required. Please submit to this office by June 20, 2016 a written description of corrective action taken and the required documentation demonstrating that compliance has been achieved for the outstanding alleged violation.

In the noted alleged violation, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI 032) are located on our agency website at <http://www.tceq.state.tx.us> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the Corpus Christi Region Office at 361-825-3100 or the Central Office Publications Ordering Team at 512-239-0028.

The TCEQ appreciates your assistance in this matter. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. Self-reported violations may be subject to enforcement, including penalties, upon review by the Enforcement Division. We anticipate that you will resolve the alleged violation as required in order to protect the State's environment. If you have additional information that we are unaware of, you have the opportunity to contest the violation documented in this notice. Should you choose to do so, you must notify the Corpus Christi Region Office within 10 days from the date of this letter. At that time, a manager will schedule a violation review meeting to be conducted.



Mayor Martinez  
Page 2  
May 20, 2016

However, please be advised that if you decide to participate in the violation review process, the TCEQ may still require you to adhere to the compliance schedule included in the enclosed Summary of Investigation Findings until an official decision is made regarding the status of the contested violation.

If you or members of your staff have any questions, please feel free to contact Mr. Halepeska in the Corpus Christi Region Office at 361-825-3100.

Sincerely,



Melanie Edwards, Water Section Manager  
Corpus Christi Region Office  
Texas Commission on Environmental Quality

ME/JH/mjd

Enclosure: Summary of Investigation Findings





## Summary of Investigation Findings

<b>GREENWOOD PLANT</b> 6541 GREENWOOD DR CORPUS CHRISTI, NUECES COUNTY, TX 78415	Investigation # 1321929 Investigation Date: 02/25/2016
Additional ID(s): R10401003 TX0047074 WQ0010401003	

### OUTSTANDING ALLEGED VIOLATION(S) ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 602927      Compliance Due Date: 06/20/2016  
30 TAC Chapter 305.125(5)

PERMIT WQ0010401003, Operational Requirements No. 1

The permittee shall at all times ensure that the facility and all of its systems of collection, treatment, and disposal are properly operated and maintained.

**Alleged Violation:**

Investigation: 1321929

Comment Date: 05/03/2016

Failed to at all times ensure that the facility and all of its systems of collection, treatment, and disposal are properly operated and maintained.

During the investigation conducted on February 25, 2016, it was noted that the rakes on primary clarifiers 2 and 3 were not operational.

**Recommended Corrective Action:** Ensure that the facility and all of its systems are properly operated and maintained.

Submit compliance documentation to the TCEQ Corpus Christi Region Office indicating that the rakes on primary clarifiers 2 and 3 are operational.

### ADDITIONAL ISSUES

**Description**

Have unauthorized discharges occurred at the plant or in the collection system since the last CCI?

**Additional Comments**

During the 18 months prior to the investigation on March 21, 2016, the City reported a total of 84 unauthorized discharges from the facility and its collection system totaling 519,408 gallons of wastewater.

The United States Environmental Protection Agency (EPA) has taken lead in addressing unauthorized discharges from the Corpus Christi wastewater collection system. Discharges are being addressed by an Administrative Order issued by the EPA on September 19, 2011 (Docket No. CWA-06-2011-1916).

All reported discharges have been repaired and remediated. The City of Corpus Christi submitted their Sanitary Sewer Overflow (SSO) preliminary plan on July 19, 2010. Although the SSO plan was not officially approved by the TCEQ, the City has implemented the plan.



City of  
Corpus  
Christi

WASTEWATER  
DEPARTMENT

PO Box 9277  
Corpus Christi  
Texas 78469-9277  
Phone 361-826-1800  
Fax 361-826-1715  
www.cctexas.com

Certified Mail 7007 1490 0002 5019 1846  
March 10, 2016

Mr. Jay Halepeska  
TCEQ Region 14  
NRC Building, Suite 1200  
6300 Ocean Drive, Unit #5839  
Corpus Christi, TX 78412

SUBJECT: TCEQ Exit Interview (March 3, 2016): AV (Alleged Violation) for the City of Corpus Christi Greenwood WWTP – WQ0010401-003

Dear Mr. Halepeska:

In response to the TCEQ Exit Interview, March 3, 2016, the City of Corpus Christi Wastewater Department offers the following information regarding Alleged Violations (AV), for the Greenwood WWTP.

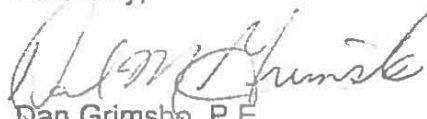
**Issue #1**

**Alleged Violation:** Failed to at all times ensure that the facility and all of its systems of collection, treatment, and disposal are properly operated and maintained. (The rake on the primary clarifier 2 and 3 were not operational)

**City Response:** In effort to ensure proper facility operation, plant staff initiated the repair/replacement process for two of the four primary clarifiers in the weeks preceding notice of the inspection. The repairs to primary clarifiers are anticipated to be completed by May 30, 2016.

If you have any questions or require further information, please contact Gerald A. Garcia, Wastewater Treatment Superintendent at (361) 826-1800.

Sincerely,

  
Dan Grimsbo, P.E.  
Assistant Director, Treatment

xc:  
TCEQ/WQCMT (MC224) Enforcement Division, PO Box 13087, Austin TX 78711-3087  
Gerald Garcia, Wastewater Treatment Superintendent  
Greenwood Plant Administration File  
Administration File



**TCEQ EXIT INTERVIEW FORM: Potential Violations and/or Records Request**

<b>Regulated Entity/Site Name</b>	Greenwood Plant			<b>TCEQ Add. ID No. RN No (optional)</b>	WQ0010401003
<b>Investigation Type</b>	WW	<b>Contact Made In-House (Y/N)</b>	Y	<b>Purpose of Investigation</b>	Comprehensive Compliance Investigation
<b>Regulated Entity Contact</b>	Sigifredo De Leon		<b>Telephone No.</b>	(361) 826-4021	<b>Date Contacted</b> 3/3/16
	Work Coordinator		<b>FAX #/Email address</b>	sigifredod@cctexas.com	<b>FAX/Email date</b> 3/3/16

NOTICE: The information provided in this form is intended to provide clarity to issues that have arisen during the investigation process between the TCEQ and the regulated entity named above and does not represent final TCEQ findings related to violations. Any potential or alleged violations discovered after the date on this form will be communicated to the regulated entity representative prior to the issuance of a notice of violation or enforcement. Conclusions drawn from this investigation, including additional violations or potential violations discovered (if any) during the course of this investigation, will be documented in a final investigation report.

Issue		For Records Request, identify the necessary records, the company contact and date due to the agency. For Alleged and Potential Violation issues, include the rule in question with the clearly described potential problem. Other type of issues: fully describe.	
No.	Type <sup>1</sup>	Rule Citation (if known)	Description of Issue
1	AV	305.125(1)	Failed to at all time ensure that the facility and all of its systems of collection, treatment, and disposal are properly operated and maintained. (The rake on primary clarifier 2 and 3 were not operational)

Note 1: Issue Type Can Be One or More of: AV (Alleged Violation), PV (Potential Violation), O (Other), or RR (Records Request)

Did the TCEQ document the regulated entity named above operating without proper authorization?	Yes	<input type="checkbox"/> No
Did the investigator advise the regulated entity representative that continued operation is not authorized?	Yes	<input type="checkbox"/> No

Document Acknowledgment. Signature on this document establishes only that the regulated entity (RE) representative received a copy of this document and associated continuation pages on the date noted. If contact was made by telephone, the document will be sent via FAX or Email to RE; therefore, the RE signature is not required.

Jay Halepeska	3/3/2016		
<b>Investigator Name (Signed &amp; Printed)</b>	<b>Date</b>	<b>Regulated Entity Representative Name (Signed &amp; Printed)</b>	<b>Date</b>

If you have questions about any information on this form, please contact your local TCEQ Regional Office.

Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, call 512/239-3282.

White Copy: Regulated Entity Representative

Yellow Copy: TCEQ

(Note: use additional pages as necessary) Page 1 of 1

## Texas Commission on Environmental Quality Investigation Report

The TCEQ is committed to accessibility. If you need assistance in accessing this document, please contact [oce@tceq.texas.gov](mailto:oce@tceq.texas.gov)

**Customer: City of Corpus Christi**  
**Customer Number: CN600131858**

**Regulated Entity Name: GREENWOOD PLANT**

**Regulated Entity Number: RN101610400**

**Investigation #** 1267592

**Incident Numbers**

217339	218390
217535	217483
221470	217340
217771	217342
217664	217477
225735	225733

**Investigator:** MARIA SPARKS

**Site Classification** DOMESTIC MAJOR

**Conducted:** 07/27/2015 -- 01/26/2016

**NAIC Code:** 221320

**SIC Code:** 4952

**Program(s):** WASTEWATER  
AIR QUALITY NON PERMITTED

**Investigation Type:** Compliance Investigation

**Location:** 6500 BLOCK OF GREENWOOD DRIVE  
CORPUS CHRISTI TEXAS

**Additional ID(s):** TX0047074  
WQ0010401003

**Address:** 6541 GREENWOOD DR,  
CORPUS CHRISTI, TX , 78415

**Local Unit:** REGION 14 - CORPUS CHRISTI

**Activity Type(s):** FIAIRMON - AIR FIAIRMON - FOC  
INV GENERAL MONITORING  
AIRCOMPL - AIR CMPL - AIR  
COMPLAINT INV

**Principal(s):**

<b>Role</b>	<b>Name</b>
RESPONDENT	CITY OF CORPUS CHRISTI

**Contact(s):**

**GREENWOOD PLANT - CORPUS CHRISTI**

7/27/2015 to 1/26/2016 Inv. # - 1267592

Page 2 of 8

<b>Role</b>	<b>Title</b>	<b>Name</b>	<b>Phone</b>	
REGULATED ENTITY CONTACT	INTERIM WATER AND UTILITIES DIRECTOR	DAN GRIMSBO	Office	(361) 826-1807
REGULATED ENTITY CONTACT	WORK COORDINATOR	MR SIGIFREDO DE LEON	Phone Work	(361) 826-4021 (361) 815-0649
REGULATED ENTITY CONTACT	FORMER ASSISTANT DIRECTOR OF TREATMENT	MR BRIAN J BUTSCHER	Work	(361) 826-1807
NOE CONTACT	MAYOR	HON NELDA MARTINEZ	Fax Work Work Work Fax	(361) 826-3103 (361) 826-3100 (361) 826-2489 (361) 826-3100 (361) 826-3113

**Other Staff Member(s):**

<b>Role</b>	<b>Name</b>
Investigator	BILL ROSS
Supervisor	KELLY RUBLE
Investigator	RICHARD HEITZENRATER
Supervisor	GUADALUPE LOPEZ
Investigator	ASHLEY SCOTT
QA Reviewer	SUSAN HOELSCHER
Investigator	KARLA TREVINO
Supervisor	MELANIE EDWARDS

**Associated Check List**

<b><u>Checklist Name</u></b>	<b><u>Unit Name</u></b>
AIR COMPLAINT INVESTIGATION	October 11, 2015
AIR INVESTIGATION - EQUIPMENT MONITORING AND SAMPLING revised 06/2013	Investigation 1267592
AIR COMPLAINT INVESTIGATION	August 6, 2015
AIR COMPLAINT INVESTIGATION	July 21, 2015
AIR COMPLAINT INVESTIGATION	July 16, 2015

**Investigation Comments:**

**INTRODUCTION**

**Introduction**

Unannounced odor complaint investigations were conducted on July 16, 2015, July 21, 2015, August 6, 2015, and October 11, 2015 by the following Texas Commission on Environmental Quality (TCEQ) Region 14 Environmental Investigators: Mr. Bill Ross, Ms. Maria Sparks, Mr. Richard Heitzenrater, and Ms. Ashley Scott. The alleged source of the odors was the City of Corpus Christi Greenwood Wastewater Treatment Plant (WWTP). The Greenwood WWTP is located at 6541 Greenwood Drive in Corpus Christi, Nueces County, Texas. The Greenwood WWTP contact during the investigation was Mr. Sigifredo "Freddy" De Leon, Work Coordinator. The investigations were conducted in response to twelve citizen complaints (Incident Nos. 217339, 217340, 217342, 217477, 217483, 225733, 225735, 217535, 217664, 218390, 217771, 221470) which were received at the Corpus Christi Region Office on July 15, 2015, July 20, 2015, July 21, 2015, July 22, 2015, July 23, 2015, July 27, 2015, August 6, 2015 and October 11, 2015. The complainants alleged that odors from the Greenwood WWTP were affecting the enjoyment of their property and health. The purpose of the complaint investigations was to

## GREENWOOD PLANT - CORPUS CHRISTI

7/27/2015 to 1/26/2016 Inv. # - 1267592

### Page 3 of 8

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determine if there were nuisance odor conditions impacting the citizen's residence and to identify the source of the odor.

#### Daily Narrative

Incident Nos. 217339, 217340, 217342

On July 16, 2015, Mr. Ross and Ms. Sparks (Team 1) responded to three alleged odor complaints. Team 1 arrived at the affected area at approximately 8:55 a.m. The meteorological conditions consisted of south-southeast winds at approximately 20 miles per hour (mph), and the temperature was approximately 90 degrees Fahrenheit. The MultiRae Lite (MultiRae) multiple gas monitor was utilized during this investigation. The MultiRae measures Hydrogen Sulfide (H<sub>2</sub>S), Oxygen (O<sub>2</sub>), Volatile Organic Compounds (VOCs), Carbon Monoxide (CO), Nitrogen Oxides (NO<sub>x</sub>), and the Lower Explosive Limit (LEL). It should be noted that the MultiRae has a lower detection limit for H<sub>2</sub>S of 1 part per million (ppm).

Team 1 conducted an odor surveillance along Saratoga Blvd and in the Los Colonias neighborhood. See Attachment 1 for a copy of the surveillance route map. Team 1 then proceeded to the area in which the various complainants lived. Team 1 detected the odor in the area of the complainant's residence and determined the odor to be highly offensive and strong to very strong intensity as per the TCEQ Frequency, Intensity, Duration and Offensiveness (FIDO) Chart. See Attachment 2 for a copy of the investigator's odor

A complainant described very strong odors over several days. The complainant also discussed the inability to go outside or open windows of their residence due to the strong smells and feeling nauseous due to the smell. In addition, there was Citizen Collected Evidence (CCE) submitted on July 24, 2015, documenting the duration of the odor as daily for approximately a month and health effects associated with the odors. log.

Team 1 traveled to the Greenwood WWTP to investigate the source of the odors and met with Mr. De Leon to discuss the complaint allegations. Mr. De Leon indicated that the pumps on the primary clarifier #4 failed on June 29, 2015. They were replaced and failed again due to debris clogging the pumps as a result of a bar screen failure at the headworks. In addition, the rake was damaged by a section of polyvinyl chloride (PVC) pipe that became lodged between the rake and drain. The failure of the pumps prevented the transfer of the sludge to another clarifier, which resulted in the sludge eventually becoming septic. During the time of the investigation, the clarifier was being pumped out via vacuum trucks, and the sludge was being deposited to the onsite drying beds. Mr. De Leon indicated that the odors would last at least another week or so as the sludge dried. He indicated that the odors could be prolonged if the drying of the sludge was delayed by weather or additional wet sludge being added to the septic sludge in the drying beds.

Incident Nos. 217477, 217483, 217535, 225733, 225735, 217664, 217771

On July 21, 2015, Team 1 responded to multiple complaints alleging odors from the Greenwood WWTP. Team 1 arrived at the affected area at approximately 2:20 p.m. The meteorological conditions consisted of south-southeast winds at approximately 10-20 mph and temperature of approximately 90 degrees. The MultiRae Lite was utilized during this investigation.

Team 1 conducted odor surveillance in the areas indicated in Attachment 1. During the odor surveillance the MultiRae detected elevated levels of H<sub>2</sub>S on Saratoga Blvd, which is a public road outside the northwest fence line. The H<sub>2</sub>S levels ranged between 1-4 ppm. It should also be noted that both investigators experienced headaches during and after the investigation ceased. See Attachment 3 for a copy of the map indicating odor intensity and location of H<sub>2</sub>S readings.

Team 1 arrived in the area of the multiple complainant's residences at approximately 2:35 p.m. and upon detection, determined the odor to be highly offensive and medium to strong in intensity as per the TCEQ FIDO Chart. In addition, Citizen Collected Evidence (CCE) was submitted on July 23, 2015 and July 27, 2015, documenting the duration of the odor which was approximately month. One complainant complained of the odor taking her breath away and causing nausea. The complainants also indicated that the smell was so offensive that they could not go outside to enjoy the normal use of their property.

Mr. De Leon was contacted via telephone in regards to the continuing alleged odor complaints. Mr. De Leon indicated that sludge from the city's other WWTPs was being deposited in the drying beds, and this was prolonging the drying of the septic sludge resulting in continuing odors.

## GREENWOOD PLANT - CORPUS CHRISTI

7/27/2015 to 1/26/2016 Inv. # - 1267592

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It was determined that the odors originating from the Greenwood WWTP were documented as a nuisance, as per the TCEQ FIDO chart. This determination was based on the observations of the investigators on July 16, 2015 and July 21, 2015, CCE evidence documenting duration and health effects, and process knowledge gathered from the onsite visit to the Greenwood WWTP.

Mr. Ross contacted the TCEQ Toxicology Division (Toxicology), and spoke with Mr. Darrell McCant and Ms. Tracie Philips in regards to the H<sub>2</sub>S emissions and health effects experienced by the complainants. On September 16, 2015, TCEQ Toxicology Division issued an Interoffice Memo with the following findings:

- Reported concentrations of total reduced sulfur compounds mainly H<sub>2</sub>S were above levels that would be associated with health effects and strong odors.
- Complainants also reported direct (i.e., nasal/respiratory irritation) and indirect (i.e. nausea, headaches) health effects. In addition, investigators reported health effects (i.e., headaches) that lasted an hour after their investigation.
- Toxicology strongly recommends that actions be taken to reduce sulfur compounds including H<sub>2</sub>S.

The above is a summary of the interoffice memo generated by toxicology. See Attachment 4 for a copy of the complete interoffice memo.

Incident No. 218390

On August 6, 2015 at approximately 1609 hours, Mr. Heitzenrater and Ms. Sparks (Team 2) responded to a complaint alleging that the Greenwood WWTP was producing highly offensive odors (rotten eggs and chemical-like), and the complainant could not go outside due to the offensive odors. The meteorological conditions consisted of south- southeast winds of 17-25 mph and a temperature of approximately 90 degrees Fahrenheit. The MultiRae was utilized during this investigation.

Team 2 arrived in the vicinity of the complainant's residence at 1640 hours and conducted odor surveillance along the route indicated in Attachment 1. Team 2 arrived at the complainant's residence at 1650 hours and detected intermittent very light to light, offensive odors of rotten eggs and burnt matches at the complainant's residence. As per the TCEQ FIDO Chart, the odors detected at the time of the onsite investigation were not determined to be a nuisance. No elevated readings were detected with the MultiRae.

On August 7, 2015, Ms. Sparks contacted Mr. De Leon via telephone regarding the odors detected on the previous day. Mr. De Leon stated that sludge had been brought from the Broadway WWTP to the drying beds at the Greenwood WWTP, and this was likely the cause of any odors that were occurring.

Incident No. 221470

On October 12, 2015, Ms. Sparks and Ms. Ashley Scott (Team 3) responded to a complaint alleging odors coming from the Greenwood WWTP. The meteorological conditions consisted of south-southeast winds at approximately 10-15 mph and temperature of approximately 85 degrees. The Jerome 613X (Jerome) H<sub>2</sub>S analyzer was utilized during this investigation. It should be noted that the Jerome has a lower detection limit of 0.003 ppm.

Team 3 arrived at the complainant's residence at approximately 5:10 p.m. The TCEQ FIDO chart was utilized and it was determined that the odors were highly offensive and strong to moderate in intensity. Team 3 also utilized the Jerome H<sub>2</sub>S analyzer to take H<sub>2</sub>S readings at the complainant's residence. The odor strength and H<sub>2</sub>S readings were taken every minute for 30 minutes. See Attachment 5 for the supplemental odor log. The complaint stated that the odors started on October 1, 2015 and that the odor intensity was stronger on October 11, 2015, than it was on October 12, 2015. The CCE documented a duration of three weeks on a daily basis and alleged health effects such as nausea, headaches, sinus infections and bloody mucus. The complainant went on to state that they cannot engage in outside activities due to the smell. Based on the TCEQ FIDO Chart and the CCE submitted to TCEQ R14 Office on January 26, 2016 nuisance conditions were confirmed.

In addition, odor surveillance was conducted along the route indicated on the map in Attachment 1 and the odor was determined to originate from the Greenwood WWTP. The odor plume was very similar to the July 21, 2015 investigation. The Jerome detected elevated H<sub>2</sub>S readings on the public road outside Greenwood WWTP's northwest fence line ranging between 0.030 ppm to 0.035 ppm. It should be noted that according to Occupational Safety and Health Administration (OSHA), the odor threshold for H<sub>2</sub>S is 0.01 to 1.5 ppm. See Attachment 6 for odor surveillance log.

## **GREENWOOD PLANT - CORPUS CHRISTI**

**7/27/2015 to 1/26/2016 Inv. # - 1267592**

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On October 13, 2015, Ms. Sparks contacted Mr. De Leon to inform him of the alleged odor complaint. Mr. De Leon stated that maintenance was being conducted on the grit chamber which was being vented to the atmosphere. He stated corrosive gases had resulted in deterioration of the concrete inside the chamber. Mr. De Leon also indicated that Greenwood WWTP was receiving stronger than usual influent. He indicated that an investigation would be conducted to try to determine the source of the strong influent.

\*\*\*Note: On April 2, 2015, Region 14 investigators responded to an anonymous odor complaint alleging health effects (Investigation No. 1248248, Incident No. 212211). Greenwood WWTP was contacted during this investigation, and Mr. De Leon verified that they were conducting maintenance. Specifically, the grit chamber was under repair and venting to the atmosphere. It should be noted that odors from the grit chamber may be resulting additional odor complaints and possibly be an ongoing issue.

### Exit Interview

An Exit Interview Form (EIF) indicating the alleged violation, was emailed to Mr. De Leon on August 17, 2015. An updated EIF was emailed to Mr. Dan Grimsbo on February 10, 2016. See Attachment 7 for a copy of the EIF and updated EIF.

Note: The EIF is activated by any type of enforcement action and serves to notify the regulated entity of any alleged pending or outstanding non-compliance issues.

### GENERAL FACILITY AND PROCESS INFORMATION

#### Process Description

The Greenwood WWTP is permitted to discharge 8.0 million gallons per day (MGD) of treated effluent at Outfall 001. The water quality permit for this facility is currently in the Interim I phase of the permit, pending expansion of the treatment facilities. The facility utilizes ultraviolet (UV) light to disinfect the effluent prior to discharge.

The primary source of wastewater for Outfall 001 is domestic. The facility is an activated sludge plant operated in the complete mix mode. Raw wastewater enters the facility through an on-site lift station. The wastewater is pumped to an influent structure equipped with two mechanical bar screens operating in parallel (each bar screen is equipped with a bypass channel and a manual bar screen) and a grit chamber equipped with a grit auger. Influent gases are routed through a biofilter for odor control. The wastewater then flows from a splitter box into one of four primary clarifiers operating in parallel. Effluent from the primary clarifiers flows into one of five aeration basins. Flow from the aeration basins is split between two final clarifiers. Effluent from the final clarifiers flows through a fine screen prior to being split between two UV disinfection channels. Treated effluent then flows through the flow control structure where it is then post-aerated prior to entering the underground pipeline, thence to the receiving stream at Outfall 001.

Digested sludge is removed, mixed with a polymer, and sent to a belt press. The sludge is then dried on outdoor drying beds and then the dried sludge is transported by the City of Corpus Christi (Transporter No. 21970) and is disposed at the City's Cefe Valenzuela Landfill (TCEQ Permit No. 2269).

The City of Corpus Christi has an approved pretreatment program and a sewer use ordinance to manage the discharge of fats, oil, and grease to their collection and treatment systems.

### BACKGROUND

#### Performance Classification and Compliance Rating

Customer Number (CN): CN600131858  
Classification: Satisfactory  
Rating: 0.24

Regulated Entity Number (RN): RN101610400  
Classification: Satisfactory  
Rating: 0.67



## GREENWOOD PLANT - CORPUS CHRISTI

7/27/2015 to 1/26/2016 Inv. # - 1267592

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NOTE: 30 TAC §60.2 - Compliance History Classification (Point Ranges):  
High Performer (above-satisfactory compliance record) = fewer than 0.10 points;  
Satisfactory Performer (generally complies with environmental regulations) = 0.10 to 55 points;  
Unsatisfactory Performer (performs below minimal acceptable performance standards established by the commission) = more than 55 points

Agreed Orders, Court Orders, and Other Compliance Agreements

The Greenwood WWTP is not presently subject to any air related Agreed Orders, Court Orders or Other Compliance Agreements nor has the plant been subject to such action in the past five years.

Prior Enforcement Issues

The last wastewater comprehensive compliance investigation (Investigation No. 1183497) was conducted on July 15, 2014. One alleged violation noted during the investigation was resolved.

Complaints

During the previous two years, there have been a total of 14 complaints associated with the Greenwood WWTP including the twelve complaints that are addressed in this investigation. It should also be noted that a TCEQ Interoffice Memo dated December 17, 2009 from the Toxicology Division indicated that TCEQ's mobile monitoring team reported strong sulfur odors and elevated H<sub>2</sub>S concentrations above TCEQ's 30-minute net standard downwind of the Greenwood WWTP. See Attachment 8 for a copy of the interoffice memo.

### ADDITIONAL INFORMATION

Conclusions, Recommendations and Current Enforcement Issues

Based upon the response to multiple citizens' complaints, CCE, and the TCEQ's observations during the onsite investigations conducted on July 16, 2015 and July 21, 2015, it was determined that nuisance odor conditions were documented from the Greenwood WWTP as per the TCEQ FIDO Chart. The odor had a strong intensity and was characterized as highly offensive during two investigations within a five day period and resulted in adverse health effects experienced by the investigators and complainants as documented through CCE. In addition, the CCE indicated that the odor was ongoing for approximately a month. The September 16, 2015 TCEQ Toxicology Memo supported the alleged health effects as being consistent with H<sub>2</sub>S exposure. In addition elevated levels of H<sub>2</sub>S were detected on a public road outside the fence line of the Greenwood WWTP on two occasions July 21, 2015 (1-4 ppm) and October 12, 2015 (0.030-0.035). In addition, nuisance odor conditions were also confirmed through CCE and TCEQ observations on October 12, 2015. As per the TCEQ Enforcement Initiation Criteria (EIC) (Revision No. 14-Effective December 1, 2012), this noncompliance item is classified as a Category A violation (A.10 a) due to the adverse human health impacts. Based on the investigation findings, a Notice of Enforcement (NOE) letter was sent to the facility.

ATTACHMENTS:

1. Odor Surveillance Route Map
2. Odor Log July 16, 2015
3. Odor Intensity Map for July 21, 2015
4. Toxicology Memo 2015
5. Supplemental Odor Log October 12, 2015
6. Odor Surveillance Log October 12, 2015
7. Exit Interview Forms
8. Toxicology Memo 2009

**NOE Date: 3/28/2016**

**OUTSTANDING ALLEGED VIOLATION(S)  
ASSOCIATED TO A NOTICE OF ENFORCEMENT**

**GREENWOOD PLANT - CORPUS CHRISTI**

**7/27/2015 to 1/26/2016 Inv. # - 1267592**

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**Track Number:** 590159

**Compliance Due Date: To Be Determined**

**Violation Start Date:** 7/16/2015

**30 TAC Chapter 101.4  
5C THSC Chapter 382.085(a)**

**Alleged Violation:**

**Investigation: 1267592**

Comment Date: 02/10/2016

Failure to prevent discharge from any source whatsoever one or more air contaminants or combinations thereof, in such concentration and of such duration as are or may tend to be injurious to or adversely affect human health or welfare, animal life, vegetation, or property. Specifically, based upon a response to multiple citizen complaints on July 16, 2015, July 21, 2015, and October 12, 2015, review of Citizen Collected Evidence documenting duration of the odors and health effects associated with the odors, and TCEQ observations at the complainant's residence and at the Greenwood Wastewater Treatment Plant(WWTP), it has been determined the Greenwood WWTP failed to prevent nuisance odor conditions as per the TCEQ Odor Complaint Investigation Procedure's Frequency, Intensity, Duration, and Offensiveness (FIDO) Chart

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**Track Number:** 598742

**Compliance Due Date: To Be Determined**

**Violation Start Date:** 7/16/2015

**30 TAC Chapter 305.125(5)**

**Alleged Violation:**

**Investigation: 1267592**

Comment Date: 03/22/2016

Failed to properly operate and maintain the wastewater treatment plant.

Specifically, during the investigation conducted on July 16, 2015, it was documented that the bar screen at the headworks failed, causing debris to clog the pumps on primary clarifier #4. The clarifier pumps failed and prevented the transfer of sludge, resulting in the sludge becoming septic. In addition, the clarifier's skimming rake was rendered inoperable due to a PVC pipe that became lodged between the rake and the drain.

**Signed**

**Date** \_\_\_\_\_

\_\_\_\_\_  
**Environmental Investigator**

**Signed**

**Date** \_\_\_\_\_

\_\_\_\_\_  
**Supervisor**

**GREENWOOD PLANT - CORPUS CHRISTI**

**7/27/2015 to 1/26/2016 Inv. # - 1267592**

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**Attachments: (in order of final report submittal)**

\_\_\_ Enforcement Action Request (EAR)

\_\_\_ Letter to Facility (specify type) : \_\_\_\_\_

Investigation Report

\_\_\_ Sample Analysis Results

\_\_\_ Manifests

\_\_\_ Notice of Registration

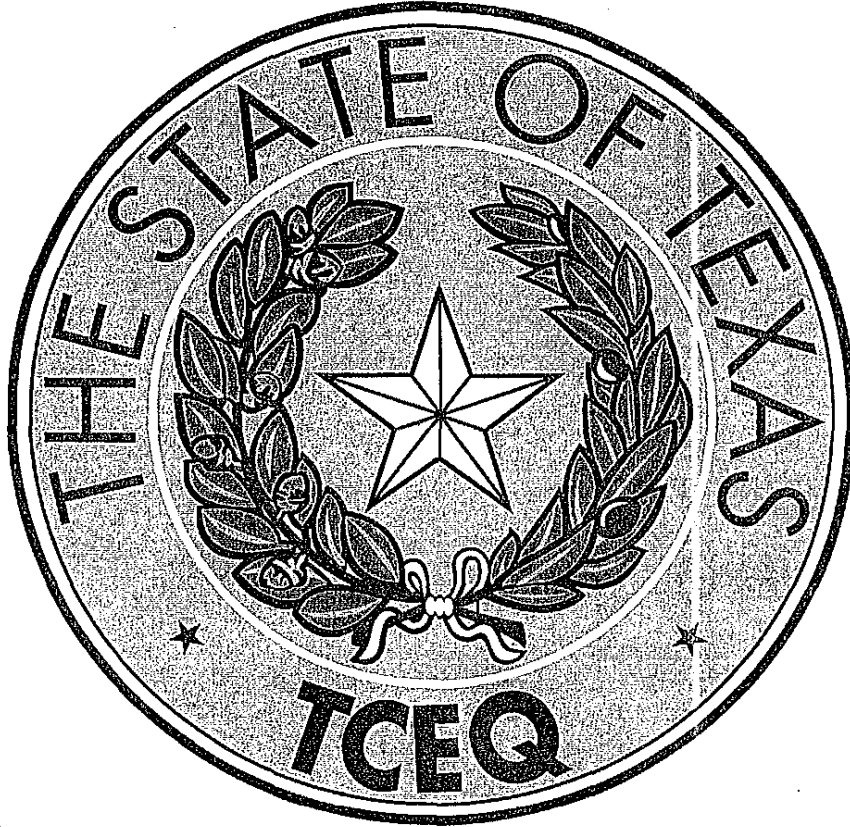
\_\_\_ Maps, Plans, Sketches

\_\_\_ Photographs

\_\_\_ Correspondence from the facility

\_\_\_ Other (specify) :

\_\_\_\_\_  
\_\_\_\_\_



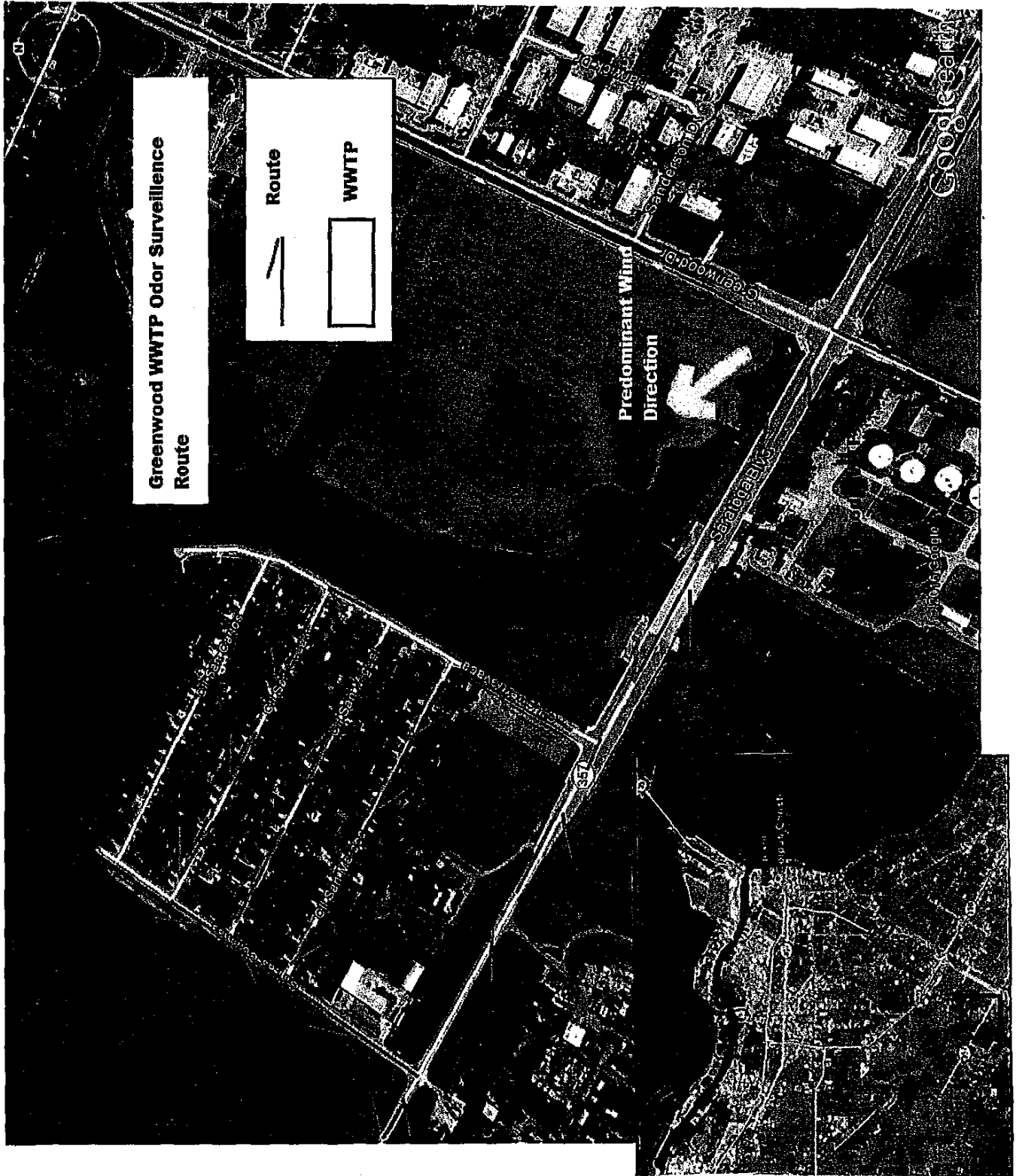
**ATTACHMENT 1**

**Odor Surveillance Route Map**

City of Corpus Christi (CN600131858)  
Greenwood Plant (RN101610400)  
Nueces County

Investigation No. 1267592  
2015-07-16 – 2015-01-26

Attachment Total Pages = 2



**Greenwood WWTP Odor Surveillance Route**

**Route**



**WWTP**



**Predominant Wind Direction**



Google Earth



**ATTACHMENT 2**

**Odor Log July 16, 2015**

City of Corpus Christi (CN600131858)  
Greenwood Plant (RN101610400)  
Nueces County

Investigation No. 1267592  
2015-07-16 – 2015-01-26

Attachment Total Pages = 3





**ATTACHMENT 3**

**Odor Intensity Map For July 21, 2015**

City of Corpus Christi (CN600131858)  
Greenwood Plant (RN101610400)  
Nueces County

Investigation No. 1267592  
2015-07-16 – 2015-01-26

Attachment Total Pages = 1



**Odor Intensity Map for July 21, 2015**

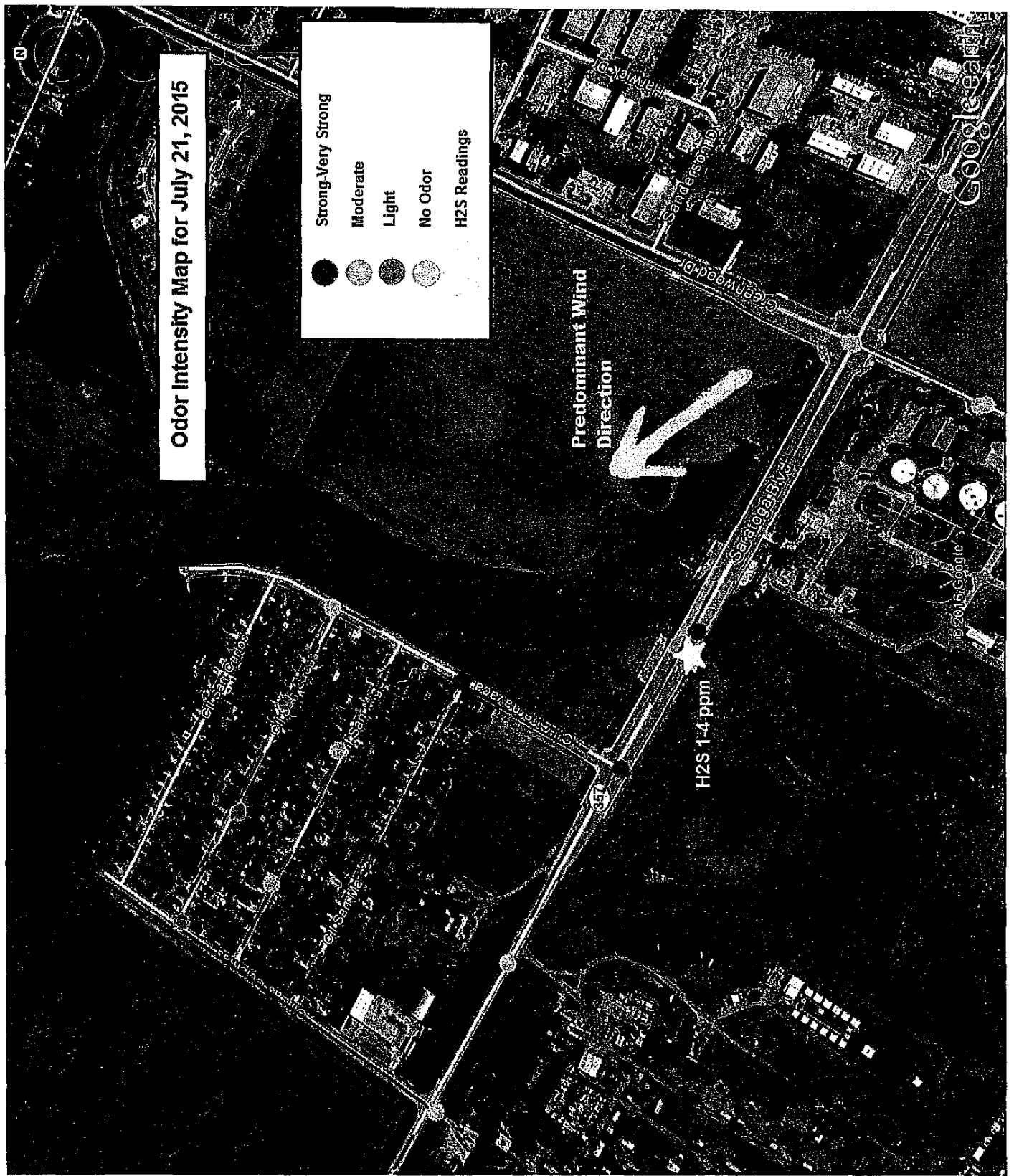
Strong-Very Strong  
Moderate  
Light  
No Odor  
H2S Readings



**Predominant Wind Direction**



H2S 1.4 ppm





**ATTACHMENT 4**

**Toxicology Memo 2015**

City of Corpus Christi (CN600131858)  
Greenwood Plant (RN101610400)  
Nueces County

Investigation No. 1267592  
2015-07-16 – 2015-01-26

Attachment Total Pages = 2

## TCEQ Interoffice Memorandum

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**To:** Susan Clewis  
Director, TCEQ Region 14, Corpus Christi

**Thru:** Michael Honeycutt, Ph. D. *MHP*  
Director, Toxicology Division, Office of the Executive Director

**From:** Darrell D. McCant, B.S., *DDM*  
Tracie Phillips, Ph.D. *TP*  
Toxicology Division, Office of the Executive Director

**Date:** September 22, 2015

**Subject:** Toxicological Evaluation of Reduced Sulfur (mainly Hydrogen Sulfide (H<sub>2</sub>S)) emissions and Follow-up Investigations reported by the Texas Commission on Environmental Quality (TCEQ) Region 14 Staff in response to complainants in the neighborhood northwest of the Greenwood Wastewater Treatment Plant (WWTP) in Corpus Christ, Nueces County, Texas in May, July, and August 2015

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### Key Points

- Reported concentrations of total reduced sulfur compounds (mainly hydrogen sulfide (H<sub>2</sub>S)) were well above levels that would be associated with strong mal-odors and health effects (i.e., eye, nose, throat irritation). Also, the reported levels were consistent with the complaints by citizens of “constant-, extremely-highly offensive-, and raw sewage odors” entering in their homes. Texas Commission on Environment Quality (TCEQ) Region 14 investigators did confirm on two separate visits in July 2015 strong to very strong highly offensive odors at complainants addresses.
- Complainants also reported direct (i.e., nasal/respiratory irritation) and indirect (i.e., nausea, headaches) health effects. In addition, investigators reported health effects (i.e., headaches) that lasted an hour after their investigation.
- The TCEQ Toxicology Division (TD) strongly recommends that actions be taken to reduce exposure to reduced sulfur compounds, including H<sub>2</sub>S and supports all efforts that will result in a reduction of reduced sulfur emissions from the Greenwood WWTP in Corpus City, Texas.

### Background

On September 8, 2015, the TCEQ TD received a request from TCEQ Region 14, Corpus Christi to evaluate data collected during four odor surveillance investigations in May, July, and August

of 2015. The TD reviewed the data from a human health effects perspective, assessing the potential human health risk that would be associated with exposure to the reported levels by comparing detected concentrations to the applicable TCEQ Regulatory Air Quality Standards for H<sub>2</sub>S. The TD did not conduct a quality control/quality assurance review of the data as we do not have expertise in that area. However, we do have confidence in the instrument's ability to accurately measure total reduced sulfur compounds in the ppm range.

## Evaluation

Based on the information provided to the TD, it is our understanding that four Odor Surveillances were conducted in the summer months of 2015 that included May, July, and August by Corpus Christi Region 14 staff in response to 10 complaints of "strong to extremely-highly offensive odors" and health effects (e.g., nausea, fatigue, nose bleed, anxiety, and depression). Please see the Region 14 documentation for a more detail account of these investigations. Briefly, citizens living in the neighborhood northwest of the City of Corpus Christi's Greenwood Wastewater Treatment Plant (WWTP) submitted odor and health effects complaints, which prompted TCEQ Regional investigators to conduct four separate odor surveillances in the summer months of 2015. One surveillance was conducted in May and August, each, and two in July; Regional Investigators verified/described odors in the neighborhood that ranged from intermittent to very strong and experienced health effects (i.e., headache), which lasted an hour after the investigation. Consequently, during their July 16<sup>th</sup> and 21<sup>st</sup> surveillances, Regional Investigators documented nuisance conditions both times. In addition, on July 21<sup>st</sup> using hand-held surveillance equipment they reported elevated total reduced sulfur concentrations (i.e., 1 - 4 ppm) that are usually associated with very strong odors. According to the ATSDR 2006 toxicological profile for H<sub>2</sub>S, the reported concentrations are within the range that has been associated with acute respiratory effects in humans. The reported values are also well above the TCEQ residential, recreational, business or commercial 30-minute standard of 0.08 ppm.

Exposure to levels of H<sub>2</sub>S reported during these investigations would be expected to cause odorous conditions and short-term adverse health effects in some humans. Continuous exposure to these concentrations is within a range of concern. The TCEQ TD strongly recommends that actions be taken to reduce exposure to reduced sulfur compounds, including H<sub>2</sub>S, and supports all efforts that will result in a reduction of reduced sulfur emissions from the Greenwood WWTP in Corpus City, Texas.

Please contact Darrell McCant by phone at (512) 239-4477 or email at [Darrell.McCant@tceq.texas.gov](mailto:Darrell.McCant@tceq.texas.gov) or Tracie Phillips by phone at (512) 239-2269 or email at [Tracie.Phillips@tceq.texas.gov](mailto:Tracie.Phillips@tceq.texas.gov) if you have any questions regarding this evaluation.



**ATTACHMENT 5**

**Supplemental Odor Log October 12, 2015**

City of Corpus Christi (CN600131858)  
Greenwood Plant (RN101610400)  
Nueces County

Investigation No. 1267592  
2015-07-16 – 2015-01-26

Attachment Total Pages = 1

## Supplemental Investigator's Odor Intensity Time Log

Date of Investigation: 10/12/15 Start Time: 1715

Minutes	Odor Intensity VL, L, M, S, VS	
1 min	S	0.010
2	S	0.011
3	S	0.010
4	S	0.011
5	S	0.011
6	M	0.004
7	M	0.004
8	S	0.009
9	M	0.004
10	S	0.007
11	M	0.004
12	S	0.009
13	S	0.012
14	S	0.011
15	S	0.006
16	M	0.004
17	M	0.004
18	S	0.004
19	S	0.013
20	S	0.014
21	S	0.011
22	S	0.012
23	S	0.014
24	S	0.013
25	S	0.010
26	S	0.004
27	M	0.004
28	M	0.006
29	S	0.007
30	S	0.012

Minutes	Odor Intensity VL, L, M, S, VS	
31 min		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
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57		
58		
59		
60		

Offensiveness: Highly X Offensive \_\_\_\_\_ Unpleasant \_\_\_\_\_ Not Unpleasant \_\_\_\_\_

Weighted Average Intensity: 3.75 = Strong

	VS	S	M	L	VL	No Odor
1 Min		22	8			
10 Min						
1 Hour						



**ATTACHMENT 6**

**Odor Surveillance log October 12, 2015**

City of Corpus Christi (CN600131858)  
Greenwood Plant (RN101610400)  
Nueces County

Investigation No. 1267592  
2015-07-16 – 2015-01-26

Attachment Total Pages = 1

Odor Surveillance Log  
 Investigator(s) MARIA SPARK Ashely Scott

Date	Time	Location	Odor Characteristics						Odor Intensity				Other (Equipment used, readings, etc.)	
			Not unpleasant	Unpleasant	Offensive	Highly Offensive	Very Light	Light	Moderate	Strong	Very Strong			
10/12/15	5:08 pm	Sarasota Bay old Canal			X									Jerome H <sub>2</sub> S Reader 0.03
	5:13 pm	Cilla Sam Marcos			X									0.07
	5:50 pm	Sarasota Bay			X									No Reading taken
	5:55 pm	Sarasota Bay NW corner WTP											X	0.35

Additional Notes: There was also odor of Deodorizer blocks near the WTP.  
 See Supplemental log for odor intensity at complaints residence.





**ATTACHMENT 7**

**Exit Interview Forms**

City of Corpus Christi (CN600131858)  
Greenwood Plant (RN101610400)  
Nueces County

Investigation No. 1267592  
2015-07-16 – 2015-01-26

Attachment Total Pages = 3

**TCEQ EXIT INTERVIEW FORM: Potential Violations and/or Records Request**

Regulated Entity/Site Name		Greenwood WWTP		TCEQ Add. ID No. RN No (optional)	WQ0010401003	
Investigation Type	COMPL	Contact Made In-House (Y/N)	N	Purpose of Investigation	Complaint (Incident Nos. 21771, 217771, 217664, 217535, 217483, 217339, 217340, and 217342)	
Regulated Entity Contact	Freddy De Leon		Telephone No.	361-826-4021	Date Contacted	07/16/2015
Title	Work Coordinator		FAX #/ Email address	361-826-4037	FAX/Email date	08/17/2015

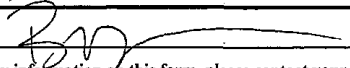
NOTICE: The information provided in this form is intended to provide clarity to issues that have arisen during the investigation process between the TCEQ and the regulated entity named above and does not represent final TCEQ findings related to violations. Any potential or alleged violations discovered after the date on this form will be communicated to the regulated entity representative prior to the issuance of a notice of violation or enforcement. Conclusions drawn from this investigation, including additional violations or potential violations discovered (if any) during the course of this investigation, will be documented in a final investigation-report.

Issue		For Records Request, identify the necessary records, the company contact and date due to the agency. For Alleged and Potential Violation issues, include the rule in question with the clearly described potential problem. Other type of issues: fully describe.	
No.	Type <sup>1</sup>	Rule Citation (if known)	Description of Issue
1	AV	30 Texas Administrative Code (TAC) §101.4; <del>30-TAC §146.615(1)</del> ; 5C Texas Health & Safety Code (THSC) §382.085(b) (a)	Failure to prevent a discharge from any source whatsoever one or more air contaminants of combinations thereof, in such concentration and of such duration as are or may tend to be injurious to or to adversely affect human health or welfare, animal life, vegetation, or property, or as to interfere with the normal use and enjoyment of animal life, vegetation, or property. Specifically, based upon a response to multiple citizen complaints on July 15, July 20, July 21, July 23, and July 27, 2015, review of citizen collected evidence, and by the TCEQ's observations, it was determined that the Greenwood WWTP failed to prevent a nuisance odor condition that was documented as per the TCEQ Odor Complaint Investigation Procedures' FIDO Chart (FIDO: frequency, intensity, duration, offensiveness). The odor had a strong to very strong intensity and was characterized as highly offensive for a single occurrence for the duration of approximately 30 minutes during the onsite investigation. Additionally, it was reported that the nuisance odor conditions had occurred for weeks.

Note 1: Issue Type Can Be One or More of: AV (Alleged Violation), PV (Potential Violation), O (Other), or RR (Records Request)

Did the TCEQ document the regulated entity named above operating without proper authorization?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Did the investigator advise the regulated entity representative that continued operation is not authorized?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Document Acknowledgment. Signature on this document establishes only that the regulated entity (RE) representative received a copy of this document and associated continuation pages on the date noted. If contact was made by telephone, the document will be sent via FAX or Email to RE; therefore, the RE signature is not required.

Bill Ross		08/17/2015
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**TCEQ EXIT INTERVIEW FORM: Potential Violations and/or Records Request**

<b>Regulated Entity/Site Name</b>		City of Corpus Christi, Greenwood Wastewater Treatment Plant		<b>TCEQ Add. ID No.</b>	WQ0010401003
				<b>RN No (optional)</b>	RN101610400
<b>Investigation Type</b>	Complaint	<b>Contact Made In-House (Y/N)</b>	N	<b>Purpose of Investigation</b>	Response to complaints ( Incident No. 217339, 217340, 217342, 217477, 217483, 225733, 225735, 217535, 217664, 218390, 217771, 221470)
<b>Regulated Entity Contact</b>		Dan Grimsbo Assistant Director of Utilities		<b>Telephone No.</b>	361-826-1718
				<b>Date Contacted</b>	2/10/2016
				<b>FAX #/Email address</b>	dang@cctx.com
				<b>FAX/Email date</b>	2/10/2016

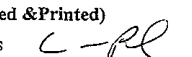
NOTICE: The information provided in this form is intended to provide clarity to issues that have arisen during the investigation process between the TCEQ and the regulated entity named above and does not represent final TCEQ findings related to violations. Any potential or alleged violations discovered after the date on this form will be communicated to the regulated entity representative prior to the issuance of a notice of violation or enforcement. Conclusions drawn from this investigation, including additional violations or potential violations discovered (if any) during the course of this investigation, will be documented in a final investigation report.

Issue		For Records Request, identify the necessary records, the company contact and date due to the agency. For Alleged and Potential Violation issues, include the rule in question with the clearly described potential problem. Other type of issues: fully describe.	
No.	Type <sup>1</sup>	Rule Citation (if known)	Description of Issue
1	AV	30 Texas Administrative Code (TAC)§101.4  5C Texas Health and Safety Code (THSC)§382.085(a)	Failed to prevent discharge from any source whatsoever one or more air contaminants or combinations thereof, in such concentration and of such duration as are or may tend to be injurious to or adversely affect human health or welfare, animal life, vegetation, or property. Specifically, based upon a response to multiple citizen complaints on July 16, 2015, July 21, 2015, and October 12, 2015, review of Citizen Collected Evidence documenting duration of the odors and health effects associated with the odors, and TCEQ observations at the complainant's residence and at the Greenwood Wastewater Treatment Plant(WWTP), it has been determined that the Greenwood WWTP failed to prevent nuisance odor conditions as per the TCEQ Odor Complaint Investigation Procedure's Frequency, Intensity, Duration, and Offensiveness (FIDO) Chart.

**Note 1: Issue Type Can Be One or More of: AV (Alleged Violation), PV (Potential Violation), O (Other), or RR (Records Request)**

Did the TCEQ document the regulated entity named above operating without proper authorization?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Did the investigator advise the regulated entity representative that continued operation is not authorized?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Document Acknowledgment.** Signature on this document establishes only that the regulated entity (RE) representative received a copy of this document and associated continuation pages on the date noted. If contact was made by telephone, the document will be sent via FAX or Email to RE; therefore, the RE signature is not required.

<b>Investigator Name (Signed &amp; Printed)</b> Maria Sparks 	<b>Date</b> 2/10/2016	<b>Regulated Entity Representative Name (Signed &amp; Printed)</b>	<b>Date</b>
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If you have questions about any information on this form, please contact your local TCEQ Regional Office.

Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, call 512/239-3282.



**ATTACHMENT 8**

**Toxicology Memo 2009**

City of Corpus Christi (CN600131858)  
Greenwood Plant (RN101610400)  
Nueces County

Investigation No. 1267592  
2015-07-16 – 2015-01-26

Attachment Total Pages = 6

# Texas Commission on Environmental Quality

## INTEROFFICE MEMORANDUM

**To:** Susan Clewis, Regional Director, R14  
David Kennebeck, Air Section Manager, R14  
Donna G. Phillips, Coastal and East Texas Area Director

**Date:** December 17, 2009

**From:** Neeraja K. Erraguntla, Ph.D. *N.K.E.*  
Toxicology Division, Chief Engineer's Office

**Subject:** Health Effects Review of the 2008 Ambient Air Network Monitoring Sites in Region 14  
– Corpus Christi

### Key Findings

- Long-term exposures to the reported annual average concentrations of 84 volatile organic compounds (VOCs) and 14 metals (measured as particulate matter less than 2.5 microns in diameter, PM<sub>2.5</sub>) monitored at Texas Commission on Environmental Quality (TCEQ) monitoring sites in 2008 are not expected to cause chronic adverse health effects and vegetative effects.
- Long-term exposures to the reported annual average concentrations of VOCs from the automated gas chromatographs (autoGCs) at the Corpus Christi Air Quality Project (CCAQP) sites in 2008 are not expected to cause chronic adverse health effects or vegetative effects.
- Short-term exposures to the reported hourly concentrations of VOCs from the autoGCs at the CCAQP sites are not expected to cause short-term adverse health effects, nuisance odor concerns, or vegetative effects.
- TCEQ's mobile monitoring team reported strong sulfur odors and several elevated hydrogen sulfide (H<sub>2</sub>S) concentrations above the TCEQ's 30-minute net standard (0.080 ppm<sub>v</sub> for residential, business, and/or commercial areas and 0.120 ppm<sub>v</sub> for industrial areas) downwind of the Corpus Christi Greenwood and Broadway Wastewater Treatment Plants (WWTPs). The Toxicology Division (TD) recommends reductions in the H<sub>2</sub>S levels near the WWTPs.

### Background

This memorandum conveys the TD'S evaluation of ambient air sampling measurements at TCEQ and Corpus Christi Air Quality Project (CCAQP) monitoring sites and highlights of relevant mobile monitoring trips in TCEQ Region 14-Corpus Christi during 2008. Table 1 lists the sites and provides links to additional site information. Target analytes are listed in Table 2. The short-term data included hourly VOC data from autoGCs, 20-minute and 1-hour canister VOC samples, and metals speciated from 24-hour PM<sub>2.5</sub> filter samples. Annual average concentrations were calculated from every-sixth-day 24-hour VOC and metal, and autoGC data. Figure 1 is a depiction of the annual average levels of benzene at TCEQ and CCAQP monitoring sites in Corpus Christi. Figure 2 is a map of TCEQ and CCAQP sites which provided ambient air measurements for this evaluation.

Measured short-term and annual averages were compared to their respective appropriate comparison values. The TCEQ Monitoring Operations Division reported the data for all chemicals evaluated in this memorandum. The target analyte list of 95 VOCs for 24 hour samples was changed in the third quarter of 2008. Eleven oxygenated compounds were dropped from the list due to water issues in the laboratory analysis. Therefore, those compounds did not meet the data completeness objective of 75 percent data return, or 45 valid samples per year. Those eleven compounds are identified by asterisk on the target analyte table (Table 2). All other VOCs and metals data collected by the TCEQ exceeded a 75 percent data completeness objective, which is expected to provide sufficiently-representative annual average concentrations.

The 2008 CCAQP data except for the two autoGCs (i.e, the triggered short-term canister data) did not meet the TCEQ's 75 percent data completeness objective. The 2008 CCAQP data for the autoGC met the 75 percent data completeness objective. The TD will therefore evaluate the CCAQP data from the triggered short-term canister data from a short-term health perspective and the 2008 autoGC data from the CCAQP sites from both a short-term and long-term perspective.

Because 24-hour air samples are designed to provide representative long-term average concentrations, annual averages from 24-hour samples were evaluated for potential chronic health concerns. Short-term or peak concentrations are not captured by 24-hour samples; therefore, daily maximum concentrations have limited use in evaluating the potential for acute health effects.

<b>Table 1. TCEQ and CCAQP Air Monitoring Sites in Corpus Christi, Nueces County</b>			
<b>Site</b>	<b>Monitor ID</b>	<b>TCEQ/CCAQP Monitoring Sites</b>	<b>Monitored Chemicals</b>
<u>Huisache</u> 3810 Huisache St	48-355-0032	TCEQ	VOCs (every-6 <sup>th</sup> -day 24-hr canister)
<u>Hillcrest</u> 1802 Nueces Bay Blvd	48-355-0029	TCEQ	VOCs (every-6 <sup>th</sup> -day 24-hr canister)
<u>Dona Park</u> 5707 Up River Rd	48-355-0034	TCEQ	VOCs (every-6 <sup>th</sup> -day 24-hr canister) Metals (every-6 <sup>th</sup> -day 24-hr PM <sub>2.5</sub> )
<u>Solar Estates</u> 9122 Leopard St	48-355-0041	CCAQP	VOCs (hourly autoGC)
<u>Oak Park</u> 842 Erwin St	48-355-0035	CCAQP	VOCs (hourly autoGC)
<u>Port Grain Elevator</u> 2001B E Navigation Blvd	48-355-0036	CCAQP	VOCs (triggered short-term canister)
<u>J.I. Hailey</u> 2702B E Navigation Blvd	48-355-0037	CCAQP	VOCs (triggered short-term canister)
<u>West End Inner Harbor</u> 3149B Suntide Rd	48-355-0038	CCAQP	VOCs (triggered short-term canister)
<u>FHR Easement Off Up River Rd</u> 8401B Up River Rd	48-355-0039	CCAQP	VOCs (triggered short-term canister)

## **EVALUATION**

### ***Short-term Concentrations***

Hourly concentrations of all 46 VOCs monitored at the Solar Estates and Oak Park autoGCs were less than their respective appropriate comparison values and would not be expected to cause short-term adverse health effects, nuisance odor concerns, or vegetative effects. Reported concentrations of all VOCs at the CCAQP sites were below their respective health-based comparison values except for two VOCs (i.e., 2-methylpentane and/or isoprene) at the Port Grain Elevator, J.I. Hailey, Up River Road, and CC Inner Harbor that exceeded their respective odor-based comparison values and are discussed below.

### **VOCs Exceeding Odor-Based Values at the CCAQP Monitoring Site**

While the CCAQP triggered sample sites are more representative of industrial property and do not reflect community air quality, they are included in this evaluation primarily to provide continuity of air quality

evaluation. In the short-term (i.e., 20-minute) triggered samples collected by the CCAQP, 2-methylpentane exceeded its odor threshold but not its health-based comparison value one time at each of the CCAQP monitoring sites. In addition, isoprene was detected slightly above its odor threshold at the Up River Road and the J. I. Hailey monitoring sites. Short-term exposures to the reported concentrations of the two VOCs that exceeded their respective odor-based comparison levels would not be expected to cause direct short-term adverse health effects such as respiratory irritation.

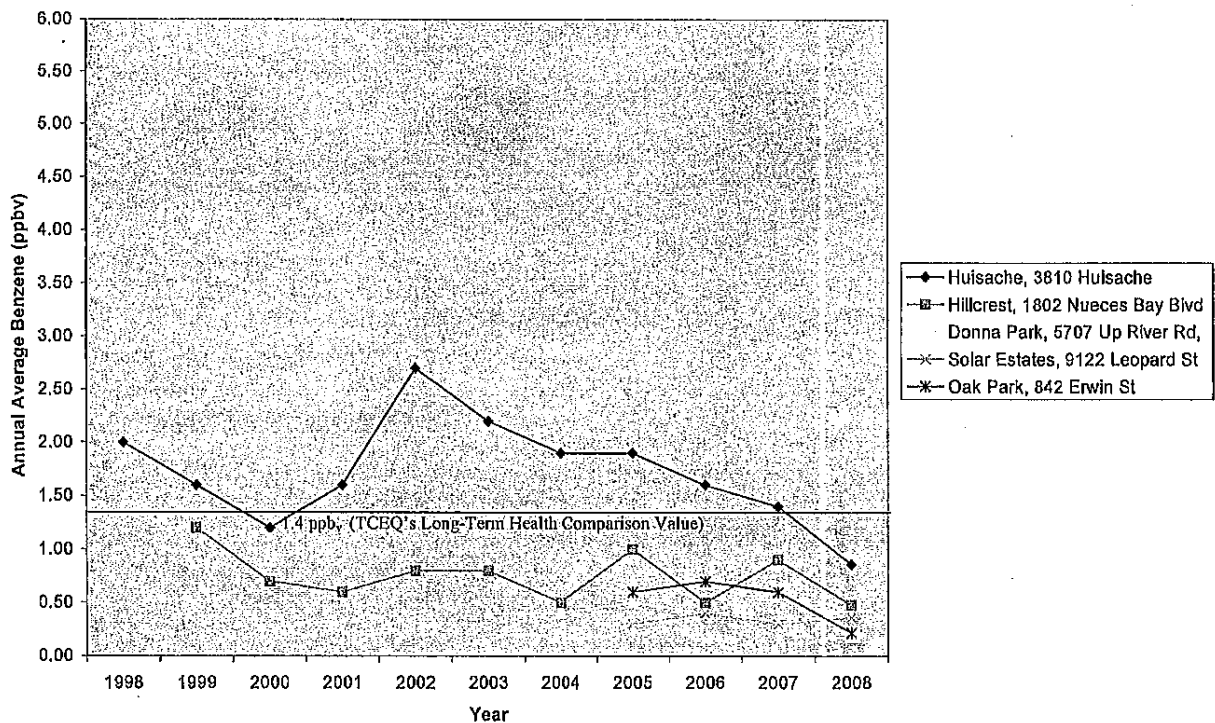
**Long-term Concentrations**

The reported annual average concentrations of up to 84 VOCs and 14 PM<sub>2.5</sub> metals were below their respective appropriate comparison values. Chronic exposure to the reported annual average concentrations of all the VOCs and metals would not be expected to cause chronic health effects or vegetative effects. Benzene levels at the Huisache site have historically been of interest and are discussed further below.

**Annual Average Benzene Concentrations**

The 2008 annual average benzene concentration at Huisache was 0.86 ppb<sub>v</sub>, and was based on every-sixth-day sampling. Annual average benzene levels at other TCEQ sites included 0.48 ppb<sub>v</sub>, at Hillcrest and 0.37 ppb<sub>v</sub>, at Dona Park, while the CCAQP reported 0.22 ppb<sub>v</sub>, at Solar Estates and 0.36 ppb<sub>v</sub>, at Oak Park. Annual average benzene levels at these five sites are less than the TCEQ's long-term appropriate comparison value of 1.4 ppb<sub>v</sub>, and are not expected to cause long-term adverse health effects (Figure 1).

Figure 1: Annual Average Benzene Levels (ppbv) at TCEQ & CCAQP Air Toxics Monitoring Sites in Corpus Christi



**Air Pollutant Watch List (APWL)**

The Huisache Air Pollutant Watch List (APWL1402) area and benzene have been recommended for removal because benzene levels are no longer at a level of concern. The 2008 annual average benzene concentration at Huisache was 0.86 ppb<sub>v</sub>, and was based on every-sixth-day sampling. The benzene levels

continued a seven-year downward trend and are shown in Figure 1. In addition, the Huisache monitoring site is no longer considered to be located in a residential area as it was when it was first established in 1998. With the exception of one residential lot, the former neighborhood surrounding the Huisache monitoring site is now industrial property. Therefore, the benzene levels described for the Huisache site do not reflect community air quality, but are included in this evaluation primarily to provide continuity of air quality evaluation provided for this site. Given the local meteorology and proximity of the Huisache monitor to industrial sources of benzene, it is expected that these sources would have less influence on benzene concentrations in communities that are farther away from the Huisache site.

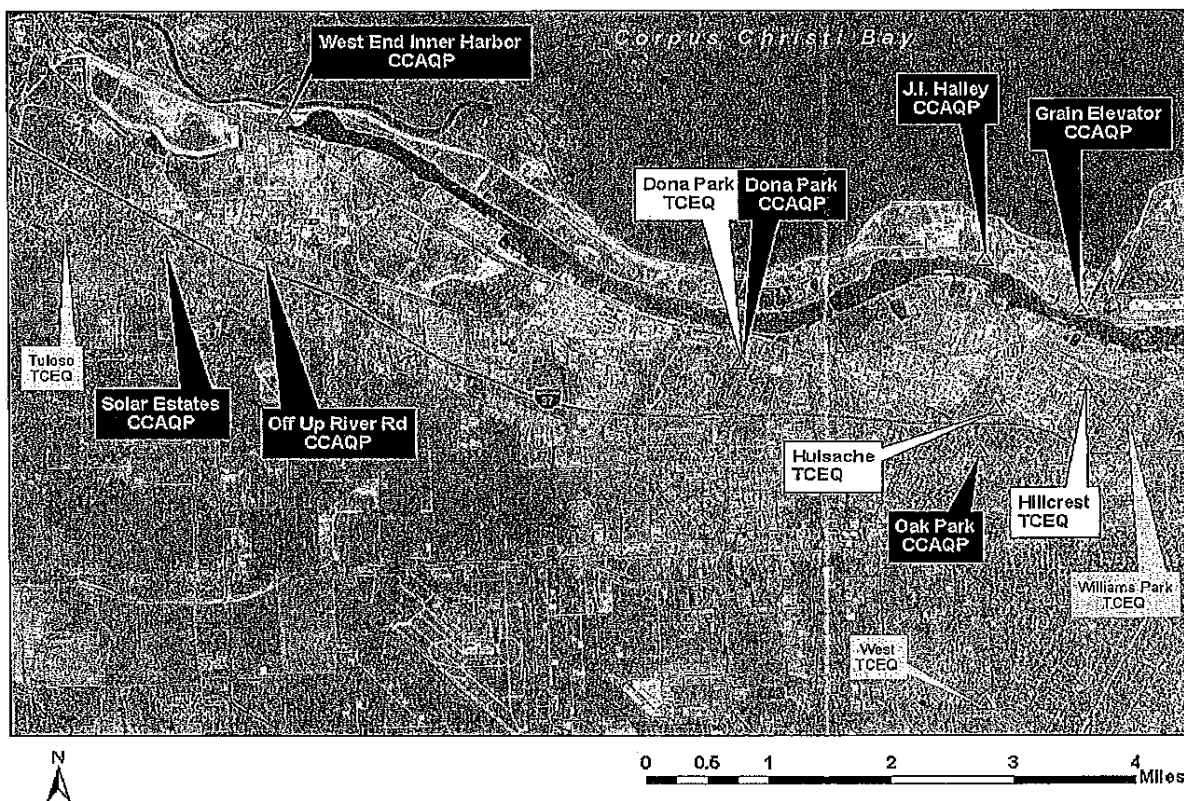


Figure 2: Map of TCEQ (white) and CCAQP (black) Sites Which Provided Ambient Air Measurements for this Evaluation.

#### **Relevant 2008 Mobile Monitoring Trips**

##### ***City of Corpus Christi Wastewater Treatment Plants- (WWTP)***

TCEQ's mobile monitoring team (MMT) surveyed and conducted sulfur sampling downwind of several Corpus Christi WWTPs and identified elevated H<sub>2</sub>S levels at the Greenwood and Broadway WWTPs by odors, survey equipment, and by continuous monitoring. The contribution of other total reduced sulfur compounds could not be ascertained because of equipment malfunction.

##### ***Downwind of City of Corpus Christi Greenwood WWTP***

During sampling on multiple days (April 1 – 3, 2008), MMT reported several elevated 30-minute average H<sub>2</sub>S concentrations above the TCEQ's 30-minute net standard (0.080 ppm<sub>v</sub> for residential, business, and/or commercial areas and 0.120 ppm<sub>v</sub> for industrial areas) downwind of the facility. On April 3, 2008, the MMT also reported odors that were moderate to strong in intensity. The reported maximum downwind 30-minute average H<sub>2</sub>S concentration (0.099 ppm<sub>v</sub>), which included a peak concentration of 0.187 ppm<sub>v</sub>, exceeded TCEQ's net 30-minute regulatory standard (0.080 ppm<sub>v</sub>) and the odor threshold



Susan Clewis et al.  
Page 5  
December 17, 2009

(0.005 ppm<sub>v</sub>). Short-term exposures to the measured H<sub>2</sub>S levels could potentially cause health effects (e.g., eye irritation, decreased lung function, headache) in sensitive individuals. Persistent or recurrent exposures to the moderate to strong odors may cause odor-related health effects such as headaches and nausea in some individuals.

***Downwind of City of Corpus Christi Broadway WWTP***

TCEQ's mobile monitoring team (MMT) conducted monitoring downwind of the WWTPs in Corpus Christi during March 29 – April 4, and April 21, 2008. During this sampling period, the MMT reported strong septic-type odors downwind of the Corpus Christi Broadway WWTP during the evening, overnight, and early morning hours. During sampling periods over 8 hours on April 3, 2008, staff reported several elevated 30-minute net (i.e., downwind-upwind) average H<sub>2</sub>S concentrations above the TCEQ's 30-minute net standard (0.080 ppm<sub>v</sub> for residential, business, and/or commercial areas and 0.120 ppm<sub>v</sub> for industrial areas) and the odor threshold of 0.005 ppm<sub>v</sub>. The maximum reported peak H<sub>2</sub>S concentration (0.544 ppm<sub>v</sub>), exceeded the working range of the monitor on April 3, 2008. The highest net (downwind-upwind) 30-minute net average concentration (0.356 ppm<sub>v</sub>) exceeded the TCEQ's 30-minute net regulatory standard of 0.080 ppm<sub>v</sub>, by more than 4 times.

Persistent or recurrent exposures to the moderate to strong odors may cause odor-related health effects such as headaches and nausea. Also short-term exposures to the reported peak levels could potentially cause health effects (e.g., eye irritation, decreased lung function) in the general population and especially in sensitive individuals. According to the Agency for Toxic Substances and Disease Registry exposures to low concentrations of H<sub>2</sub>S may cause irritation to the eyes, nose, or throat. It may also cause difficulty in breathing for some asthmatics.

The TD recommends reduction in the H<sub>2</sub>S levels as this facility is located north of a residential neighborhood and the emissions from this facility could potentially under the right wind conditions negatively impact the nearby neighborhood. Also, this facility is adjacent to an outdoor concert venue and south of the Corpus Christi Hooks Baseball Team-Whataburger Field near downtown, at the intersection of IH 37 and State Highway 35.

Information on the appropriate comparison values can be obtained by contacting the TD (512-239-1795). If you have any questions regarding this memorandum, please do not hesitate to contact me at 512-239-2492 or email me at [nerragun@tceq.state.tx.us](mailto:nerragun@tceq.state.tx.us).

cc: (via email)

Casso, Ruben- EPA Region 6, Dallas  
Prosperie, Susan- Department of State Health Services

Table 2. Target Analyte List			
VOCs (Canister samples)		VOCs (Auto-GC samples)	Metals (PM <sub>2.5</sub> )
1,1,1-Trichloroethane	Cyclopentane	1,2,3-Trimethylbenzene	Aluminum
1,1,2,2-Tetrachloroethane	Cyclopentene	1,2,4-Trimethylbenzene	Antimony
1,1,2-Trichloroethane	Dichlorodifluoromethane	1,3,5-Trimethylbenzene	Arsenic
1,1-Dichloroethane	Ethane	1,3-Butadiene	Barium
1,1-Dichloroethylene	Ethyl Acetate*	1-Butene	Cadmium
1,2,3-Trimethylbenzene	Ethyl Benzene	1-Pentene	Chromium
1,2,4-Trimethylbenzene	Ethylene	2,2,4-Trimethylpentane	Cobalt
1,2-Dibromoethane	Isobutane	2,2-Dimethylbutane	Copper
1,2-Dichloroethane	Isobutyraldehyde*	2,3,4-Trimethylpentane	Manganese
1,2-Dichloropropane	Isopentane	2,3-Dimethylpentane	Molybdenum
1,3,5-Trimethylbenzene	Isoprene	2,4-Dimethylpentane	Nickel
1,3-Butadiene	Isopropylbenzene	2-Methylheptane	Selenium
1-Butene	m-Diethylbenzene	2-Methylhexane	Tin
1-Hexene +2-Methyl-1-Pentene	Methylene Chloride	3-Methylheptane	Zinc
1-Pentene	Methyl Butyl Ketone*	3-Methylhexane	
2,2,4-Trimethylpentane	(MBK)	Acetylene	
2,2-Dimethylbutane	Methyl t-Butyl Ether	Benzene	
(Neohexane)	(MTBE)*	c-2-Butene	
2,3,4-Trimethylpentane	Methylcyclohexane	c-2-Pentene	
2,3-Dimethylbutane	Methylcyclopentane	Cyclohexane	
2,3-Dimethylpentane	Methylene Chloride	Cyclopentane	
2,4-Dimethylpentane	Methylisobutylketone*	Ethane	
2-Butanone*	m-Ethyltoluene	Ethyl Benzene	
2-Chloropentane	n-Butane	Ethylene	
2-Methyl-2-Butene	n-Decane	Isobutane	
2-Methyl-3-Hexanone*	n-Heptane	Isopentane	
2-Methylheptane	n-Hexane	Isoprene	
2-Methylhexane	n-Nonane	Isopropylbenzene	
2-Methylpentane (Isohexane)	n-Octane	Methylcyclohexane	
3-Hexanone*	n-Pentane	Methylcyclopentane	
3-Methyl-1-Butene	n-Propyl Acetate*	n-Butane	
3-Methylheptane	n-Propylbenzene	n-Decane	
3-Methylhexane	n-Undecane	n-Heptane	
3-Methylpentane	o-Ethyltoluene	n-Hexane	
3-Pentanone*	o-Xylene	n-Nonane	
4-Methyl-1-Pentene	p-Diethylbenzene	n-Octane	
Acetylene	p-Ethyltoluene	n-Pentane	
Benzene	Propane	n-Propylbenzene	
Bromomethane	Propylene	o-Xylene	
Butyl Acetate*	p-Xylene + m-Xylene	Propane	
c-1,3-Dichloropropylene	Styrene	Propylene	
c-2-Butene	t-2-Butene	p-Xylene + m-Xylene	
c-2-Hexene	t-2-Hexene	Styrene	
c-2-Pentene	t-2-Pentene	t-2-Butene	
Carbon Tetrachloride	Tetrachloroethylene (Perc)	t-2-Pentene	
Chlorobenzene	Toluene	Toluene	
Chloroform	Trans-1-3-		
Cyclohexane	Dichloropropylene		
	Trichloroethylene		
	Trichlorofluoromethane		
	Vinyl Chloride		

\* Chemicals that did not meet data completeness requirements

Bryan W. Shaw, Ph.D., P.E., *Chairman*  
Toby Baker, *Commissioner*  
Jon Niermann, *Commissioner*  
Richard A. Hyde, P.E., *Executive Director*



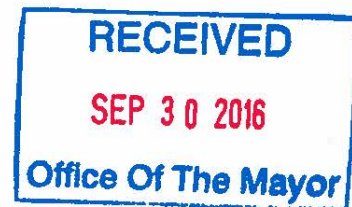
## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

September 28, 2016

CERTIFIED MAIL #91 7199 9991 7031 3461 1882  
RETURN RECEIPT REQUESTED

The Honorable Nelda Martinez  
Mayor of Corpus Christi  
P. O. Box 9277  
Corpus Christi, Texas 78469



Re: Notice of Enforcement for the Reconnaissance & Complaint Investigations at:  
City of Corpus Christi Public Water Supply, 13101 Leopard Street, Corpus Christi  
(Nueces County), Texas  
Regulated Entity No.: 101385151, TCEQ ID No.: 1780003, Investigation No. : 1356462,  
Incident Nos.: 232608, 233295, 233387, 233388, 233435, 233450, 233560, 234289 and 236645

Dear Mayor Martinez:

From May 3 to June 3, 2016, Mr. Blas Rizzo of the Texas Commission on Environmental Quality (TCEQ) Corpus Christi Region Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable requirements for public water supply. During this investigation, certain outstanding alleged violations were documented. Enclosed is a summary which lists the investigation findings and recommended corrective actions. Additional recommended corrective actions may be provided by the Enforcement Division.

In the listing of the alleged violations, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI 032) are located on our agency website at <http://www.tceq.state.tx.us> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the Corpus Christi Region Office at 361-825-3100 or the Central Office Publications Ordering Team at 512-239-0028.

Also, please be advised that the Legislature has granted enforcement powers to the TCEQ to carry out its mission to protect human health and the environment. Due to the apparent seriousness of the alleged violations, formal enforcement action has been initiated, and additional violations may be cited upon further review. We encourage you to immediately begin taking actions to address the outstanding alleged violations. Corrective action must be completed so your public water supply may be operated and maintained in accordance with the requirements for a "Superior" system.

**In responding with prompt corrective action, the administrative penalty to be assessed may be limited.**

The Honorable Nelda Martinez  
Page 2  
September 28, 2016

The Commission recognizes that the great majority of the regulated community wants to prevent pollution and to comply with environmental laws. We dedicate considerable resources toward making voluntary compliance achievable. But where compliance has not been met it is our duty to protect the public and the environment by enforcing the state's environmental laws, regulations, and permits.

Also, if you believe the violations documented in this notice have been cited in error, and you have additional information that we are unaware of, you may request a meeting to discuss this enforcement matter. To request a meeting, send a letter describing the additional information to the address shown below.

Manager, Water Section  
Enforcement Division, MC 219  
Re: Enforcement Meeting Request  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

If you or members of your staff have any questions, please feel free to contact Mr. Rizzo in the Corpus Christi Region Office at 361-825-3100.

Sincerely,



Melanie Edwards, Water Section Manager  
Corpus Christi Region Office  
Texas Commission on Environmental Quality

ME/BR/mjd

Enclosure: Summary of Investigation Findings

cc: Mr. Dan Grimsbo, Interim Director of Water Utilities, 1201 Leopard St., Corpus Christi, Texas 78401

## Summary of Investigation Findings

CITY OF CORPUS CHRISTI

13101 LEOPARD ST  
CORPUS CHRISTI, NUECES COUNTY, TX 78410

Investigation #

1356462  
Investigation Date: 05/03/2016

Additional ID(s): 1780003

### OUTSTANDING ALLEGED VIOLATION(S) ASSOCIATED TO A NOTICE OF ENFORCEMENT

Track No: 615279      Compliance Due Date: To Be Determined  
30 TAC Chapter 290.39(l)

**Alleged Violation:**

Investigation: 1356462

Comment Date: 09/08/2016

Failed to comply with the site-specific requirements established for a system that was granted an exception.

On December 11, 2008, the City of Corpus Christi was granted an exception to the rule requiring monthly flushing of dead-end mains (DEMs) contingent upon certain conditions. On November 1, 2010, certain revisions to the exception requirements were approved. The November 1, 2010 letter superseded the December 11, 2008 letter.

One of the conditions requires total residual chlorine (TRC), monochloramine (mono), and free available ammonia (FAA) to be measured within 24 hours of an initial low TRC and subsequent flushing. In addition, within five days of the initial low TRC, the City is required to return to the DEM to monitor for changes to the TRC, mono, and FAA and flush the DEM if the TRC is below 1.5 mg/L. In addition, any DEM with an initial TRC reading < 0.5 mg/L is required to be placed in the Twice a Month flushing group. Four consecutive months of TRC levels are required to move a DEM to the next less frequent flushing group.

A review of the flushing program from March 2016 to June 2016 indicated the above mentioned conditions were not being followed. For example, initial TRC readings were below 0.5 mg/L for DEM ID Nos. 1558 and 1179 on March 7 and 9, 2016. However, DEM ID No. 1558 was not monitored again until March 31, 2016 and was not flushed twice in April or June. DEM ID No. 1179 was not monitored again until April 2, 2016 and was not flushed twice in April or flushed during the months of May or June. In addition, the only parameters monitored at the DEMs were TRC, pH, and temperature.

**Recommended Corrective Action:** The facility shall comply with all site-specific requirements established for a system that was granted an exception.

Track No: 615281      Compliance Due Date: To Be Determined  
30 TAC Chapter 290.44(h)

**Alleged Violation:**

Investigation: 1356462

Comment Date: 09/08/2016

Failed to have adequate protection against cross contamination at any residence or establishment where an actual or potential contamination hazard exists.

On May 26, 2016, the TCEQ Corpus Christi Region Office observed a potential contamination hazard in the distribution system. A new line on Claremore Street had been installed, a bacteriological sample had been collected and the City was waiting on the sample results prior to permanently connecting the line to the distribution system. During the interim, the City was running water from a hose connected to a fire hydrant located at the corner of Ocean Drive and Claremore Street through the new line. The City is required to provide protection to prevent backflow and back-siphonage. No device was in place.



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**Recommended Corrective Action:** The facility shall have adequate protection against cross contamination at any residence or establishment where an actual or potential contamination hazard exists.

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**Track No:** 615282      **Compliance Due Date:** To Be Determined  
**30 TAC Chapter 290.110(b)(4)**  
**30 TAC Chapter 290.46(d)(2)(B)**

**Alleged Violation:**

Investigation: 1356462

Comment Date: 09/08/2016

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Failed to continuously maintain a chloramine residual of 0.5 mg/L (measured as total chlorine) for those systems that distribute chloraminated water throughout the distribution system.

The disinfectant residual was documented to be below the minimum requirement on 11 days for the time period between March 1, 2016 and the issuance of the boil water notice. Specifically, the disinfectant residual was below 0.5 mg/L on March 22nd, April 12th, April 19th, April 21st, April 22nd, April 26th, May 3rd, May 4th, May 10th, May 12th, and May 13th. The results were obtained from the City's samples collected at designated sample sites and sampling conducted by the Corpus Christi Region Office.

**Recommended Corrective Action:** The City shall continuously maintain a chloramine residual of 0.5 mg/L (measured as total chlorine) for those systems that distribute chloraminated water throughout the distribution system.

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**Track No:** 615284      **Compliance Due Date:** To Be Determined  
**30 TAC Chapter 290.110(c)(5)**

**Alleged Violation:**

Investigation: 1356462

Comment Date: 09/02/2016

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Failed to ensure that nitrification is controlled.

A review of the City's nitrification action plan (NAP) as well as the monitoring data collected by the City and comparison to the City's responses to the event demonstrated that they did not fully implement the appropriate action listed in their NAP; therefore, nitrification was not controlled. Specifically, on April 12, 2016, the City first met the criteria for a level 3 triggered action response and on at least four additional occasions throughout the months of April and May 2016. Options for an action level 3 response include breakpoint chlorination of a tank/reservoir and City wide breakpoint chlorination.

**Recommended Corrective Action:** The facility shall ensure that nitrification is controlled.

---

**Track No:** 615285      **Compliance Due Date:** To Be Determined  
**30 TAC Chapter 290.110(f)(1)(A)**

**Alleged Violation:**

Investigation: 1356462

Comment Date: 09/09/2016

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Failed to include in the compliance determination calculations all samples collected at sites designated in the monitoring plan as microbiological and disinfectant residual monitoring sites.

A review of the City's monitoring data indicated all disinfectant residual samples collected at sites designated in their monitoring plan were not used in their compliance determination calculations. The Surface Water Monthly Operating Report (SWMOR) submitted for the reporting month of March 2016 indicated there were 0 readings with a low residual and as such the percentage of readings with a low residual during this month was 0.0% while their data indicates there was one reading with a low residual and the percentage of readings with a low residual was 0.3%. The SWMOR submitted for the reporting month of April 2016 indicated there was one reading with a low residual and the percentage of readings with a low residual during this month was 0.4% while their data indicates six readings with a low residual

and the percentage of readings with a low residual was 2.2%.

**Recommended Corrective Action:** The facility shall include, in the compliance determination calculations, all samples collected at sites designated in the monitoring plan as microbiological and disinfectant residual monitoring sites.



TEXAS COMMISSION ON  
 ENVIRONMENTAL QUALITY  
 Region 14  
 NRC Bldg., Ste. 1200  
 6300 Ocean Dr., Unit 5839  
 Corpus Christi, Texas 78412-5839

RETURN SERVICE REQUESTED

CERTIFIED MAIL



91 7199 9991 7031 3461 1882

CORPUS CHRISTI



02 1P  
 0003179855 SEP 28 2016  
 MAILED FROM ZIP CODE 78412

THE HONORABLE NELDA MARTINEZ  
 MAYOR OF CORPUS CHRISTI  
 PO BOX 9277  
 CORPUS CHRISTI, TX 78469

78469\$9277





The Honorable Nelda Martinez  
Page 2  
December 11, 2015

**In responding with prompt corrective action, the administrative penalty to be assessed may be limited.**

The Commission recognizes that the great majority of the regulated community wants to prevent pollution and to comply with environmental laws. We dedicate considerable resources toward making voluntary compliance achievable. But where compliance has not been met it is our duty to protect the public and the environment by enforcing the state's environmental laws, regulations, and permits.

Also, if you believe the violations documented in this notice have been cited in error, **and** you have additional information that we are unaware of, you may request a meeting to discuss this enforcement matter. To request a meeting, send a letter describing the additional information to the address shown below.

Manager, Water Section  
Enforcement Division, MC 219  
Re: Enforcement Meeting Request  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

If you or members of your staff have any questions, please feel free to contact Mr. Rizzo in the Corpus Christi Region Office at 361-825-3100.

Sincerely,



Melanie Edwards, Water Section Manager  
Corpus Christi Region Office  
Texas Commission on Environmental Quality

ME/BR/jmc

Enclosure: Summary of Investigation Findings

## Summary of Investigation Findings

CITY OF CORPUS CHRISTI

13101 LEOPARD ST  
CORPUS CHRISTI, NUECES COUNTY, TX 78410

Investigation #

1288821  
Investigation Date: 07/16/2015

Additional ID(s): 1780003

### OUTSTANDING ALLEGED VIOLATION(S) ASSOCIATED TO A NOTICE OF ENFORCEMENT

Track No: 587314 Compliance Due Date: To Be Determined  
30 TAC Chapter 290.44(h)(4)(B)

**Alleged Violation:**

Investigation: 1288821

Comment Date: 12/10/2015

Failed to use gauges in the testing of backflow prevention assemblies that have been tested for accuracy annually in accordance with the University of Southern California's Manual of Cross-Connection Control or the AWWA's Recommended Practice for Backflow Prevention and Cross-Connection Control (AWWA Manual M14). Public water systems shall require testers to include test gauge serial numbers on the Backflow Prevention Assembly Test and Maintenance Report (commission Form 20700), and ensure testers have gauges tested for accuracy.

During the investigation conducted on September 16 and 25, 2015, the investigators determined the two backflow prevention assemblies installed at the Bay Area Health Group, were tested using a test gauge that had not been calibrated within a year of the date of the testing. Specifically, the two reduced pressure assemblies were tested on July 9 and 31, 2015; however, the Conbraco gauge (Model 40-200TK5; Serial No. 258267) was last tested on February 3, 2014. Additionally, many of the reports were missing the dates that the test gauges were tested for accuracy.

**Recommended Corrective Action:** The facility shall ensure gauges in the testing of backflow prevention assemblies have been tested for accuracy annually in accordance with the University of Southern California's Manual of Cross-Connection Control or the AWWA's Recommended Practice for Backflow Prevention and Cross-Connection Control (AWWA Manual M14).

Track No: 587315 Compliance Due Date: To Be Determined  
30 TAC Chapter 290.44(h)(4)

**Alleged Violation:**

Investigation: 1288821

Comment Date: 12/11/2015

Failed to test all backflow prevention assemblies which are installed to provide protection against health hazards at least annually by a licensed backflow prevention assembly tester.

During the investigation conducted on September 16 and 25, 2015, the investigators determined that the City had not tested the backflow prevention assemblies at the car washes owned by the Sheppard Family Holdings in front of the Stripes convenience store (Ennis Joslin St. and McArdle Rd.) and the carwash at the Valero Corner Store (South Padre Island Dr. and Ennis Joslin St.) within the last year. Specifically, the backflow assembly at the Valero Corner Store was last tested in 2009 and there were no records that there has ever been a test on the assembly at the Sheppard Family Holdings carwash.

**Recommended Corrective Action:** The facility shall test all backflow prevention assemblies which are installed to provide protection against health hazards at least annually by a licensed backflow prevention assembly tester.

Track No: 587320 Compliance Due Date: To Be Determined  
30 TAC Chapter 290.110(b)(4)

**Alleged Violation:**

Investigation: 1288821

Comment Date: 12/10/2015

Failed to maintain residual disinfectant concentration in the water within the distribution system of at least 0.2 mg/L free chlorine or 0.5 mg/L chloramine (measured as total chlorine).

During the investigation, the investigators conducted sampling at various areas within the distribution system on July 16, September 2, 3, 4, 5, 6, 8, 12, 16, and 25, 2015. Investigators documented disinfectant residuals below the minimum level in 43 out of 90 samples (47.8 %) measured over this period.

Additionally, a review of the surface water monthly operating reports (SWMOR) indicate that the City began reporting disinfectant residuals below the minimum level in April 2015.

**Recommended Corrective Action:** The facility shall maintain a residual disinfectant concentration in the water within the distribution system of at least 0.2 mg/L free chlorine or 0.5 mg/L chloramine (measured as total chlorine).

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Track No: 587321      Compliance Due Date: To Be Determined  
30 TAC Chapter 290.46(m)

**Alleged Violation:**

Investigation: 1288821

Comment Date: 12/10/2015

Failed to use maintenance and housekeeping practices to ensure the good working condition and general appearance of the system's facilities and equipment. The grounds and facilities shall be maintained in a manner so as to minimize the possibility of the harboring of rodents, insects, and other disease vectors, and in such a way as to prevent other conditions that might cause the contamination of the water.

During the investigation conducted on September 16 and 25, 2015, the investigators reviewed the results of the inspections for the water storage tanks conducted by Texas Tank Service on August 10, 2015. The results indicated that three of the City's elevated storage tanks were in need of repair and/or maintenance. Specifically, corrosion was documented on the interior of the Alameda elevated storage tank (EST) and there was a hole noted in the side wall plate of the Morgan EST. Furthermore, there was significant corrosion on the interior, exterior and roof ventilation of the Flour Bluff EST as well as holes in the roof plates.

The City and LNV Engineering are currently finalizing plans to replace all existing elevated storage tanks and construction should tentatively begin early 2016.

**Recommended Corrective Action:** The facility shall use maintenance and housekeeping practice to ensure the good working condition and general appearance of the system's facilities and equipment. The grounds and facilities shall be maintained in a manner so as to minimize the possibility of the harboring of rodents, insects, and other disease vectors, and in such a way as to prevent other conditions that might cause the contamination of the water.

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Track No: 587323      Compliance Due Date: To Be Determined  
30 TAC Chapter 290.110(f)(1)(A)  
30 TAC Chapter 290.119(b)(7)  
30 TAC Chapter 290.46(s)

**Alleged Violation:**

Investigation: 1288821

Comment Date: 12/10/2015

Failed to include in the compliance determination calculations all samples collected at sites designated in the monitoring plan as microbiological and disinfectant residual monitoring sites. In addition, accurate testing equipment or some other means of monitoring the effectiveness of any chemical treatment or pathogen inactivation or removal processes must be used by the system. Standard Methods state that a potable water distribution line should be flushed for two or three minutes, or for a time sufficient to permit clearing the service line



prior to collecting the sample.

During the investigation, investigators observed the procedures City operators were using to collect samples at their designated sample sites. Operators for the city would flush the sample tap which is located directly on the distribution line for more than five minutes and then measure the disinfectant residual using a Hach SL1000. On some instances if the residual was below the required minimum disinfectant residual, the operator would then begin flushing from the nearest fire hydrant, sometimes flushing over an hour and from numerous fire hydrants to obtain the required minimum disinfectant residual. Using a Hach pocket colorimeter, the operators would periodically measure the disinfectant residual at various times during the flushing event. Once the required disinfectant residual was achieved, the operator would measure the disinfectant residual with the Hach SL1000 and record the results for compliance purposes.

The length of time the City was flushing prior to and during sample collection was not representative of the required monitoring activity. Additionally, not all the disinfectant residual measurements were reported on the SWMORs.

**Recommended Corrective Action:** The facility shall include in the compliance determination calculations all samples collected at sites designated in the monitoring plan as microbiological and disinfectant residual monitoring sites. In addition, accurate testing equipment or some other means of monitoring the effectiveness of any chemical treatment or pathogen inactivation or removal processes must be used by the system. Standard Methods state that a potable water distribution line should be flushed for two or three minutes, or for a time sufficient to permit clearing the service line prior to collecting the sample.

---

Track No: 589009      Compliance Due Date: To Be Determined

30 TAC Chapter 290.44(h)(4)(C)

30 TAC Chapter 290.46(f)(3)(B)(v)

**Alleged Violation:**

Investigation: 1288821

Comment Date: 12/10/2015

Failed to maintain complete records of the backflow prevention device program. The signed, dated original test report must be submitted to the public water supplier for record keeping purposes.

During the investigation conducted on September 16 and 25, 2015, the investigators determined that a few test reports completed by the backflow prevention assembly testers were not properly completed. Specifically, the reports were missing either the testers' signature or the dates the assemblies were tested.

**Recommended Corrective Action:** The facility shall maintain complete records of the backflow prevention device program. The signed, dated original test report must be submitted to the public water supplier for record keeping purposes.

**ALLEGED VIOLATION(S) NOTED AND RESOLVED  
ASSOCIATED TO A NOTICE OF ENFORCEMENT**

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Track No: 587316

30 TAC Chapter 290.46(m)(4)

30 TAC Chapter 290.46(m)(6)

**Alleged Violation:**

Investigation: 1288821

Comment Date: 12/10/2015

Failed to maintain all pumps, motors, valves, and other mechanical devices in good working condition. In addition, all water treatment units, storage and pressure maintenance facilities, distribution system lines, and related appurtenances shall be maintained in a watertight condition and free of excessive solids.

During the investigation conducted on September 16, 2015, the investigator observed leaks at three of the City's pump stations. Specifically, leaks were seen on pump no. 1 at the Staples

Street Pump Station, pump no. 2 at the Holly Road Pump Station, and pump no.1 at the Sand Dollar Pump Station.

**Resolution:** On October 6, 2015, the facility submitted photographs that demonstrate that all leaks have been repaired.

Track No: 587322

30 TAC Chapter 290.46(f)(3)(A)(i)(I)

**Alleged Violation:**

Investigation: 1288821

Comment Date: 12/10/2015

Failed to maintain records for the amount of each chemical used each day.

During the investigation conducted on September 16 and 25, 2015, the investigators noted that the chemical usages for the plant and all sites where chemicals were being injected were being recorded by the City's supervisory control and data acquisition (SCADA) system. However, the records indicated that the facility only began recording chemical usage at the Holly Road Pump Station as of September 25, 2015 but had been injecting prior to that.

**Resolution:** On October 6, 2015, the City provided documentation that demonstrated that as of September 25, 2015, they were collecting and maintaining records for the amount of each chemical used each day at all sites to which they inject chemicals.

**ADDITIONAL ISSUES**

**Description**  
Item 9

**Additional Comments**

During the investigation of the water treatment plant, the investigator noted that the City's online pH meters were not being calibrated at proper intervals. Texas Administrative Code §290.46(s)(2)(A)(iii) requires online pH meters used for compliance testing to be properly calibrated at least once every 30 days. At this time, the City currently uses the equipment for process control and as such is exempt from this requirement. If at any time in the future the City wishes to use the data obtained from these meters for compliance, they must be properly calibrated to manufacturer specifications at least every 30 days.



TEXAS COMMISSION ON  
 ENVIRONMENTAL QUALITY  
 Region 14  
 NRC Bldg., Ste. 1200  
 6300 Ocean Dr., Unit 5839  
 Corpus Christi, Texas 78412-5839

RETURN SERVICE REQUESTED

**CERTIFIED MAIL**



91 7199 9991 7031 0234 5948



THE HONORABLE NELDA MARTINEZ  
 MAYOR OF CITY OF CORPUS CHRISTI  
 P. O. BOX 9277  
 CORPUS CHRISTI, TEXAS 78415

7846539277 B100





## TCEQ EXIT INTERVIEW FORM: Potential Violations and/or Records Request

<b>Regulated Entity/Site Name</b>	City of Corpus Christi		<b>TCEQ Add. ID No. RN No (optional)</b>	1780003
<b>Investigation Type</b>	<b>Contact Made In-House (Y/N)</b>	<b>Purpose of Investigation</b>	Reported backflow incident	
<b>Regulated Entity Contact</b>	Lisa Aguilar - Assistant City Attorney	<b>Telephone No.</b>	<b>Date Contacted</b>	1/13/2017
		<b>FAX #/Email address</b>	<b>FAX/Email date</b>	1/13/2017

**NOTICE:** The information provided in this form is intended to provide clarity to issues that have arisen during the investigation process between the TCEQ and the regulated entity named above and does not represent final TCEQ findings related to violations. Any potential or alleged violations discovered after the date on this form will be communicated to the regulated entity representative prior to the issuance of a notice of violation or enforcement. Conclusions drawn from this investigation, including additional violations or potential violations discovered (if any) during the course of this investigation, will be documented in a final investigation report.

<b>Issue</b>	<b>For Records Request, identify the necessary records, the company contact and date due to the agency. For Alleged and Potential Violation issues, include the rule in question with the clearly described potential problem. Other type of issues: fully describe.</b>		
<b>No.</b>	<b>Type<sup>1</sup></b>	<b>Rule Citation (if known)</b>	<b>Description of Issue</b>
1	RR		Please provide a detailed timeline of events to include when and how the City learned there was a problem and all actions taken by the City.
2	RR		Please provide the City's plumbing ordinance/regulations/customer service agreement with provisions for proper enforcement to insure that cross-connections and unacceptable plumbing practices are not permitted. Does the City's plumbing ordinance/regulations/customer service agreement cover all customers (residential and industrial) served by the City of Corpus Christi? Does the City's plumbing ordinance/regulations/customer service agreement require customers to notify the City of changes to private plumbing facilities? If yes, what method of notification is used? If no, how does the City find out about changes to the private plumbing facilities of its customers? Does the City have agreements with any customers which place responsibility for sanitary control of the customer's private plumbing facilities on the customer? Since 2009, did any changes occur with respect to the City's authority that would have impacted the City's oversight of the facilities in the industrial districts?
3	RR		How does the City determine that there are connections within its distribution system to a residence or establishment where an actual or potential contamination hazard exists? Are periodic inspections conducted to address any new potential contamination hazards that may have occurred since previous inspections were done? At any residence or establishment where an actual or potential contamination hazard exists, does the City require there to be an adequate internal cross-connection control program in effect? If yes, how does the City verify that the internal program is adequate? If no, does the City require backflow prevention at the meter? What documentation does the City rely upon to determine the need for backflow prevention at the meter?




4	RR	<p>Please provide Backflow Prevention Assembly Test and Maintenance Report forms for any backflow prevention assemblies installed in in 6000 block of Up River Road. What are the City's testing requirements for Backflow Prevention Assemblies installed to provide protection against health hazards? Who tests the Backflow Prevention Assemblies for customers of the City? How does the City ensure that all original, signed Backflow Prevention Assembly Test and Maintenance Report forms are submitted to the City? If the City has knowledge of an air gap(s) being used for backflow prevention in the 6000 block of Up River Road, does the City have a method to evaluate the air gap and documentation that the air gap(s) is being maintained?</p>
5	RR	<p>Please provide Customer Service Inspection Certificates for the 6000 block of Up River Road. When does the City require Customer Service Inspections to be conducted? Who conducts the Customer Service Inspections for customers of the City? Has a Customer Service Inspection been conducted at all locations that present a potential or actual contamination hazard, regardless of when the connection was made. When a CSI documents that an actual or potential hazard exists, does the City require the hazard to either be eliminated or a backflow prevention method to be implemented at that location? If yes, how does the City document that the customer met this requirement?</p>
6	RR	<p>Does the City provide accurate metering devices at each residential, commercial, or industrial service connection for the accumulation of water usage data? Is the requirement different for the industrial district?</p>
7	RR	<p>Please provide complaint records for October, November, and December of 2016 in the general vicinity of reported backflow incident. The records should include at a minimum the date, location, and nature of the water quality complaints and the results of any subsequent investigation.</p>
8	RR	<p>Please provide all flushing records and observations in the general vicinity of the reported backflow incident for October, November, and December of 2016.</p>
9	RR	<p>Please provide all water quality data in the general vicinity of the reported backflow incident for October, November, and December of 2016.</p>
10	RR	<p>Please provide records of the pressure in the distribution system in the general vicinity of the reported backflow incident for October, November, and December of 2016.</p>

Note 1: Issue Type Can Be One or More of: AV (Alleged Violation), PV (Potential Violation), O (Other), or RR (Records Request)



Did the TCEQ document the regulated entity named above operating without proper authorization?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Did the investigator advise the regulated entity representative that continued operation is not authorized?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Document Acknowledgment.** Signature on this document establishes only that the regulated entity (RE) representative received a copy of this document and associated continuation pages on the date noted. If contact was made by telephone, the document will be sent via FAX or Email to RE; therefore, the RE signature is not required.

Blas Rizzo		1/13/17	
Investigator Name (Signed & Printed)		Date	Regulated Entity Representative Name (Signed & Printed)
			Date

If you have questions about any information on this form, please contact your local TCEQ Regional Office. Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, call 512/239-3282.

White Copy: Regulated Entity Representative  
TCEQ 20085 (4/08)

Yellow Copy: TCEQ

(Note: use additional pages as necessary) Page ----- of -----

## TCEQ EXIT INTERVIEW FORM: Potential Violations and/or Records Request

<b>Regulated Entity/Site Name</b>	City of Corpus Christi		<b>TCEQ Add. ID No. RN No (optional)</b>	1780003
<b>Investigation Type</b>	<b>Contact Made In-House (Y/N)</b>	<b>Purpose of Investigation</b>	Reported Backflow Incident	
<b>Regulated Entity Contact</b>	Lisa Aguilar – Assistant City Attorney	<b>Telephone No.</b>	<b>Date Contacted</b>	02/21/2017
		<b>FAX #/Email address</b>	<b>FAX/Email date</b>	02/21/2017
		Lisaa@cctexas.com		

**NOTICE:** The information provided in this form is intended to provide clarity to issues that have arisen during the investigation process between the TCEQ and the regulated entity named above and does not represent final TCEQ findings related to violations. Any potential or alleged violations discovered after the date on this form will be communicated to the regulated entity representative prior to the issuance of a notice of violation or enforcement. Conclusions drawn from this investigation, including additional violations or potential violations discovered (if any) during the course of this investigation, will be documented in a final investigation-report.


<b>Issue</b>	<b>For Records Request, identify the necessary records, the company contact and date due to the agency. For Alleged and Potential Violation issues, include the rule in question with the clearly described potential problem. Other type of issues: fully describe.</b>	<b>Description of Issue</b>
No.	Type <sup>1</sup>	
1	RR	Please provide where in the City's plumbing ordinance/regulations/service agreements the provisions for proper enforcement to insure that cross-connections and unacceptable plumbing practices are not permitted are located. Have there been changes to these ordinances/regulations/service agreements since December 14, 2016?
2	RR	Where in the City's plumbing ordinance/regulations/service agreements is it required that the customers notify the City of changes to their private plumbing facilities. What method of notification is required? Have there been changes to these ordinances/regulations/service agreements since December 14, 2016?
3	RR	Does the City have signed agreements with any customers in the industrial district which place responsibility for sanitary control of the private plumbing systems with the customer? Please provide copies of the agreements. Have there been changes to these ordinances/regulations/service agreements since December 14, 2016?
4	RR	Please provide flushing records for all five hydrants on the 8" line and any additional flushing associated with the backflow event that was not captured in the DEM (previously provided) for the entire month of December 2016.
5	RR	Please provide all maintenance, operations, and complaint records associated with the backflow event (City's timeline of events does not match complaint/work order records previously submitted and does not address follow-ups on 12/13/16 & 12/14/2016).
6	RR	What led the City to believe a backflow event had occurred (complaint records do not describe any ongoing issue)?
7	RR	Please provide SCADA pressure data for the area surrounding the source (the only data provided was from Citgo # 82).
8	RR	Please provide all Customer Service inspection and backflow assembly test records for all customers on the 8" line that feeds the Ergon facility.
9	RR	Please provide any signed agreements between the City and the customer(s) at 6746 Up River Road.
10	RR	Please provide copies of billing records for 6746 Up River Road for October, November, and December 2016.
11	RR	Please provide any correspondence between the City and its customers in the industrial districts regarding backflow prevention devices during 2015 and 2016.



Note 1: Issue Type Can Be One or More of: AV (Alleged Violation), PV (Potential Violation), O (Other), or RR (Records Request)

Did the TCEQ document the regulated entity named above operating without proper authorization?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Did the investigator advise the regulated entity representative that continued operation is not authorized?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Document Acknowledgment.** Signature on this document establishes only that the regulated entity (RE) representative received a copy of this document and associated continuation pages on the date noted. If contact was made by telephone, the document will be sent via FAX or Email to RE; therefore, the RE signature is not required.

	<b>Investigator Name (Signed &amp; Printed)</b>	<b>Regulated Entity Representative Name (Signed &amp; Printed)</b>	<b>Date</b>
			2/21/17

If you have questions about any information on this form, please contact your local TCEQ Regional Office. Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, call 512/239-3282.

Christi Craddick, CHAIRMAN  
Ryan Sitton, COMMISSIONER  
Wayne Christian, COMMISSIONER



Kari French  
DIRECTOR

**RAILROAD COMMISSION OF TEXAS**  
**OVERSIGHT AND SAFETY DIVISION**  
**DAMAGE PREVENTION**

455-23

January 25, 2017

CITY OF CORPUS CHRISTI GAS DEPT.  
ATTN: MR. BILL MAHAFFEY  
4225 S. PORT AVENUE  
CORPUS CHRISTI, TX 78415-5311

**Re: Damage Prevention Docket No. 050173: Violation of Commission Rules for Underground Pipeline Damage Prevention, 16 T.A.C. §18.8(a) at 3610 Rushing Blvd. (Emory), Corpus Christi, NUECES County, Texas on October 29, 2016.**

Dear Mr. Bill Mahaffey:

This letter is to advise you that records submitted to the Commission indicate that CITY OF CORPUS CHRISTI GAS DEPT. was in violation of the requirements of Commission Rule 16 T.A.C. §18.8(a), and indicate that CITY OF CORPUS CHRISTI GAS DEPT. was responsible for the subject violation.

Specifically, CITY OF CORPUS CHRISTI GAS DEPT. violated Commission Rule 16 TAC Section:

- **18.8(a)** - The Operator's Line Locator failed to use all information necessary to mark the underground pipelines accurately.

Due to the serious nature of this violation, this matter could be referred to the Commission's Enforcement Section for immediate enforcement action. However, this letter is being sent to you as an offer to settle if CITY OF CORPUS CHRISTI GAS DEPT. will agree to pay a reduced administrative penalty to the Commission for the cited violation. Any settlement will be contingent on:

- 1) any required compliance and the violation resolved, and
- 2) the payment of an administrative penalty to the Commission and such penalty amount being approved by the Commissioners, and
- 3) the return of the enclosed Agreed Order with your original signature. It is your responsibility to retain a copy of this document for your personal records.

Penalty guidelines, found in 16 TAC §18.12, for this very serious violation support the staff-recommended penalty of \$2,500.00.

However, the standard procedure of the Oversight Safety Division in these circumstances is to offer to settle this docket for a lesser penalty of \$1,250.00.

**If you wish to settle this matter with an Agreed Order, please sign and return the attached Stipulation,**

**Agreed Settlement, and Consent Order ('Order'). Sign the last page only and do not date or notarize the Order. With the Order, please send in the administrative penalty, by check, written to 'Railroad Commission of Texas.' Reference DP Docket No. 050173 in the check memo, and mail to the P.O. Box address found on the bottom of this letter.**

**If you do not agree to this disposition within 30 days of this letter, it will be referred to the Commission's Legal Enforcement Section, where a formal complaint will be filed. If you fail to answer the complaint, we will instruct Enforcement to proceed to a default hearing where the administrative penalty sought may reach a maximum penalty amount of \$200,000 per day per violation.**

**If you wish to discuss any compliance issues please call Jamie Renard at (512) 463-3084. Your company's cooperation in resolving this matter is appreciated.**

Sincerely,

Damage Prevention

Oversight and Safety Division

Railroad Commission of Texas

**RAILROAD COMMISSION OF TEXAS  
DAMAGE PREVENTION DOCKET NO. 050173: ENFORCEMENT ACTION  
AGAINST CITY OF CORPUS CHRISTI GAS DEPT. FOR VIOLATION OF  
UNDERGROUND PIPELINE DAMAGE PREVENTION COMMISSION RULE 16 TAC  
§18.8(a) AT 3610 RUSHING BLVD. (EMORY), CORPUS CHRISTI, NUECES  
COUNTY, TEXAS**

**STIPULATION, AGREED SETTLEMENT AND CONSENT ORDER**

On this day the above-entitled and numbered docket came on for consideration by the Railroad Commission of Texas ("Commission"). The Oversight and Safety Division of the Commission, and CITY OF CORPUS CHRISTI GAS DEPT., through their representatives, have agreed to an informal disposition of the matters under this docket through this Consent Order ("Order"), subject to the approval of the Commission. The Commission has authority to informally dispose of this case through a consent order pursuant to TEX. GOV'T CODE ANN. § 2001.056 (1-3).

IN SETTLEMENT OF THIS DOCKET, the Commission and CITY OF CORPUS CHRISTI GAS DEPT. do hereby agree and stipulate as follows:

1. CITY OF CORPUS CHRISTI GAS DEPT. is a person who operates, on his or her own behalf, or as an agent designated by the owner, a pipeline containing flammable, toxic, or corrosive gas, a hazardous liquid, or carbon dioxide, as implemented under Title 16, §18.2 of the Texas Administrative Code.
2. CITY OF CORPUS CHRISTI GAS DEPT. is a "person" as that term is defined by Title 16, §18.2(16) of the Texas Administrative Code.
3. The Commission and CITY OF CORPUS CHRISTI GAS DEPT. agree that the alleged violation, as set forth in Damage Prevention Docket No. 050173, regarding 16 TAC §18.8(a) on October 29, 2016, at 3610 Rushing Blvd. (Emory), Corpus Christi, NUECES County, Texas, is hereby settled and compromised under the terms of this Order.
4. The alleged violation by CITY OF CORPUS CHRISTI GAS DEPT. constitutes an alleged violation of a safety standard or rule relating to the prevention of damage to facilities containing flammable, toxic, or corrosive gas, a hazardous liquid, or carbon dioxide.
5. Neither this Order, nor any written or oral offer of settlement related thereto, nor any statement contained therein shall constitute evidence or an admission or adjudication of:  
(A) any fact or conclusion of law alleged in or relating to Damage Prevention Docket No. 050173;  
(B) any violation of any statute, rule or regulation or other wrongdoing or misconduct on the part of CITY OF CORPUS CHRISTI GAS DEPT. or any director, officer, agent, employee, contractor or affiliate thereof.
6. The Commission and CITY OF CORPUS CHRISTI GAS DEPT. wish to further the goal of safe operations of earth movement activities near pipelines containing flammable, toxic or corrosive gas, hazardous liquids, or carbon dioxide, within the State of Texas.
7. The Commission has considered any history of previous violations by CITY OF CORPUS CHRISTI GAS DEPT., the seriousness of any alleged violation, and any hazard to the health or

safety of the public, and has determined that the facts of this case warrant an informal disposition of the Commission's concerns under the terms of this Order.

8. CITY OF CORPUS CHRISTI GAS DEPT. has elected not to avail itself of the opportunity for public hearing.
9. The Commission has jurisdiction to assess an administrative penalty against CITY OF CORPUS CHRISTI GAS DEPT., pursuant to Sections 121.206 and 121.207 of the Texas Utilities Code.
10. An administrative penalty in the amount of ONE THOUSAND TWO HUNDRED FIFTY DOLLARS (\$1,250.00) shall be recovered by the Commission for the alleged violation asserted against CITY OF CORPUS CHRISTI GAS DEPT..
11. Respondent has placed, in the possession of the Commission, funds in the amount of ONE THOUSAND TWO HUNDRED FIFTY DOLLARS (\$1,250.00), for deposit in the General Revenue Fund, as payment of administrative penalty assessed in Damage Prevention Docket No. 050173.
12. The person signing hereunder for CITY OF CORPUS CHRISTI GAS DEPT. has authority to represent CITY OF CORPUS CHRISTI GAS DEPT. in this matter.


Jurisdiction of this docket having been established and an agreement of the parties having been reached, it is, therefore, ORDERED by the Railroad Commission of Texas that CITY OF CORPUS CHRISTI GAS DEPT. be assessed an administrative penalty in the amount of ONE THOUSAND TWO HUNDRED FIFTY DOLLARS (\$1,250.00), and that Damage Prevention Docket No. 050173 be informally disposed of by the Consent Order and closed. All relief not granted in this Order is DENIED.

**RAILROAD COMMISSION OF TEXAS**  
(Order approved and signature affixed by Master

Agreed Order dated \_\_\_\_\_)

**APPROVED AS TO FORM AND SUBSTANCE:**

**CITY OF CORPUS CHRISTI GAS DEPT.**

  
\_\_\_\_\_  
Signature

By: MR. BILL MAHAFFEY

Title: DIRECTOR OF GAS OPERATIONS

**RAILROAD COMMISSION OF TEXAS**  
**OVERSIGHT AND SAFETY DIVISION**  
**DAMAGE PREVENTION**

**Penalty Calculation Worksheet for Docket No. 050173**

<b>Rule Cited</b>	<b>Rule Description</b>	<b>Suggested Penalty</b>	<b>Amount</b>
18.8(a)	The Operator's Line Locator failed to use all information necessary to mark the underground pipelines accurately.	\$2,500.00	\$ 2,500.00
	Subtotal of Penalty Amount		\$ 2,500.00
	Reduction for settlement before hearing:	50%	\$ 1,250.00
	Subtotal (Penalty Amount minus Settlement Reduction):		\$ 1,250.00
	Penalty Enhancement Amount:		\$ 0.00
	Subtotal (Penalty Amount - Settlement Reduction + Enhancement Amt):		\$ 1,250.00
	Reduction for demonstrated good faith of person charged:		\$ 0.00
	<b>Total Penalty:</b>		<b>\$ 1,250.00</b>





City of  
Corpus  
Christi

March 24, 2017

Railroad Commission of Texas  
Oversight and Safety Division  
Damage Prevention  
Attn: Ms. Jamie Renard  
P. O. Box 12967  
Austin, Texas 78711-2967

Via CMRRR ✓

**LEGAL DEPARTMENT**

Re: Docket 050172/Incident Number 117870

PO Box 9277  
Corpus Christi  
Texas 78469-9277  
Phone 361-826-3360  
Fax 361-826-3239

Dear Ms. Renard:

The City of Corpus Christi has completed its Texas Damage Reporting Form filed on the Railroad Commission of Texas online system using Document Key 1MEQ9HG.

The City of Corpus Christi previously submitted an initial PG5 Operator report regarding this matter on 11/10/2016, reference # 180453-1.

*Municipal Court  
Prosecutor's Office*  
120 N. Chaparral  
Corpus Christi  
Texas 78401  
Phone 361-886-2530  
Fax 361-886-2567

Per our conversation, please forward a revised Stipulation, Agreed Settlement and Consent Order to reflect that a completed report has been submitted, and to also reflect the correct legal name as "City of Corpus Christi". My understanding is that the penalty may be reduced by the Railroad Commission now that the complete report has been submitted.

*Human Relations*  
PO Box 9277  
Corpus Christi  
Texas 78469-9277  
Phone 361-826-3190  
Fax 361-826-3192

Thank you for your assistance in this matter.

Sincerely,  
*Lisa Aguilar*

*Risk Management*  
PO Box 9277  
Corpus Christi  
Texas 78469-9277  
Phone 361-826-3680  
Fax 361-826-3697

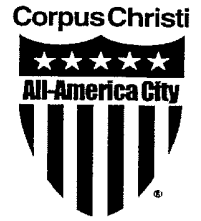
Lisa Aguilar  
Assistant City Attorney  
City of Corpus Christi

www.cctexas.com

Copy via fax: (512) 475-0512 ✓ and regular mail ✓



CITY OF CORPUS CHRISTI  
City Attorney's Office  
P.O. Box 9277  
Corpus Christi, Texas 78469-9277  
Telephone: (361) 826-3360  
Facsimile: (361) 826-3239



DATE: March 24, 2017

**CONFIDENTIAL INFORMATION**

THE DOCUMENTS ACCOMPANYING THIS TELECOPY TRANSMISSION CONTAIN CONFIDENTIAL INFORMATION WHICH MAY ALSO BE LEGALLY PRIVILEGED. THE INFORMATION IS INTENDED ONLY FOR THE USE OF THE RECIPIENT NAMED BELOW. IF YOU HAVE RECEIVED THIS TELECOPY IN ERROR, PLEASE IMMEDIATELY NOTIFY US BY TELEPHONE AT (361) 826-3360 (JOSIE) TO ARRANGE FOR RETURN OF THE ORIGINAL DOCUMENTS TO US. FURTHERMORE, AS AN UNINTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISCLOSURE, COPYING, DISTRIBUTION, OR THE TAKING OF ANY ACTION IN RELIANCE ON THE CONTENTS OF THIS TELECOPIED INFORMATION IS STRICTLY PROHIBITED BY LAW.

**TO:** Ms. Jamie Renard  
Railroad Commission of Texas  
Oversight & Safety Division  
Damage Prevention

**FAX:** (512) ~~475-0512~~

463-7153

**FROM:** Josie for Lisa Aguilar (Assistant City Attorney)

**RE:** Docket 050172 / Incident Number 117870

**NOTES:**

We are sending you 2 page(s), including this cover sheet. If you do not receive the entire document or if you encounter other difficulties, please call (361) 826-3360 and ask for Josie Castillo.

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 Local ID 1 0000000 Local Name 1

**This document : Confirmed**  
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**Document size : 8.5"x11"**



CITY OF CORPUS CHRISTI  
 City Attorney's Office  
 P.O. Box 9277  
 Corpus Christi, Texas 78469-9277  
 Telephone: (361) 826-3360  
 Facsimile: (361) 826-3239



DATE: March 24, 2017

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**TO:** Ms. Jamie Renard **FAX:** (512) ~~475-8342~~  
463-7153  
 Railroad Commission of Texas  
 Oversight & Safety Division  
 Damage Prevention

**FROM:** Josie for Lisa Aguilar (Assistant City Attorney)

**RE:** Docket 050172 / Incident Number 117870

NOTES:

We are sending you 2 page(s), including this cover sheet. If you do not receive the entire document or if you encounter other difficulties, please call (361) 826-3360 and ask for Josie Castillo.

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001	660	5124637153	02:12:10 p.m. 03-24-2017	00:00:42	2/2	1	EC	HS	CP14400

**Abbreviations:**

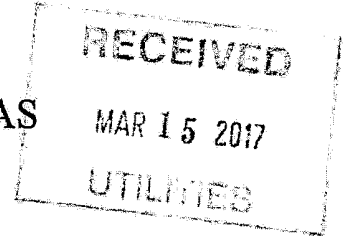
HS: Host send	PL: Polled local	MP: Mailbox print	CP: Completed	TS: Terminated by system
HR: Host receive	PR: Polled remote	RP: Report	FA: Fall	G3: Group 3
WS: Waiting send	MS: Mailbox save	FF: Fax Forward	TU: Terminated by user	EC: Error Correct

Christi Craddick, CHAIRMAN  
Ryan Sitton, COMMISSIONER  
Wayne Christian, COMMISSIONER



Kari French  
DIRECTOR

RAILROAD COMMISSION OF TEXAS  
OVERSIGHT AND SAFETY DIVISION  
DAMAGE PREVENTION



455-23

March 10, 2017

CITY OF CORPUS CHRISTI WASTEWATER DEPT.  
ATTN: GERALD GARCIA  
PO BOX 9277  
CRP CHRISTI, TX 78469-9277

Docket Number: 050172  
All documentation submitted to  
the Commission regarding this  
incident must include the docket  
number listed above.

••• FINAL NOTICE •••

PENDING LEGAL ENFORCEMENT ACTION

A valid response has not been received for the above referenced Commission docketed pipeline excavation damage incident and is in **PAST DUE** delinquent status. The above referenced docket involving you and your company is now being referred to the Commission's Enforcement Section for legal remedies of violations and penalty collection.

Respond within 10 days of receipt of this letter to avoid legal action and to settle this docket at the original conditions referenced in previous correspondence. The following items are required in order to complete and finalize this required compliance with Title 16 Texas Administrative Code, Chapter 18:

- The Stipulation, Agreed Settlement and Consent Order documents with an original signature.
- Penalty payment in the amount of \$2,000.00. (Note payment must be in the full amount in the form of a check or a money order to the Railroad Commission of Texas. Partial payment will not be accepted.)
- A copy of the Texas Damage Reporting Form (TDRF) filed on the RRC online system. Please use Document Key 1MEQ9HG to submit your TDRF successfully.

If you have questions or concerns regarding this letter, you may contact Damage Prevention at 512-475-0512.

TPD-LA

The Railroad Commission of Texas urges everyone engaging in any type of excavation or earth movement activities to **CALL BEFORE YOU DIG**, to the phone numbers of **811** or **1-800-545-6005**, to have underground facilities marked and to protect against personal injury, including loss of life, costly property damage, expensive repairs, or legal and civil penalties.

Sincerely,

Damage Prevention  
Oversight and Safety Division

TPD-LA

**RAILROAD COMMISSION OF TEXAS  
DAMAGE PREVENTION DOCKET NO. 050172: ENFORCEMENT ACTION  
AGAINST CITY OF CORPUS CHRISTI WASTEWATER DEPT. FOR VIOLATION  
OF UNDERGROUND PIPELINE DAMAGE PREVENTION COMMISSION RULE 16  
TAC §18.11(b), and 18.11(b) AT 3610 RUSHING BLVD. (EMORY), CORPUS CHRISTI,  
NUECES COUNTY, TEXAS**

**STIPULATION, AGREED SETTLEMENT AND CONSENT ORDER**

On this day the above-entitled and numbered docket came on for consideration by the Railroad Commission of Texas ("Commission"). The Oversight and Safety Division of the Commission, and CITY OF CORPUS CHRISTI WASTEWATER DEPT., through their representatives, have agreed to an informal disposition of the matters under this docket through this Consent Order ("Order"), subject to the approval of the Commission. The Commission has authority to informally dispose of this case through a consent order pursuant to TEX. GOV'T CODE ANN, § 2001.056 (1-3).

IN SETTLEMENT OF THIS DOCKET, the Commission and CITY OF CORPUS CHRISTI WASTEWATER DEPT. do hereby agree and stipulate as follows:

1. CITY OF CORPUS CHRISTI WASTEWATER DEPT. is a person engaged in or preparing to engage in the movement of earth in the vicinity of an intrastate underground pipeline containing flammable, toxic, or corrosive gas, a hazardous liquid, or carbon dioxide, as implemented under Title 16, §18.1(a) of the Texas Administrative Code.
2. CITY OF CORPUS CHRISTI WASTEWATER DEPT. is a "person" as that term is defined by Title 16, §18.2(16) of the Texas Administrative Code.
3. The Commission and CITY OF CORPUS CHRISTI WASTEWATER DEPT. agree that the alleged violations, as set forth in Damage Prevention Docket No. 050172, regarding 16 TAC §18.11(b), and 18.11(b) on October 29, 2016, at 3610 Rushing Blvd. (Emory), Corpus Christi, NUECES County, Texas, are hereby settled and compromised under the terms of this Order.
4. The alleged violations by CITY OF CORPUS CHRISTI WASTEWATER DEPT. constitute an alleged violation of a safety standard or rule relating to the prevention of damage to facilities containing flammable, toxic, or corrosive gas, a hazardous liquid, or carbon dioxide.
5. Neither this Order, nor any written or oral offer of settlement related thereto, nor any statement contained therein shall constitute evidence or an admission or adjudication of:  
(A) any fact or conclusion of law alleged in or relating to Damage Prevention Docket No. 050172;  
(B) any violation of any statute, rule or regulation or other wrongdoing or misconduct on the part of CITY OF CORPUS CHRISTI WASTEWATER DEPT. or any director, officer, agent, employee, contractor or affiliate thereof.
6. The Commission and CITY OF CORPUS CHRISTI WASTEWATER DEPT. wish to further the goal of safe operations of earth movement activities near pipelines containing flammable, toxic or corrosive gas, hazardous liquids, or carbon dioxide, within the State of Texas.
7. The Commission has considered any history of previous violations by CITY OF CORPUS CHRISTI WASTEWATER DEPT., the seriousness of any alleged violation, and any hazard to the

health or safety of the public, and has determined that the facts of this case warrant an informal disposition of the Commission's concerns under the terms of this Order.

8. CITY OF CORPUS CHRISTI WASTEWATER DEPT. has elected not to avail itself of the opportunity for public hearing.
9. The Commission has jurisdiction to assess an administrative penalty against CITY OF CORPUS CHRISTI WASTEWATER DEPT., pursuant to Sections 121.206 and 121.207 of the Texas Utilities Code.
10. An administrative penalty in the amount of TWO THOUSAND DOLLARS (\$2,000.00) shall be recovered by the Commission for the alleged violations asserted against CITY OF CORPUS CHRISTI WASTEWATER DEPT..
11. Respondent has placed, in the possession of the Commission, funds in the amount of TWO THOUSAND DOLLARS (\$2,000.00), for deposit in the General Revenue Fund, as payment of administrative penalty assessed in Damage Prevention Docket No. 050172.
12. The person signing hereunder for CITY OF CORPUS CHRISTI WASTEWATER DEPT. has authority to represent CITY OF CORPUS CHRISTI WASTEWATER DEPT. in this matter.

Jurisdiction of this docket having been established and an agreement of the parties having been reached, it is, therefore, ORDERED by the Railroad Commission of Texas that CITY OF CORPUS CHRISTI WASTEWATER DEPT. be assessed an administrative penalty in the amount of TWO THOUSAND DOLLARS (\$2,000.00), and that Damage Prevention Docket No. 050172 be informally disposed of by the Consent Order and closed. All relief not granted in this Order is DENIED.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signature affixed by Master**

**Agreed Order dated \_\_\_\_\_)**

**APPROVED AS TO FORM AND SUBSTANCE:**

**CITY OF CORPUS CHRISTI WASTEWATER DEPT.**

\_\_\_\_\_  
Signature

**By:** \_\_\_\_\_  
Please print your name

**Title:** \_\_\_\_\_  
Please print your title

# Municipality

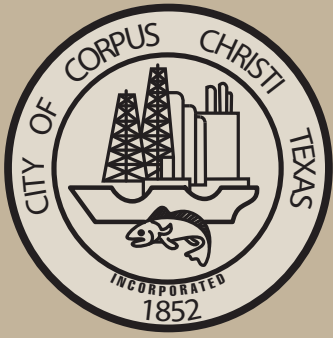
Is the area to be served by the project within the service area of a municipality or other public utility?: N

## Board Approved WCP

If the assistance requested is more than \$500,000 a Water Conservation Plan (WCP) is required. The WCP cannot be more than FIVE years old and must have been adopted by the applicant. Has the applicant adopted a Board-approved WCP? (Check one and attach requested information, if any.): Y

Enter date of Applicant's WCP adoption: 2013-04-17 00:00:00.0





# *City of Corpus Christi*

## WATER CONSERVATION PLAN



# Water Department





November 20, 2013



Greetings,

Earlier this year, the City Council approved our request to separate the single Water Conservation and Drought Contingency Plan into two distinct documents. The principal reason for this division was to emphasize the differences between the two: to clarify that conservation is a regular, daily habit while drought restrictions are temporary, emergency measures. Each of these plans has also been updated with the latest data and revised standards.

Both the current Water Conservation Plan (WCP) and Drought Contingency Plan (DCP) benefitted from close analysis of their earlier versions. Water Department staff spent many months examining which efforts had been successful in the past, and what needed to be changed. This WCP is not fixed in stone; it is intended to be adapted and shaped as new methods and programs are developed and the needs of our community evolve. The Coastal Bend anticipates rapid growth in population and industrial demands over the next several years. With the region's variable climate, which includes frequent and long-lasting droughts, the City must remain flexible in response to the area's increasing need for water. Conservation is the first tool in the drawer to meet those needs.

Our water supply is shared by all our citizens and the conservation of our water should be a shared concern. Each resident should not only do their part, but should also encourage their friends, family and neighbors to be mindful of their use of water. I hope that anyone who reads this plan will feel free to send me comments and suggestions.

In closing, I'd like to thank all who contributed to developing the new WCP.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Gus Gonzalez'.

Gus Gonzalez, P.E.  
Director of Water Operations  
City of Corpus Christi



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# **Water Conservation Plan**

## **1. Introduction**

This Water Conservation Plan (WCP) is a guidebook and reference manual for the City of Corpus Christi Water Department, its partners and customers. This introduction chapter outlines the background of the City of Corpus Christi's Water Department, the purpose and reasoning of the WCP, expected results, and an overview of its layout and organization.

### **1.1 Background of the Water Department**

The City of Corpus Christi Water Department is a water utility that has been in operation for over 100 years. It currently serves nearly 500,000 residents of Corpus Christi and the Coastal Bend Region.

Its mission is to effectively manage the City's water supply, production, and distribution system through the operation and maintenance of the water supply system in order to meet water supply needs; to provide safe drinking water that meets state and federal regulations; to review the design and construction of water facilities that ensure water system reliability and adequacy to meet projected growth requirements; and to identify and meet consumer needs and expectations. Our services strategy is to maintain a sufficient supply of water to meet the future growth of our community; to improve efficiency and productivity to support customer satisfaction; and to protect the environment.

The Water Department supplies water for municipal and industrial use in a seven-county service area. Major raw (untreated) water customers include municipalities (Alice Water Authority, Beeville Water Supply District, City of Mathis, San Patricio Municipal Water District) and industries (Celanese and Flint Hills Resources). Treated water customers include Nueces County Water Improvement District No. 4 (Port Aransas), San Patricio Municipal Water District, South Texas Water Authority, and the Violet Water Supply Corporation. The Water Department operates a water laboratory and water maintenance activity that oversees the repair and replacement of transmission and distribution service water lines. The Water Department stays in full compliance with all state and federal requirements.

The Water Department also has a well-established conservation program. The City was the first in Texas to develop a Drought Contingency Plan in 1986, which served as a guide for state officials. Since 1988 they have had a conservation coordinator and/or team of professionals developing and implementing outreach programs to help reduce water waste and improve efficiency. Conservation outreach includes everything from school education to the Xeriscape Garden and is explained in detail in Chapter 5.

## **1.2 Purpose of the Plan**

The purpose of this WCP is to ensure long-term water security and efficiency for the residents and businesses served by the Corpus Christi Water Department. This long-term planning and management is critical so that supplies of water will always meet and exceed the demands of Coastal Bend customers. It allows water supplies to be sustainable as the region grows. Short-term water security and planning during dry times is explained in a separate Drought Contingency Plan, which is included as a supporting document.

As a water supplier, the City of Corpus Christi is also required to have its Plan adhere to Title 30, of the Texas Administrative Code (TAC) Chapter 288 (30 TAC § 288). This Plan contains all of the provisions required in 30 TAC § 288, including conservation plans for municipal users and wholesale providers, and a drought contingency plan.

General and specific goals of the Plan are explained in Chapter 4.

## **1.3 Public Involvement**

The City provided opportunity for citizens to receive information about the Plan, to make comments and to provide input into the preparation of the WCP at a public meeting held on April 17, 2013. A Public Notice was published in the Corpus Christi Caller-Times with the date, time and location of the meeting. Notice was also posted on the City's website ([www.cctexas.com](http://www.cctexas.com)).

In addition, copies of the Water Conservation Plan draft were distributed to several public locations around the City and were published on the City's website.

## **1.4 Organization of the Water Conservation Plan**

This revised WCP is organized in a way to make information easy to find and understand. Unlike previous versions, this plan is a separate document from the Drought Contingency Plan (DCP). The chapters guide the reader through the most important issues and are shown below. The end of the WCP contains appendices of other documents that are useful for the reader to understand main chapters.

- **Chapter 1:** Introduction – the basics of the Water Department, purpose of the Plan, and organization of the Plan.
- **Chapter 2:** Supply Profile – details of the supply of the Water Department including the water sources, distribution system, and water treatment plant.
- **Chapter 3:** Demand Profile – details of the current customer population and demand, and estimated projections of future population and demands. Demands are provided in totals and divided into sectors.

- **Chapter 4:** Goals – benefits of conservation; overall water planning and conservation goals; quantifiable five- and ten-year conservation goals and water loss goals based on per capita consumption.
- **Chapter 5:** Water Conservation Practices – efforts that encourage and/or enforce the conservation of water, or that increase the efficiency of water use.
  
- **Appendices:** includes the Utility Profile, Summary of TCEQ 2001 Agreed Order Provisions, Water Rates, and Reservoir Operating Plan.

## 2. Supply Profile

This Chapter explains the three sources from which the City gets water supply to its customers in the Coastal Bend region. In addition to the supply sources, the distribution system, water treatment plant, and the wastewater utility profile are briefly explained.

### 2.1 Supply Sources

The City of Corpus Christi Water Department obtains its water solely from surface water sources. These surface water bodies are Lake Corpus Christi, Choke Canyon Reservoir, and Lake Texana. Details of each of these water bodies are explained below.

#### *Lake Corpus Christi*

Lake Corpus Christi is a water storage reservoir located approximately 33 miles northwest of the City. It was completed on April 26, 1958 with the dedication of the Wesley Seale Dam. When full, the lake level is 94 feet above sea level and has a capacity of 257,260 acre-feet (83.8 billion gallons). The surface area of the reservoir is 19,251 acres (30.1 mi<sup>2</sup>).

Lake Corpus Christi is part of the Nueces River Basin (or watershed). It receives inflow from the Nueces, Frio, and Atascosa Rivers. Inflow from the Frio River also goes through the Choke Canyon Reservoir. Supply in Lake Corpus Christi relies on rainfall from the whole Nueces/Frio River basin. These two watersheds covers a combined area of 16,764 square miles and reach as far north as Rocksprings in Edwards county, and west close to Eagle Pass in Maverick County.

#### *Choke Canyon Reservoir*

Choke Canyon Reservoir is located approximately 70 miles northwest of Corpus Christi. It has a capacity of 695,271 acre-feet (227 billion gallons). When it is full, the water level is 220.5 feet above sea level, and the surface area is 25,989 acres (40.6 mi<sup>2</sup>).

The United States Bureau of Reclamation financed, designed, and built the reservoir, which was dedicated on June 8, 1982. The City operates and maintains the facility.

Choke Canyon Reservoir receives inflow from the Frio River Basin. This watershed covers an area of 5,529 square miles from Three Rivers in the south to Kerr County in the north. Water from the reservoir drains into the Frio River, which drains into the Nueces River and then Lake Corpus Christi.

#### *Lake Texana*

The third surface source of water for the City is Lake Texana in Jackson County, located approximately 90 miles northeast of Corpus Christi. When full, the lake has a capacity of 161,085 acre-feet (52.5 billion gallons) and the water level is 44 feet above sea level. Its surface area when full is 9,727 acres (15.2 mi<sup>2</sup>).



Lake Texana was formed with the completion of the Palmetto Bend Dam in 1980 by the U.S. Bureau of Reclamation. It is on the Navidad River, which is part of the Lavaca River Basin and mainly flows through Lavaca and Jackson Counties. The Lake is currently owned and operated by the Lavaca-Navidad River Authority (LNRA).

The City purchased a permit to withdraw 41,840 acre-feet from the LNRA in the 1990s after a severe drought between 1993 and 1996. During that time, Nueces River Basin stream-flows were the lowest recorded, even lower than the much-remembered 1950s Drought.

To deliver that water to Corpus Christi, the City, the Nueces River Authority, the Port of Corpus Christi and the Lavaca-Navidad River Authority worked together to deliver water via a new pipeline from Lake Texana. The 101-mile-long pipeline was named for the late Mary Rhodes, mayor of Corpus Christi from 1991 to 1997, in recognition of her special contribution to the development of water resources for the residents and industries of the Coastal Bend. The pipeline came online in September 1998. It pumps water through a 64-inch pipeline from Lake Texana directly to the O.N. Stevens Water Treatment Plant in Calallen. Approximately 40 to 70 percent of the water used by Corpus Christi comes from Lake Texana through the Mary Rhodes Pipeline.

A map of the regional water supply system and watershed is show on the next page in Figure 2.1.

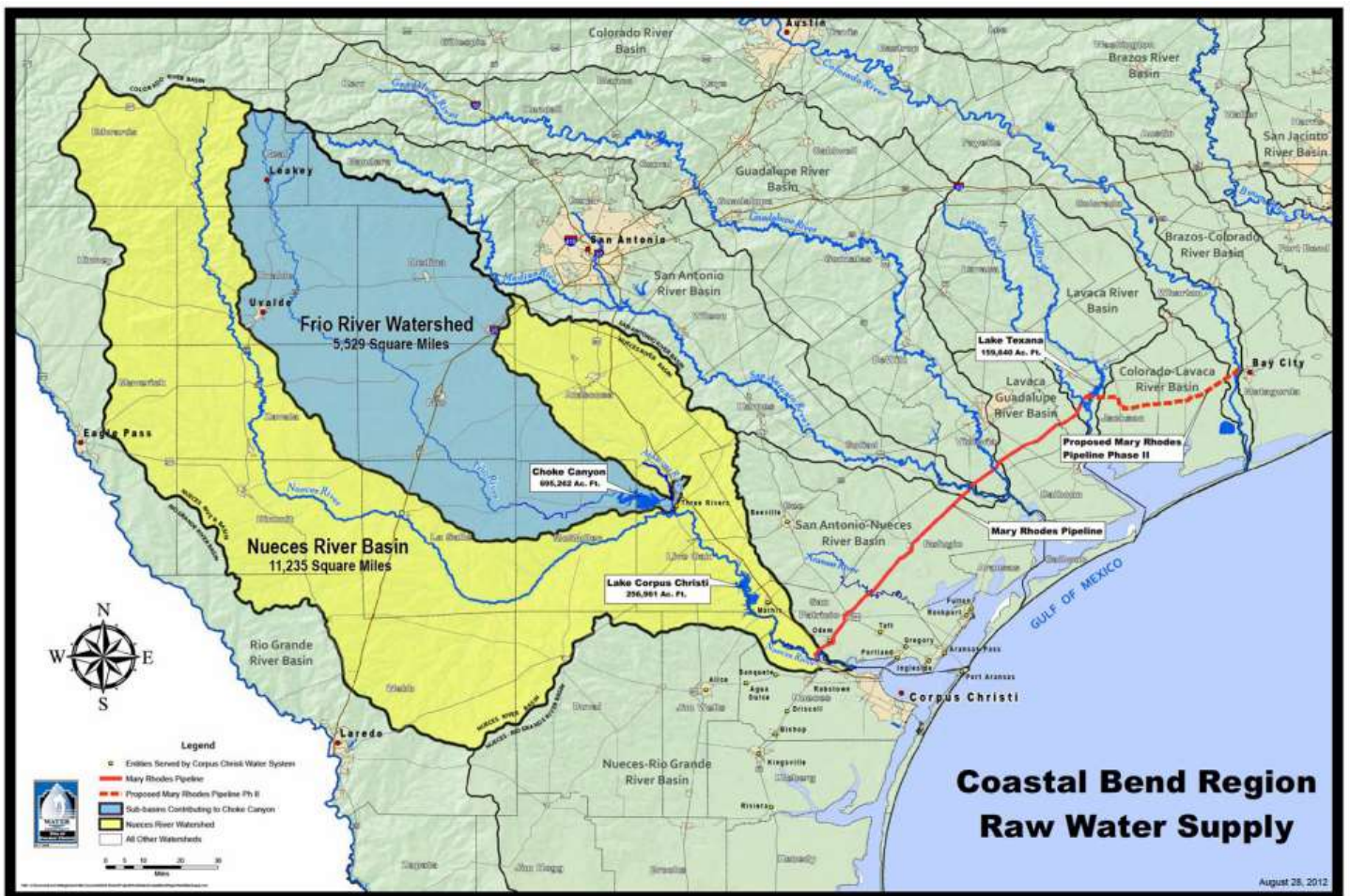


Figure 2.1. Map of the Coastal Bend Regional Water Supply, including the three surface water supply reservoirs.

## 2.2 Potential Future Sources (Undeveloped Sources)

To meet the demands of a growing community, the City has been taking steps to ensure future water supplies. In 1999, the City purchased senior water rights to 35,000 acre-feet of water per year in the Colorado River. This water will be transported to Corpus Christi via a pipeline that will be constructed, in the future, from the Colorado River to the Mary Rhodes Pipeline at Lake Texana.

In addition, the City is involved with the Corpus Christi Aquifer Storage and Recovery Conservation District (CCASRCD). This groundwater conservation district was formed in 2005 by the 79<sup>th</sup> Texas Legislature and is:

*“...dedicated to protecting groundwater supplies within the District, developing and maintaining an aquifer storage and recovery program, providing the most efficient use of groundwater resources to supplement existing supplies, while controlling and preventing waste of groundwater.”*

The CCASRCD is currently exploring the possibility of using groundwater aquifers as storage for extra supply for the City. During wetter-than-normal years, the City would pump excess, partially-treated water into the aquifer storage area, which is not subject to water loss from evaporation. Water from the storage area could then be used during drought periods. A similar project by the San Antonio Water System stores over 90,000 acre-feet of water as an emergency supply.

Other potential future sources of water supply are still being researched and explored. A detailed list of water management solutions for the Coastal Bend Region can be found in the Region N 2011 Regional Water Plan, found at:

<https://www.twdb.state.tx.us/waterplanning/rwp/regions/n/>.

## 2.3 Water Customers

The City has both wholesale and retail customers who purchase water from the supply system.

### *Wholesale Customers*

The wholesale customers are water utilities or businesses who purchase the water in bulk, and then bill their own respective customers. The City provides both raw and treated water to wholesale customers. Those wholesale customers receiving raw water pump it directly from the source. The following wholesale customers receive raw water: Alice, Beeville, Mathis, Robstown, and San Patricio Municipal Water District (MWD). In addition, Celanese and Flint Hills Resources receive raw water, but are industrial, not wholesale customers. Those utilities/companies have their own water treatment facilities to treat the water to potable levels.

Other wholesale customers purchase the water from the City after it has been treated at the O.N. Stevens Water Treatment Plant (explained in next section). These customers include: Port Aransas, San Patricio MWD, South Texas Water Authority, and Violet Water Supply.

### *Retail Customers*

The remaining customers receive their water directly from the City. These retail customers are billed individually. They receive their water after it has gone through the O.N. Stevens Water Treatment Plant.

## **2.4 Water Treatment Plant**

The O.N. Stevens Water Treatment Plant, located in Calallen, is the only water treatment facility for the City. All raw water is pumped directly to the Plant from either the Nueces River or Lake Texana (via the Mary Rhodes Pipeline). Once in the Plant, Nueces River water is blended with Lake Texana water and then treated to meet drinking water standards of the Texas Commission on Environmental Quality (TCEQ). After being treated for human consumption, large master pumps help to distribute water into the City and to its wholesale water customers.

Approximately 25 billion gallons of water are treated each year. The O. N. Stevens Water Treatment Plant has a rated capacity of 167 million gallons per day, well above the current peak summer demand of around 100 million gallons per day.

## **2.5 Distribution**

The Water Department has an extensive distribution network that transports water from the O.N. Stevens Water Treatment Plan throughout the City to every customer, both individual and wholesale. The Water Department operates five pumping stations and four elevated storage tanks, and maintains 1,600 miles of pipeline.

## **2.6 Master Meter**

In order to keep track of diverted water, the City uses a series of Master Meters from its points of diversion. The City itself uses two meters to track water use from the Nueces River system and Lake Texana. In addition, City staff keeps monthly records through meters of seven other wholesale and industrial customers who divert raw water from City's water supply.

## **2.7 Wastewater Utility Profile**

The Utility Profile, a detailed summary of the City's water and wastewater systems is included in Appendix A.

### 3. Demand Profile

This chapter explains demands placed on the water supply system of the City. Water demand is a measure of how much water is being used. Knowing current demand is critical for the City's daily operations. Projecting future demands helps City workers plan for future growth.

The region's population provides the basis of its water demands. Therefore this chapter will begin in 3.1 with an overview of current population figures of Corpus Christi and the Coastal Bend Region.

The water demands in the Coastal Bend area are complex because of the various customers that the City serves. Besides its own retail customers in and around Corpus Christi, the City provides wholesale water to utilities that serve 18 *other* cities and 2 businesses. These people and businesses have their own unique water demands. In addition, there are other demands on the supply system, including evaporation from the reservoirs and environmental inflows into the Nueces Bay and Delta.

Because the demands on the supply system are so complex, the next sections are divided as follows: Section 3.2 will discuss demands based on *raw water* diversions, or water taken directly from the supply source. Section 3.3 will include evaporation and environmental inflows. Section 3.4 will discuss demand on *treated water*, or water that is consumed in the City. This section will also look at demand based on customer type. Section 3.5 will discuss seasonal demand, including summertime peaks. In Section 3.6, projected demands and populations will be discussed.

#### 3.1 Current Population

According to the U.S. Census, the 2010 population of the Water Department's total customer area was close to a half a million people. The majority of this was in the City of Corpus Christi with a population of 305,215. The other 18 cities that depend on Corpus Christi for their water, and their respective 2010 populations, are show in Table 3.1.

**Table 3.1 Populations (2010) of cities in the Coastal Bend serviced by the City of Corpus Christi Water Department.**

City	Population (2010)	City	Population (2010)
Alice	19,104	Kingsville	26,213
Aqua Dulce	812	Mathis	4,927
Aransas Pass	8,204	Odem	2,383
Banquete	424	Port Aransas	3,482
Beeville	12,863	Portland	15,099
Bishop	3,134	Riviera	1,960
Driscoll	741	Robstown	11,487
Fulton	1,358	Rockport	8,766
Gregory	1,902	Taft	3,038
Ingleside	9,361	Three Rivers	1,851

### 3.2 Raw Water Diversions

The raw water demand is the amount of water taken directly (diverted) out of the water supply system. It provides the most basic view of demand on the system and gives an overview of where the water is going. As was explained in Chapter 2, the City has several raw water customers in addition to diverting its own water.

After raw water has been diverted from either the Nueces River System or Lake Texana, it is pumped to a water treatment plant. All of the raw water customers have their own water treatment facilities, which clean and disinfect the water before sending it to *their* customers. Each have their own demands, based on retail customer characteristics (Treated water demands are explained in Section 3.4).

In 2011, the total amount of water that was diverted from the City’s water supply system for consumption was 132,649 acre-feet (43.2 bil gal). This included water from both the Nueces River System and Lake Texana. The raw water demands of each customer from the Nueces River System are shown below in Table 3.2.

**Table 3.2 Raw water demands (diversions) in 2011 from Nueces River System by customer (acre-feet and million gallons).**

Raw Water Customer	Diversion Amount (ac-ft)	Diversion Amount (MG)
Alice	7,688	2,505
Beeville	4,514	1,471
Mathis	632	206
Celanese	997	325
Flint Hill Resources	4,623	1,506
San Patricio MWD	11,476	3,739
Nueces County WCID #3	3,877	1,263
Corpus Christi	57,934	18,878

The raw water demands of the San Patricio MWD and Corpus Christi from Lake Texana and Mary Rhodes Pipeline are shown below in Table 3.3.

**Table 3.3. Raw water demand (diversions) in 2011 from Lake Texas & Mary Rhodes Pipeline by Customer (acre-ft and million gallons).**

Raw Water Customer	Diversion Amount (ac-ft)	Diversion Amount (MG)
San Patricio MWD	10,377	3,381
Corpus Christi	30,531	9,949

In 2011, the City of Corpus Christi received 65% of its raw water from the Nueces River System and 35% from Lake Texana and the Mary Rhodes Pipeline.



### 3.3 Other Raw Water Demands

One uncontrolled demand of water placed on the supply system is evaporation. As mentioned in Chapter 2, the two reservoirs of the Nueces River supply system cover a large surface area of 45,240 acres when full. Because of this large area, combined with high evapotranspiration rates, water loss to evaporation is high, especially in recent hot, dry years. In 2011, the combined evaporation loss in Choke Canyon Reservoir and Lake Corpus Christi was 228,722 ac-ft (74.5 bil gal). This averages to 204 million gallons of evaporative loss per day in 2011.

Another raw water demand is environmental flow. After the impoundment of Choke Canyon Reservoir in 1982, freshwater flowing in the Nueces River Delta decreased dramatically. In order to maintain an ecosystem balance in the Delta, the City worked with TCEQ, the Nueces River Authority, and the City of Three Rivers to develop an Agreed Order in 1995. This document, revised in 2001, outlines required monthly freshwater inflows by the City into the Delta (Table 3.4). The 2001 Agreed Order is included in Appendix B.

**Table 3.4. Target Inflows to Nueces Bay from the 2001 Agreed Order (\*When lake levels are above 70%)**

Month	Target Inflows (ac-ft)	Month	Target Inflows (ac-ft)
January	2,500	July	6,500
February	2,500	August	6,500
March	3,500	September	28,500
April	3,500	October	20,000
May	25,500	November	9,000
June	25,000	December	4,500

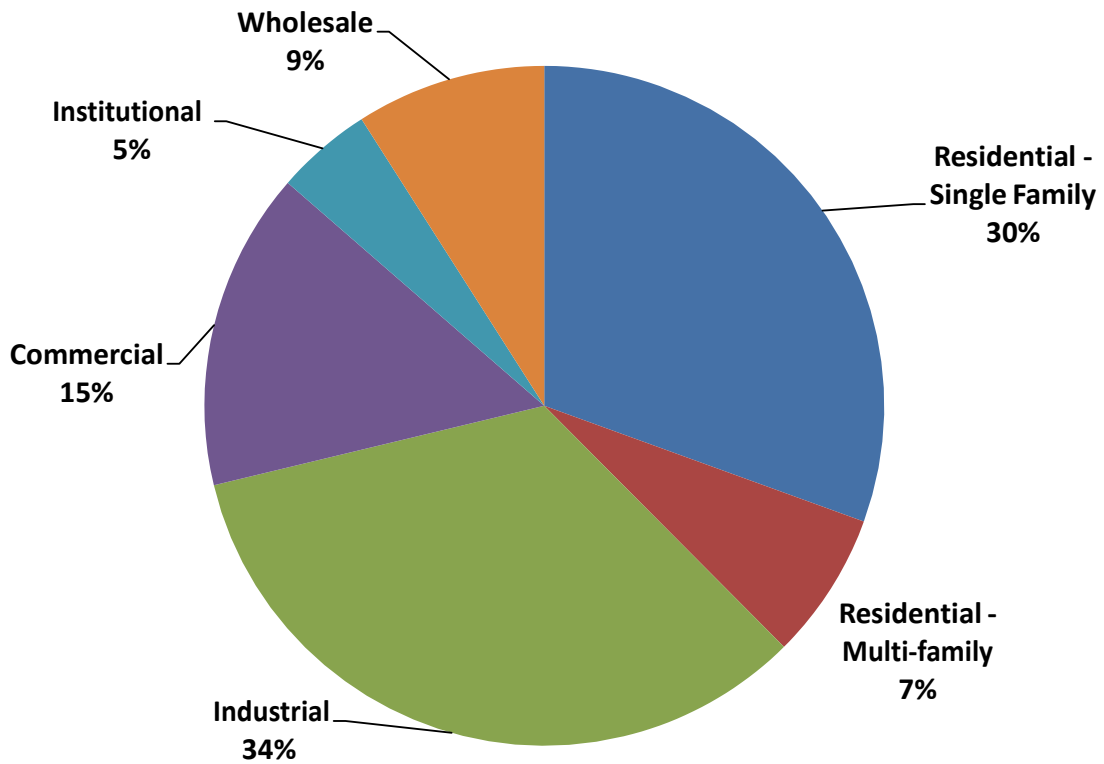
### 3.4 Treated Water Demands

This section focuses solely on the treated water customers of the City of Corpus Christi.

In 2011, the Corpus Christi Utility Business Office billed the use of 78,146 ac-ft (25.5 bil gal) of water, coming from the O.N. Stevens Water Treatment Plant in Calallen.

Separating treated demand by customer class, industrial customers represent the highest demand. Of the 78,146 ac-ft consumed in 2011, industrial customers used just over 26,000 ac-ft or 34 percent of the total. Residential customers consumed 23,900 ac-ft (7.8 bil gal), representing 31 percent of the total. Commercial water use accounted for 15 percent and wholesale customers consumed 9 percent. The remaining water users, multi-family and institutional (dedicated to public service, i.e. schools, hospitals, government uses, etc.), used seven and five percent, respectively. See Figure 3.4 below.

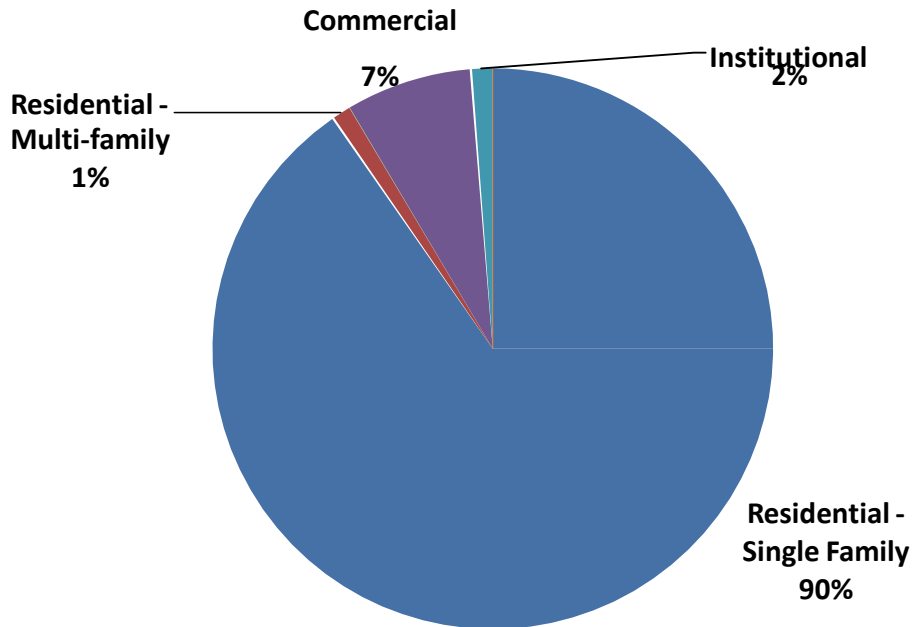
**Figure 3.4. Treated Water Use by Customer Class (wholesale included)**



In 2011, there was an average of 89,205 treated water connections. These connections can be divided into the customer classes of residential, multi-family, commercial, industrial, wholesale, and government use. Figure 3.4.1. below shows a breakdown of connections by customer type. Both wholesale (4 connections) and industrial (23 connections) customers have so few connections that they constitute far less than one percent each of the total connections. Residential customers make up the largest percentage of connections with 88 percent. Following residential are commercial customers with eight percent of the connections and multi-family and government, both with two percent of the connections.



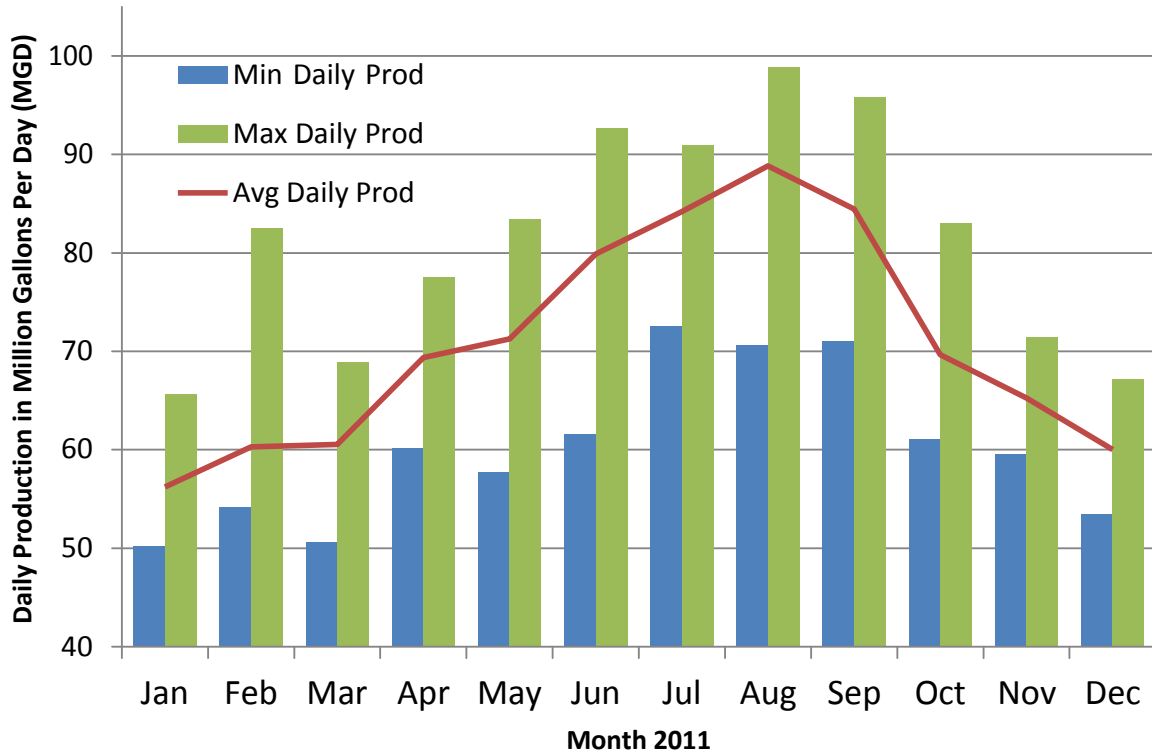
Figure 3.4.1 2011 Connections by Customer Class (Treated Water Only)



### 3.5 Seasonal Demands

Though the treated water demand for 2011 was 78,146 ac-ft (25.5 bil gal), the consumption was not evenly distributed throughout the year. The drought of 2011 was one of the worst in recorded history for Texas, so water demands for irrigation were high, especially during summer months. This can be seen below in Figure 3.3, which shows seasonal demand of treated water in 2011. Customer demand on water ranged from 1.6 billion gallons in February to 2.7 billion gallons in September.

Seasonal demands by customers lead to “peak demands.” These peak demands put the most amount of stress on operations, including distribution and treatment. It is extremely important that peak demand for the city remains under 167 million gallons per day, which is the maximum volume that the O.N. Stevens Water Treatment Plant can treat. Figure 3.5 below shows daily treatment plant production volumes for each month of 2011 as minimums, maximums, and averages. The maximum values of each month (in green) represent the peak demand volume for that month. Even though 2011 was one of the hottest and driest years on record, maximum production never reached above 100 MGD.



**Figure 3.5. Daily production volumes of the O.N. Stevens Water Treatment Plant, showing seasonal demand as minimums, maximums, and averages for each month of 2011.**

### 3.6 Projected Populations and Demands

The Texas Water Development Board estimates population projections for regional water planning groups. For Corpus Christi, they estimate that the population could reach 470,000 by the year 2060. This increase in population will result in an increase in water demand.

The TWDB estimates that municipal water demand (residential and commercial) for Corpus Christi will increase 40% by 2060, reaching 86,962 ac-ft per year. These projections are for the City of Corpus Christi only. Other cities that rely on Corpus Christi for water will also have increases in population and demand, resulting in an even higher demand on the supply system.

However, these projections only factor in a minor decrease in per capita water use from conservation measures. A more aggressive conservation program could help municipal demand level off or decrease, even with an increase in population. A goal of 1% annual reduction in municipal consumption (greater than the 0.9% population growth) would defer the need for additional supplies, at least for the next 15 years. This goal, along with others, is explained next in Chapter 4.

Projecting industrial consumption, which comprises over 30% of the City's water use, is challenging considering the large volumes that one additional customer can demand. The Region N Water Planning Group projects treated industry water demand could increase by

15,422 acre-feet by 2060. Other industrial demands not receiving treated water from the City are expected to increase by 29,000 acre-feet by 2060.

## 4. Goals

This Chapter explains the water conservation goals of the City. These goals are what the City aims to achieve by the implementation of this Plan. Included in these goals are both qualitative goals and measurable, quantifiable goals. Before these goals are discussed, the first section (4.1) explains the benefits of conservation. This will give reason and justification for the City's conservation efforts and provide a driving factor for the goals.

### 4.1 Benefits of Conservation

There are several benefits to having a strong conservation program for Corpus Christi. These benefits not only include maintaining the City's water supply, but also include saving the City and residents money by deferring capital expenses. Other benefits may be more difficult to quantify or may take years to materialize, but that does not lessen their importance. Each benefit of conservation listed below will help the City of Corpus Christi grow and thrive at a sustainable rate. The benefits of conservation include:

- **Sustainable Water Supply** – By reducing per capita water use, the City can grow without compromising supplies for future generations.
- **Defers Capital Costs** – Reductions in demand delay the need for new water supplies and thus defer the costs necessary to construct or buy new supplies. Reducing demand also delays other costs associated with new supplies such as electricity, labor, and treatment.
- **Reduces Peak Demand** – Peak demand puts the most stress on the Water Department's operations. Conservation measures would help to reduce this peak demand.
- **Reduces Energy Costs** – The City spends a significant portion of its electric bill on moving water through its distribution system. Conservation would reduce the amount of water pumped, thus reducing electric costs.
- **Reduces Wastewater Costs** – Less water being used by residents equals less wastewater that needs to be treated. Having less wastewater will save the City in treatment costs.
- **More Environmental Inflows** – By reducing water use, the City will have more stored water available to release into the Nueces Delta and Bay, providing needed freshwater inflows to the ecosystem.
- **Less Rural Impact** – By reducing water use, Corpus Christi will not need to divert water from rural regions or construct a new reservoir on rural properties.

### 4.2 Water Planning/Conservation Goals and Objectives

The main, overall goal of this Plan is to *reduce total per capita consumption by one percent annually over the next decade*. This goal uses the 2012 figure of 205 gallons per capita per day (gpcd) as the benchmark for reduction. Another related goal is to reduce summertime peak

demand. To achieve these goals, the City has several specific conservation objectives. Those objectives include:

- Reduce water loss by one percent annually
- Educate the public on water conservation practices
- Educate the public on the City’s water resources
- Implement incentive and/or rebate programs to encourage conservation
- Convert some drought restrictions into regular conservation measures
- Adopt new water conservation regulations
- Enforce the conservation regulations
- Adopt a water-billing rate scale which encourages stronger conservation efforts
- Implement conservation measures at city-owned facilities

#### 4.3 Five and Ten-Year Quantifiable Conservation Goals

As mentioned in the previous section, the goal of the Plan is to decrease total per capita water consumption by one percent each year. To track the progress of the goal, the City records the gpcd every year and sets five and ten year goals. This gpcd is measured by taking the volume of water produced by the O.N. Steven Water Treatment Plant, excluding water sold to treated wholesale customers, and dividing it by the permanent population and then dividing it by 365 days. Because industry uses close to 40% of the treated water, Corpus Christi’s gpcd is greater than most Texas cities. In addition, there is high variability in annual consumption due to changes in weather. Residents tend to use much more water in dry years to keep landscape vegetation alive. The total gpcd, residential gpcd, and water loss are show in Tables 4.1-4.3 below. The five and ten year goals listed below in Table 4.4, and are based on a 1% annual reduction from the 2012 consumption of 205 gpcd.

**Table 4.1. Total Gallons Per Capita Per Day (gpcd) in 2012**

Total System Input in Gallons <sup>1</sup>	Permanent Population	Total gpcd <sup>2</sup>
23,401,300,000	312,065	205

1. Equals water produced + wholesale imported – wholesale exported
2. Equals system input ÷ permanent population ÷ 365 days

**Table 4.2. Residential Gallons Per Capita Per Day (gpcd) in 2012**

Residential Use in Gallons (single + multi-family)	Residential Population	Residential gpcd <sup>2</sup>
8,715,547,520	312,065	77

1. Single family + multi-family
2. Equals residential use ÷ residential population ÷ 365 days

**Table 4.3. Total Water Loss (Fiscal Year 2012)**

Total Water Loss in Gallons <sup>1</sup>	Permanent Population	Water Loss <sup>2</sup>	
		GPCD	Percent
1,893,644,000	312,065	17	7.5

1. Equals real + apparent + unidentified losses
2. Equals total water loss ÷ permanent population ÷ 365 days

**Table 4.4. Targets and Goals**

Achieve Date	Target for Total GPCD	Target for Residential GPCD	Target for Water Loss	Target for Water Loss Percentage
<b>Five-Year Target</b> Date: 2018	195	73	1,782,000,000	7.1
<b>Ten-Year Target</b> Date: 2023	184	69	1,695,000,000	6.7

#### 4.4 Schedule for Implementing Plan

In order to achieve the targets and goals of the plan, the City will use the schedule below in Table 4.5 to gradually introduce new or strengthen existing conservation measures and programs. These programs will utilize all and possibly additional measures as detailed in Chapter 5. The measures aim to reduce per capita water use through changes in habit, improvements in efficient devices, decreases in water waste, and smart planning. This schedule is not all inclusive and is a living document and is therefore subject to change.

Conservation Measure	Purpose	Target Date
Plumber to people	Reduce leaks in homes of lower-income residents	Ongoing
School education	Educate youth about water resources and the importance of conservation	Ongoing
Public information	Educate the public about water conservation through several media outlets	Ongoing
Xeriscape education	Educate the public about Xeriscaping through the Xeriscape garden, fliers, and the annual symposium	Ongoing
Use of Reclaimed Water	Reduce potable demand by increasing the number of golf courses, parks, etc. that are using reclaimed water for irrigation	Ongoing; Private golf course by December 1, 2013.
System Water Audit and Water Loss	To identify areas of water loss to target remediation efforts	Annually
Park Water Conservation	Reduce consumption by the City by improving irrigation	Ongoing; Smart controllers for Bayfront

	efficiency and Xeriscape landscaping	by July 1, 2013 Spray irrigation replacement with drip by January 1, 2014
Prohibition on wasting water	Reduce consumption by prohibiting the wasting of water, regardless of drought conditions (see 5.2.1)	June 1, 2013
Irrigation Timing	To reduce evaporative loss and waste by prohibiting sprinkler irrigation between 10 am and 6 pm, regardless of drought conditions	June 1, 2013
Restaurant water saving	Reducing water waste by requiring restaurants to only serve water upon request	June 1, 2013
Irrigation Consultation	Improve efficiency of irrigation systems	August 1, 2013
Rainwater harvesting rebate	Reduce potable demand by encouraging rainwater harvesting	August 1, 2013
Changes to Unified Development Code (UDC)	Make change in the UDC to include certain requirements in new construction for rainwater harvesting, condensate collection, car washes, cooling towers, laundry facilities and site-appropriate turfgrass.	March 1, 2014

## **5. Water Conservation Practices**

### **5.1 Introduction**

Water conservation is any practice that reduces the use of water, whether through changes in practices or improvements in the efficiencies of water devices. Reducing the use of water reduces the stress placed on water supplies and their ecosystems. It also frees up water supplies to allow for population and economic growth without having to search for “new” water. Conservation is a cost-effective and commonsense approach to ensuring a sustainable water supply for generations to come.

The City has a long-standing commitment to promoting water conservation in the community. It has adopted several practices, ranging from public education to conservation pricing, that encourage a reduction in excessive water use. As was mentioned in Chapter 4 (Goals), the long term goal of the conservation program is to *reduce per capita water use by one percent per year over the next decade*. This Chapter highlights all of the ways that the City intends to reach that goal.

Chapter 5 begins with conservation measures (5.2). These are regulated best-management practices that are in effect year-round, regardless of the drought condition or the levels of the City’s reservoirs. Section 5.3 explains planned changes to development and building codes that would make buildings and landscapes more water efficient, while Section 5.4 explains the current code related to landscaping. Section 5.5 explains Rebates and Incentives, which include Plumbers to People, Rainwater Harvesting Rebate, and an Irrigation Consultation Program. Section 5.6, discusses City-Led Programs, including reclaimed water use, improvements to City-Owned properties, park water conservation, metering, system audits, and a water conservation staff. This is followed by Section 5.7, which highlights the educational efforts by the City, including both schools and public programs, and Section 5.8 on water conservation pricing. The last two parts of Section 5 explain coordination with the Region N Water Planning Group, methods to monitor the effectiveness of the various conservation practices, and means of implementation and enforcement.

### **5.2 Water Conservation Measures**

As water demands increase and water supplies become less available, it is critical that water conservation measures become regular, year-round best management practices. They are common sense approaches that reduce water waste and improve efficiency. This section lists those water conservation measures that are regulated and enforceable. They are the only measures in the WCP that are enforceable. The Water Resource Management Ordinance (Section 55) gives the City the authority to enforce these measures and is included in Appendix A. Explanations of each of these conservation measures are shown below:



### *5.2.1 Prohibition on Wasting Water*

Under the Prohibition on Wasting Water Conservation Measure, it is unlawful to waste water. Actions leading to the wasting of water are prohibited and will be enforced. No person shall:

1. Allow water to run off property into gutters or streets.
2. Permit or maintain defective plumbing in a home, business establishment or any location where water is used on the premises. Defective plumbing includes out-of-repair water closets, underground leaks, defective or leaking faucets and taps.
3. Allow water to flow constantly through a tap, hydrant, valve, or otherwise by any use of water connected to the City water system.
4. Use any non-recycling decorative water fountain.
5. Allow irrigation heads or sprinklers to spray directly on paved surfaces such as driveways, parking lots, and sidewalks in public right-of-ways;
6. Operate an irrigation system at water pressure higher than recommended, causing heads to mist, or to operate with broken heads.

### *5.2.2 Irrigation Timing*

Landscape irrigation is most efficient during early-morning or nighttime hours, when there is less potential for evaporation from the sun. This conservation measure prohibits irrigation by spray or sprinklers between the hours of 10 am and 6 pm. It is still permissible to water by hand or by drip irrigation at any time of the day.

### *5.2.3 Restaurant Water Saving*

Under this conservation measure, commercial dining facilities must only serve water upon request. In addition, any hand-held dish-rinsing wand must have an automatic shut-off.

## **5.3 Future Updates to Codes**

Another water conservation practice that will help to conserve water in the long term is updates and improvements to codes. The City has adopted several codes for development and construction, which are updated on a regular basis. There are several codes which could be updated or amended to include requirements for water conservation. A list of *potential* updates to codes is included below. The process of updating these codes is ongoing and will be included

in the WCP as an amendment when complete. *These bulleted items are proposed updates only and are listed here as a placeholder.*

- **Car Wash Water Conservation** – Many commercial car washes in the region do not recycle water in their operations. Under this proposed measure, new car washes using an automatic system would need to reuse a minimum of fifty (50) percent of water from vehicle rinses in subsequent washes. All car washes that are self-service would have to have spray wands that do not emit more than three (3) gallons of water per minute.
- **Water Saving Plumbing Fixtures** – This proposed conservation measure would require plumbing fixtures to meet or exceed the standards set by the WaterSense label of the Environmental Protection Agency (EPA). The fixtures would include gravity flush toilets, bathroom aerators, showerheads, and urinals. This measure would apply to new plumbing installations
- **Laundry Facility Conservation** – Under this proposed measure, any new installation of a coin-operated washing machine would have to meet or exceed the standards for the most current Energy Star label of the EPA and Department of Energy. This measure applies to any location that may have a coin operated facility, such as laundromats, apartment communities, or university residential buildings.
- **Cooling Tower Recycling** – This proposed conservation measure would require newly constructed cooling towers to utilize recycled water for a minimum of four (4) cycles.
- **Rainwater Harvesting** – This proposed conservation measure would require any new building construction with a minimum roof surface area of ten-thousand (10,000) square feet to install a rainwater collection system. The stored water could be used for non-potable indoor use and/or outdoor irrigation.
- **Condensate Collection** – Under this proposed measure, any new commercial building with an air conditioning system would be required to divert and collect the condensate water. This water could be used in cooling tower operation or landscape irrigation.
- **Xeriscape Landscaping** – This proposed measure would allow xeriscaping as an option for landscaping in any residential neighborhood or subdivision, regardless of deed restrictions. It also would require homebuilders and/or developers who are constructing new, single-family residential homes to offer a xeriscaping option.
- **Turfgrass Species Requirement** – This proposed conservation measure would promote the use of turfgrass appropriately suited for a particular site in order to save on irrigation water. For any new construction, the turfgrass species/variety installed on a property would have to be chosen from a list of approved species. In addition, irrigated turfgrass would not be able to exceed 50% of the landscaped area.

## **5.4 Landscaping Standard**

The City adopted a Landscape Standard as part of its Unified Development Code (Section 7.3 of the UDC). This standard requires landscape plantings within commercial developments to enhance the beauty of the City. The ordinance assigns points to the various plant materials. To encourage the use of water-wise landscaping, drought-tolerant and low-water-use species are assigned a higher point value. To comply, a landscape design must surpass an established threshold number of points, which is achieved more easily with the water-wise and drought-tolerant plants.

## **5.5 Rebates and Incentive Programs**

This section explains the programs that the City offers to provide assistance to customers who wish to implement water conserving practices. These programs include the current Plumbers to People program and proposed Rainwater Harvesting Rebate Programs and an Irrigation Consultation Program. Additional rebate and incentive options are being researched.

### *5.5.1 Plumbers to People*

Plumbers to People is an affordability program to provide plumbing assistance to low-income residential customers seeking to repair plumbing fixtures in their homes. The intent of the program is two-fold: (1) to eliminate the cycle of uncollected high water bills resulting from water leaks; (2) to promote water conservation.

Persons eligible for the program must contact the Utility Business Office (UBO) to identify their eligibility for the program. Eligibility is based on the individual's income limits and need for assistance.

The UBO office arranges for a contracted plumber to do repairs at the individual's home. The plumber will fix minor leaks or other issues, then send a report and invoice back to the UBO office.

### *5.5.2 Rainwater Harvesting Rebate*

The City is planning a rainwater harvesting rebate program. Under this program, customers of the Water Department will be eligible for a \$50 rebate for the purchase and installation of a rain barrel. The customer shall submit an application for the rebate and is subject to a system inspection by the Water Department. There will be specific requirements, such as a minimal size (55 gallons) and mandatory screening to prevent mosquito entry. The Water Department plans to begin the program in late 2013.

### *5.5.3 Irrigation Consultation Program*

The City is planning an Irrigation Consultation Program to reduce water waste and improve efficiency on large, existing irrigation systems. The service will be free to commercial sites and tells property owners how they can make meaningful changes to

their irrigation system. It will begin with a consultation request from the property owner of a large irrigation system. The Water Department will coordinate a consultation with a contracted, licensed irrigator for that property. The licensed irrigator will perform a thorough inspection of the irrigation system's performance.

A report with recommendations will be provided to the property owner and the Water Department. The recommendations may include ways that the property owners can drastically reduce water consumption. The Water Department will analyze each report and may provide assistance with the recommended changes, depending on the cost and benefits. One year after the inspection, a follow-up will be performed to see if recommendations were implemented and how much water consumption was decreased.

The program will begin in late 2013 to only commercial water accounts.

## **5.6 City-Led Water Conservation Programs**

This section explains the programs that the City has initiated in order to improve its own efficiency and promote conservation to its residents. These programs include the use of reclaimed water, improvements in City-owned properties, park water conservation, accurate water metering, and a system to audit water loss. It also includes the use of a permanent, full-time water conservation staff.

### *5.6.1 Use of Reclaimed Water*

Reclaimed water by definition is, "Domestic or municipal wastewater which has been treated to a quality suitable for a beneficial use, pursuant to the provisions of this chapter and other applicable rules and permits" (30 TAC §210.3(24)). The City currently has five reclaimed water use customers and recognizes that the direct use of reclaimed water is an effective method of reducing potable water usage. Corpus Christi reclaimed water is used primarily for irrigating recreational tracts.

Historically, Corpus Christi began its reuse program in the early 1960s when it began delivering reclaimed effluent to its first customer, the Gabe Lozano Golf Course. Over the next several decades, the City acquired additional reuse customers which include other golf courses, parks, and recreational areas. Approximately 2.5 percent of the City's overall effluent flows are reused as reclaimed water.

In 2011, the City supplied 525 million gallons of reclaimed water to its irrigation customers, saving an estimated 100% of the same amount in potable water.

To facilitate expansion of its reuse program in the future, the City will identify and rank industrial, commercial, and institutional (ICI) customers according to volume of water use, and investigate the feasibility of using reclaimed water. The City will also

investigate reuse opportunities within its own accounts or with third parties outside its service area. The City owns several public areas that are candidates for reuse.

### *5.6.2 Improvements in City-owned Properties*

In order to be a representative of its conservation message, the City has pushed for increased Xeriscape landscaping of City-owned properties. This includes water-wise landscaping at the Water Department building, and the Xeriscape Design Garden and Learning Center at the Museum and Science and History in downtown Corpus Christi (see Section 5.6.3). The Water Department will encourage the future conversion of City landscaping to more water-wise design.

Also, the City has been proactive in replacing out-dated, inefficient plumbing fixtures in its buildings. In addition, the City plans to install a rainwater harvesting system at the Water Utilities building to be used for on-site irrigation.

### *5.6.3 Identifying and Repairing Leaks*

The Water Department has a full team of employees committed to identifying and repairing leaks in water distribution throughout the City. A crew of round-the-clock responders follow the procedure below to find and fix a leak:

1. A first responder is sent to the location to identify and mark the priority of the leak. Response time is 30 minutes to an hour.
2. Crews begin to turn the needed valves to isolate the leaking line. Line locates are called in to mark all other utility lines in the area of the leak prior to repairs. Depending on the severity of the leak these locates can take up to approx. 24 hours
3. After line locates are complete, Distribution Leak crews respond to the leak and make all needed repairs.
4. After repairs are complete, the D & D crews back fill the area and replace grass as needed.

In addition, the Water Department is using its automatic meter reading (AMR) system to identify leaks by alerting staff when there are unusual spikes in consumption.

### *5.6.4 Park Water Conservation*

The City of Corpus Christi Parks and Recreation Department manages two golf courses, two large City-wide parks, five recreation centers, four decorative fountains, eight public swimming pools, and more than 200 neighborhood parks, some with irrigated athletic fields.

Because many of the parks in the City require irrigation, it is critical that proper conservation measures are in place so the City demonstrates and promotes those measures to the public. The Water Department works with the Parks and Recreation

Department to implement several water conservation practices within the park system. Some of these measures include:

1. Converting manual irrigation systems to automatic irrigation systems.
2. Including the parks properties in the water system audit.
3. Voluntarily adopting Landscape Ordinance provisions of the Corpus Christi Zoning Ordinance (explained in Section 5.2.12).
4. Replacing several spray irrigation heads with drip irrigation.

Some of the conservation measures that the City is pursuing for the future include:

1. Updating automatic irrigation systems with a “smart” Baseline Controller, which can remotely control up to 50 irrigation zones with 10 different programs. These include moisture sensors in the soil.
2. Implementing an irrigation consultation program to target specific areas where water efficiency improvements can be made.
3. Converting turfgrass species to more site-appropriate varieties to reduce water use.

To track the progress of water conservation in the parks, the Water Department will gather the following:

1. Water savings resulting from the offset of potable water use by irrigating with reclaimed waste water.
2. Water savings attributable to the repairs of leaks
3. Changes to irrigation systems, retrofits, or upgrades; regular leak detection; maintenance policies, and estimated water savings from conservation practices.
4. Estimated water savings attributable to the changes implemented.
5. Costs of repairs, equipment upgrades, or new equipment installed.

The Water Department will evaluate data from sites before and after significant irrigation system changes or upgrades. The City maintains performance measure software to monitor the progress of leaks repaired. The Maximo software will identify individual categories to estimate the volume of water savings attributable to repairs of leaks.

#### *5.6.5 Metering All Connections*

Metering is a critical aspect in water conservation. It provides a method for customers to relate their water usage to their utility bill. For the City, meters help keep track of water use in order to target areas of inefficiency or locate areas where there may be potential leaks. New technology allows the city to track water use remotely and alert employees when there are spikes in water use among customers.

The following elements are part of the City’s on-going metering program:

1. Required metering of all connections.

2. A policy for installation of adequate, proper-sized meters as determined by a customer's current water use patterns.
3. Direct utility metering of each duplex, triplex, and four-plex unit, whether each is on its own separate lot or there are multiple buildings on a single commercial lot.
4. Metering of all utility and publicly owned facilities.
5. Use of construction meters and access keys to account for water used in new construction.
6. Implementation of the State requirements in HB 2404, passed by the 77<sup>th</sup> Legislature Regular Session and implemented through Texas Water Code 13.502, which requires all new apartments be either directly metered by the utility or submetered by the owner.
7. Annual testing and maintenance of all meters larger than two inches. Regular replacement of 5/8" and 3/4" meters after 15 years of service.
8. Replacement of meter registers or entire meter every eight years.
9. An accounting of water savings and revenue gains through the implementation of the Water Department's meter repair and replacement procedures.

Each year the Water Department estimates its annual water savings from the program. Savings can be estimated based upon a statistical sample analyzed as part of the meter repair and replacement program.

The City maintains a meter replacement policy based upon a customer's concern about the accuracy of his meter. Annual records of replaced meters are maintained through the City's Maximo software. Meter replacement takes precedence over meter repair due to the cost of repairing old meters. The City has improved efficiency and cut water loss by purging old meters and converting standard meters to automated meter reading (AMR.). The AMR program is a metering system that remotely records usage and accurately integrates that data into the billing system. Around 99 percent of the City's water meters have been installed with the AMR, benefiting the City by improving meter accuracy and reducing the cost of reading meters manually.

#### *5.6.6 Record Management*

The City's has a system of record management to classify customers by sector for billing purposes and to keep track of water consumption by class. The billing system has the ability to categorize customers into sectors that can be summarized into those required by the Texas Water Development Board and the Texas Commission on Environmental Quality. These sectors include: residential (including single-family and multi-family); commercial; institutional; industrial; and wholesale (the City does not have any agricultural customers).

#### *5.6.7 System Water Audit and Water Loss*

As with any aging infrastructure system, the City does have water loss between the treatment plant and the point of use. In order to reduce this water loss, the City performs an annual system water audit. This estimate of system water efficiency is achieved by



comparing water delivered to the treatment plant, potable water produced, and water sold. The Water Department tracks numerous leak detection and repair activities and is able to evaluate its success using the asset management software to compile and track work orders. Using this data from the audit, the City is able to focus on specific areas where improvements in efficiency can be achieved.

#### *5.6.8 Water Conservation Staff*

The Water Department has two staff members who coordinate and implement water conservation programs for the City and its service area. These employees include the Water Resource Planner and the Management Assistant. They are critical to ensuring the success of the City's overall conservation program.

The *Water Resource Planner* is responsible for planning conservation programs; seeking and identifying new opportunities in conservation and water supply; program analysis; contributions as a member of regional workgroups (BBACS, GMAs, Region N, Nueces Feasibility, CCASRCD); assistance with educational/promotional material; planning Irrigation Consultation Program; meetings with stakeholders; assistance with marketing strategies for conservation programs; assistance with annual conservation budget; assistance to the Water Resource Advisory Committee; preparation and submittal of annual conservation status reports to Water Department management.

The *Management Assistant* is responsible for the City's water public relations and marketing; implementing conservation programs; conservation education and marketing; coordinating with other departments and wholesale customers; coordinating programs within the Water Department; development of marketing strategies for conservation programs; management of consultants, and contractors, when appropriate; preparation of annual conservation budget; assistance to the Water Resource Advisory Committee.

This conservation team takes part in several educational events and programs, which are explained in detail in section 5.7.

## **5.7 Education**

One of the most effective ways to improve conservation and water-use efficiency is through education. The Water Department is very active in educating its customers and has several programs to do so. The Water Department has two purposes for its educational programs: to disseminate information and to change behavior. Information dissemination is education that makes the public aware of something timely, such as a current drought stage and its implications. A change in behavior occurs when education teaches the public practices that should be permanently adopted. Behavioral changes take place over a longer span of time than information dissemination, but both purposes are critical to a well-informed public.



This section highlights the educational programs that the Water Department plans, manages, and implements. These programs include school education, public information, and the water-wise landscape and conservation program.

### *5.7.1 School Education*

School education programs increase the viability of water conservation efforts, enhance the utility's public image, contribute to the attainment of Texas state education goals by students, and increase customer goodwill. The message conveyed by students to their families based upon greater knowledge of water sources and conservation can lead to behavioral changes resulting in both short- and long-term water savings.

The Water Department offers various school educational programs to all grade levels throughout the City of Corpus Christi. These programs include:

- Major Rivers – Part of the 4th grade curriculum, the program educates students on water conservation, supply, treatment, distribution and conservation. The self-contained program offers academic and hands-on activities in math, language arts, science, and social studies, with teacher's guide geared to the interdisciplinary curriculum, as well as an introductory video and home information leaflets.
- Toby Globy Eco-Action – Introduced to school children in grades pre-kinder to second grade with classroom and special event visits by mascot Toby Globy, this locally produced bilingual program brings environmental awareness to primary grade school children in sing-along song and coloring books, a compact disc of recorded music in English and Spanish, environment-oriented classroom activities, posters, and a pictorial instruction booklet introducing solid waste and recycling, in addition to water conservation.
- Learning to be Water Wise – This program is used in 5th grade classrooms to connect science, math, language arts, and social studies with water conservation activities. Boxed kits, which include a toilet water displacement bag, toilet leak detector tablets, showerhead and faucet aerators, and instructions for repairing common toilet leaks, are given to each student.
- Workshop for Daycare Teachers – In a half-day-long workshop, pre-kinder to second grade teachers are introduced to age-appropriate water resources teaching aids, including the educational program "Toby Globy Eco Action Team" and coloring books with a water-conservation message.
- Water Source Book – The Water Source Book, developed by the Water Environment Federation, reinforces water resource issues with hands-on classroom activities and experiments for grades 6 through 8. The classroom activities feature water, wastewater, and storm water experiments. This book is provided by the City to all local school resource libraries. Continuing education workshops introduce local classroom teachers to the Water Source Book. Teachers can utilize this teaching aid to satisfy certain TEKS objectives as established by the Texas Education Agency.

- Coastal Bend Teacher Resource Extravaganza – As a member of the Coastal Bend Informal Educators (CBIE), the City Water Department sponsors this event, which brings environmental resources to teachers throughout the Texas Education Agency Region 2 area. The City Water Department also participates in this annual event, offering valuable opportunities and resources for teachers, students and the general public.
- Museum of Science and History – The Corpus Christi Museum of Science and History houses an educational gazebo, targeted to children, featuring various showcases and an 8-foot interactive topographic map of the Nueces River Basin. The touch of a button activates lights and sound to explain the area's water resources. Displays throughout the Xeriscape Learning Center and Design Garden are used as teaching tools for children and adults.
- Other educational events – The Water Department provides age-appropriate water resources teaching materials at several public events. Materials include *Splash Activity Book*, *My Book About Water and How to Use it Wisely*, and *The Story of Drinking Water*. Spanish material is also available upon request.

The Water Department continues to offer the programs mentioned above, being sure to stay up-to-date on any changing information related to water. They also continue to stay connected to local schools in order to identify any new potential opportunities.

To keep track of the impact of these various programs, the Water Department records:

- The number of presentations made
- The number and type of curriculum materials developed and/or provided
- The number and percent of students reached by presentations and by curriculum
- The number of students reached outside the utility service area
- The number of in-service presentations or teacher's workshops conducted during reporting period
- The results of evaluation tools used
- Copies of program marketing and educational materials
- Annual budget for school education programs related to conservation.

Although water savings caused by school education programs are difficult to quantify, the retrofit kit included with the Learning to be Water Wise program has been shown to reduce domestic water use by 8,885 gallons per year per household.

### *5.7.2 Public Information*

The Water Department employs several types of media resources and modes of mass communication to present a compelling and consistent message about the importance of conservation and water use efficiency. The overall goal of the public information program is to raise awareness among customers of the regional water resources and the importance of conservation. The public information is also used to convey timely,

urgent messages, such as those about drought or emergencies. Each year in June, the Water Department mails a Consumer Confidence Report to every customer. This report is available online to anyone including new customers. It explains water quality and explains to customers where they can get more information on water conservation.

The Water Department employs the following methods to raise water resources awareness and to instill the importance of conservation in the community:

- Multi-tiered media campaign – Annual television, radio, and print campaigns promoting water use efficiency. Agreements with radio and television stations provide for matching airtime for each ad purchased by the City.
- Billboard advertisement – Ads on billboards, bus benches, and other public spaces are used to promote water conservation and water quality.
- Website – The Department's Water Conservation website includes tips on outdoor and indoor conservation, Xeriscape landscaping, irrigation regulations, and educational materials for youth.
- Printed brochures – The City provides the public with printed brochures on various topics ranging from Xeriscaping to indoor water conservation. They are produced by several entities, including the Water Department, the Texas Water Development Board, and Texas A&M AgriLife Extension and are available at multiple City locations and programs.
- School Education – Programs targeted to grade school children are explained in the School Education section (5.6.1).
- Xeriscape Learning Center and Design Garden – As part of the Corpus Christi Museum of Science and History, the Xeriscape Corpus Christi Steering Committee, in partnership with the City, maintains a Xeriscape demonstration garden with more than 100 plant varieties. Within the garden an educational gazebo, The Water Story Exhibit, showcases an 8-foot interactive topographic map of the Nueces River Basin. A second gazebo named the Learning Center features practical landscape ideas and photographs. Educational Walk 'n' Talk Tours are held annually to enhance public education.
- City Call Center and Request Line – The City's Call Center (361 826-CITY) was created to encourage customers to report water line breaks and to request service calls. Customers may also utilize a dedicated Water Hotline number (361 826-1600) to request water conservation kits and other information.

To track the progress and effectiveness of this educational effort, the Water Department collects and tracks the following information:

- Number of activities, pieces of information distributed, and number of customers at an activity or program;
- Number of public school children who received instruction in water resources or water conservation;

- Number of news programs or advertisements that featured the water conservation message and how many customers had the opportunity to receive each message;
- Total budget by category for public information; and
- Results of annual or biannual customer survey and/or focus groups to determine the reach and impact of the program.

Water savings due to public information efforts are difficult to quantify. Water savings for other public information programs that result in specific actions by customers, such as changes in irrigation scheduling or reduction in water waste occurrences, may be quantified through surveys or analysis of water waste reporting in future years.

### *5.7.3 Water-Wise Landscape Design and Conservation Program*

The use of water for outdoor irrigation can often account for over 50% of a customer's consumption. The purpose of this program is to decrease both peak summertime water consumption and overall water use through the installation of water-wise landscapes at residential and commercial properties, and through improved efficiency of existing landscapes. Water-wise landscaping involves not only plant selection, but continued attention to appropriate irrigation and landscape maintenance. The program is multifaceted, implemented through a landscape standard (Section 5.4), school education (Section 5.7.1), public outreach (Section 5.7.2), and city-implemented measures (Section 5.6).

Below are some public-outreach programs explained in more detail that specialize in water-wise landscaping or emphasize the importance of using less outdoor water.

- *Xeriscape To-Go: Planning and Designing a Gardener's Dream* – This brochure, available in both print and online, was designed to educate local residents on the benefits of Xeriscape landscaping. It features a list of plants suitable for the Coastal Bend and an explanation of the seven principles of Xeriscaping.
- *Xeriscape: Landscape with Less Water* – A brochure detailing the seven principles of Xeriscape.
- *Purple Water-Wise Plant Labels* – A brochure produced in cooperation with Xeriscape Corpus Christi, commercial nurseries, and Texas A&M AgriLife Extension to bring public awareness to lists of plants that are proven performers in the Coastal Bend since 2004. Water-wise plants are labeled with purple tags at commercial nurseries for easy identification. Purple labels are affixed to water-wise and drought-tolerant plants offered at retail nurseries.

To encourage the seven principles of Xeriscape landscaping, the non-profit organization, Xeriscape Corpus Christi, was formed. The organization built and

maintains a demonstration Xeriscape garden at the Museum of Science and History. The steering committee's members include the City of Corpus Christi Water Department, Storm Water Department, Park and Recreation Department, Corpus Christi Museum of Science and History, Friends of the Museum, Mayor's Water Conservation Advisory Committee, Nueces County Master Gardeners, and Texas A&M AgriLife Extension of Nueces County.

## **5.8 Water Conservation Pricing**

One of the most effective methods to influence water consumption is through changes in price structure. Water conservation pricing is a type of structure that promotes conservation by making the water rate higher as consumption increases. Another term for this type of structure is increasing block rate. The City has an increasing block rate structure for residential customers which is not "promotional." It ensures that residents receive their most basic needed water at a reasonable price, which covers the fixed costs of the Water Department. They are billed on actual metered water use. As consumption goes into discretionary amounts, the price per gallon increases, resulting in a higher bill. A copy of the current water rate structure is attached as Appendix C.

At least annually, the Water Department staff will review consumption patterns (including seasonal use) and the income and expense levels to determine if the conservation rates are effective. They then make appropriate, regular rate structure adjustments as needed. In the past, such studies resulted in an elimination of the decreasing block rate for industrial accounts and increasing block rates for residential customers. In order to further encourage conservation, the Water Department will examine the follow potential pricing measures:

1. Seasonal rates to reduce peak demands during summer months.
2. Increasing block rates for other customer classes.
3. Restructuring of commercial rate structure to an increasing block rate.

The successful transition to a new rate structure will include public input and a process to educate the community about the new rate structure. Public involvement in the development and implementation of conservation rates helps to assure that the goals of the conservation pricing initiatives are met and accepted by local constituents. Public meetings, advisory groups, and public announcements are among ways to generate public involvement.

## **5.9 Coordination with Region N (Coastal Bend) Regional Water Planning Group**

The service area of the City of Corpus Christi is located within the Coastal Bend, designated as Region N Planning area, and the City has provided a copy of its Water Conservation and Drought Contingency Plan to the Coastal Bend Regional Water Planning Group (RWPG). The Region N Planning Group was initially appointed by the Texas Water Development Board (TWDB), under the authority of Senate Bill 1, and includes representatives from 12 interests

including the public, counties, municipalities, industries, agriculture, the environment, small businesses, electric-generating utilities, port authorities, river authorities, water districts, and water utilities from across the region. This Plan is consistent with the City's role as a leader in water supply planning in Region N, and meets the standards for water conservation planning in TAC Chapter 288. The Water Department has coordinated with the RWPG through the following measures:

1. The City presented the changes in the 2013 Corpus Christi Water Conservation Plan to the Region N Water Planning Group on March 7, 2013 (Minutes from the Region N meetings can found at <http://www.nueces-ra.org/CP/RWPG/minutes/index.php> after the June 13, 2013 meeting.
2. City staff members (in addition to RWPG representative) attend Planning Group meetings on a regular basis;
3. City staff has made formal comments (at meetings and in writing) at various times regarding issues with population and water demand projections and with selection of water management strategies; and
4. The City has held numerous meetings with the RWPG consultant to address issues related to Corpus Christi and the regional planning process.

### **5.10 Method to Monitor the Effectiveness of Conservation Measures**

The best way to monitor to the effectiveness of the conservation measures of this chapter is to track the per capita water use. As was mentioned in Chapter 4, the goal of this Plan is to reduce per capita water use (gcpd) by one percent each year over the next decade. Successful water conservation measures will result in a reduction of that per capita water use. Because water use can vary each year due to weather conditions, the City will consider rainfall amounts when analyzing water use.

### **5.11 Means of Implementation and Enforcement**

This Water Conservation Plan was approved by the Corpus Christi City Council on May 28, 2013. The passage of this WCP provides the Water Department the authority and guidance to implement the included conservation measures and programs.

The Water Resource Management Ordinance provides the legal authority for the City of Corpus Christi to enforce certain conservation measures and all drought contingency measures. A copy of the Water Resource Management Ordinance (Section 55) is attached as a supporting document.

### **5.12 Reservoir System Operating Plan**

Because all customers rely on the reservoir systems for their supplies, they are subject to the Reservoir Operating Plan. A copy of this is included in Appendix D.

## 6. Wholesale Customer Conservation

### 6.1 Introduction

The City of Corpus Christi serves five wholesale customers with treated water and six wholesale customers with raw water. The raw water is delivered to Corpus Christi's four municipal and two industrial customers. As part of the 2013 Water Conservation Planning Process, the City has organized and held meetings with the wholesale customers to receive feedback on the revised Plan. Because these customers use the same source water as the City, it is important that they are kept informed and provide input into the City's decision making processes.

This chapter explains the conservation goals that the City encourages its wholesale customers to adopt. Though wholesale customers outside of city limits are not legally bound by the ordinances of Corpus Christi, the City requires the wholesale customers to adopt conservation measures outlined in the Plan. It helps to ensure the region's water security and also ensures that customers, both inside and out of the City, are treated equitably. Section 6.5 explains the contractual requirements between the City and its wholesale customers.

### 6.2 Wholesale Customer Targets and Goals

The best way to reduce water waste and increase conservation is to set targets and goals. As was mentioned in Chapter 4, the City of Corpus Christi has set a water conservation goal of one percent annual reduction in consumption. This amounts to 202 gcpd in 2022. The City, though it has no authority to require it, suggests to each its wholesale customers to also try to achieve a one percent annual reduction in consumption. The Coastal Bend Regional Water Planning Group recommends consumption reductions and they are shown below in Table 6.1. The gcpd of each wholesale customer is shown with the 2020 and 2060 consumption goals. Though the group's targets are not as aggressive as the City's, they still help in conserving the region's water supplies.

**Table 6.1 Wholesale Customer Consumption and Goals of Regional Water Planning Group (gcpd)**

Wholesale Customer	2000 Consumption	2020 Consumption Goals	2060 Consumption Goals
Alice Water Authority	248	241	234
Beeville Water Supply District	172	168	157
City of Mathis	119	112	104
Nueces County WCID 4 (Port Aransas)	187	179	177
San Patricio Municipal Water District	118	111	**
South Texas Water Authority	155	152	**

<b>Violet Water Supply Corporation</b>	<b>151</b>	<b>148</b>	<b>**</b>
Wholesale customers Celanese and Flint Hills Resources do not serve a “population” so are not included in this table.			
**These values were not calculated in the 2011 Regional Water Plan, so are not available.			

### **6.3 Metering, Monitoring, and Records Management**

The City meters all water diverted from the raw water supply to its wholesale customers. The City also meters all treated water delivered to its wholesale customers. By contrast, these meters are calibrated on a semiannual basis, and must be accurate within 2 percent. The meters are read on a monthly basis for billing purposes.

A summary report is prepared, which aggregates all meter readings from wholesale raw water meters, wholesale treated water meters, and all retail customers, as well as the readings from the meters at the intake to the O. N. Stevens Water Treatment.

### **6.4 Leak Detection and Repair**

The treated water wholesale customers are supplied from portions of the City's distribution system. The meter location is the point of sale at which the water enters the customer's system. From there, it is the customer's responsibility to operate and maintain. The portions of the City's distribution system that serve these wholesale customers are subject to the same leak detection and repair program described Section 5.4.5, System Water Audit and Water Loss.

All raw water delivery systems to the wholesale customers are owned and operated by those customers. Therefore, they are responsible for any leak detection and repair programs as well as for unaccounted-for water. Wholesale customers are encouraged to voluntarily report their results to the City in order to promote cooperative efficiency efforts.

In addition, wholesale customers are encouraged to keep their water loss rates below ten percent.

### **6.5 Contractual Requirements**

The City has in place valid contracts with various wholesale customers including raw water contracts with municipal water suppliers: Alice Water Authority, Beeville Water Supply District, City of Mathis, and San Patricio Municipal Water District. Treated water customers include Nueces County Water Improvement District No. 4 (Port Aransas), San Patricio Municipal Water District, South Texas Water Authority, and the Violet Water Supply Corporation. Industrial wholesale customers include Celanese and Flint Hills Resources. All of these contracts contain language related to water use restrictions in drought situations. Each contract has a section



requiring the customer to accept shortages in supply, should natural or unforeseen circumstances prevent the City from delivering the water. With the exceptions of the Beeville Water Supply District and San Patricio Municipal Water District contracts, the contracts further stipulate that should there be a shortage in the basic supply of water which requires the restriction or curtailing of any consumer of water within the city limits of Corpus Christi, *that the wholesale customer limit and restrict all of its customers to the same extent.*

The Beeville Water Supply District requires the district to reduce its average raw water consumption by specific percentages whenever the City declares water shortage conditions. The district is required to reduce its average raw water consumption by 10% when the reservoirs fall below 50% (Stage 1), 20% when the reservoirs fall below 40% (Stage 2), 30% when the reservoirs fall below 30% (Stage 3), and to cease raw water withdrawals when reservoir storage levels drop below 20% (Stage 4). In exchange, the District is excused from contract minimum payments during the time of shortage; and it has the discretion to supplement river water with groundwater in lieu of imposing water use restrictions on its customers.

The San Patricio Municipal Water District has the discretion to either implement water conservation and drought measures similar to those imposed by the City or to reduce the water it takes from the City's water supply system. If the district elects to reduce the amount of water it takes from the City's water supply system, the reductions are based on the average deliveries for the same month of the year over the three previous years. The percent of the reduction is based on the available water in the City's reservoir system. The required decrease in the amount of water that can be taken is 10% when the reservoirs fall below 50% (Stage 1), 20% when the reservoirs fall below 40% (Stage 2), 30% when the reservoirs fall below 30% (Stage 3), and 60% when the reservoirs fall below 20% (Stage 4). In the most recent contract with San Patricio Municipal Water District, language concerning year-round water conservation is included. As the need to renegotiate other contracts arises, the City will include contract language requiring conformance with applicable state and federal regulations concerning water conservation.

The City will require in every wholesale water supply contract entered into or renewed after official adoption of this Plan (by either ordinance, resolution, or tariff), including any contract extension, that each successive wholesale customer develop and implement a water conservation plan and drought contingency plan or water management measures using the applicable elements in this Plan and City's Drought Contingency Plan (City Ordinance 55-151). If the customer intends to resell the water, the contract between the initial supplier and customer must provide that the contract for the resale of the water must have water conservation and drought contingency requirements so that each successive customer in the resale of the water will be required to implement water conservation measures and drought contingency measures in accordance with the provisions of this Plan and the Drought Contingency Plan.

## **6.6 Reservoir System Operating Plan**

Because all of the wholesale customers rely on the reservoir systems for their supplies, they are subject to the Reservoir Operating Plan. A copy of this is included in Appendix D.

## UTILITY PROFILE

Fill out this form as completely as possible.  
If fields do not apply to your entity, leave them blank.

### CONTACT INFORMATION

Name of Utility: City of Corpus Christi Water Department

Public Water Supply Identification Number (PWS ID): 1780003

CCN Number: 10554

Water Rights ID Number: 21-3214; 21-2464; 14-5434

Wastewater ID Number: CN600131858

Check all that apply:

- Retail Water Supplier
- Wholesale Water Supplier
- Wastewater Treatment Utility

Address: P.O. Box 9277 City: Corpus Christi Zip Code: 78469-9726

Email: gustavogo@cctexas.com Telephone Number: 361-826-1874

Regional Water Planning Group: N [Map](#)

Groundwater Conservation District: 18 [Map](#)

Completed By: Brent Clayton Title: Water Resource Planner

Date: 3/13/2013

Check all that apply:

- Received financial assistance of \$500,000 or more from TWDB
- Have 3,300 or more retail connections
- Have a water right with TCEQ

# Section I: Utility Data

## A. Population and Service Area Data

1. Current service area size in square miles: 140  
(Attach or email a copy of the service area map.)
2. Provide historical service area population for the previous five years, starting with the most current year.

Year	Historical Population Served By Retail Water Service	Historical Population Served By Wholesale Water Service	Historical Population Served By Wastewater Service
2008	297,447	432,890	297,447
2009	297,447	433,716	297,447
2010	305,215	442,324	305,215
2011	307,728	446,212	307,728
2012	312,065	451,944	312,065

3. Provide the projected service area population for the following decades.

Year	Projected Population Served By Retail Water Service	Projected Population Served By Wholesale Water Service	Projected Population Served By Wastewater Service
2020	356,123	531,843	356,123
2030	391,077	583,752	391,077
2040	412,761	628,161	412,761
2050	448,879	666,843	448,879
2060	470,523	697,732	470,523

4. Describe the source(s)/method(s) for estimating current and projected populations.

Historical population served by retail water was gathered from City of Corpus Christi staff and 2010 Census data.  
 Historical population served by wholesale water service was calculated using 2010 Census values and percentage growth values from the Regional N Water Plan.  
 Historical population served by wastewater service is the same as retail water.  
 Projected Population Served by Retail Water Service gathered from 2010 Coastal Bend Regional Water Plan, Table 2-2.  
 Projected Population Served by Wholesale Water Service - Summed projected population of each community served, from Region N Plan, Table 2-2.

**B. System Input**

Provide system input data for the previous five years.

Total System Input = Self-supplied + Imported – Exported

Year	Self-supplied Water in Gallons	Purchased/Imported Water in Gallons	Exported Water in Gallons	Total System Input
2008	23,883,000,000	13,968,000,000	11,170,000,000	26,681,000,000
2009	28,593,000,000	11,862,000,000	11,183,000,000	29,272,000,000
2010	19,562,000,000	12,997,000,000	6,821,000,000	25,738,000,000
2011	29,847,000,000	9,949,000,000	10,969,000,000	28,827,000,000
2012	24,521,000,000	12,230,000,000	9,577,000,000	27,174,000,000

**C. Water Supply System (Attach description of water system)**

1. Designed daily capacity of system 161,000,000 gallons per day
2. Storage Capacity:
  - Elevated 5,000,000 gallons
  - Ground 55,150,000 gallons

3. List all current water supply sources in gallons:

Water Supply Source	Source Type*	Total Gallons
Lake Corpus Christi	Surface water	83,824,842,826
Choke Canyon Reservoir	Surface water	226,555,475,060
Lake Texana	Contract	13,633,605,840
	Select	
	Select	
	Select	

\*Select one of the following source types: *Surface water, Groundwater, or Contract*

4. If surface water is a source type, do you recycle backwash to the head of the plant?
  - Yes 7,500,000 estimated gallons per day
  - No

## D. Projected Demands

1. Estimate the water supply requirements for the next ten years using population trends, historical water use, economic growth, etc.

Year	Population	Water Demands (gallons)
2013	455,151	41,000,000,000
2014	465,390	42,222,557,942
2015	475,858	43,085,740,913
2016	486,563	48,030,317,189
2017	497,508	52,009,904,031
2018	508,699	52,525,948,530
2019	520,142	53,048,185,563
2020	531,843	53,576,689,440
2021	543,543	54,111,535,364
2022	555,502	54,652,799,439

2. Describe sources of data and how projected water demands were determined. Attach additional sheets if necessary.

The population projection is for the REGION. It was determined by using the 2012 population and 2020 projection to calculate an annual growth rate of 2.2%.

The water demands for the region were calculated by using the same percentage growth from population projections (2.2%) and subtracting 1% for conservation goals. This equates to 1.2% annual growth in demand, primarily municipal. In addition to that regular municipal growth, demand from nine potential industrial customers was added in years 2014-2017.

The additional demand from new industry is approximately:

Year

2014: 730,557,942 gal

2015: 365,278,971 gal

2016: 4,440,697,428 gal

2017: 3,469,661,448 gal

## E. High Volume Customers

1. If applicable, list the annual water use for the five highest volume **RETAIL customers**. Select one of the following water use categories to describe the customer; choose Residential, Industrial, Commercial, Institutional, or Agricultural.

Retail Customer	Water Use Category*	Annual Water Use	Treated or Raw
Valero Refining	Industrial	2,237,220,000	Treated
Lyondell Chemical Co.	Industrial	1,863,461,000	Treated
Koch Refining	Industrial	1,706,661,000	Treated
Koch Refining	Industrial	831,590,000	Treated
Calpine	Industrial	559,130,000	Treated

\*For definitions on recommended customer categories for classifying customer water use, refer to the [Guidance and Methodology for Reporting on Water Conservation and Water Use](#).

2. If applicable, list the annual water use for the five highest volume **WHOLESALE customers**. Select one of the following water use categories to describe the customer; choose Municipal, Industrial, Commercial, Institutional, or Agricultural.

Wholesale Customer	Water Use Category*	Annual Water Use	Treated or Raw
San Patricio Municipal Water	Select	7,503,168,000	Raw
City of Alice	Select	2,362,228,000	Raw
City of Beeville	Select	1,314,951,000	Raw
South Texas Water Authority	Select	549,350,000	Treated
Neuces Co. WCID #4	Select	497,305,000	Treated

\*For definitions on recommended customer categories for classifying customer water use, refer to the [Guidance and Methodology for Reporting on Water Conservation and Water Use](#).

## **Section II: Retail System Data**

If you do not provide retail water, go to Section III.



## A. Retail Connections

- List the active retail connections by major water use category.

Water Use Category*	Active Retail Connections		
	Metered	Unmetered	Total Connections
Residential - Single Family	81,000	0	81,000
Residential – Multi-family (units)	979	0	979
Industrial	18	0	18
Commercial	2,181	0	2,181
Institutional	1,137	0	1,137
Agricultural	0	0	0
<b>TOTAL</b>	<b>85,315</b>	<b>0</b>	<b>85,315</b>

\*For definitions on recommended customer categories for classifying customer water use, refer to the [Guidance and Methodology for Reporting on Water Conservation and Water Use](#).

- List the net number of new retail connections by water use category for the previous five years.

Water Use Category*	Net Number of New Retail Connections				
	2008	2009	2010	2011	2012
Residential - Single Family	1,000	423	263	568	1,048
Residential – Multi-family (units)	33	581	86	50	-47
Industrial	-17	-6	0	7	-6
Commercial	79	-636	-142	132	129
Institutional	7	59	-39	14	-19
Agricultural	0	0	0	0	0
<b>TOTAL</b>	<b>1,102</b>	<b>421</b>	<b>168</b>	<b>771</b>	<b>1,105</b>

\*For definitions on recommended customer categories for classifying customer water use, refer to the [Guidance and Methodology for Reporting on Water Conservation and Water Use](#).

## B. Retail Water Accounting Data - Water Use Categories

For the previous five years, enter the number of gallons of RETAIL water provided in each major water use category.

Water Use Category*	Total Gallons of Retail Water				
	2008	2009	2010	2011	2012
Residential - Single Family	7,274,661,000	7,860,176,000	6,428,436,000	7,802,013,000	6,938,500,000
Residential – Multi-family	1,266,031,000	1,727,963,000	1,706,633,000	1,792,103,000	1,777,047,000
Industrial	11,215,108,000	10,629,910,000	10,291,335,000	104,444,590,000	11,191,421,000
Commercial	4,395,903,000	3,636,586,000	3,429,079,000	3,869,811,000	3,744,294,000
Institutional	838,281,000	1,113,207,000	1,022,418,000	1,170,878,000	997,626,000
Agricultural	0	0	0	0	0
<b>TOTAL</b>	<b>24,989,984,000</b>	<b>24,967,842,000</b>	<b>22,877,901,000</b>	<b>119,079,395,000</b>	<b>24,648,888,000</b>

\*For definitions on recommended customer categories for classifying customer water use, refer to the [Guidance and Methodology for Reporting on Water Conservation and Water Use](#).

**C. Retail Water Accounting Data - Annual and Seasonal Use**

For the previous five years, enter the number of gallons provided to RETAIL customers.

**TREATED**

	2008	2009	2010	2011	2012
January	1,705,178,000	1,611,643,000	1,391,348,000	1,511,280,000	1,662,045,000
February	1,595,165,000	1,640,234,000	1,470,857,000	1,724,705,000	1,619,771,000
March	1,723,181,000	1,916,407,000	1,713,651,000	1,708,092,000	1,543,683,000
April	1,967,995,000	2,065,702,000	1,782,504,000	1,939,644,000	2,054,751,000
May	2,363,196,000	2,109,063,000	1,915,393,000	2,164,708,000	2,211,578,000
June	2,279,660,000	2,456,525,000	1,939,886,000	2,138,681,000	2,125,106,000
July	1,989,159,000	2,482,952,000	1,919,630,000	2,279,337,000	2,353,010,000
August	2,319,544,000	2,195,283,000	2,027,583,000	2,432,124,000	2,315,491,000
September	1,793,681,000	1,745,541,000	1,612,313,000	2,067,756,000	2,079,607,000
October	1,838,550,000	1,664,219,000	2,045,253,000	1,870,060,000	1,806,203,000
November	1,682,971,000	1,624,329,000	1,754,376,000	1,684,505,000	1,833,606,000
December	1,736,200,000	1,549,330,000	1,609,584,000	1,727,493,000	1,766,517,000
<b>TOTAL</b>	<b>22,994,480,000</b>	<b>23,061,228,000</b>	<b>21,182,378,000</b>	<b>23,248,385,000</b>	<b>23,371,368,000</b>

**RAW**

	2008	2009	2010	2011	2012
January	184,547,000	162,466,000	96,266,000	142406000	124,872,000
February	180,547,000	150,101,000	76,936,000	129,606,000	121,931,000
March	174,000,000	156,213,000	170,231,000	137,145,000	156,124,000
April	136,035,000	184,426,000	128,195,000	155,815,000	104,726,000
May	200,670,000	174,190,000	175,164,000	165,362,000	57,205,000
June	181,369,000	178,229,000	159,264,000	182,150,000	69,286,000
July	188,869,000	196,160,000	149,023,000	186,308,000	74,054,000
August	174,305,000	166,261,000	177,803,000	172,425,000	81,272,000
September	190,665,000	142,209,000	105,001,000	137,612,000	105,151,000
October	176,652,000	152,832,000	153,880,000	148,987,000	154,002,000
November	153,705,000	125,789,000	143,971,000	143,022,000	105,173,000
December	154,140,000	117,639,000	159,789,000	130,041,000	123,724,000
<b>TOTAL</b>	<b>2,095,504,000</b>	<b>1,906,515,000</b>	<b>1,741,663,000</b>	<b>1,830,879,000</b>	<b>1,277,520,000</b>

<b>RETAIL</b>	2008	2009	2010	2011	2012	<b>Average in Gallons</b>
Summer Retail (Treated + Raw)	7,132,906,0	7,675,410	6,373,189,0	7,391,025,0	7,018,219,0	<u>7,118,149,800</u> 5yr Average
TOTAL Retail (Treated + Raw)	25,089,984,	24,967,7	22,924,041,	25,079,264,	24,648,888,	<u>24,541,984,000</u> 5yr Average

**D. Water Loss**

Provide Water Loss Data for the previous five years.

Water Loss GPCD = [Total Water Loss in Gallons ÷ Permanent Population Served] ÷ 365

Water Loss Percentage = [Total Water Loss ÷ Total System Input] x 100

Year	Total Water Loss in Gallons	Water Loss in GPCD	Water Loss as a Percentage
2008			0%
2009			0%
2010	1,338,416,000		5%
2011	945,865,000		3%
2012	1,893,644,000	17	7%
<b>5-year average</b>	<b>835,585,000</b>	<b>3</b>	<b>3%</b>

**E. Peak Day Use**

Provide the Average Daily Use and Peak Day Use for the previous five years.

Year	Average Daily Use (gal)	Peak Day Use (gal)	Peak Factor
2008	73,098,630	97,850,000	1.34
2009	80,197,260	96,220,000	1.20
2010	70,515,068	83,960,000	1.19
2011	78,978,082	98,830,000	1.25
2012	74,449,315	103,500,000	1.39

## **Section III: Wholesale System Data**

If you do not provide wholesale water, go to Section IV.

**A. Wholesale Connections**

- List the active wholesale connections by major water use category.

Water Use Category*	Active Wholesale Connections		
	Metered	Unmetered	Total Connections
Municipal	9	0	9
Industrial	0	0	0
Commercial	0	0	0
Institutional	0	0	0
Agricultural	0	0	0
<b>TOTAL</b>	<b>9</b>	<b>0</b>	<b>9</b>

\*For definitions on recommended customer categories for classifying customer water use, refer to the [Guidance and Methodology for Reporting on Water Conservation and Water Use](#).

- List the net number of new wholesale connections by water use category for the previous five years.

Water Use Category*	Net Number of New Wholesale Connections				
	2008	2009	2010	2011	2012
Municipal	1	0	1	0	0
Industrial	0	0	0	0	0
Commercial	0	0	0	0	0
Institutional	0	0	0	0	0
Agricultural	0	0	0	0	0
<b>TOTAL</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>

\*For definitions on recommended customer categories for classifying customer water use, refer to the [Guidance and Methodology for Reporting on Water Conservation and Water Use](#).

**B. Wholesale Water Accounting Data - Water Use Categories**

For the previous five years, enter the number of gallons of WHOLESale water exported (*sold or transferred*) to each major water use category.

Customer Category*	Total Gallons of Wholesale Water				
	2008	2009	2010	2011	2012
Municipal	12,139,165,	12,881,134,	10,077,873,00	13,985,222,00	12,872,880,00
Industrial					
Commercial					
Institutional					
Agricultural					
<b>TOTAL</b>	<b>12,139,165,</b>	<b>12,881,134,</b>	<b>10,077,873,00</b>	<b>13,985,222,00</b>	<b>12,872,880,00</b>

\*For definitions on recommended customer categories for classifying customer water use, refer to the [Guidance and Methodology for Reporting on Water Conservation and Water Use](#).

### C. Wholesale Water Accounting Data - Annual and Seasonal Use

For the previous five years, enter the number of gallons exported (*sold or transferred*) to WHOLESALE customers.

#### TREATED

	2008	2009	2010	2011	2012
January	156,036,000	163,398,000	139,053,000	125,804,000	140,348,000
February	147,242,000	167,103,000	103,230,000	147,113,000	124,898,000
March	150,369,000	178,741,000	157,652,000	171,023,000	192,433,000
April	185,119,000	203,186,000	128,302,000	293,961,000	119,278,000
May	187,865,000	213,432,000	224,211,000	126,365,000	131,363,000
June	204,434,000	259,289,000	216,823,000	216,230,000	132,691,000
July	207,798,000	295,011,000	200,233,000	243,039,000	106,542,000
August	181,726,000	286,514,000	226,918,000	238,534,000	121,995,000
September	176,021,000	177,458,000	216,989,000	222,656,000	74,467,000
October	174,066,000	174,148,000	168,765,000	202,247,000	133,888,000
November	164,012,000	149,933,000	149,667,000	182,775,000	43,383,000
December	148,336,000	161,285,000	163,231,000	138,335,000	62,779,000
<b>TOTAL</b>	<b>2,083,024,000</b>	<b>2,429,498,000</b>	<b>2,095,074,000</b>	<b>2,308,082,000</b>	<b>1,384,065,000</b>

#### RAW

	2008	2009	2010	2011	2012
January	747,373,000	773,039,000	636,782,000	722,659,000	933,462,000
February	836,069,000	724,658,000	506,561,000	621,342,000	571,041,000
March	760,960,000	845,572,000	879,568,000	1,352,647,000	745,128,000
April	800,326,000	964,408,000	670,209,000	515,765,000	931,564,000
May	900,475,000	878,828,000	807,813,000	954,518,000	812,428,000
June	1,092,487,000	1,108,488,000	714,347,000	1,119,197,000	1,149,667,000
July	907,435,000	1,259,795,000	617,645,000	1,193,283,000	1,030,782,000
August	881,319,000	1,047,826,000	719,526,000	1,352,491,000	1,336,807,000
September	739,859,000	806,000,000	605,666,000	1,130,371,000	1,245,427,000
October	924,450,000	755,351,000	562,124,000	1,062,881,000	880,124,000
November	793,863,000	754,721,000	652,893,000	844,904,000	1,053,925,000
December	671,343,000	532,941,000	609,665,000	807,082,000	798,460,000
<b>TOTAL</b>	<b>10,055,959,000</b>	<b>10,451,627,000</b>	<b>7,982,799,000</b>	<b>11,677,140,000</b>	<b>11,488,815,000</b>

WHOLESALE	2008	2009	2010	2011	2012	Average in Gallons
Summer Wholesale (Treated + Raw)	3,475,199,0	4,256,923	2,695,492,0	4,362,774,0	3,878,484,	<u>3,733,774,400</u> 5yr Average
TOTAL Wholesale (Treated + Raw)	12,138,983,	12,881,12	10,077,873,	13,985,222,	12,872,880	<u>12,391,216,600</u> 5yr Average

**D. Water Loss**

Provide Water Loss Data for the previous five years.

Water Loss GPCD = [Total Water Loss in Gallons ÷ Permanent Population Served] ÷ 365

Water Loss Percentage = [Total Water Loss ÷ Total System Input] x 100

Year	Total Water Loss in Gallons	Water Loss in GPCD	Water Loss as a Percentage
2008			0%
2009			0%
2010			0%
2011			0%
2012			0%
<b>5-year average</b>	0	0	0%

**E. Peak Day Use**

Provide the Average Daily Use and Peak Day Use for the previous five years.

Year	Average Daily Use (gal)	Peak Day Use (gal)	Peak Day Use as a Percentage of Average Daily Use
2008	73,098,630		0.00
2009	80,197,260		0.00
2010	70,515,068		0.00
2011	78,978,082		0.00
2012	74,449,315		0.00

## **Section IV: Wastewater System Data**

If you do not provide wastewater system services then you have completed the Utility Profile. Save and Print this form to submit with your Plan. Continue with the [Water Conservation Plan Checklist](#) to complete your Water Conservation Plan.



**A. Wastewater System Data (Attach a description of your wastewater system)**

- Design capacity of wastewater treatment plant(s): 42,700,000  
**gallons** per day.
- Provide data on the types of recycling and reuse activities implemented during the current reporting period.

	<b>Total Annual Volume (in gallons)</b>
On-site irrigation	
Plant wash down	
Chlorination/de-chlorination	
Industrial	
Landscape irrigation (parks, golf courses)	456,000,000
Agricultural	
Discharge to surface water	
Evaporation pond	456,000,000

- Could treated wastewater be substituted for potable water?  
 Yes       No

**B. Wastewater Data for Service Area**

- Percent of water service area served by wastewater system: 99%
- Monthly treated wastewater volume in gallons, for the previous five years.

	2008	2009	2010	2011	2012
January	844,794,000	797,073,000	983,432,000	903,991,000	762,135,000
February	767,407,000	729,539,000	1,024,434,000	824,264,000	776,272,000
March	845,987,000	808,465,000	880,390,000	811,053,000	788,485,000
April	835,953,000	787,865,000	825,083,000	761,910,000	796,530,000
May	854,626,000	826,535,000	828,120,000	812,386,000	847,044,000
June	814,734,000	794,940,000	846,968,000	782,970,000	792,510,000
July	966,682,000	828,763,000	963,373,000	799,490,000	821,469,000
August	932,520,000	825,497,000	854,765,000	800,327,000	817,563,000
September	865,137,000	887,930,000	1,252,114,000	747,780,000	816,630,000
October	845,260,000	878,410,000	869,442,000	774,194,000	795,522,000
November	786,877,000	897,954,000	804,930,000	742,290,000	749,460,000
December	803,557,000	995,703,000	798,343,000	779,433,000	766,041,000
<b>TOTAL</b>	<b>10,163,534,000</b>	<b>10,058,674,000</b>	<b>10,931,394,000</b>	<b>9,540,088,000</b>	<b>9,529,661,000</b>

You have completed the Utility Profile. Save and Print this form to submit with your Plan.

Continue with the [Water Conservation Plan Checklist](#) to complete your Water Conservation Plan.

## TEXAS NATURAL RESOURCE CONSERVATION COMMISSION



**AN AGREED ORDER** Amending the operational procedures and continuing an Advisory Council pertaining to Special Condition 5.B., Certificate of Adjudication No. 21-3214; Docket No. 2001-0230-WR

On April 4, 2001, came to be considered before the Texas Natural Resource Conservation Commission ("Commission") the Motion by the City of Corpus Christi and Nueces River Authority for the adoption of an amendment to the Agreed Order issued April 28, 1995, establishing operating procedures pertaining to Special Condition 5.B., Certificate of Adjudication No. 21-3214, held by the City of Corpus Christi, the Nueces River Authority, and the City of Three Rivers" (the two cities and river authority shall be referred to herein as "Certificate Holders"). The Certificate Holders and the Executive Director of the Texas Natural Resource Conservation Commission have agreed to the provisions of this Agreed Order.

The City of Corpus Christi (managing entity) requests that Section 2 of this Agreed Order be amended to add further detail to the provisions regarding the use of water for bays and estuaries and to make changes in the required passage of inflows for the bays and estuaries automatic at 40 percent and 30 percent of total reservoir system capacity upon institution of mandatory outdoor watering restrictions. Additionally, Certificate Holders request the most recent bathymetric surveys be used for determining reservoir system storage capacity. The Certificate Holders request details be added regarding provisions for two projects to enhance/augment the amount of freshwater going into the receiving estuary and timelines for those projects.

After considering the proposals and the presentations of the parties, the Commission finds that it has authority to establish operational procedures under Special Condition 5.B. of Certificate of Adjudication No. 21-3214, and that operational procedures previously established should be amended. The Commission finds that, because of the need to continue to monitor the ecological environment and health of related living marine resources of the estuaries to assess the effectiveness of freshwater inflows provided by requirements contained in this Agreed Order relating to releases and spills from Choke Canyon Reservoir and Lake Corpus Christi (collectively referred to as the Reservoir System), as well as return flows, and to evaluate potential impacts which may occur to the reservoirs as well as to the availability of water to meet the needs of the Certificate Holders and their customers which may result from those operational procedures, the existing advisory council should be maintained to consider such additional information and related issues and to formulate recommendations for the Commission's review.

The Commission additionally finds that based on the preliminary application of the Texas Water Development Board's Mathematical Programming Optimization Model, (GRG-2), 138,000 acre-feet of fresh water is necessary to achieve maximum harvest in the Nueces Estuary; and, therefore, when water is impounded in the Lake Corpus Christi-Choke Canyon Reservoir System to the extent greater than 70 percent of the system's storage capacity, the delivery of 138,000

acre-feet of water to Nueces Bay and/or the Nueces Delta, by a combination of releases and spills, together with diversions and return flows noted below, should be accomplished; and that during periods when the reservoir system contains less than 70 percent storage capacity, reductions in releases and spills, along with diversions and return flows, are appropriate in that a satisfactory level of marine harvest will be sustained and the ecological health of the receiving estuaries will be maintained.

The Commission finds that return flows, other than to Nueces Bay and/or the Nueces Delta, that are delivered to Corpus Christi Bay and other receiving estuaries are currently in the assumed amount of 54,000 acre-feet per annum (per calendar year), and that they shall be credited at this amount until such time as it is shown that actual return flows to Corpus Christi Bay and other receiving estuaries exceed 54,000 acre-feet per annum.

The Commission finds that by contractual relationships, the City of Corpus Christi is the managing entity for operating the Reservoir System.

The Commission finds that the Motion by the City of Corpus Christi and Nueces River Authority to Amend this Agreed Order is reasonable and should be granted. Benefits of the proposed diversion project and operating changes will include increased water supply, increased reservoir storage levels, increased positive flow events for Rincon Bayou and the upper Nueces Delta, increased sources of nitrogen for the upper delta, and lower salinity levels in the upper delta.

When the Commission uses the word "release" in this Order, release means spills, inflow passage, intentional releases, and return flows; provided, however, under this Order no release from storage is required to meet conditions of this Order.

By consenting to the issuance of this Agreed Order, no party admits or denies any claim, nor waives with respect to any subsequent proceeding any interpretation or argument which may be contrary to the provisions of this Agreed Order.

**NOW, THEREFORE, BE IT ORDERED BY THE TEXAS NATURAL RESOURCE CONSERVATION COMMISSION THAT:**

1. a. The City of Corpus Christi, as operator of the Choke Canyon/Lake Corpus Christi reservoirs (the "Reservoir System"), shall provide not less than 151,000 acre-feet of water per annum (per calendar year) for the estuaries by a combination of releases and spills from the Reservoir System at Lake Corpus Christi Dam and return flows to Nueces and Corpus Christi Bays and other receiving estuaries (including such credits as may be appropriate for diversion of river flows and/or return flows to the Nueces Delta and/or Nueces Bay), as computed and to the extent provided for herein.
- b. When water impounded in the Reservoir System is greater than or equal to 70 percent of storage capacity, a target amount of 138,000 acre-feet is to be delivered to Nueces Bay and/or the Nueces Delta by a combination of releases and spills from

the Reservoir System as well as diversions and return flows. In accordance with the monthly schedule and except as provided otherwise in this Agreed Order, target inflows to Nueces Bay and/or the Nueces Delta shall be in the acre-foot amounts as follow:

January	2,500	July	6,500
February	2,500	August	6,500
March	3,500	September	28,500
April	3,500	October	20,000
May	25,500	November	9,000
June	25,500	December	4,500

It is expressly provided, however, that releases from Reservoir System storage shall not be required to satisfy the above targeted inflow amounts, as calculated in Subparagraph d.

- c. When water impounded in the Reservoir System is less than 70 percent but greater than or equal to 40 percent of storage capacity, a targeted amount of 97,000 acre-feet is to be delivered to Nueces Bay and/or the Nueces Delta by a combination of releases and spills from the Reservoir System as well as diversions and return flows. In accordance with the monthly schedule and except as provided otherwise in this Agreed Order, target inflows to Nueces Bay and/or the Nueces Delta shall be in the acre-foot amounts as follows:

January	2,500	July	4,500
February	2,500	August	5,000
March	3,500	September	11,500
April	3,500	October	9,000
May	23,500	November	4,000
June	23,000	December	4,500

It is expressly provided, however, that releases from Reservoir System storage shall not be required to satisfy the above targeted inflow amounts as calculated in Subparagraph d.

- d. The amounts of water required in subparagraphs 1.b. and 1.c. will consist of return flows, and intentional diversions, as well as spills and releases from the Reservoir System as defined in this subparagraph. For purposes of compliance with monthly targeted amounts prescribed above, the spills and releases described in this paragraph shall be measured at the U.S. Geological Survey stream monitoring station on the Nueces River at Calallen, Texas (USGS Station No. 08211500). Any inflows, including measured wastewater effluent and rainfall runoff meeting lawful discharge standards which are intentionally diverted to the upper Nueces Delta region, shall be credited toward the total inflow amount delivered to Nueces Bay and/or the Nueces

Delta. Inflow passage from the Reservoir System for the purpose of compliance with the monthly targeted amounts prescribed in subparagraphs 1.b. and 1.c. shall in no case exceed the estimated inflow to Lake Corpus Christi as if there were no impoundment of inflows at Choke Canyon Reservoir. The estimated inflow to Lake Corpus Christi as if there were no impoundment of inflows at Choke Canyon Reservoir shall be computed as the sum of the flows measured at the U.S. Geological Survey (USGS) STREAMFLOW GAGING STATIONS ON THE Nueces River near Three Rivers (USGS No. 08210000), Frio River at Tilden, Texas (USGS No. 08206600), and San Miguel Creek near Tilden, Texas (USGS No. 08206700) less computed releases and spills from Choke Canyon Reservoir.

- e. The passage of inflow necessary to meet the monthly targeted allocations may be distributed over the calendar month in a manner to be determined by the City. Relief from the above requirements shall be available under subparagraphs (1) or (2) below and Section 2.(b) and 3.(c) at the option of the City of Corpus Christi. However, passage of inflow may only be reduced under one of those subparagraphs below, for any given month.
  - (1) Inflows to Nueces Bay and/or the Nueces Delta in excess of the required monthly targeted amount may be credited for up to fifty (50) percent of the targeted requirement for the following month, based on the amount received.
  - (2) When the mean salinity in Upper Nueces Bay (Lat. 27°51'02", Long. 97°28'52") for a 10-day period, ending at any time during the calendar month for which the reduction of the passage of inflow is sought, is below the SUB\*, pass through of inflow from the reservoir system for that same calendar month may be reduced as follows:
    - (a) For any month other than May, June, September and October, if 5 parts per thousand (ppt) below the SUB for the month, a reduction of 25% of the current month's targeted Nueces Bay inflow;
    - (b) If 10 ppt below the SUB for the month, a reduction of 50 % of the current month's targeted Nueces Bay inflow except that credit under this provision is limited to 25 % during the months of May, June, September and October;
    - (c) If 15 ppt below the SUB for that month, a reduction of 75% of the current month's targeted Nueces Bay inflow.

\* "SUB" means "salinity upper bounds" as set forth more specifically in Section 3.b.

- f. The City of Corpus Christi shall submit monthly reports to the Commission containing daily inflow amounts provided to the Nueces Estuary in accordance with this Agreed Order through releases, spills, return flows and other freshwater inflows.
- 2.
- a. Certificate holders are to provide in any future contracts or any amendments, modifications or changes to existing contracts the condition that all wholesale customers and any subsequent wholesale customers shall develop and have in effect a water conservation and drought management plan consistent with Commission rule. The City of Corpus Christi shall solicit from its customers and report to the Commission annually the result of conservation under the City's plan, the customers' plans, and the feasibility of implementing conservation plans and programs for all users of water from the reservoir system. This report shall be submitted with the Certificate Holder's annual water use report as provided by 31 T.A.C. §295.202.
  - b. The Certificate Holders may reduce targeted Nueces Bay inflows during times of prolonged drought in accordance with this subparagraph 2.
    - (1) When the combined storage in the Choke Canyon/Lake Corpus Christi reservoir system (Reservoir System Storage) falls below 50% of the total system storage capacity, the City of Corpus Christi shall issue public notice advising and informing the water users of the region of voluntary conservation measures that are requested immediately and required drought management measures to be taken should the Reservoir System Storage fall to under 40% and/or 30% of total system storage capacity. To the extent of its legal authority, the City of Corpus Christi shall require its wholesale customers to issue public notice advising and informing the water users of the region of voluntary conservation measures that are requested immediately and required drought management measures to be taken should the Reservoir System Storage fall to under 40% and/or 30% of total system storage capacity.
    - (2) In any month when Reservoir System Storage is less than 40%, but equal to or greater than 30% of total system storage capacity, the City of Corpus Christi shall implement time of day outdoor watering restrictions and shall reduce targeted inflows to Nueces Bay to 1,200 acre-feet per month (1,200 acre-feet per month represents the quantity of water that is the median inflow into Lake Corpus Christi during the drought of record). Time of day outdoor watering restrictions prohibit lawn watering between the hours of 10:00 o'clock a.m. and 6:00 o'clock p.m. and are subject to additional conditions as described in the City of Corpus Christi's approved "Water Conservation and Drought Contingency Plan ("Plan")." To the extent of its legal authority, the City of Corpus Christi shall require its wholesale customers to implement time of day outdoor watering restrictions similar to those of the City.

- (3) In any month when Reservoir System Storage is less than 30% of total system storage capacity, the City of Corpus Christi shall implement a lawn watering schedule in addition to time of day outdoor watering restrictions (see subparagraph 2.b.(2)) and shall suspend the passage of inflow from the Reservoir System for targeted inflows to Nueces Bay. However, return flows directed into Nueces Bay and/or the Nueces Delta shall continue. The lawn watering schedule shall allow customers to water lawns no oftener than every five days, subject to the time of day restrictions described in subparagraph 2.b.(2) and any additional conditions as described in the City's Plan.
  - (4) Certificate Holders' may implement whole or partial suspension of the passage of inflow through the reservoir as described above when the City implements, and requires its customers to implement, water conservation and drought management measures at diminished Reservoir System levels, as set forth in subparagraphs b.(2) and b.(3).
- c. For purposes of this Agreed Order, Reservoir System storage capacity shall be determined by the most recently completed bathymetric survey of each reservoir. As of 2001, completed bathymetric surveys of each reservoir reports conservation storage capacities of 695,271 acre-feet (below 220.5 feet mean sea level) for Choke Canyon Reservoir (Volumetric Survey of Choke Canyon Reservoir, TWDB September 23, 1993) and 241,241 acre-feet (below 94 feet mean sea level) for Lake Corpus Christi (Regional Water Supply Planning Study-Phase I Nueces River Basin, HDR, December, 1990).
  - d. Percentage of the Reservoir System capacity shall be determined on a daily basis and shall govern, in part, the inflow to be passed through the reservoir during the remaining days of the month.
  - e. Within the first ten days of each month, the City of Corpus Christi shall submit to the Commission a monthly report containing the daily capacity of the Reservoir System in percentages and mean sea levels as recorded for the previous month as well as reservoir surface areas and estimated inflows to Lake Corpus Christi assuming no impoundment of inflows at Choke Canyon Reservoir. The report shall indicate which gages or measuring devices were used to determine Reservoir System capacity and estimate inflows to Lake Corpus Christi.
  - f. Concurrent with implementing subparagraphs 2.b.(1) through 2.b.(3), the City shall proceed to:
    1. Acquire land rights to properties necessary to re-open the Nueces River Overflow Channel and make the Nueces River Overflow Channel and Rincon Bayou Overflow Channel permanent features of the Rincon Bayou Diversion;

2. Construct and operate a conveyance facility to deliver up to 3,000 acre-feet per month of required Reservoir System "pass-throughs" directly from the Calallen Pool into the Upper Rincon Bayou by use of one or two of the five authorized points of diversion under Certificate of Adjudication No. 2464, being the existing San Patricio Municipal Water District point of diversion and/or a point on the North bank of the Calallen Pool located at Latitude 27.8823°N, Longitude 97.6254°W, also bearing S 27° 24' W, 4,739 feet from the southwest corner of the J.H.W. Ottman Survey, Abstract No. 212, San Patricio County, Texas, where the water will be pumped at the maximum rate of 45,000 gpm; and
3. Implement an on-going monitoring and assessment program designed to facilitate an "adaptive management" program for freshwater inflows into the Nueces Estuary.
4. Construction necessary to implement subparagraph 2.f.1. shall be accomplished by December 31, 2001 and work necessary to accomplish subparagraph 2.f.2. shall be accomplished by December 31, 2002.
5. In the event the City fails to timely complete the work set forth in subparagraphs 2.f.1. and 2.f.2., this amendment shall automatically terminate and the provisions of the Agreed Order of April 28, 1995 shall be reinstated and become operative despite this amendment, unless the Executive Director grants a modification after considering the recommendations of the Nueces Estuary Advisory Council.

- g. The Executive Director is delegated authority to make modifications to subparagraph 2.f., after considering the recommendations of the Nueces Estuary Advisory Council. However, changes may be made through this process only with the City's consent if the changes result in increased costs to the City.

If the Executive Director makes modifications to subparagraph 2.f. as authorized in this paragraph, any affected person may file with the chief clerk a motion for reconsideration of the Executive Director's action no later than 23 days after the date the Executive Director mails notice of the modification to the City. This motion shall be considered under the provisions of 30 Texas Administrative Code § 50.39(d) and (e).

- h. The City shall obtain all necessary permits from the Commission before beginning these projects. The deadlines set out above include time necessary to apply for, process and, if necessary, complete hearings on these permits.
3. a. The City of Corpus Christi, with the assistance and/or participation of federal, state and local entities, shall maintain a monitoring program to assess the effect of this



operating plan on Nueces Bay. The cornerstone of this program is the development of a salinity monitoring program. The program shall include at least two monitoring stations, one in upper Nueces Bay (Lat. 27°51'02", Long. 97°28'52") and one in mid Nueces Bay (Lat. 27°51'25", Long. 97°25'28") with the capability of providing continuous salinity and/or conductivity data, temperature, pH, and dissolved oxygen levels. Additional stations may be established at the recommendation of the Advisory Council (continued by paragraph 4 of this Agreed Order) to assess inflow effects throughout the estuarine system, but the City shall not be obligated to establish such additional stations except to the extent authorized by its City Council.

- b. The City of Corpus Christi or its designated representatives shall monitor salinity levels in Upper and Mid-Nueces Bay. The lower (SLB) and upper (SUB) salinity bounds (in parts per thousand-ppt) developed for application of the Texas Estuarine Mathematical Programming Model and considered appropriate for use herein, are as follows:

	SLB	SUB		SLB	SUB
January	5	30	July	2	25
February	5	30	August	2	25
March	5	30	September	5	20
April	5	30	October	5	30
May	1	20	November	5	30
June	1	20	December	5	30

- c. When the average salinity for the third week (the third week includes the seven days from the 15th through 21st) of any month is at or below the subsequent month's established SLB for upper Nueces Bay (Lat. 27°51'02", Long. 97°28'52"), no releases from the Reservoir System to satisfy targeted Nueces Bay inflow mounts shall be required for that subsequent month.
- d. All data collected as a result of the monitoring program required by paragraph 3 of this Agreed Order shall be submitted monthly to the Commission within the first ten days of the immediately following month. The Nueces Estuary Advisory Council shall study the feasibility of developing a method of granting credits for inflows which exceed the required amounts to replace the credits that are set out in subparagraph 1.e.(1) and make recommendations to the Commission for possible implementation. That method shall have as its goal the maintenance of the proper ecological environment and health of related living marine resources and the provision of maximum reasonable credits towards monthly inflow requirements.

4. a. To assist the Commission in monitoring implementation of this Order and making recommendations to the Commission relating to any changes to this Agreed Order and the establishment of future operating procedures, the Nueces Estuary Advisory

Council shall be continued. Its members shall include, but are not limited to a qualified representative chosen by each of the following entities or groups: the Executive Director of the Texas Natural Resource Conservation Commission, whose representative shall serve as chair; the Texas Water Development Board; the Texas Parks and Wildlife Department; the Texas Department of Health; the General Land Office; the holders of Certificate of Adjudication No. 21-3214 (the Cities of Corpus Christi and Three Rivers and the Nueces River Authority; the University of Texas Marine Science Institute; Texas A&M University - Corpus Christi; Save Lake Corpus Christi; Corpus Christi Chamber of Commerce; the City of Mathis; Coastal Bend Bays and Estuaries Program, Inc.; a commercial bay fishing group; a conservation group (e.g. the Sierra Club and the Coastal Bend Bays Foundation); wholesale water suppliers who are customers of the Certificate Holders (e.g., the South Texas Water Authority and the San Patricio Municipal Water District); the Port of Corpus Christi Authority; and a representative of industry. The representatives should have experience and knowledge relating to current or future water use and management or environmental and economic needs of the Coastal Bend area.

- b. No modification shall be made to this Order without the unanimous consent of the Certificate Holders, except to the extent provided by law.
- c. Matters to be studied by the Nueces Estuary Advisory Council and upon which the Executive Director shall certify recommendations to the Commission shall include, but are not limited to:
  - (1) the effectiveness of the inflow requirements contained in this Agreed Order on Nueces Estuary and any recommended changes;
  - (2) the effect of the releases from the Reservoir System upon the aquatic and wildlife habitat and other beneficial and recreational uses of Choke Canyon Reservoir and Lake Corpus Christi;
  - (3) the development and implementation of a short and long-term regional water management plan for the Coastal Bend Area;
  - (4) the salinity level to be applied in Paragraphs 1.e. and 3.c., at which targeted inflows in the subsequent month may be suspended;
  - (5) the feasibility of discharges at locations where the increased biological productivity justifies an inflow credit computed by multiplying the amount of discharge by a number greater than one; and development of a methodology for granting credits for inflows which exceed the required amount to replace the credits that are set out in subparagraph 1.e. That methodology shall have as its goal the maintenance of the proper ecological

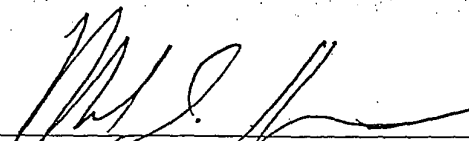
environment and health of related living marine resources and the provision of maximum reasonable credits towards monthly inflow requirements; and,

(6) any other matter pertinent to the conditions contained in this Agreed Order.

5. This Agreed Order shall remain in effect until amended or superseded by the Commission.

Issued date: APR 05 2001

TEXAS NATURAL RESOURCE  
CONSERVATION COMMISSION



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Robert J. Huston, Chairman

CITY OF CORPUS CHRISTI - UTILITIES BUSINESS OFFICE  
 UTILITY RATE SCHEDULE  
 MONTHLY CHARGE FOR WATER SERVICE  
 Effective August 1, 2012

MINIMUM MONTHLY CHARGE (FOR FIRST 2,000 GALLONS)

INSIDE CITY LIMITS:				OUTSIDE CITY LIMITS:			
Meter Size		Minimum		Meter Size		Minimum	
5/8" x 3/4"	Residential	\$	8.720	5/8" x 3/4"	Residential	\$	10.460
5/8" x 3/4"	Commercial		12.580	5/8" x 3/4"	Commercial		15.100
1"			18.870	1"			22.640
1 1/2"			31.460	1 1/2"			37.750
2"			62.900	2"			75.480
3"			100.640	3"			120.770
4"			201.290	4"			241.550
6"			314.520	6"			377.420
8" or larger			629.030	8" or larger			754.840

MONTHLY VOLUME CHARGES PER 1,000 GALLONS (above the minimum level)

INSIDE THE CITY LIMITS:				OUTSIDE THE CITY LIMITS:			
PER 1000/GALLONS				PER 1000/GALLONS			
Residential				Residential			
First	2,000	Gallons	Minimum	First	2,000	Gallons	Minimum
Next	4,000		\$ 4.172	Next	4,000		\$ 1.695
Next	4,000		5.215	Next	4,000		2.119
Next	5,000		5.997	Next	5,000		2.437
Next	15,000		7.301	Next	15,000		2.967
Next	20,000		8.865	Next	20,000		3.602
Next	50,000		9.648	Next	50,000		3.92
Over	100,000		10.43	Over	100,000		4.238
Commercial				Commercial			
First	2,000	Gallons	Minimum	First	2,000	Gallons	Minimum
Over	2,000		\$ 5.172	Over	2,000		\$ 2.412
Large Volume-				Large Volume-			
Minimum			Minimum	Minimum			Minimum
First	10,000,000	Gallons	\$ 16,349.000	First	10,000,000	Gallons	\$ 27,279.000
Over	10,000,000		3.597	Over	10,000,000		1.493
Residential Irrigation Water on separate meter				Residential Irrigation Water on separate meter			
First	2,000	Gallons	\$ Minimum	First	2,000	Gallons	\$ Minimum
Next	4,000		7.301	Next	4,000		4.671
Next	4,000		8.865	Next	4,000		6.235
Next	5,000		9.648	Next	5,000		7.018
Next	15,000		10.430	Next	15,000		7.800
Agency for Resale				Water delivered through City facilities			
Metered at the site of treatment				Golf Course/Athletic Field Irrigation			
First	2,000	Gallons	Minimum	First	2,000	Gallons	Minimum
Over	2,000		\$ 0.870	Over	2,000		\$ 1.493
<b>Monthly charge for Raw Water</b>				<b>Monthly charge for Raw Water</b>			
<b>Effective September 1, 2012</b>				<b>Effective September 1, 2012</b>			
Raw water rate payers ICL & OCL \$0.856/TGAL				Raw water rate payers ICL & OCL \$0.856/TGAL			
Raw water non rate payers ICL & OCL \$0.902/TGAL				Raw water non rate payers ICL & OCL \$0.902/TGAL			

OPERATIONS PLAN FOR THE  
LAKE CORPUS CHRISTI-CHOKO CANYON RESERVOIR SYSTEM

The following operations plan for the Lake Corpus Christi –Choke Canyon Reservoir water system provides for the two reservoirs to be operated as a regional water supply with primary purpose to be furnishings a dependable supply to the people in the Coastal Bend area. The plan also recognizes the need for the recreational facilities for public use and the Texas Water Commission adjudicated water permit which requires a minimum flow of 151,000 acre-feet of water annually to bays and estuaries from return flows, spills, or fresh water releases from Lake Corpus Christi once Choke Canyon Reservoir fills.

The Plan consists of four phases of operation depending on the water levels in the two reservoirs.

PHASE I - This phase applies only to the initial filling period of Choke Canyon Reservoir. It is necessary that this reservoir be filled at the earliest opportunity so that all structures and mechanical equipment can be tested. Initial filling of the reservoir also triggers the requirement that minimal flows be made available for bays and estuaries.

1. During the initial period, only the releases requires required by agreement between the City of Corpus Christi and the Texas Parks and Wildlife Department, varying between 15 and 33 cubic feet per second depending on the reservoir level, will be made unless Lake Corpus Christi elevation falls below elevation 86 feet.
2. If water user demand is less than 200,000 acre-feet annually and Lake Corpus Christi is at elevation 86 feet, water will be released from Choke Canyon to maintain this elevation until Choke Canyon Reservoir falls to elevation 184 feet.
3. When Lake Corpus Christi has fallen to elevation 86 feet and Choke Canyon has fallen to elevation 184 feet, Lake Corpus Christi will be allowed to drop to elevation 76 feet, at which time water will be released from Choke Canyon to allow user's intake structures at Lake Corpus Christi to be used.
4. Should water user demand excess 200,000 acre-feet annually, the water level of Lake Corpus Christi will be allowed to drop to elevation 76 feet prior to releases from Choke Canyon Reservoir.

PHASE II - This phase applies after Choke Canyon Reservoir is filled and water user demand is less than 150,000 acre-feet annually.

1. A minimum of 2,000 acre-feet per month will be released from Choke Canyon Reservoir to meet conditions of the release agreement between City of Corpus Christi and the Texas Parks and Wildlife Department.

2. Whenever Lake Corpus Christi water surface falls to elevation 88 feet and Choke Canyon Reservoir surface elevation is above 204 feet, releases will be made from Choke Canyon Reservoir to maintain Lake Corpus Christi surface at elevation 88 feet.
3. Whenever Lake Corpus Christi water surface is at or below elevation 88 feet and Choke Canyon Reservoir surface elevation is below 204 feet, the Choke Canyon release for the current month is made equal to the Lake Corpus Christi release from the preceding month. This minimizes drawdown at Lake Corpus Christi for recreation purposes and promotes a more constant quality of water by mixing Choke Canyon Reservoir releases with Lake Corpus Christi content.

PHASE III - This phase applies after Choke Canyon Reservoir is filled and water user demand is between 150,000 and 200,000 acre-feet annually. During this period, water release plan prepared by the Bureau of Reclamation will be followed to produce a dependable yield of 252,000 acre-feet.

1. A minimum of 200,000 acre-feet per month will be releases from Choke Canyon Reservoir to meet conditions of the release agreement between the City of Corpus Christi and the Texas Parks and Wildlife Department.
2. Whenever Lake Corpus Christi water surface is at or below elevation 88 feet, and the ratio of Choke Canyon Reservoir content to Lake Corpus Christi content (both at the end of the preceding month) exceeds the corresponding ratio with 6-foot drawdown at both reservoirs, the Choke Canyon Reservoir release for the current month is made equal to the Lake Corpus Christi release during the preceding month. This equalizes drawdown at the two reservoirs for recreation purposes and promotes a more constant quality of water by mixing Choke Canyon Reservoir releases with Lake Corpus Christi content.

PHASE IV - This phase applies after Choke Canyon Reservoir is filled, water user demand exceeds 200,000 acre-feet annually, and developed long-term supply is less than 300,000 acre-feet annually.

1. A minimum of 2,000 acre-feet per month will be released from Choke Canyon Reservoir to meet conditions of the release agreement between the City of Corpus Christi and the Texas Parks and Wildlife Department.
2. In order to provide maximum dependable yield from the two reservoirs, the water level in Lake Corpus Christi will be allowed to drop top elevation 74.0 feet (Ordinance Changed #022661) before water is released from Choke Canyon Reservoir in excess of the 2,000 acre-feet per month requirement. When the elevation of Choke Canyon Reservoir drops to 155 feet, Lake Corpus Christi will be lowered to its minimum elevation.

LAKE CORPUS CHRISTI-CHOKE CANYON RESERVOIR STATISTICAL DATA

	<u>Capacity, Acre-Feet*</u>	<u>Water Elevation When Full, Feet</u>	<u>Minimum Functional Elevation, Feet</u>
Lake Corpus Christi	272,000	94.0	76.0
Choke Canyon Reservoir	692,000	220.5	147.5

Intake Structure Elevations of Customers Withdrawing Water Directly from Lake Corpus Christi:

	<u>Elevation, Feet</u>
City of Mathis	73.0
Beeville Water Authority	74.0
Alice Water Authority	67.0
City of Corpus Christi	55.0

Annual Lake Corpus Christi Withdrawals:

<u>Fiscal Year</u>	<u>Total Withdrawn From Lake, Acre-Feet</u>
1975-76 . . . . .	86,416
1976-77 . . . . .	86,408
1977-78 . . . . .	101,596
1978-79 . . . . .	96,029
1979-80 . . . . .	106,851
1980-81 . . . . .	104,657
1981-82 . . . . .	107,002
1982-83 . . . . .	107,348
1983-84 . . . . .	119,701
1984-85 . . . . .	90,226
1985-86 . . . . .	105,469

\* 1 acre-foot = 325,850 gallons



**Ordinance amending City Code of Ordinances, Chapter 55, Article XII Water Resource Management, regarding water resource management including drought restrictions, providing an effective date; and providing for penalties.**

Section 1. The Corpus Christi Code of Ordinances, Chapter 55, Utilities, Article XII Water Resource Management is amended and replaced with the following sections to read as follows:

**ARTICLE XII WATER RESOURCE MANAGEMENT**

**Sec. 55-150 Scope, purpose, and authorization, and definitions**

(a) *Scope.* There is hereby established a City of Corpus Christi Water Conservation Plan and Drought Contingency Plan. The City of Corpus Christi Water Conservation Plan and Drought Contingency Plan 2013, dated May 28, 2013, a true copy of which is on file in the office of the city secretary, is adopted, and shall be followed in matters concerning water conservation, drought management, and water supply enhancement programs.

(b) *Declaration of policy.*

(1) It is hereby declared that the general welfare requires that the water resources available to the city be put to the maximum beneficial use to the extent to which they are capable, and that the waste or unreasonable use, or unreasonable method of use of water be prevented, and the conservation of such water is to be extended with a view to the reasonable and beneficial use thereof in the interests of the people of the area served by the city's water resources and for the public welfare.

(2) In making decisions under this article concerning the allocation of water between conflicting interests, highest priority will be given to allocation necessary to support human life and health; i.e., the minimum amount of water necessary for drinking, prevention of disease, and the like. Second highest priority will be given to allocations which will result in the least loss of employment to persons whose income is essential to their families.

(c) *Authorization.* The city manager, or his designee, upon the recommendation of the assistant city manager, public works and utilities, is hereby authorized and directed to implement the applicable provisions of this article upon their determination that such implementation is

necessary to protect the public welfare and safety.

029946

(d) Definitions. The following terms used in this Article are defined as follows:

(1) ~~In this Article,~~ "City Manager" means the City Manager or the City Manager's designee.

(2) "Drip irrigation" means an irrigation system that applies water at a controlled low-flow levels directly to the soil.

(3) "Fountain" means an artificially created jet or stream of water; a structure, often decorative, from which a jet or stream of water issues.

(4) "Industrial customers use of water for processing" means the use of water in processes designed to convert materials of lower value into forms having greater usability.

(5) "Non-essential purpose" means water uses that are not essential or not required for the protection of public health, safety and welfare.

**Sec. 55-151 Water Conservation Measures at All Times.**

(a) The following measures are year-round water conservation best management practices that are in effect at all times, regardless of the reservoir levels or drought contingency levels.

(1) **Prohibition on wasting water:** Actions leading to wasting of water are prohibited and will be enforced. No person shall:

- a. Allow water to run off property into gutters or streets.
- b. Permit or maintain defective plumbing in a home, business establishment or any location where water is used on the premises. Defective plumbing includes out-of-repair water closets, underground leaks, defective or leaking faucets and taps.
- c. Allow water to flow constantly through a tap, hydrant, valve, or otherwise by any use of water connected to the City water system.
- d. Use any non-recycling decorative water fountain.
- e. Allow irrigation heads or sprinklers to spray directly on paved surfaces such as driveways, parking lots, and sidewalks in public right-of-ways.
- f. Operate an irrigation system at water pressure higher than recommended, causing heads to mist, or to operate with broken heads.

(2) **Time of Irrigation:** Irrigation by spray or sprinklers is prohibited between the hours of 10:00 AM and 6:00 PM. It is still permissible to water by hand or by drip irrigation at any time of day, unless the City enters Stage 4 Drought. However, the use of water is permitted at any hour for short periods of time for testing related to the installation, maintenance, and repair of sprinkler systems.

(3) **Restaurant Water Saving:** Commercial dining facilities must only serve water upon request.

**Sec. 55-152 Drought Management: Drought Contingency Stages.**

- (a) The level of drought severity determines the extent of potential water use restrictions that shall be implemented. Following are the levels of drought in the form of Stages:
1. Stage 1: Mild water shortage condition
  2. Stage 2: Moderate water shortage condition
  3. Stage 3: Severe water shortage condition
  4. Stage 4: Critical water shortage condition
  5. Stage 5: Emergency water shortage condition

**(b) Criteria for Initiation and Termination of Drought Response Stages**

- (1) The City Manager, or designee, shall monitor water supply and/or demand conditions on a weekly basis and shall determine when conditions warrant initiation or termination of each stage, that is, when the specified “triggers” are reached. However, the City Manager, in the exercise of the City Manager’s discretion, may initiate or terminate any stage when the City Manager deems necessary at any particular time.
- (2) The triggering criterion to be monitored for determining drought response stages is (1) the combined reservoir storage levels of Choke Canyon Reservoir and Lake Corpus Christi or (2), in the alternative for Stage 1, Lake Texana’s level.
- (3) Whenever any of the stages listed below are triggered, the City Manager shall publish a public notice of the particular stage, in the daily newspaper of general circulation in Nueces County.
- (4) To the extent of City’s legal authority, the City Manager shall require the City’s raw water and wholesale treated water customers to issue public notice advising their water customers of conservation and drought management activities consistent with the stages listed below.

**(c) The triggering criteria are as follows:**

**(1) Stage 1 – Mild Water Shortage Condition**

Requirements for initiation – The combined storage level of Choke Canyon Reservoir and Lake Corpus Christi declines below 50 percent or Lake Texana storage level declines below 40%.

Requirement for termination – Stage 1 of the Plan may be rescinded when the combined storage level of Choke Canyon Reservoir and Lake Corpus Christi increases above 60 percent or Lake Texana storage level increases above 50%.

Either of these conditions must exist for a period of 15 consecutive days before termination of Stage 1.

**(2) Stage 2 – Moderate Water Shortage Condition**

Requirements for initiation – The combined storage level for Choke Canyon Reservoir and Lake Corpus Christi declines to below 40 percent.

Requirement for termination – Stage 2 of the Plan may be rescinded when the combined storage level increases above 50 percent for a period of 15 consecutive days. Upon termination of Stage 2, Stage 1 becomes operative.

**(3) Stage 3 – Severe Water Shortage Condition**

Requirements for initiation – The combined storage levels declines to below 30 percent.

Requirement for termination – Stage 3 of the Plan may be rescinded when the combined storage level increases above 40 percent for a period of 15 consecutive days. Upon termination of Stage 3, Stage 2 becomes operative.

**(4) Stage 4 – Critical Water Shortage Condition**

Requirements for initiation – The combined storage levels of Choke Canyon Reservoir and Lake Corpus Christi declines to below 20 percent.

Requirement for termination – Stage 4 of the Plan may be rescinded when the combined storage level increases above 30 percent for a period of 15 consecutive days. Upon termination of Stage 4, Stage 3 becomes operative.

**(5) Stage 5 – Emergency Water Shortage Condition**

Requirements for initiation – When the City Manager, or designee, determines that a water supply emergency exists based on:

- A major water line breaks, or pump or system failures occur, which causes unprecedented loss of capability to provide water service; or
- Water production or distribution system limitations; or
- Natural or man-made contamination of the water supply source occurs.

Requirement for termination – The emergency water shortage condition may be rescinded when the City Manager, or designee, deems appropriate.

**Sec. 55-153. Drought Management: Drought Best Management Practices Per Stage**

(a) In order to achieve water use reduction during drought, a series of best management practices will be enacted and enforced at each stage of a drought. These best management practices (BMP) are listed below by stage. During Stages 2, 3, and 4, requests for exceptions may be presented to the Director of Water Operations or his designee.

(b) **Stage 1 Response – MILD Water Shortage Conditions**

(1) Target: Achieve a *voluntary* 5% reduction in daily treated water demand relative to treated water demand with the water use restrictions below.

(2) Best Management Practices for Supply Management:

The City will enact voluntary measures to reduce or discontinue the flushing of water mains if practicable and utilize reclaimed water for non-potable uses to the greatest extent possible.

(3) Water Use Restrictions for Reducing Demand

a. Water customers are requested to voluntarily limit the irrigation of landscaped areas to **once per week**. The watering schedule will be determined by the City Manager or designee.

b. All operations of the City of Corpus Christi shall adhere to water use restrictions prescribed for Stage 2 of the Plan.

c. Water customers are requested to practice water conservation and to minimize or discontinue water use for non-essential purposes.

(c) **Stage 2 Response – MODERATE Water Shortage Conditions**

(1) Target: During Stage 2, achieve a 10% reduction in daily treated water demand relative to treated water demand with the water use restrictions below.

(2) Best Management Practices for Supply Management:

In addition to the best management practices for supply management listed under Stage 1, the City will also do the following during Stage 2:

a. Use more repair crews if necessary to allow for a quicker response time for water-line leak repair; and

b. City crews (Water and other departments) begin monitoring customers' compliance with Stage 2 restrictions during the course of their daily rounds.

(3) The following water use restrictions shall apply to all persons during Stage 2:

- a. Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to **once per week**. The watering schedule will be determined by the City Manager or designee. Customers will be made aware of their designated watering day in accordance with Drought Contingency Plan.

However, irrigation of landscaped areas is permitted on any day if it is by means of a hand-held hose (with positive shutoff nozzle), a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system with a positive shutoff device. Exceptions for this restriction may be permitted, upon review and approval by the Director of Water Operations or his designee for the following uses: new plantings (for up to 60 days), vegetable gardens, athletic playing fields, and botanical gardens. In addition, this restriction does not apply to customers irrigating with well water or an aerobic septic system. Customers irrigating with well water or an aerobic septic system must apply for a permit from the City Water Department to be prominently posted on the premises within two (2) feet of the street number located on the premises.

- b. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days. However, washing of boats and/or flushing of boat motors is permitted upon immediate exit of water body. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rinses. Vehicle washing may be done at any time on the immediate premises of a commercial car wash. Further, such washing may be exempted from these regulations upon review and approval by the Director of Water Operations or his designee if the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
- c. Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or Jacuzzi-type pools is prohibited except on designated watering days.
- d. ~~Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life.~~ All residential fountains and indoor commercial fountains are permitted to operate. Outdoor commercial fountains can operate but must have a variance permit, obtained through the process in Section 55-155.

- e. Use of water from hydrants shall be limited to fire fighting, related activities, or other activities necessary to maintain public health, safety, and welfare, except that use of water from designated fire hydrants for construction purposes may be allowed under special permit from the City of Corpus Christi Water Department.
- f. Use of water for the irrigation of golf course greens, tees, and fairways is prohibited except on designated watering days. However, if the golf course utilizes a water source other than that provided through City of Corpus Christi Water Department infrastructure, the facility shall not be subject to these regulations.
- g. ~~The use of water to maintain integrity of building foundations is limited to designated watering days and is only permitted by use of hand-held hose or drip irrigation.~~ The use of water to maintain integrity of building foundations is permitted on any day at any time only by use of hand-held hose or drip irrigation.
- h. Except for immediate fire protection or flushing of water lines, the use of water from a hydrant is only allowed with a permit granted by the Director of Water Operation or his designee and a construction meter obtained from the Utility Business Office.
- i. The following uses of water are defined as non-essential and are prohibited:
  - 1) Wash-down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas, except if it is in the interest of public health and safety.
  - 2) Use of water to wash down buildings or structures for purposes other than immediate fire protection without permit granted by the Director of Water Operations or his designee.
  - 3) ~~Use of water for dust control without permit granted by the Director of Water Operations or his designee.~~

(d) **Stage 3 Response – SEVERE Water Shortage Conditions**

- (1) Target: During Stage 3, achieve a 15% reduction in total daily treated water demand relative to treated water demand with the water use restrictions below.

(2) Best Management Practices for Supply Management:

In addition to the best management practices for supply management listed under Stage 2, the City will also do the following during Stage 3:

- a. Eliminate the flushing of water mains unless required for decontamination and/or public safety; and
- b. Review customers' water usage for compliance based on the previous month's water use and notify violators verbally or in writing as the situation dictates.

(3) Water Use Restrictions for Demand Reduction:

All requirements of Stage 2 shall remain in effect during Stage 3 except as modified below:

- a. Irrigation of landscaped areas shall be **limited to once every other week**. The watering schedule will be determined by the City Manager or designee. Customers will be made aware of their designated watering day. However, irrigation of landscaped areas is permitted on any day if it is by means of a hand-held hose (with positive shutoff nozzle), a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system with a positive shutoff device. Exceptions for this restriction may be permitted, upon review and approval by the Director of Water Operations or his designee, for the following uses: new plantings (for up to 60 days), vegetable gardens, athletic playing fields, and botanical gardens. In addition, this restriction does not apply to customers irrigating with well water or an aerobic septic system. Customers irrigating with well water or an aerobic septic system shall still apply for a permit from the City Water Department to be prominently posted on the premises within two (2) feet of the street number located on the premises.
- b. The watering of golf course fairways with potable water is prohibited. The watering of greens and tees are limited to once every other week unless the golf course utilizes a water source other than that provided through City of Corpus Christi Water Department infrastructure or done by means of hand-held hoses, hand-held buckets, or drip irrigation.
- c. All residential fountains and indoor commercial fountains are permitted to operate. Outdoor commercial fountains can operate but must have a



variance permit, obtained through the process in Section 55-155, and shall only operate to circulate water in order to maintain equipment.

(4) During Stage 3, the following measures are optional water use restrictions that may be implemented by the City Manager, or designee, with City Council approval, as conditions warrant:

- ~~a. The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued.~~
- b. a. For residential and multi-unit customers, a drought surcharge of up to and including 100% of the total monthly water bill over the monthly allocation may be added to the customers' bill to deter discretionary water use.

(e) **Stage 4 Response – CRITICAL Water Shortage Conditions**

(1) Target: During Stage 4, achieve a 30% or greater reduction in daily treated water demand relative to treated water demand with the water use restrictions below. An additional surcharge will be added to each utility bill during Stage 4 water shortage conditions to discourage discretionary water use, as described in Section 55-154 for retail customers and Section 55-159 for wholesale customers.

(2) Best Management Practices for Supply Management:

In addition to the best management practices for supply management listed under Stage 3, the City will also do the following during Stage 4:

- Upon written notice, disconnect the water meters of willful violators if absolutely necessary to prevent the deliberate wasting of water.

(3) Water Use Restrictions for Demand Reduction:

All requirements of Stage 2 and 3 shall remain in effect during Stage 4 except as modified below:

- a) Irrigation of landscaped areas shall be **prohibited at all times.**
- b) Use of water to wash any motor vehicle, motorbike, boat, trailer, or other vehicle not occurring on the premises of a commercial car wash and not in the immediate interest of public health, safety, and welfare is prohibited.

- c) The filling, refilling, or adding of water to swimming pools, wading pools, and jacuzzi-type pools, and water parks (unless utilizing water from a non-city alternative source) is prohibited.
- d) The use of water to maintain the integrity of a building foundation is still permitted on the designated Stage 3 watering day and shall be done by hand or drip irrigation method.
- e) All fountains shall only operate to circulate water in order to maintain equipment.
- f) The use of water for construction purposes from designated fire hydrants with a special permit will continue with a 10% surcharge added to the water rate.

(4) During Stage 4, the following measures are optional water use restrictions that may be implemented by the City Manager, or designee, with City Council approval, as conditions warrant:

- a) No application for new, additional, expanded, or increased-in-size water service connections, meters, service lines, pipeline extensions, mains, or water service facilities of any kind shall be approved, and time limits for approval of such applications are hereby suspended for such time as this drought response stage shall be in effect.
- b) For residential and multi-unit customers, a drought surcharge of up to and including 100% of the total monthly water bill over the monthly allocation may be added to the customers' bill to deter discretionary water use.

**(f) Stage 5 Response – EMERGENCY Water Shortage Conditions**

(1) Target: During Stage 5, achieve a 50% or greater reduction in daily treated water demand relative to treated water demand with the below water use restrictions. Surcharges and reduced allocations are enforceable during Stage 5 water shortage conditions, as described in Section 55-154.

During emergency conditions such as system outage, supply source contamination, or supply sources draining empty, alternative water sources and/or alternative delivery mechanisms may be necessary with prior approval of the City Manager. For emergency water shortage conditions associated with contamination of Nueces Basin stored supplies, the City, under the City Manager's direction, will cease pumping from the Nueces River and will contact

the LNRA to identify additional, temporary water that may be available from Lake Texana on a short-term basis to meet essential water needs. For emergency water shortage conditions associated with contamination of Lake Texana supplies, the City, under the City Manager's direction, will cease pumping from the Mary Rhodes Pipeline.

(2) **Best Management Practices for Supply Management:**

In addition to the best management practices for supply management listed under Stage 4, the City will also do the following:

- Call the 10 largest water customers in the area affected by the emergency condition, and if necessary, use runners in key areas to begin spreading the message of a major outage.

(3) **Water Use Restrictions for Demand Reduction:**

During Stage 5, all requirements of Stage 2, 3, and 4 shall remain in effect except as modified below:

- a) Irrigation of landscaped areas is absolutely prohibited.
- b) Use of water to wash any motor vehicle, motorbike, boat, trailer, or other vehicle is absolutely prohibited.
- c) Associated uses of water not related to business process which are discretionary, such as equipment washing, shall be deferred until the Stage 5 emergency has been terminated.

(4) During Stage 5, the following measures are optional water use restrictions that may be implemented by the City Manager, or designee, with City Council approval, as conditions warrant:

For residential and multi-unit customers, a drought surcharge of up to and including 100% of the total monthly water bill over the monthly allocation may be added to the customers' bill to deter discretionary water use.

**Sec. 55-154. Surcharges for Drought Stages 3, 4 – 5 and Service Measures**

(a) **General**

- (1) The surcharges established herein are solely intended to regulate and deter the use of water during a period of serious drought in order to achieve necessary water conservation. The City Council expressly finds that the drought poses a serious and immediate threat to the public and economic health and general welfare of this community, and that the surcharges and other measures adopted herein are essential to protect said public health and welfare.
  - (2) This section, and the surcharges and measures adopted herein are an exercise of the City's regulatory and police power, and the surcharges and connection fees are conservation rates intended to meet fixed costs as a result of lost revenue.
  - (3) With City Council approval, the City Manager or designee is authorized to determine trigger points and surcharges during Stages 3, 4 and 5 Emergency Water Shortage conditions.
  - (4) In this section, institutional customer means city utility customer which operates as a not-for-profit entity.
  - (5) A customer may appeal an allocation or drought surcharge triggering point established under this Section to the Director of Water Operations or his designee on grounds of unnecessary hardship through the process outlined in Section 55-155.
  - (6) Drought surcharge funds will first be applied towards annual debt service payments and operating and maintenance expenses of the Water Department as reflected in the City operating budget to offset revenue loss due to drought conditions. Additional funds will be reported to City Council for City Council direction.
- (b) *Residential water customers, who are not billed through a master water meter.*
1. A monthly base amount of 3,000 gallons shall be established as a trigger point for each customer. Water consumption up to and including this amount will not include a drought surcharge.
  2. Above the 3,000 gallon monthly consumption trigger point, with City Council approval, a drought surcharge shall be added up to and including 100% of the customer's total monthly water bill over the allocation.
- (c) Residential customers who are billed from a master water meter.
1. Once Stage 2 condition has been declared, property managers of multi-tenant units shall notify the City Director of Water Operations of number of residential units in their facility for determination of allocations. Until so notified, the City shall calculate the allocation based on two residential units per master water meter. A monthly base amount of 3,000 gallons shall be established as a trigger point for each residential unit.

2. When consumption for the month is less than or equal to 3,000 gallons times the number of residential units, there will be no surcharge.
3. With City Council approval, when consumption is above the 3,000 gallons times the number of units, a drought surcharge shall be added up to and including 100% of the customer's total monthly water bill over the allocation.

*(d) Commercial or institutional customer*

(1) A monthly water usage allocation shall be established by the City Manager or designee for each commercial or institutional customer.

(2) Method of establishing allocation:

- a. When the combined reservoir capacity is less than 20% of total capacity (Stage 4), the commercial or institutional customer's allocation shall be 90 percent of the customer's usage for the corresponding month's billing period during the previous 12 months prior to the implementation of Stage 2 condition.
- b. If the customer's billing history is shorter than 12 months, the monthly average for the period for which there is a record shall be used for any monthly period for which no history exists.
- c. Provided, however, a customer, 90 percent of whose monthly usage is less than 6,000 gallons, shall be allocated 6,000 gallons.
- d. The City Manager shall give best effort to see that notice of each commercial or institutional customer's allocation is mailed to such customer.
- e. If, however, the customer does not receive such notice, it shall be the customer's responsibility to contact the City' Utilities Billing Office to determine the allocation, and the allocation shall be fully effective notwithstanding lack of receipt of written notice.
- f. Upon request of the customer or at the initiative of the City Manager, the allocation may be reduced or increased by the City Manager,
  1. if one nonresidential customer agrees to transfer part of its allocation to another nonresidential customer, or
  2. if other objective evidence demonstrates that the designated allocation is inaccurate under present conditions.

*(e) Industrial customers, who use water for processing.*

- (1) A monthly water usage allocation shall be established by the City Manager or designee for each an industrial customer, which uses water for processing (e.g., an industrial customer).
- (2) Method of establishing allocation.
  - a. When the combined reservoir capacity of Choke Canyon Reservoir and Lake Corpus Christi is less than 20% of total capacity (Stage 4), the industrial customer allocation shall be 90 percent of the customer's usage for the corresponding month's billing period during the previous 12 months prior to the implementation of Stage 2 condition.
  - b. If the customer's billing history is shorter than 12 months, the monthly allocation shall be 1/12 of 90% of the customer's maximum annual contracted amount until 12 months of billing history are established. However if the industrial customer does not have a water contract and does not have at least 12 months of billing history, then the new industrial customer will provide data regarding expected water use and City will determine allocation based on 90% of expected use to determine initial allocation until 12 months of billing history are established.
  - c. The City Manager shall give his best effort to see that notice of each industrial customer's allocation is mailed to such customer.
  - d. If, however, the industrial customer does not receive such notice, it shall be the customer's responsibility to contact the City Utilities Billing Office to determine the allocation, and the allocation shall be fully effective notwithstanding lack of receipt of written notice.
  - e. Upon request of the industrial customer or at the initiative of the City Manager, the allocation may be reduced or increased by the City Manager, if:
    1. The designated period does not accurately reflect the customer's normal water usage because customer had to shut down a major processing unit for overhaul during the period.
    2. The customer has added or is in the process of adding significant additional processing capacity.
    3. The customer has shut down or significantly reduced the production of a major processing unit.

4. The customer has previously implemented significant permanent water conservation measures.
5. The customer agrees to transfer part of its allocation to another industrial customer.
6. Other objective evidence demonstrates that the designated allocation is inaccurate under present conditions.

*(f) Commercial, institutional, and industrial customers shall pay the following drought surcharges:*

(1) Customers whose allocation is 6,000 gallons through 20,000 gallons per month:

- a. \$5.00 per 1,000 gallons for the first 1,000 gallons over allocation.
- b. \$8.00 per 1,000 gallons for the second 1,000 gallons over allocation.
- c. \$16.00 per 1,000 gallons for the third 1,000 gallons over allocation.
- d. \$40.00 for each additional 1,000 gallons over allocation.

(2) Customers whose allocation is 21,000 gallons per month or more:

- a. One times the block rate for each 1,000 gallons in excess of the allocation up through 5 percent above allocation.
- b. Three times the block rate for each 1,000 gallons from 5 percent through 10 percent above allocation.
- c. Five times the block rate for each 1,000 gallons from 10 percent through 15 percent above allocation.
- d. Ten times the block rate for each 1,000 gallons more than 15 percent above allocation.
- e. The surcharges shall be cumulative.
- f. As used herein, "block rate" means the charge to the customer per 1,000 gallons at the regular water rate schedule at the level of the customer's allocation.

*(g) Nonresidential customer is billed from a master meter.*

(1) When a nonresidential customer is billed from a master meter which jointly measures water to multiple residential dwelling units (for example: apartments, mobile homes), the customer may pass along any surcharges assessed under this plan to the tenants or occupants, provided that:

- a. The customer notifies each tenant in writing:
    1. That the surcharge will be passed along.
    2. How the surcharge will be apportioned.
    3. That the landlord must be notified immediately of any plumbing leaks.
    4. Methods to conserve water (which shall be obtained from the City).
  - b. The customer diligently maintains the plumbing system to prevent leaks.
  - c. The customer installs water saving devices and measures (ideas for which are available from the City) to the extent reasonable and practical under the circumstances.
- (h) For residential customers, the following measures come into effect after City Council approves a drought rate surcharge; for non-residential customers, these measures come into effect at Stage 4. Water service to the customer may be terminated under the following conditions:
- (1) Monthly residential water usage exceeds ~~allocation~~ trigger point by 4,000 gallons or more two or more times (which need not be consecutive months).
  - (2) Monthly water usage on a master meter which jointly measures water usage to multiple residential dwelling units exceeds ~~allocation~~ trigger point by 4,000 gallons times the number of dwelling units or more two or more times (which need not be consecutive months).
  - (3) Monthly nonresidential water usage for a customer whose allocation is 6,000 gallons through 20,000 gallons exceeds its allocation by 7,000 gallons or more two or more times (which need not be consecutive months).
  - (4) Monthly nonresidential water usage for a customer whose allocation is 21,000 gallons or more exceeds its allocation by 15 percent or more two or more times (which need not be consecutive months).
  - (5) For residential customers and nonresidential customers ~~whose allocation does not exceed 20,000 gallons~~, after the first disconnection, water service shall be restored upon request for a fee of \$50.
  - (6) For such customers, after the second disconnection, water service shall be restored within 24 hours of the request for a fee of \$500.
  - (7) If water service is disconnected a third time for such customer, water service shall not be restored until the City re-enters a level of water conservation less than Stage 3. For master meter customers, the service restoration fees shall be the same as above times the number of dwelling units.



~~(8) For nonresidential customers whose allocation is 21,000 gallons per month or more:~~

~~a. After the first disconnection, water service shall be restored upon request for a fee in the amount of "X" in the following formula:~~

$$\del X = \$ 50 \times \text{Customer's Allocation in gallons} / 20,000 \text{ gallons}$$

~~b. After the second disconnection for said customers, water service shall be restored within 24 hours of the request for a fee of 10 times "X".~~

~~c. If water service is disconnected a third time for such customer, water service shall not be restored until the City re enters a level of water conservation less than Stage 3.~~

~~d. (8) The City Manager is directed to institute written guidelines for disconnection of water service under this provision, which will satisfy minimum due process requirements, if any.~~

(i) It shall be a defense to imposition of a surcharge hereunder, or to termination of service, that water used over allocation resulted from loss of water through no fault of the customer (for example, a major water line break) for the following conditions:

1. The customer shall have the burden to prove such defense by objective evidence (for example, a written certification of the circumstances by a plumber).
2. A sworn statement may be required of the customer.
3. This defense shall not apply if the customer failed to take reasonable steps for upkeep of the plumbing system, failed to reasonably inspect the system and discover the leak, failed to take immediate steps to correct the leak after discovered, or was in any other way negligent in causing or permitting the loss of water.

(j) When this section refers to allocation or water usage periods as "month," monthly," "billing period," and the like, such references shall mean the period in the City's ordinary billing cycle which commences with the reading of a meter one month and commences with the next reading of that meter which is usually the next month.

- (1) The goal for the length of such period is 30 days, but a variance of two days, more or less, will necessarily exist as to particular meters.
- (2) If the meter reader system is prevented from timely reading a meter by any obstacle which is attributable to the customer, the original allocation shall apply to the longer period without modification.

**Sec. 55-155. Requests for exemptions and variances.**

(a) The Director of Water Operations or his designee, may, in writing, grant a temporary variance to any of the provisions for water users found in this Article XII upon determination that failure to grant such variance would cause an emergency condition adversely affecting the public health, sanitation, or fire protection for the public or person requesting such a variance.

(b) A person requesting an exemption or variance from the provisions of this Ordinance shall file request on City-provided application for exemption/variance with the City Water Department within 5 days after a particular drought response stage has been invoked. All request forms shall be reviewed by the Director of Water Operations or his designee, and shall include the following:

1. Name and address of the water user(s).
2. Purpose of water use.
3. Specific provision(s) of the Ordinance from which the water user is requesting relief.
4. Detailed statement as to how the specific provision of the Ordinance adversely affects the water user or what damage or harm will occur to the water user or others if water user complies with this Plan.
5. Description of the exemption or variance requested
6. Period of time for which the exemption or variance is sought.
7. Alternative water use restrictions or other measures the water user is taking or proposes to take to meet the intent of this Plan and the compliance date.
8. Other pertinent information; or as required on permit application

( c) No exemption nor variance shall be retroactive or otherwise justify any violation of this ordinance occurring prior to the issuance of the exemption/variance.

(d) All requests for variances/exemptions shall be reviewed and determined within three business days of receipt of complete application.

(e) The Director of Water Operations or his designee shall consider requests of water users for special consideration to be given as to their respective particular circumstances and is hereby authorized to, in special cases, grant such variance from the terms of this plan if such compliance would cause an emergency condition adversely affecting the public health, sanitation, or fire protection for the public or person requesting such a variance as will not be contrary to the public interest, where, owing to special conditions, a literal enforcement of the provisions of this plan will result in unnecessary hardship, and so that the spirit of this plan shall be observed and substantial justice done.

(f) Should a permit for special exception be granted, it shall be in effect from the time of granting through the termination of the then current stage, unless revoked by the Director of Water Operations for noncompliance; provided, that the permit is prominently posted on the premises within two (2) feet of the street number located on the premises.

(g) A person denied request for permit or exception from these rules may appeal the decision to the Assistant City Manager for Public Works, Utilities and Transportation by submitting written request for appeal to the Assistant City Manager within five business days from issuance of denial. The decision of the Assistant City Manager shall be final.

(h) Violations of any permit condition may be enforced under Section 55-156.

**Sec. 55-156 Violations, penalties, and Enforcement**

(a) A violation under this article is a Class C misdemeanor. Any person that violates any provision of this article shall be subject to a fine of not more than five hundred dollars (\$500.00) per violation per day. The culpable mental state required by Section 6.02 of the Texas Penal Code is specifically negated and dispensed with and a violation of this article is a strict liability offense.

(b) The commission of a violation of each provision, and each separate violation thereof, shall be deemed a separate offense, in and upon conviction thereof, shall be fined as hereinabove provided.

(c) If any person or a second person in the same household or premises, is found guilty of a second violation of this article, the water superintendent shall be authorized to discontinue water service to the premises where such violation occurs.

(d) Cases filed under this section shall be expedited and given preferential setting in municipal court before all other cases.

(e) Any person whose name is on file with the utilities billing office as the customer on the water account for the property where the violation occurs or originates shall be presumed to be the violator, and proof that the violation occurred on said premises shall constitute prima facie evidence that the customer committed the violation, but said customer shall have the right to show that he did not commit the violation.

(f) If any person fails to respond to a citation or summons issued for a violation of this article within the time allowed, upon receipt of notice from the director or a judge of the municipal courts, the water superintendent is authorized to discontinue water service to the premises where such violation occurs.

**Sec. 55-157 Effluent distribution: permit and regulations**

\* \* \* \* \*

**Sec. 55-158. - Operations plan for reservoir system.**

To maximize the amount of water reliably available to the city and its water customers, the city manager shall operate the Lake Corpus Christi/Choke Canyon Reservoir System as follows:

- (1) A minimum of two thousand (2,000) acre-feet per month will be released from Choke Canyon Reservoir to meet conditions of the release agreement between the City of Corpus Christi and the Texas Parks and Wildlife Department.
- (2) In order to provide maximum dependable yield from the two (2) reservoirs, the water level in Lake Corpus Christi will be allowed to drop to elevation seventy-four (74) feet before water is released from Choke Canyon Reservoir in excess of the two thousand (2,000) acre-feet per month requirement.
- (3) Under the Agreed Order of the Texas Natural Resource Conservation Commission under Certificate of Adjudication No. 21-3214, City shall (1) reduce targeted inflows of water to Nueces Bay to 1200 acre feet when reservoir system storage falls below forty (40) per cent of capacity, and (2) suspend targeted inflows when reservoir system storage falls below thirty (30) per cent of capacity.

**Sec. 55-159. Procedures for allocating water to raw water and wholesale treated water customers on a pro rata basis during a water shortage.**

(a) In the event that the triggering criterion specified in Section 55-152 for Stage 3 have been met, the City Manager, or designee, is hereby authorized to initiate allocation preparations of water supplies on a pro rata basis to raw water and wholesale treated water customers in accordance with Texas Water Code §11.039.

(1)A raw water or wholesale treated water customer's monthly allocation shall be a percentage of the customer's water usage baseline. The percentage will be set by resolution of the city council based on the city manager's assessment of the severity of the water shortage condition and the need to curtail water diversions and deliveries, and may be adjusted periodically by resolution of the city council as conditions warrant. Once pro rata allocation is in effect, water diversions by or deliveries to each raw water or wholesale treated water customer shall be limited to the allocation established for each month.

(2)A monthly water usage allocation shall be established by the City Manager, or the City Manager's designee, for each raw water or wholesale treated water customer. The raw water or wholesale treated water customer's water usage baseline will be computed on the average water usage by month for the previous five-year period. If the raw water or wholesale treated water customer's billing history is less than five (5) years, the monthly average for the period for which there is a record shall be used for any monthly period for

which no billing history exists.

(3) The City Manager shall provide notice, by certified mail, to each raw water or wholesale treated water customer informing them of their monthly water usage allocations and shall notify the news media and the Executive Director of the Texas Commission on Environmental Quality upon initiation of pro rata water allocation.

(4) Upon request of the raw water or wholesale treated water customer or at the initiative of the City Manager, the allocation may be reduced or increased if:

- a. The designated period does not accurately reflect the raw water or wholesale treated water customer's normal water usage;
- b. The customer agrees to transfer part of its allocation to another raw water or wholesale treated water customer; or
- c. Other objective evidence demonstrates that the designated allocation is inaccurate under present conditions. A customer may appeal an allocation established under this section to the City Council of the City of Corpus Christi.

(b) **Pro Rata Surcharges and Enforcement**

(1) During any period when pro rata allocation of available water supplies is in effect, wholesale customers shall pay the following surcharges on excess water diversions:

- a. 2.0 times the normal water charge per unit for water diversions and/or deliveries in excess of the monthly allocation up through 5 percent above the monthly allocation.
- b. 2.5 times the normal water charge per unit for water diversions and/or deliveries in excess of the monthly allocation from 5 percent through 10 percent above the monthly allocation.
- c. 3.0 times the normal water charge per unit for water diversions and/or deliveries in excess of the monthly allocation from 10 percent through 15 percent above the monthly allocation.
- d. 3.5 times the normal water charge per unit for water diversions and/or deliveries more than 15 percent above the monthly allocation.

(c) *Variances.*

(1) The city manager, or the City Manager's designee, may, in writing, grant a temporary variance to the pro rata water allocation policies provided by this section if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the public health, welfare, or safety, and if one (1) or more of the following conditions are met:

- a. Compliance cannot be technically accomplished during the duration of the water supply shortage or other condition for which the plan is in effect.

- b. Alternative methods can be implemented which will achieve the same level of reduction in water use.
- (2) Raw water or wholesale treated water customers requesting an exemption from the provisions of this section shall file a petition for variance with the City Manager within five (5) days after pro rata allocation has been invoked.
- (3) All petitions for variances shall be reviewed by the City Council, and shall include the following:
- a. Name and address of the petitioner(s).
  - b. Detailed statement with supporting data and information as to how the pro rata allocation of water under the policies and procedures established in this section adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this section.
  - c. Description of the relief requested.
  - d. Period of time for which the variance is sought.
  - e. Alternative measures the petitioner is taking or proposes to take to meet the intent of this section and the compliance date.
  - f. Other pertinent information.
- (4) Variances granted by the City Council shall be subject to the following conditions, unless waived or modified by the City Council.
- a. Variances granted shall include a timetable for compliance.
  - b. Variances granted shall expire when the pro-rata allocation of water to raw water or wholesale treated water customers is no longer in effect, unless the petitioner has failed to meet specified requirements.
  - c. No variance shall be retroactive or otherwise justify any violation of this section occurring prior to the issuance of the variance.
- (d) *Contractual remedies not affected.* Nothing in this section supersedes any remedies available to the City under any contract with a raw water or wholesale treated water customer due to the customer's failure to adopt or impose water conservation measures required by the contract.

**Section 2.** Publication shall be made in the official publication of the City of Corpus Christi as required by the City Charter of the City of Corpus Christi. This ordinance takes effect on publication.

**Section 3. Severability**

It is hereby declared to be the intention of the City that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph, or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such declaration shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance, since the same would not have been enacted by the City without the incorporation into this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph, or section.

**Section 4.**

The change in law made by this Ordinance applies only to an offense committed on or after the effective date of this Ordinance. An offense committed before the effective date of this Ordinance is governed by the Ordinance in effect when the offense was committed, and the former Ordinance is continued in effect for that purpose. For purposes of this section, an offense was committed before the effective date of this Ordinance if any element of the offense occurred before that date.

That the foregoing ordinance was read for the first time and passed to its second reading on this the 21<sup>st</sup> day of August, 2013 by the following vote:

Nelda Martinez	<u>Aye</u>	Chad Magill	<u>Aye</u>
Kelley Allen	<u>Aye</u>	Colleen McIntyre	<u>Aye</u>
Rudy Garza	<u>Aye</u>	Lillian Riojas	<u>Aye</u>
Priscilla Leal	<u>Aye</u>	Mark Scott	<u>Aye</u>
David Loeb	<u>Aye</u>		

That the foregoing ordinance was read for the second time and passed finally on this the 10<sup>th</sup> day of September 2013 by the following vote:

Nelda Martinez	<u>Aye</u>	Chad Magill	<u>Aye</u>
Kelley Allen	<u>Aye</u>	Colleen McIntyre	<u>Aye</u>
Rudy Garza	<u>Aye</u>	Lillian Riojas	<u>Aye</u>
Priscilla Leal	<u>Aye</u>	Mark Scott	<u>Aye</u>
David Loeb	<u>Aye</u>		

PASSED AND APPROVED, this the 10<sup>th</sup> day of September 2013

ATTEST:

Armando Chapa  
Armando Chapa  
City Secretary

Nelda Martinez  
Nelda Martinez  
Mayor

<p><b>EFFECTIVE DATE</b></p> <p><u>9/16/13</u></p>
--



# Retail Water Services

Does the applicant provide retail water services?: Y

If yes, has the applicant already submitted to the TWDB the annual water use survey of groundwater and surface water for the last THREE years?: Y

# Potable Water Services

Is the applicant a retail public utility that provides potable water?: Y

If yes, has the applicant already submitted a most recently required water loss audit to the TWDB?: Y

# Provide Wastewater Services

Does the applicant provide wastewater services?: Y

# Provide Regional or Wholesale Water Services

Does the applicant provide regional or wholesale water services?: Y

List the top TEN customers of the system by annual usage in gallons and percentage of total usage, including whether any are in bankruptcy.

Customer Name	Annual Usage (gal)	Percent of Usage	Bankruptcy (Y/N)
San Patricio Municipal Water District	7,658,117	22.00%	N
City of Alice Water Dept	1,556,911	4.00%	N
Beeville Water Supply District	1,078,363	3.00%	N
South Texas Water Authority	509,150	1.00%	N
NCWCID#4	397,533	1.00%	N
City Mathis	218,029	0.01%	N
Violet Water Supply	83,774	0.00%	N
na	0	0.00%	N
na	0	0.00%	N
na	0	0.00%	N

Comments: FY2016 Usage is in thousand gallons

List the top TEN customers of the system by gross revenues and percent of total revenues, including whether any are in bankruptcy.

Customer Name	Annual Revenue	Percent of Revenue	Bankruptcy (Y/N)
Valero Refining	\$10,328,922	8.00%	N
San Patricio Muncipal Water District	\$8,051,257	6.00%	N
Flint Hills Resources	\$6,919,402	5.00%	N
Citgo Refining & Chemical	\$5,794,720	4.00%	N
Lyondell Basell	\$3,745,923	3.00%	N
Calpine	\$1,777,736	1.00%	Y
Javelina Co.	\$1,647,971	1.00%	N
NAS CC	\$1,547,740	1.00%	N
City of Alice Water Dept	\$1,362,805	1.00%	N
Air Liquide	\$1,242,837	1.00%	N

Provide a summary of the wholesale contracts with customers.

Contract Type	Minimum Annual Amount	Usage Fee Per 1000 Gallons	Annual Operations and Maintenance	Annual Capital Costs	Annual Debt Service	Other
NCWCID#4 treated	\$579,000	\$1.93	\$0	\$0	\$0	\$0
SPMWD untreated	\$0	\$1.02	\$0	\$0	\$0	\$0
SPMWD treated	\$0	\$1.33	\$0	\$0	\$0	\$0
STWA treated	\$0	\$1.33	\$0	\$0	\$0	\$0
Violet treated	\$0	\$1.93	\$0	\$0	\$0	\$0
Beeville untreated	\$0	\$0.85	\$0	\$0	\$0	\$0
Alice untreated	\$107,300	\$0.92	\$0	\$0	\$0	\$0
Mathis untreated	\$0	\$0.92	\$0	\$0	\$0	\$0
Three Rivers untreated	\$0	\$0	\$6,236.1	\$0	\$0	\$0

## Top Ten Customers of Water System

Top Ten Water Customers

Customer Name	Annual Usage (gal)	Percent of Total Water Revenue	Bankruptcy (Y/N)
Valero Refining	3,203,186	8.00%	N
Flint Hills Resources	2,610,848	5.00%	N
Citgo Refining & Chemical	1,720,859	4.00%	N
Lyondell Basell	1,182,194	3.00%	N
Calpine	529,625	1.00%	N
Javelina Co.	319,880	1.00%	N
Utility Processing SE_17_FW_5	305,866	1.00%	N
Air Liquide	305,595	1.00%	N
NCWCID#4	397,533	1.00%	N
CC Housing Authority	151,322	1.00%	N

Top Ten Water System Customers Comments: Use is in 1000 Gallons

Current average Residential Usage and Rate Information

Service	Date of Last Rate Increase	Avg. Monthly Usage (gallons)	Avg. Monthly Bill (\$)	Avg. Monthly Increase Per Customer (\$)	Projected Monthly Increase Necessary (\$)	Anticipated Date of Projected Rate Increase (Date)
Water	01-01-2016	6,000	\$42.38	\$7.62	\$0	01-01-2018

## Top Ten Customers of Wastewater System

### Top Ten Wastewater Customers

Customer Name	Annual Usage (gal)	Percent of Total Water Revenue	Bankruptcy (Y/N)
Sam Kane Packing	349,229	0.97%	N
Enterprise Products	30,520	0.37%	N
TAMUCC-Campus	48,279	0.30%	N
Walnut Ridge Apt, LP	38,559	0.24%	N
Trinity Towers	223,436	0.21%	N
TRT Development	27,564	0.17%	N
Spohn Memorial Hospital	25,274	0.16%	N
Spohn Hospital South	23,589	0.14%	N
Camden Copper Ridge	20,646	0.13%	N
Humana Hospital of CC	19,176	0.12%	N

Top Ten Wastewater System Customers Comments: FY2015 information Consumption in 1000 Gallons

### Current average Residential Usage and Rate Information

Service	Date of Last Rate Increase	Avg. Monthly Usage (gallons)	Avg. Monthly Bill (\$)	Avg. Monthly Increase Per Customer (\$)	Projected Monthly Increase Necessary (\$)	Anticipated Date of Projected Rate Increase (Date)
Wastewater	01-01-2016	3,000	\$40.7	\$5.74	\$0	01-01-2018

## Number of Customers in Past 5 Years

### Customers in Past 5 Years

2017: 90,006

2016: 90,006

2015: 86,606

2014: 90,194

2013: 90,115

## Debt

Disclose all issues that may affect the project or the applicant's ability to issue and/or repay debt (such as anticipated lawsuits, judgments, bankruptcies, major customer closings, etc).: The City is aware of no issues which may affect the project of the City's ability to issue or repay debt service on the proposed revenue bonds or its currently outstanding debt.

Has the applicant ever defaulted on any debt?: Y

If yes, disclose all circumstances surrounding prior default(s).: The City has not defaulted on its general obligation bonds since a refunding program instituted in 1936 to cure a default (but which involved no reduction in interest rate). The City has not defaulted bonds in settlement on non-voted water revenue bonds (the legality of which had been in litigation since 1937).

## Taxing Authority

Does the applicant have taxing authority?: Y

Tax Assessed Valuations

Fiscal Year Ending	Net Taxable Assessed Value (\$)	Tax Rate (\$)	General Fund (\$)	Interest & Sinking Fund (\$)	Tax Levy (\$)	Percentage Current Collections (%)	Percentage Total Collections (%)
2016	\$18,344,955,055	\$0.6	\$0.37	\$0.22	\$107,540,358	98.10%	98.10%
2015	\$16,969,100,717	\$0.6	\$0.37	\$0.22	\$96,965,649	98.34%	98.34%
2014	\$15,535,771,168	\$0.58	\$0.37	\$0.21	\$89,055,903	98.30%	99.19%
2013	\$14,386,376,098	\$0.57	\$0.37	\$0.2	\$80,578,771	97.77%	99.58%
2012	\$14,085,804,898	\$0.57	\$0.38	\$0.19	\$78,407,330	97.80%	99.72%

Tax Assessed Values Comments:

**CITY OF CORPUS CHRISTI, TEXAS  
PROPERTY TAX RATES -  
DIRECT AND OVERLAPPING GOVERNMENTS  
PER \$100 VALUATION  
FISCAL YEARS 2007-2016**

<b>Fiscal Year</b>	<b>Tax Year</b>	<b>City of Corpus Christi General Fund</b>	<b>City of Corpus Christi Debt Service</b>	<b>Total City of Corpus Christi</b>	<b>Calallen ISD</b>	<b>Corpus Christi ISD</b>	<b>Corpus Christi Junior College District</b>	<b>Flour Bluff ISD</b>	<b>London ISD</b>	<b>Nueces County</b>	<b>Nueces County Farm Roads and Flood Control</b>
2007	2006	0.403197	0.199175	0.602372	1.430000	1.486000	0.255723	1.386650	1.277300	0.365932	0.004746
2008	2007	0.364671	0.199175	0.563846	1.276500	1.176050	0.241782	1.069500	1.143800	0.351340	0.004338
2009	2008	0.364671	0.199175	0.563846	1.298500	1.237350	0.251391	1.069215	1.210400	0.350930	0.004329
2010	2009	0.364671	0.199175	0.563846	1.298500	1.237350	0.251391	1.069215	1.210400	0.350930	0.004329
2011	2010	0.385131	0.197138	0.582269	1.298500	1.237350	0.258003	1.069778	1.249503	0.350930	0.004329
2012	2011	0.380339	0.190218	0.570557	1.328500	1.237350	0.258003	1.071743	1.262900	0.350999	0.004260
2013	2012	0.376806	0.208458	0.585264	1.358500	1.237350	0.250666	1.178499	1.251100	0.340999	0.004188
2014	2013	0.376806	0.208458	0.585264	1.358500	1.237350	0.248073	1.168499	1.395100	0.330945	0.004188
2015	2014	0.376806	0.229458	0.606264	1.375500	1.237350	0.248073	1.154350	1.355778	0.312928	0.003967
2016	2015	0.376806	0.229458	0.606264	1.375200	1.237350	0.246159	1.150000	1.357500	0.304092	0.003899

Note: Data presented is received from Nueces County Tax Assessor-Collector.

Table 7

<b>Nueces County Emergency Services District 1</b>	<b>Nueces County Hospital District</b>	<b>Port of Corpus Christi Authority</b>	<b>Nueces County Water Control &amp; Improv. District 4</b>	<b>Port Aransas ISD</b>	<b>Robstown ISD</b>	<b>Tuloso Midway ISD</b>	<b>West Oso ISD</b>	<b>Downtown Management District Land</b>	<b>Downtown Management District Improvements</b>
0.075000	0.160715	--	--	1.394582	1.584000	1.612200	1.650000	--	--
0.100000	0.144782	--	--	1.058300	1.254000	1.332200	1.340000	--	--
0.100000	0.154687	--	--	1.058300	1.374000	1.332200	1.420000	0.300000	0.070000
0.100000	0.154687	--	--	1.058300	1.374000	1.332200	1.420000	0.300000	0.070000
0.100000	0.162428	--	--	1.062300	1.523000	1.332200	1.420000	0.300000	0.070000
0.100000	0.162428	--	--	1.063300	1.650000	1.332200	1.420000	0.300000	0.070000
0.100000	0.148077	--	--	1.125550	1.630000	1.317410	1.347000	0.300000	0.070000
0.100000	0.137455	--	--	1.125550	1.645400	1.394500	1.450000	0.300000	0.070000
0.165411	0.129746	--	--	1.118050	1.650000	1.377400	1.450000	0.300000	0.070000
0.100000	0.126836	--	--	1.118000	1.650000	1.408900	1.450000	0.300000	0.070000

Nueces County

**2016 CERTIFIED TOTALS**

As of Certification

Property Count: 134,339

C03 - CITY OF CORPUS CHRISTI  
ARB Approved Totals

7/22/2016

8:19:09AM

**State Category Breakdown**

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	89,720		\$211,346,055	\$13,551,901,818
B	MULTIFAMILY RESIDENCE	1,685		\$91,800,134	\$1,460,631,725
C1	VACANT LOTS AND LAND TRACTS	12,379		\$0	\$498,462,941
D1	QUALIFIED OPEN-SPACE LAND	736	26,285.7485	\$0	\$260,056,585
D2	IMPROVEMENTS ON QUALIFIED OPEN SP	27		\$75,000	\$682,291
E	RURAL LAND, NON QUALIFIED OPEN SPA	476	5,498.9785	\$27,342	\$114,044,316
F1	COMMERCIAL REAL PROPERTY	6,316		\$50,480,383	\$3,366,091,766
F2	INDUSTRIAL AND MANUFACTURING REAL	248		\$32,961,244	\$441,560,475
G1	OIL AND GAS	1,471		\$0	\$22,401,961
J3	ELECTRIC COMPANY (INCLUDING CO-OP)	111		\$2,735,050	\$197,304,527
J4	TELEPHONE COMPANY (INCLUDING CO-O	37		\$0	\$34,049,685
J5	RAILROAD	26		\$0	\$9,505,390
J6	PIPELAND COMPANY	247		\$7,041,950	\$39,418,580
J7	CABLE TELEVISION COMPANY	5		\$0	\$21,024,270
L1	COMMERCIAL PERSONAL PROPERTY	11,771		\$3,882,676	\$1,733,783,717
L2	INDUSTRIAL AND MANUFACTURING PERS	363		\$16,242,780	\$393,587,975
M1	TANGIBLE OTHER PERSONAL, MOBILE H	2,233		\$0	\$38,380,032
O	RESIDENTIAL INVENTORY	1,321		\$6,709,520	\$45,821,944
S	SPECIAL INVENTORY TAX	192		\$0	\$119,917,257
X	TOTALLY EXEMPT PROPERTY	5,850		\$215,532,116	\$2,923,979,456
	<b>Totals</b>		<b>31,784.7270</b>	<b>\$638,834,250</b>	<b>\$25,272,606,711</b>



Nueces County

**2015 CERTIFIED TOTALS**

As of Certification

Property Count: 134,139

C03 - CITY OF CC  
Grand Totals

7/22/2015

6:45:37AM

**State Category Breakdown**

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	89,057		\$234,606,235	\$12,669,710,450
B	MULTIFAMILY RESIDENCE	1,721		\$111,234,044	\$1,286,282,108
C1	VACANT LOTS AND LAND TRACTS	13,157		\$0	\$514,286,144
D1	QUALIFIED OPEN-SPACE LAND	753	26,884.8594	\$0	\$259,757,051
D2	IMPROVEMENTS ON QUALIFIED OPEN SP	27		\$135,540	\$630,589
E	RURAL LAND, NON QUALIFIED OPEN SP	481	5,184.4698	\$739,725	\$99,032,874
F1	COMMERCIAL REAL PROPERTY	6,363		\$95,799,555	\$3,280,979,745
F2	INDUSTRIAL AND MANUFACTURING REA	256		\$1,204,281	\$443,292,951
G1	OIL AND GAS	1,543		\$0	\$42,931,241
J3	ELECTRIC COMPANY (INCLUDING CO-OP	110		\$0	\$194,126,998
J4	TELEPHONE COMPANY (INCLUDING CO-	39		\$0	\$33,613,680
J5	RAILROAD	27		\$0	\$8,941,810
J6	PIPELAND COMPANY	239		\$0	\$33,281,170
J7	CABLE TELEVISION COMPANY	5		\$0	\$21,019,721
L1	COMMERCIAL PERSONAL PROPERTY	11,867		\$2,642,367	\$1,864,323,450
L2	INDUSTRIAL AND MANUFACTURING PERE	372		\$0	\$446,527,216
M1	TANGIBLE OTHER PERSONAL, MOBILE H	2,259		\$5,186,959	\$35,319,095
O	RESIDENTIAL INVENTORY	917		\$1,496,199	\$34,758,925
S	SPECIAL INVENTORY TAX	197		\$0	\$120,610,514
X	TOTALLY EXEMPT PROPERTY	5,677		\$15,586,731	\$2,578,170,573
	Totals		32,069.3292	\$468,631,636	\$23,967,596,305

Nueces County

**2014 CERTIFIED TOTALS**

As of Certification

Property Count: 130,331

C03 - CITY OF CC  
ARB Approved Totals

7/24/2014 11:25:55PM

**State Category Breakdown**

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	86,778		\$189,290,103	\$11,544,185,733
B	MULTIFAMILY RESIDENCE	1,651		\$27,983,979	\$940,911,434
C1	VACANT LOTS AND LAND TRACTS	12,830		\$0	\$447,918,650
D1	QUALIFIED OPEN-SPACE LAND	732	18,111.1581	\$0	\$241,052,865
D2	IMPROVEMENTS ON QUALIFIED OPEN SP	22		\$0	\$1,531,246
E	RURAL LAND, NON QUALIFIED OPEN SP	537	6,947.4860	\$584,241	\$109,289,884
ERROR		1		\$0	\$134,268
F1	COMMERCIAL REAL PROPERTY	6,105		\$75,425,577	\$3,099,695,179
F2	INDUSTRIAL AND MANUFACTURING REA	263		\$119,453	\$460,793,371
G1	OIL AND GAS	971		\$0	\$78,494,820
J3	ELECTRIC COMPANY (INCLUDING CO-OP	99		\$0	\$160,251,758
J4	TELEPHONE COMPANY (INCLUDING CO-	41		\$0	\$36,142,700
J5	RAILROAD	27		\$0	\$8,458,670
J6	PIPELAND COMPANY	233		\$0	\$26,768,320
J7	CABLE TELEVISION COMPANY	5		\$0	\$19,462,704
L1	COMMERCIAL PERSONAL PROPERTY	11,326		\$13,884,253	\$1,639,273,646
L2	INDUSTRIAL AND MANUFACTURING PERE	370		\$0	\$404,132,407
M1	TANGIBLE OTHER PERSONAL, MOBILE H	2,123		\$3,207,595	\$30,432,716
O	RESIDENTIAL INVENTORY	1,061		\$3,223,216	\$42,790,229
S	SPECIAL INVENTORY TAX	186		\$0	\$111,486,751
X	TOTALLY EXEMPT PROPERTY	5,525		\$7,230,472	\$2,535,266,627
	<b>Totals</b>		<b>25,058.6441</b>	<b>\$320,948,889</b>	<b>\$21,938,473,978</b>

**2013 CERTIFIED TOTALS**

Property Count: 130,536

C03 - CITY OF CC  
ARB Approved Totals

7/23/2013 11:04:16AM

**State Category Breakdown**

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	86,461		\$145,798,175	\$10,586,810,327
B	MULTIFAMILY RESIDENCE	1,717		\$4,467,620	\$847,454,377
C		13,063		\$0	\$426,298,296
D1	QUALIFIED OPEN-SPACE LAND	747	18,595.5226	\$0	\$233,389,479
D2	IMPROVEMENTS ON QUALIFIED OPEN SP	16		\$0	\$319,419
E	RURAL LAND, NON QUALIFIED OPEN SP	566	7,333.9150	\$0	\$111,497,899
F1	COMMERCIAL REAL PROPERTY	6,128		\$50,743,509	\$2,932,365,249
F2	INDUSTRIAL AND MANUFACTURING REA	252		\$2,666,229	\$468,371,171
G1	OIL AND GAS	958		\$0	\$72,951,507
J3	ELECTRIC COMPANY (INCLUDING CO-OP	99		\$0	\$141,359,598
J4	TELEPHONE COMPANY (INCLUDING CO-	40		\$0	\$38,287,404
J5	RAILROAD	27		\$0	\$8,094,270
J6	PIPELAND COMPANY	230		\$0	\$26,395,020
J7	CABLE TELEVISION COMPANY	5		\$0	\$29,032,781
L1	COMMERCIAL PERSONAL PROPERTY	11,426		\$1,947,331	\$1,555,270,917
L2	INDUSTRIAL AND MANUFACTURING PERE	382		\$0	\$347,757,381
M1	TANGIBLE OTHER PERSONAL, MOBILE H	2,248		\$4,630,507	\$32,532,352
O	RESIDENTIAL INVENTORY	1,050		\$1,652,490	\$38,582,901
S	SPECIAL INVENTORY TAX	177		\$0	\$99,164,542
X	TOTALLY EXEMPT PROPERTY	5,460		\$3,100,040	\$2,545,775,782
	<b>Totals</b>		25,929.4376	\$215,005,901	\$20,541,710,672

**2012 CERTIFIED TOTALS**

Property Count: 131,240

C03 - CITY OF CORPUS CHRISTI  
ARB Approved Totals

11/8/2016 11:58:19AM

**State Category Breakdown**

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	85,899		\$82,411,456	\$9,756,615,737
B	MULTIFAMILY RESIDENCE	1,792		\$3,643,421	\$768,456,542
C	VACANT LOT	13,202		\$0	\$413,865,327
D1	QUALIFIED AG LAND	764	18,886.6793	\$0	\$225,385,004
D2	NON-QUALIFIED LAND	471	7,125.0640	\$0	\$95,165,816
E	FARM OR RANCH IMPROVEMENT	100		\$0	\$18,165,501
ERROR		3		\$0	\$72,881
F1	COMMERCIAL REAL PROPERTY	5,987		\$113,449,258	\$2,752,289,527
F2	INDUSTRIAL REAL PROPERTY	367		\$2,282,444	\$466,778,111
G1	OIL AND GAS	1,177		\$0	\$88,426,036
J3	ELECTRIC COMPANY (INCLUDING CO-OP	97		\$0	\$116,607,723
J4	TELEPHONE COMPANY (INCLUDING CO-	41		\$0	\$39,353,904
J5	RAILROAD	27		\$0	\$7,614,480
J6	PIPELAND COMPANY	234		\$0	\$25,027,190
J7	CABLE TELEVISION COMPANY	6		\$0	\$21,847,835
L1	COMMERCIAL PERSONAL PROPERTY	11,225		\$43,035,135	\$1,308,400,764
L2	INDUSTRIAL PERSONAL PROPERTY	401		\$0	\$308,719,798
M1	TANGIBLE OTHER PERSONAL, MOBILE H	2,238		\$3,482,567	\$31,443,530
O	RESIDENTIAL INVENTORY	1,629		\$6,849,809	\$56,962,716
S	SPECIAL INVENTORY TAX	172		\$0	\$80,881,429
X	TOTALLY EXEMPT PROPERTY	5,881		\$475	\$2,508,425,566
	<b>Totals</b>		26,011.7433	\$255,154,565	\$19,090,505,417

# Top Ten Taxpayers

Taxpayer Name	Assessed Value	Percent of Total	Bankruptcy (Y/N)
Barney M Davis	\$207,823,150	1.13%	N
American Electric Power Texas Central Co	\$187,514,879	1.02%	N
Corpus Christi Retail Venture LB	\$94,713,652	0.51%	N
Flint Hills Resources LP	\$85,711,318	0.46%	N
H.E.Butt Grocery Co	\$83,292,552	0.45%	N
Wal-Mart Real Estate Business Trust	\$83,002,250	0.45%	N
Markwest Javelina Pipeline Co	\$66,054,480	0.36%	N
Bay Area Healthcare	\$64,639,140	0.35%	N
Air Products, LLC	\$43,125,150	0.23%	N
Orion Drilling LP	\$36,740,000	0.20%	N

Top Ten Taxpayer Comments:

## Tax Rate and Sales Tax

Provide the maximum tax rate permitted by law per \$100 of property value.: \$0.68

Does the applicant collect sales tax?: Y

2016: \$53,353,102

2015: \$58,332,449

2014: \$67,848,448

2013: \$55,062,320

2012: \$75,807,495

Sales Tax History Comments: FY2014 was a 14 month year due to City changing fiscal year end from 7/31 to 9/30

Is the proposed loan tax-exempt?: Y

FYE 30-Sep	projected net system revenues	current priority lien dbt svc	current jr lien dbt svc	City of Corpus Christi \$2,750,000 issue				total dbt svc	coverage
				principal payment	interest rate	interest payment	total payment		
2017	101,830,000	22,837,542	46,348,514	-	0.00%	-	-	69,186,056	1.47
2018	113,098,000	20,009,879	51,511,613	-	0.00%	-	-	71,521,492	1.58
2019	123,634,000	17,732,417	52,512,613	-	0.00%	-	-	70,245,030	1.76
2020	124,742,000	18,678,772	48,282,763	-	0.00%	-	-	66,961,535	1.86
2021	131,128,000	8,516,833	56,120,901	-	0.00%	-	-	64,637,734	2.03
2022	135,688,000	8,509,453	56,124,841	-	0.00%	-	-	64,634,294	2.10
2023	138,004,000	8,510,082	48,818,076	-	0.00%	-	-	57,328,158	2.41
2024	140,657,000	8,508,549	48,817,542	-	0.00%	-	-	57,326,091	2.45
2025	143,307,000	8,433,377	44,772,505	130,000	2.32%	51,230	181,230	53,387,111	2.68
2026	138,554,000	8,430,209	40,472,394	80,000	2.45%	99,443	179,443	49,082,046	2.82
2027	139,067,000	8,429,112	34,677,531	85,000	2.54%	97,483	182,483	43,289,126	3.21
2028	134,671,654	8,429,432	34,670,656	85,000	2.82%	95,324	180,324	43,280,412	3.11
2029	136,457,040	8,430,684	34,679,260	90,000	3.07%	92,927	182,927	43,292,871	3.15
2030	131,233,439	7,527,451	34,670,789	90,000	3.24%	90,164	180,164	42,378,404	3.10
2031	132,779,422	7,523,256	34,675,221	95,000	3.40%	87,248	182,248	42,380,725	3.13
2032	131,276,400	7,522,373	34,676,426	95,000	3.53%	84,018	179,018	42,377,817	3.10
2033	132,851,612	7,526,823	34,671,600	100,000	3.65%	80,665	180,665	42,379,087	3.13
2034	131,612,473	7,522,600	34,675,623	105,000	3.74%	77,015	182,015	42,380,238	3.11
2035	133,169,659	7,524,905	34,674,951	110,000	3.82%	73,088	183,088	42,382,944	3.14
2036	132,651,170	7,528,132	34,682,926	115,000	3.89%	68,886	183,886	42,394,943	3.13
2037	132,651,170	7,521,878	34,664,996	115,000	3.94%	64,412	179,412	42,366,286	3.13
2038	132,651,170	7,521,142	34,682,808	120,000	3.98%	59,881	179,881	42,383,831	3.13
2039	132,651,170	7,520,320	34,674,799	125,000	4.02%	55,105	180,105	42,375,224	3.13
2040	132,651,170	7,524,008	29,102,404	130,000	4.05%	50,080	180,080	36,806,492	3.60
2041	132,651,170	3,201,600	29,105,756	135,000	4.07%	44,815	179,815	32,487,171	4.08
2042	132,651,170	3,203,200	29,103,066	140,000	4.10%	39,321	179,321	32,485,587	4.08
2043	132,651,170	-	21,306,219	150,000	4.13%	33,581	183,581	21,489,800	6.17
2044	132,651,170	-	14,536,496	155,000	4.15%	27,386	182,386	14,718,881	9.01
2045	132,651,170	-	14,540,646	160,000	4.17%	20,953	180,953	14,721,599	9.01
2045	132,651,170	-	-	165,000	4.19%	14,281	179,281	179,281	739.91
2045	132,651,170	-	-	175,000	4.21%	7,368	182,368	182,368	727.38
		<u>244,624,029</u>	<u>1,082,253,938</u>	<u>2,750,000</u>		<u>1,414,670</u>	<u>4,164,670</u>	<u>1,331,042,636</u>	

Operating Revenues:					
Water System	119,559,020	117,055,625	139,087,748	121,368,826	136,804,532
Wastewater System	59,798,534	59,490,345	75,068,625	67,875,715	72,727,032
Gas System	26,106,400	28,950,091	42,337,891	32,218,208	27,686,171
Total Operating Revenues	<u>205,463,954</u>	<u>205,496,061</u>	<u>256,494,264</u>	<u>221,462,749</u>	<u>237,217,735</u>
Operating Expenses:					
Water System	66,791,804	65,880,996	78,240,089	68,883,798	76,253,582
Wastewater System	29,555,536	31,356,690	39,926,789	35,242,644	37,792,722
Gas System	25,194,721	26,430,329	40,373,592	30,663,145	26,140,747
Total Operating Expenses	<u>121,542,061</u>	<u>123,668,015</u>	<u>158,540,470</u>	<u>134,789,587</u>	<u>140,187,051</u>
Combined Net Operating Revenues	83,921,894	81,828,046	97,953,795	86,673,162	97,030,684
Combined Non-Operating Revenue	<u>1,609,778</u>	<u>1,848,328</u>	<u>1,623,520</u>	<u>2,387,545</u>	<u>3,215,346</u>
Net Revenue Available for Debt Service	<u>85,531,672</u>	<u>83,676,374</u>	<u>99,577,315</u>	<u>89,060,707</u>	<u>100,246,030</u>
Current Priority Debt Service	46,738,131	39,281,601	39,302,376	36,515,245	31,166,014
Current Priority Debt Service Coverage Rate Covenant Test:	1.83	2.13	2.53	2.44	3.22
Average Annual Priority Debt Service	27,959,007	20,128,923	19,468,486	16,527,730	10,154,481
Average Priority Debt Service Coverage	3.06	4.16	5.11	5.39	9.87
Net Revenue Available for Junior Lien Debt Service		44,394,773	60,274,939	52,545,462	69,080,016
Current Junior Lien Debt Service		14,754,667	21,707,367	24,517,219	39,253,363
Current Junior Lien Debt Service Coverage Rate Covenant Test:		3.01	2.78	2.14	1.76
Average Annual junior lien Debt Service		12,143,734	18,092,666	31,986,211	39,942,456
Average Junior lien Debt Service Coverage		3.66	3.33	1.64	1.73

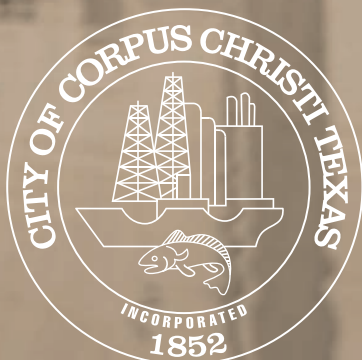
## Supplemental Disclosure 1

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

CITY OF CORPUS CHRISTI, TEXAS

[WWW.CCTEXAS.COM](http://WWW.CCTEXAS.COM)









City of  
Corpus  
Christi

CITY OF CORPUS CHRISTI, TEXAS

## **Comprehensive Annual Financial Report**

For Fiscal Year Ended September 30, 2016

### *CITY COUNCIL*

*Mayor Pro-Tem*  
Lucy Rubio

*City Council Members*  
Carolyn Vaughn  
Paulette M. Guajardo  
Joe McComb  
Rudy Garza, Jr.  
Ben Molina  
Michael T. Hunter  
Greg Smith

*City Manager*  
Margie C. Rose

*Assistant City Managers*  
Mark Van Vleck  
Sylvia Carrillo  
Samuel "Keith" Selman

*Director of Financial Services*  
Constance P. Sanchez, CPA, CPM

*Assistant Director of Financial Services*  
Alma I. Casas

*Controller*  
Judy Sandroussi

*Chief Accountant*  
Martha A. Messer, CPA

*Prepared by the staff of the Financial Services Department*



City of  
Corpus  
Christi

*Barbara Bailey  
Rocky Barrera  
Eva Barton  
Adriana Berlanga  
Rose Bond  
Margarita Cruz  
Kim Galan-Flores  
Teddi Giggy  
Jason Gooding, CPA  
Hilda Mihalco  
David Riggs  
Diana Silguero  
Judy Villalon, CPA*

**Comprehensive Annual Financial Report  
For the Year Ended September 30, 2016**

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City of Corpus Christi

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City of Corpus Christi

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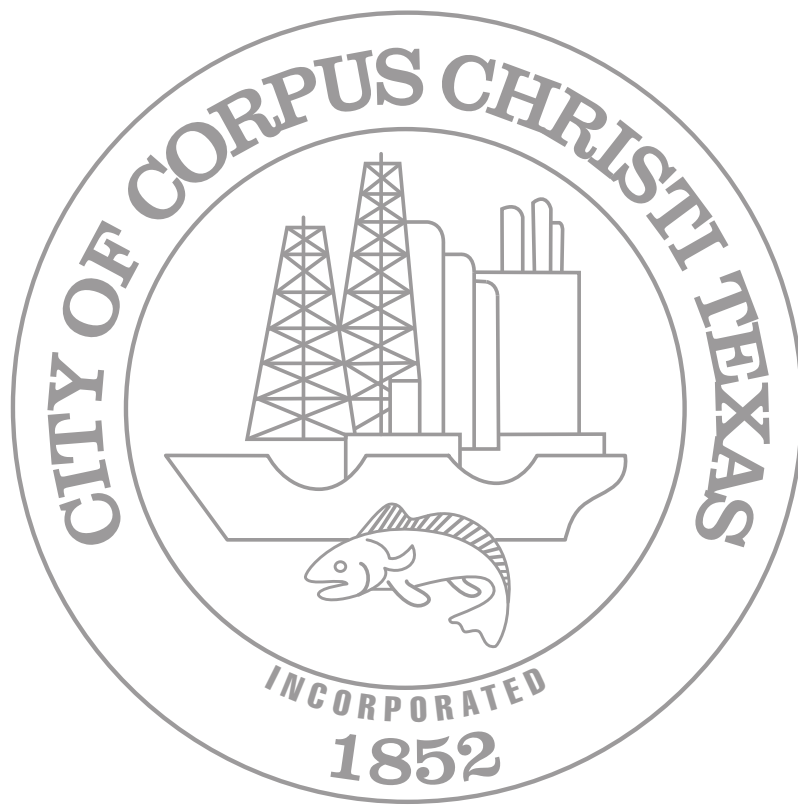
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*Introductory Section*





April 24, 2017

The Honorable Mayor Pro-Tem Lucy Rubio, Members of the City Council, and  
Citizens of the City of Corpus Christi

**FINANCIAL SERVICES**

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Dear Honorable Mayor Pro-Tem, Members of City Council, and Citizens of Corpus  
Christi:

Section 103.003 of the Local Government Code requires that municipalities have its records and accounts audited annually and that an annual financial statement be prepared based on the audit. This report is published to fulfill that requirement for the fiscal year ended September 30, 2016.

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

Padgett Stratemann LLP Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of Corpus Christi, Texas (City)’s financial statements for the fiscal year ended September 30, 2016. The independent auditor’s report is located at the front of the financial section of this report.

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

**PROFILE OF THE GOVERNMENT**

The City was incorporated in 1852. In 1909, the City was organized under a City Charter and operated as a general law city until 1926, at which time a home rule charter with a commission form of government was adopted. The Charter was amended in 1945 to adopt the present and nationally predominant Council-Manager form of government.

The City Council consists of the Mayor and eight Council Members elected for two-year terms. The Mayor and three Council Members are elected at large, and five Council Members are elected from single member districts. The City Council is responsible for passing ordinances, adopting the budget, appointing committees, and appointing the City

Manager, City Secretary, City Auditor, and Municipal Court Judges. The City Manager is the Chief Administrative and Executive Officer and is responsible for carrying out policies and ordinances of the City Council, overseeing day-to-day operations, presenting an annual budget, and hiring all other City employees.

The City provides a full range of services, including a combined utility system (System) consisting of the water, wastewater, storm water, and gas systems; garbage collection and disposal services; police, fire protection, and emergency medical services; the construction and maintenance of streets and other infrastructure; and recreational and cultural activities.

The City is financially accountable for the Corpus Christi Community Improvement Corporation, the Corpus Christi Housing Finance Corporation, the Corpus Christi Industrial Development Corporation, the Coastal Bend Health Facilities Development Corporation, the Corpus Christi Crime Control and Prevention District, the Corpus Christi Business and Job Development Corporation, the North Padre Island Development Corporation (which includes the Reinvestment Zone Number 2), and Reinvestment Zone Number 3. These are shown as ‘blended component units’ within the City’s financial statements.

The City Manager must submit a proposed budget to the City Council at least 60 days prior to the beginning of the fiscal year (October 1<sup>st</sup>), and the City Council is required to adopt a final budget by no later than the close of the fiscal year (September 30<sup>th</sup>). This annual budget serves as the foundation for the City’s financial planning and control. The budget is prepared by fund and department (e.g., general fund - police department). Department directors may transfer resources within a department as they see fit. Transfers between funds, however, need approval from the City Council.

## **ECONOMIC CONDITION**

### ***Local Economy***

The City of Corpus Christi is the eighth largest city in the State of Texas with a population of 324,074 in 2015 as per the U. S. Census Bureau. The geographic location of the city on the Gulf of Mexico and the Gulf Intercoastal Waterway gives it one of the most strategic locations in the Southwest and has been important to its economic development. The Corpus Christi region has a varied manufacturing and industrial base. Major industries with headquarters or divisions located within the City’s boundaries, or in close proximity, include industrial, petrochemical, construction, convenience store, banking, and financial services.

The federal government also has a major presence within the area with a federal courthouse and the largest industrial employer in South Texas – the Corpus Christi Army Depot, which employs close to 3,500 employees. The Corpus Christi Army Depot (CCAD) is a United States Department of Defense’s Center of Industrial and Technical Excellence for rotary wing aircraft. CCAD is currently the largest facility of its type in the world and serves as a depot training base for active duty Army, National Guard, Reserve, and international personnel. The depot performs overhaul, repair, modification, recapitalization, retrofit, testing, and modernization of helicopters, engines, and components for all services and international sales of rotary wing aircraft.

Additionally, CCAD is a critical asset to the Army's Organic Industrial Base because it has a unique set of capabilities in helicopter and component support essential for all branches of the Department of Defense, Department of Homeland Security, Customs and Border Patrol, and foreign nations.

Two bases make up the South Texas military complex: Naval Air Station Corpus Christi (primary and multi-engine training) and Naval Air Station Kingsville (jet aviation training). The site of the region's third base, Naval Station Ingleside (base for the Navy's mine warfare fleet), which was closed in 2010, was sold in November 2012 by the Port of Corpus Christi to Occidental Petroleum Corporation (Oxy) for \$82.1 million. Oxy is building a petroleum and a distillates export facility and will create 100 jobs when complete. Additionally, Oxy and a Mexican petrochemical company, Mexichem, are jointly building a \$1 billion ethylene cracking plant in Ingleside. The cracking plant is anticipated to be completed in 2017 and will be capable of producing 1.2 billion pounds of ethylene each year. The project is expected to create about 1,700 jobs during construction and more than 150 permanent jobs upon completion.

Texas A&M University-Corpus Christi, also known as the "Island University", continues to grow and expand, both at its Island Campus and at the Momentum Campus that now houses sports facilities including the Dugan Family Soccer and Track Stadium. New student housing, called Momentum Village, opened in 2015, as did the expanded University Center. A groundbreaking ceremony was held for the second phase of Momentum Village in July 2016 which is expected to be completed in 2017. Additionally, the university held a groundbreaking ceremony for the new Life Sciences Research and Engineering building, named Tidal Hall, in September 2016 with an expected completion date of the summer of 2018. Texas A&M University-Corpus Christi received many awards and recognitions in 2016. The university was ranked 8<sup>th</sup> among colleges in Texas and listed among the "2016 best school nationally for Federal Work-Study (TWS) annual earning per worker." It has been named as one of the Top 50 Colleges for Hispanic Students by BestColleges.com. The Master of Accounting program (MAcc) has been ranked as one of the 30 Most Affordable Graduate Programs in the nation by Accounting Degree Review. The Master of Business Administration program (MBA) was named as one of the most affordable degree programs in the nation by TopManagementDegrees.com. Additionally, the Master of Science in Nursing program (MSN) was ranked as one of the 2016 Best Online Nursing Programs by U.S. News & World Report. The Island University hit an all-time high of enrollment in August 2016 with over 12,000 students and a student-to-faculty ratio of 23-to-1. The campus is unique since it is located on its own 240-acre semi-tropical island.

Corpus Christi's trade area consists of five counties: Aransas, Jim Wells, Kleberg, Nueces and San Patricio. Each of these counties maintains a solid and diversified economic base which contributes material support to Corpus Christi due to its location as a regional trade center and international shipping point. The Corpus Christi economy provides a diversified product market including metal fabrication, chemical processing, farm and ranch equipment, oil field equipment, cement, food processing, electronic and petrochemical products, fishing and seafood products, and more.

The land in the Corpus Christi region has strong mineral deposits and rich soil with the principle crops being grain, sorghum, and cotton. The region also produces a large supply of livestock



including beef and dairy cattle, hogs, and poultry. The oil and gas industry which had been a major factor in the growth and economic stability within the trade area, began to subside in 2015.

### *Port of Corpus Christi*

The trade area's principal outlet for agricultural and petroleum products is the Port of Corpus Christi, which opened to world markets in 1926. It is located along the southeastern coast of Texas on the Gulf of Mexico approximately 150 miles north of the Mexican border. The Port's channel stretches over 30 miles and links the Corpus Christi Bay with the Gulf of Mexico. It is one of the deepest ports along the Gulf of Mexico coast with a channel depth of 45 feet and is currently ranked as the fifth largest port in the United States in terms of tonnage. The Port handled a volume of 103.5 million tons of cargo during the 2015 calendar year, an increase of 2.9% from 2014.

The Port of Corpus Christi has many initiatives underway. The Corpus Christi Ship Channel Improvement Project is underway for further deepening and widening of the Port's ship channels. The project includes: (1) extending La Quinta Ship Channel approximately 1.4 miles at a depth of 39 feet; (2) deepening the extension to a depth of 45 feet to match the original La Quinta Ship Channel; (3) construction of ecosystem restoration features to protect endangered species, wetlands, and seagrass; (4) widening the Ship Channel to 530 feet from Port Aransas to the Harbor Bridge; (5) deepening the Ship Channel from 45 feet to 52 feet; and (6) adding 200-foot wide barge shelves across the Corpus Christi Bay. The first three elements of the project have been completed, and the remaining three are currently pending. The Channel Improvement project was re-authorized in May 2014 by the Resources Reform and Development Act of 2014, and a Limited Reevaluation Report was completed in December 2015 to update project costs and benefits for the remaining elements of the authorized project. Follow-on contracts to deepen and widen the Ship Channel and to add barge shelves are pending appropriation of funding.

The La Quinta Trade Gateway Terminal is a major component of the Port of Corpus Christi's long-term development plan. Located on a 1,100-acre greenfield site on the north side of Corpus Christi Bay. This project will provide a state-of-the-art multi-purpose dock and container facility once complete. Project features consist of the extension of the 45-foot deep La Quinta Ship Channel, construction of a 3800-foot long, three (3) birth ship dock with nine (9) ship-to-shore cranes, 180 acres of container/cargo storage yard, an intermodal rail yard, and over 400 acres of on-site distribution and warehouse centers. The envisioned multi-purpose dock and terminal facility will be able to handle a wide variety of general cargo such as containers, military equipment, wind turbines and steel pipe. The final designs for an initial phase of both the water and land-side infrastructure improvements for the multipurpose facility were completed in the summer of 2016. Preliminary site preparation work was also initiated in the last half of 2016.

Additionally, the Port has plans to construct a new rail yard that will become the mail rail exchange for the Port of Corpus Christi. The new rail interchange, Nueces River Rail Yard (NRRY), will initially consist of four parallel ladder tracks for a total yard capacity of 15,400 feet and 223 rail cars. The Port purchased approximately 36 acres of land at the western end of the Corpus Christi Harbor for this purpose. The project consists of two phases. The first phase was completed in 2015 at a cost of \$17.7 million and included a 9,800-foot long unit train siding

and four additional 4,000-foot parallel tracks providing storage for 200 railcars. The second phase calls for extending four of the tracks under Phase I to full unit train sidings and constructing four additional unit train sidings for a total of eight sidings averaging 8,500 feet long. The total cost for Phase II is approximately \$28.0 million and is expected to be completed in 2017.

Several large companies have located in the area around the Ship Channel. Tianjin Pipe Corporation – America was the first international investment around the Ship Channel. This \$1.3 billion project represents the largest single investment by a Chinese company in a United States manufacturing facility. When fully operational, the project will employ 600 to 800 people producing 500,000 metric tons of seamless steel pipe. Phase One has been completed, and Phase Two should be complete by the end of 2017 with ramping up and commissioning in 2018. M&G is an Italian company located on the north side of the Inner Harbor adjacent to the Nueces River Rail Yard and is projected to be the world's largest polyethylene terephthalate resin plant and represents a \$1.1 billion investment. The plant is nearing completion and expects to begin operations in the end of the second quarter of 2017. The voestalpine Austrian Group's \$740 million facility on the Port's La Quinta Trade Gateway is operating and processing iron ore. They have an annual capacity of around 2 million tons of hot briquetted iron and direct reduced iron and are currently employing 179 people. Corpus Christi Liquefaction, LLC, a subsidiary of Cheniere Energy, is developing a \$13 billion liquefied natural gas export terminal at one of their existing sites in the Ship Channel. It is expected to be constructed in phases and should be operational by 2020. There have been smaller projects announced that total over \$200 million. Magellan with their splitter of natural gas products will begin operating in 2017.

### ***Harbor Bridge Expansion***

After conducting a feasibility study and examining the current conditions posed by the Harbor Bridge over the Corpus Christi Ship Channel, the Texas Department of Transportation (TxDOT) moved forward with plans for the improvement and reconstruction of approximately 4.5 miles of the Harbor Bridge. The current proposed replacement bridge estimates a rise of at least 205 feet above the current channel (an increase of at least an additional 67 feet when compared to the existing bridge), allowing larger vessels to pass through the channel and thus increasing the area's shipping traffic. It is also expected that the bridge will have wider lanes and increased highway access to address current capacity and transportation issues. The Harbor Bridge will be the longest cable-stay bridge in North America and will be the tallest structure in South Texas. It is anticipated to last 170 years. State officials believe the Harbor Bridge Project will attract additional job opportunities to strengthen the area's economy and provide safety enhancements to travelers. Additionally during the peak of construction, it is anticipated that between 500-700 workers will be utilized.

TxDOT estimates the project will cost approximately \$802.9 million. It is a design-build project and not the traditional design-bid-build used by TxDOT. On January 8, 2016, the Federal Highway Administration released a Record of Decision (ROD) regarding the proposed US 181 Harbor Bridge project from Beach Avenue to Morgan Avenue at the Crosstown Expressway in Nueces County, Texas. The ROD approved the selection of the recommended alternative for the Harbor Bridge, as identified in the project's Final Environmental Impact Statement (Final EIS),

dated November 2014. This approval completed the environmental approval process for the project.

On February 16, 2016, TxDOT issued the first Notice to Proceed (NTP1) to the awarded Developer, Flat Iron/Dragados. NTP1 is described as a pre-design/planning phase. Subsequently, a groundbreaking ceremony took place in August 2016. Lane closures on the Harbor Bridge began in March 2017. The six-lane structure with shoulders is scheduled to be completed by 2021.

### *Tourism*

Corpus Christi continues to be a favorite vacation spot for visitors and is the seventh most popular tourist destination in Texas according to TripAdvisor.com. The number one reason visitors flock to the area has always been to enjoy miles of beaches along Mustang and Padre Islands, the longest natural barrier island fronting on the Gulf of Mexico. The opposite side of the barrier island provides a shoreline for Corpus Christi Bay, the Laguna Madre, and the various bays and bayous north of the Coastal Bend which are ideal for outdoor recreation.

Tourist facilities located within the City include: a multi-purpose arena, convention center and theater at the American Bank Center, Whataburger Field - home to the Corpus Christi Hooks, the Double-A affiliate of the Houston Astros, Hurricane Alley Waterpark, the Texas State Aquarium, the USS Lexington Museum, the Museum of Science and History, the Art Museum of South Texas, the Multicultural Center/Heritage Park complex, the Congressman Solomon Ortiz International Center, and Concrete Street Amphitheater. These attractions are located in Corpus Christi's SEA District (Sports, Entertainment, and Arts District). This family-friendly area includes many of the City's popular attractions. Day passes can be purchased where residents and visitors are able to play and eat at multiple businesses in the SEA District.

The South Texas Botanical Gardens & Nature Center is one of the Coastal Bend's major tourist destinations and leading nature tourism facility. Strategically situated along Oso Creek on Corpus Christi's rapidly-growing south side, it is part of the city's growing Oso Creek Greenbelt system and is near the northern side of the world-famous King Ranch. The 182-acre venue showcases 11 uniquely-designed floral exhibits and gardens, including the 2,600 square-foot screened Butterfly House, new 1,800 square-foot Samuel Jones Orchid Conservatory, and Anderson Bromeliad Conservatory. It is a key site on the Great Texas Coastal Birding Trail and in Corpus Christi, which has been named "Birdiest City" in the United States by the Audubon Society.

Most recently, Schlitterbahn Waterpark opened on North Padre Island in Corpus Christi. The first of several phases of development, Schlitterbahn offers visitors and residents alike a unique waterpark experience. Additionally, the Texas State Aquarium is undergoing an expansion project that will nearly double its size by adding a \$50 million exhibit called Caribbean Journey which is set to open in 2017. The Texas State Aquarium was elected as the second-best aquarium in the nation for USA Today's 10 Best Readers' Choice.

The Corpus Christi area is also a renowned location for water sports and serves as host to numerous fishing tournaments. The Corpus Christi Marina is the largest municipal marina in

Texas with the deepest water. It has 600 boat slips that are 72% occupied. Approximately 1,000 vessels visit the marina annually. During summer months, approximately 25 to 50 visitors per day pass through requesting information regarding attractions, sights and waterfront excitement. Marina Office Staff act as Ambassadors to visitors on behalf of the City of Corpus Christi. Various events revolve around the Marina. Parades, rallies, seafood sales, Boat Show, Power Boat Races, World Class Sailing Regattas and other events combine to create an extremely busy waterfront area year-round. Most recently, Corpus Christi hosted the 2016 US Windsurfing Nationals in May.

The City also boasts other successful sporting events including the Beach to Bay relay marathon and “Conquer the Coast”, a 65-mile bicycle ride that features a route through the area’s coastal communities. Corpus Christi draws visitors through its multiple festivals including Buccaneer Days, the Jazz Festival, *Dia de los Muertos*, Harbor Lights, the Mayor’s 4<sup>th</sup> of July Big Bang Celebration, and the monthly Art Walk located in the City’s Marina Arts District. Additionally, Corpus Christi is the home of “*Fiesta de la Flor*” – a festival honoring the slain singing star, Selena Quintanilla Perez. The event began in 2015 and grew even larger in 2016, drawing more than 52,000 fans from across the world and bringing an economic impact of about \$13 million to Corpus Christi.

***Construction Permits***

The table below shows the number of building permits and the value of those permits for the last ten fiscal years. It should be noted that prior to 2012-2013, the number of building permits included miscellaneous construction in addition to buildings, including roofing, tenant refinishing, repairs, driveways, and site work. Additionally, the 2013-2014 information reflects 14 months of data: August 2013 through September 2014.

Building permits issued in 2016 exceeded the amounts issued from the prior year as well as ten years ago – both in number of permits and dollar value. The number of building permits increased by 21% from 2015 to 2016, and the dollar value increased by 18%. This increase was mainly a result of an increase in new commercial permits and permits for commercial addition/renovation. There was, however, a slight increase in residential permits, as well. The analysis indicates that Corpus Christi’s economy is continuing to rebound and grow – after the decline in the oil and gas industry.

<u>Year</u>	<u>Building Permits</u>	<u>Value</u>
2006-2007	5,699	\$503,027,247
2007-2008	5,118	\$343,865,608
2008-2009	4,022	\$286,139,536
2009-2010	4,052	\$260,412,022
2010-2011	5,447	\$376,894,414
2011-2012	5,728	\$376,144,270
2012-2013	2,437 <sup>(1)</sup>	\$445,240,284 <sup>(1)</sup>
2013-2014	2,732 <sup>(2)</sup>	\$535,411,665 <sup>(2)</sup>
2014-2015	4,909	\$589,543,493
2015-2016	5,918	\$692,742,990

- <sup>(1)</sup> Prior to 2013, permits included miscellaneous construction in addition to buildings, including roofing, tenant refinishing, repairs, driveways, and site work.
- <sup>(2)</sup> The 2013-2014 information contains 14 months of data (August 2013 through September 2014)

***Employment***

The unemployment rate in Corpus Christi increased 26% from the prior year from 5.0% in September 2015 to 6.3% in September 2016 according to the Texas Workforce Commission. This can be attributed to two main reasons. First, the Corpus Christi residents who had been working for the Eagle Ford shale (oil and gas industry) but were laid off, filed for unemployment in Corpus Christi although they had physically been working in Karnes County and Live Oak County. This artificially increased the number of unemployed - as well as the unemployment rate - for 2016 because Corpus Christi had added 2,100 jobs throughout the year. Second, the area realized a slow-down in construction due the completion and winding down of some major projects including voestalpine and M&G Resins. Corpus Christi’s unemployment rate is now higher than the national unemployment rate of 4.8% because of these reasons. However, other projects are scheduled to begin (such as the Harbor Bridge relocation) that will provide new construction jobs to offset the ones recently lost. It should also be noted that over the last ten years, personal (per capita) income in the area increased approximately 20% from \$35,750 in 2007 to \$42,859 in 2016.

***Major Expenses***

The government’s expenses relating to “police and municipal court”, “fire and ambulance”, and “streets” comprise 58.8% of total expenses for governmental activities as reflected in Exhibit 1-B of the Comprehensive Annual Financial Report (CAFR). Statistical Table 2 “Changes in Net Position” shows expenses by activity for the last ten years. As evidenced by the table below, the government’s expenses relating to these activities have remained relatively constant. Expenses for “fire and ambulance” and “streets” slight increased as a percentage of total expenses for governmental activities over the last ten years, while “police and municipal court” has slightly decreased.

	Expenses as a Percent of		
	Total Governmental Activities		
	2007	2015	Net Change
Police and Municipal Court	30.69%	29.68%	-1.01%
Fire and Ambulance	16.95%	17.93%	0.98%
Street	10.47%	11.15%	0.68%

During this same 10-year period, charges for services, while continuing to increase in amount, have remained relatively stable as a percentage of total revenue.



### *Long-term financing plan/relevant financing policies*

During the fiscal year 2015-2016 budget process, the City Council approved financial budgetary policies as an essential guide to direct the City's financial planning. The City Council reaffirmed the policy to set aside adequate financial resources in the fund balance of the general fund to ensure that current and future services or operations would not be severely impacted by any economic slowdowns, emergencies, national disasters, or other unforeseen circumstances. The accounting for this changed in fiscal year 2015-2016. The amount is reflected as a reserve for contingencies in the unassigned fund balance of the general fund, rather than as a "committed" fund balance of the general fund as had been reflected in prior years.

The City Council's goal for fiscal year 2015-2016 increased the commitment to build and maintain a reserve in the general fund's fund balance from at least ten (10%) to 17% of total annual general fund appropriations up to 25%. Fund balance in excess of the 17% policy requirement may be recommended for expenditure by the City Manager. The general fund's financial statements for fiscal year 2015-2016 reflect an increase of this percentage from 17% to 18.6%. This amount equates to \$42,963,520 of the \$47,040,731 unassigned fund balance at September 30, 2016. The remaining balance in the unassigned fund balance at September 30, 2016, equates to \$4,077,211.

The section that addresses the funding contributions to the Texas Municipal Retirement System (TMRS) was amended to increase the City's contribution from one percent to two percent beginning in fiscal year 2015-2016. The policy states that it is a goal of the City Council to contribute the fully funded contribution rate to TMRS to fund the pension for general employees and for sworn police officers. The policy was amended to direct that an additional two percent be added to the City's contribution for TMRS beginning in fiscal year 2015-2016 and each year thereafter until the actuarially determined fully funded rate is met.

A new section was added to the financial policies for fiscal year 2016 to address the receipt of state hotel occupancy tax funds in a new state hotel occupancy tax fund beginning in fiscal year 2015-2016. The 84<sup>th</sup> Texas Legislature passed a bill to allow Corpus Christi and three other Texas cities to retain two percent of the state hotel occupancy taxes collected by the cities to be reinvested for beach maintenance and restoration. The policy was amended to add that expenditures in this new fund shall not be used to offset expenditures for Gulf Beach maintenance currently paid for out of the local hotel occupancy tax fund. The fund for Gulf Beach maintenance in the local hotel occupancy tax fund shall not fall below the lesser of \$1,826,088 or 15% of hotel occupancy tax revenue (not including the Convention expansion portion) budgeted. This amount will be in addition to any expenditures budgeted for Gulf Beach maintenance in the state hotel occupancy tax fund.

The remaining sections of the financial policies were consistent with the previous policy and included funding levels from the general fund for street maintenance; funding levels from the general fund for residential/local street capital improvement projects; utilization of a multi-year budget model; quarterly financial reporting and monitoring; the use of nonrecurring revenue to fund one-time expenditures; adherence to the City's Debt Management Policy; continuation of a

10-year capital improvement plan; and utilization of zero-based budgeting type of process for completion of the operating budget.

### ***Major Initiatives***

The City of Corpus Christi has adopted a mission statement which has become an integral part in the development of a strategic plan to guide the City. The mission of the City of Corpus Christi is to deliver municipal services which meet the vital health, safety, and general welfare needs of its residents and which sustain and improve their quality of life. As we work to achieve this mission, we will employ fiscal discipline, continuous improvement, first-rate customer service, and straightforward communication. In this work, we will tolerate no mediocrity.

The City Council's priorities/major initiatives for 2016 provide guidance and vision in fulfilling the City's mission and strategic plan. These priorities include: (1) residential road repair; (2) water policy; and (3) economic development policy. These priorities were established at the 2016 City Council retreat held on March 22, 2016.

The first 2016 priority for the City Council is to provide sustainable, sufficient annual funding of a realistic residential road repair and maintenance program, including curb and gutter projects. The City initiated a pilot program in fiscal year 2016 for the reconstruction of two residential streets. This \$2 million program is being funded through the Street Preventative Maintenance Program. Two City Council ad hoc committees were also created to help address this issue. The first was the Ad Hoc Residential Street Infrastructure Advisory Committee and was created to address the operational aspect of residential road repair. This committee met for several months and updated the City Council with its findings at the March 29, 2016 City Council meeting. A report was subsequently presented on May 16, 2016. The second committee was the Charter Review Ad Hoc Committee that was established – in part – to address the financial aspect of residential road repair. One of this committee's recommendations was a charter revision to establish a dedicated fund to be used solely for residential street reconstruction and to authorize the City Council to levy, assess and collect a property tax not to exceed six cents per one hundred dollars of assessed value for residential street reconstruction – to be gradually implemented at a rate of not more than two cents per one hundred dollars of assessed value per year. This charter revision was approved by the voters on November 8, 2016. The voters also approved on November 8, 2016, an \$11 million bond program for residential streets. This bond package allows the City to begin its initiative to repair residential streets and develop its processes and procedures in anticipation of expanding this program.

The second City Council priority deals with developing a long-term water policy. Strategies for this priority include the continuation of water supply development; alignment of water and wastewater strategies with a focus on a consolidated wastewater plant and a solution for the sanitary system overflow (SSO) issue; educating citizens on water supply and water supply strategies; reviewing and governance of the utility rate model; and development of a revised drought contingency plan and drought determination criteria. In addressing water supply development, discussions have begun involving evaluating other sources of water such as desalination, brackish water, effluent, and water storage. Mary Rhodes Pipeline Phase 2, which will draw water from the Lower Colorado River, was completed in October 2016. This project

will provide another water source for Corpus Christi and its region in addition to Lake Corpus Christi, the Choke Canyon Reservoir, and Lake Texana. Long-term planning for water conservation and reuse are also being discussed.

The third City Council priority deals with developing an economic development policy. The City has been working on a targeted economic development policy to recruit desired business niches, develop area-specific plans using tailored incentives, incentivize downtown growth, and address affordable housing/homelessness issues - while expanding diversity of business and retaining and growing existing businesses. Additional strategies include aligning the policies of the Corpus Christi Regional Economic Development Corporation (CCREDC) with those of the Corpus Christi Business and Job Development Corporation (Type A Board); creating policy guidelines to create infill a housing incentive program; and bringing new businesses to City Council District 3. Three status reports on the economic development initiatives were presented to the City Council in 2016. Strategies to address expanding local businesses included completion of a study conducted by the CCREDC to address diversifying the City's business base; the updating of Type A guidelines; and the renewal of the City's contract with the CCREDC. Additionally, the Type A Board awarded two incentive agreements in 2016 to incentivize businesses to expand and create additional jobs for the community. On March 31, 2018, the Type A sales tax dedicated to economic development will expire. On November 8, 2016, the voters approved replacing the Type A sales tax with a Type B sales tax to be effective for 20 years with the use of the proceeds for economic development, affordable housing, and streets.

## **AWARDS AND ACKNOWLEDGMENTS**

### ***Awards***

The Corpus Christi Police Department (CCPD) was awarded re-accreditation in April 2016 by the Commission of Accreditation for Law Enforcement Agencies (CALEA). CCPD received its initial advanced accreditation in 2009 and re-accreditation in 2012, complying with 484 standards set by CALEA to achieve professional excellence in policy and practice. The ongoing accreditation process represents an obligation to continue to strive for professional excellence to gain public trust, reduce risk and liability exposure, and for greater accountability.

In April 2016, the Corpus Christi Internal Airport (CCIA) earned the American Association of Airport Executives (AAAE) award for the amount of training completed in 2015. AAAE makes a web-based training system available to airports allowing employees to complete required courses using a computer instead of sitting through classes. The new system saves time and money and is quickly becoming a significant part of CCIA's overall training protocol.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Corpus Christi for its comprehensive annual financial report (CAFR) for fiscal year ended September 30, 2015, continuing to confirm compliance with both Generally Accepted Accounting Principles (GAAP) and legal requirements. This was the thirty-third consecutive year that the City has received this prestigious award. A Certificate of Achievement is valid for a period of one year only. We



believe that this CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2015. The City has received twenty-five of these awards. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient as a policy document, a financial plan, an operations guide, and a communications device.

### *Acknowledgments*

The preparation of this report is possible only because of the dedication of the staff members in the Department of Financial Services and from the cooperation of all other City departments. Credit must also be given to the Mayor Pro-Tem and City Council for their unfailing support in maintaining the highest standards of professionalism in the management of the City of Corpus Christi and in the prudent financial policies to which it subscribes.

Respectfully submitted,



Margie C. Rose  
City Manager



Constance P. Sanchez, CPA, CPM  
Director of Financial Services



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Corpus Christi  
Texas**

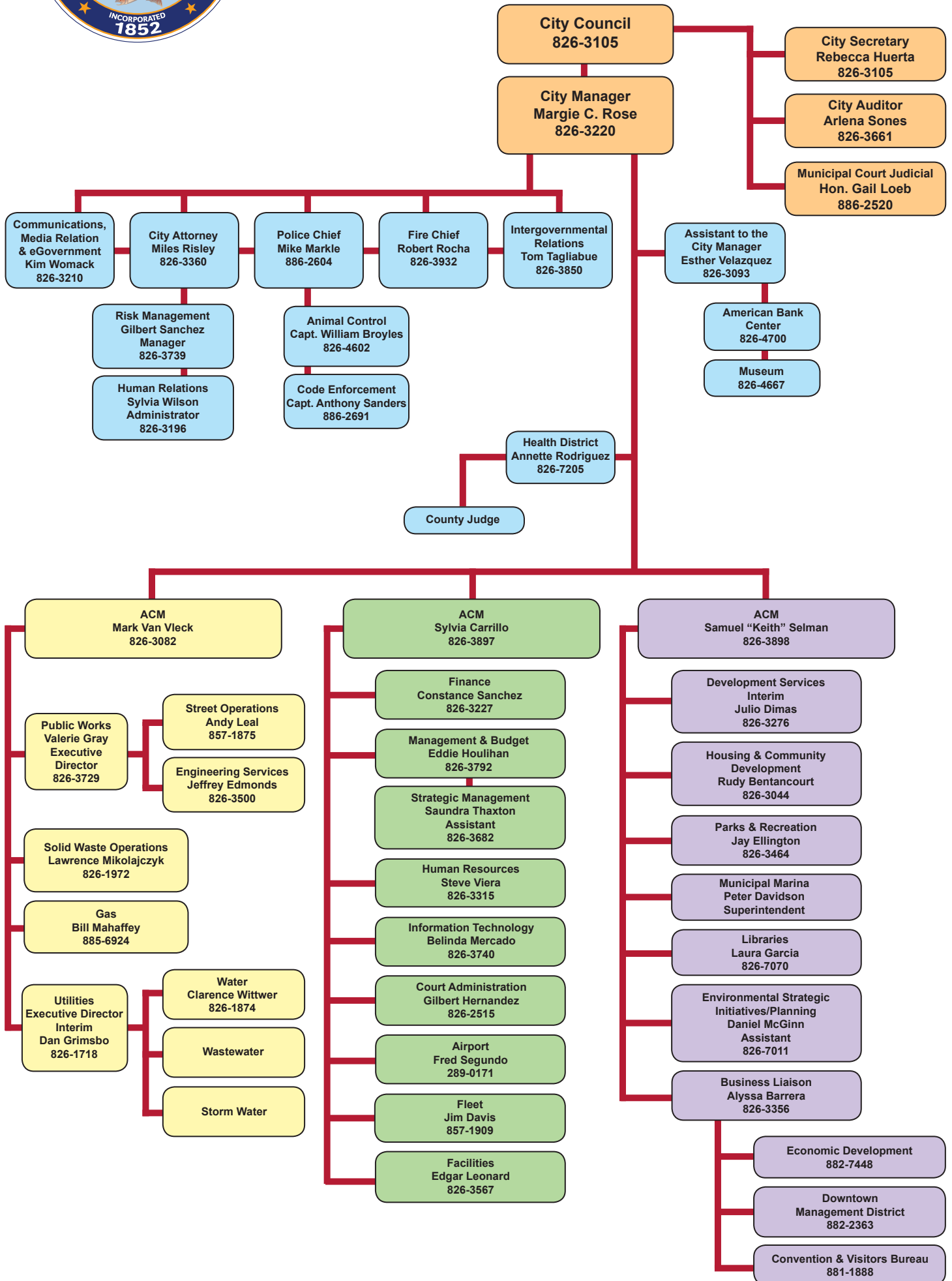
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2015**

Executive Director/CEO



# Organizational Chart



*Financial Section*





## Padgett Stratemann

### Independent Auditor's Report

To the Honorable Mayor and Members of the City Council  
City of Corpus Christi, Texas

#### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Corpus Christi, Texas (the "City") as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Corpus Christi Fire Fighters Retirement System, American Bank Center Convention Center Fund, or the American Bank Center Arena Operations Fund; blended and fiduciary component units, which represent 24%, 29%, and 7%, respectively, of the assets and deferred outflows, net position/fund balances, and revenues/additions of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Corpus Christi Fire Fighters Retirement System, American Bank Center Convention Center Fund, and the American Bank Center Arena Operations Fund, audited separately by other auditors, were not audited in accordance with *Government Auditing Standards*.

#### **AUSTIN**

811 BARTON SPRINGS ROAD, SUITE 550  
AUSTIN, TEXAS 78704  
512 476 0717

#### **HOUSTON**

1980 POST OAK BOULEVARD, SUITE 1100  
HOUSTON, TEXAS 77056  
713 335 8630

#### **SAN ANTONIO**

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SAN ANTONIO, TEXAS 78216  
210 828 6281

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

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

### ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As described in Note 1 to the financial statements, effective October 1, 2015, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 72, *Fair Value Measurement and Application*; GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are not Within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements No. 67 and 68*; GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principle for State and Local Governments*; and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. Our opinions are not modified with respect to these matters.

As described in Note 21 to the financial statements, the City restated beginning fund balance and net position related to the correction of various errors in the previously issued financial statements. Our opinions are not modified with respect to these matters.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Other Post-Employment Benefits Schedule of Funding Progress, Other Post-Employment Benefits Schedule of Annual Required Contributions, Schedule of Changes in the Net Pension Liabilities and Related Ratios – Texas Municipal Retirement System, Schedule of Changes in the Net Pension Liabilities and Related Ratios – Fire Fighters' Retirement System, Schedule of Contributions – Texas Municipal Retirement System, and Schedule of Contributions – Fire Fighters' Retirement System, as

listed in the table of contents, as well as notes to required supplementary information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Fund Financial Statements and Schedules, Schedule of Expenditures of Federal/State Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and as required by the *State of Texas Single Audit Circular*, and other information, such as the Introductory Section and the Statistical Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Financial Statements and Schedules and Schedule of Expenditures of Federal/State Awards are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules and Schedule of Expenditures of Federal/State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control



over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Padgett, Statemann + Co., L.L.P.

San Antonio, Texas  
April 24, 2017

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Corpus Christi's (City) annual financial report presents an overview, through management's discussion and analysis (MD&A), of the City's financial activities and performance during the fiscal year ended September 30, 2016. The MD&A should be read in conjunction with the transmittal letter found in the Introductory Section of this report and the accompanying financial statements and disclosure following this section.

### **FINANCIAL HIGHLIGHTS**

#### **Entity Wide**

- The City reevaluated the classification of funds and determined that Solid Waste activities should be included as a Governmental activity at the government-wide level. Accordingly, the beginning Net Position has been reallocated between Governmental and Business-type activities.
- Due to shifts in revenue sources, the Development Services fund now qualifies as a Special Revenue fund. The portion of General Fund beginning fund balance related to Development Services is now included in the financial statements as the beginning balance of Other Governmental funds.
- Coastal Bend Health Facilities Development Corporation has been reclassified to a blended component unit in the Other Governmental funds and the Corpus Christi Convention and Visitors Bureau is no longer reported as a discrete component unit.
- The Firefighters' Retirement System has been added as a fiduciary fund of the City in fiscal year 2016, and the Deferred Compensation Plan which was previously presented as a fiduciary fund has been determined to not qualify as such.
- Total net position of the City, was \$1.2 billion at September 30, 2016, an increase of \$77.0 million, or 6.76% compared to September 30, 2015 as restated.
- Total net program expenses were \$14.8 million higher than the restated prior year's amount, reflecting net expenses of \$163.0 million for fiscal year ended September 30, 2016 compared to the restated prior period amount of \$148.1 million.
- Total general revenue and transfers increased \$4.2 million from the restated prior year's amount of \$235.7 million to \$239.9 million for the fiscal year ended September 30, 2016, an increase of 1.8%.

#### **Governmental Activities**

- On a government-wide basis for governmental activities, the City had net program expenses of \$210.4 million for the fiscal year ended September 30, 2016, compared to \$197.7 million for the restated prior year, representing a 6.39% increase. General revenues and transfers totaled \$243.8 million for the fiscal year ended September 30, 2016 compared to the restated prior year's amount of \$241.1 million, with an overall increase of 1.1% in net position for the fiscal year ended September 30, 2016. At September 30, 2016, the City's governmental activities had \$966.2 million in total liabilities compared to \$719.5 million at the restated prior period, an increase of 34.3%.

#### **Business-Type Activities**

- On a government-wide basis for business-type activities, program revenue net of expenses was \$47.5 million for the fiscal year ended September 30, 2016 compared to \$50.0 million for the restated prior period, representing an increase of 4.32% from the restated prior year's balance. The restated net position increased by 5.06% from \$860.4 million as restated at September 30, 2015 to \$904.0 million as of September 30, 2016. At September 30, 2016, the business-type activities had \$1.1 billion in total liabilities compared to \$1.5 billion as restated at September 30, 2015.

#### **Bond Issues**

- During the fiscal year ended September 30, 2016, the City issued 6 series of bonds. \$61.0 million of general improvement refunding bonds for the purpose of refunding the Series 2007 and Series 2009 general improvement bonds for bond savings; \$10 million of Combination Tax and Limited Pledge Revenue Certificates of Obligation to fund capital improvements to the City's solid waste system; \$2 million of Combination Tax and Limited Pledge Revenue Certificates of Obligation to fund capital improvements to the City's parks and recreation facilities; \$16.1 million of Corpus Christi General Improvement Refunding bonds to refund the existing 2007A and 2009 General Obligation Improvement bonds and the 2009 Combination Tax and Limited Pledge Revenue Certificates of Obligations for bond savings; \$16.4 million of Combination Tax and Limited Pledge Revenue Certificates of Obligation for the purpose of improving city streets, including utility repair, replacement and relocation; and \$80.4 million of utility system junior lien revenue refunding bond to refund the existing Series 2006 and 2009 Utility System Revenue Improvement and Refunding bonds for bond savings.

#### **General Fund**

- At September 30, 2016, unassigned fund balance for the General Fund was \$47.3 million of the General Fund expenditures. This compares to an unassigned fund balance of \$175 thousand, or 0.09% of General Fund expenditures for the restated prior year. The variance is due to a \$39.5 million reclass of major contingencies that was previously reported under the committed fund balance.
- The financial policies state that the City must maintain a reserve for major contingencies of at least 10% and up to 25% of the total General Fund appropriations. The reserve increased in 2016 from 17.0% at September 30, 2015 to 18.6% at September 30, 2016 of the total General Fund appropriations or \$3.4 million, an 8.7% increase from the restated prior year.
- General Fund revenues for the fiscal year ended September 30, 2016 of \$212.9 million were 2.8% lower than the restated prior year revenues of \$219.0 million.
- General Fund expenditures for the fiscal ended September 30, 2016 of \$205.4 million were 0.3% higher than the restated prior year expenditures of \$204.9 million.

## USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report (CAFR) has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) for local governments as prescribed by the Government Accounting Standards Board (GASB).

The CAFR consists of four sections: introductory, financial, statistical, and single audit. As illustrated in the following chart, Figure 1, the financial section of this report has three components: *management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*.

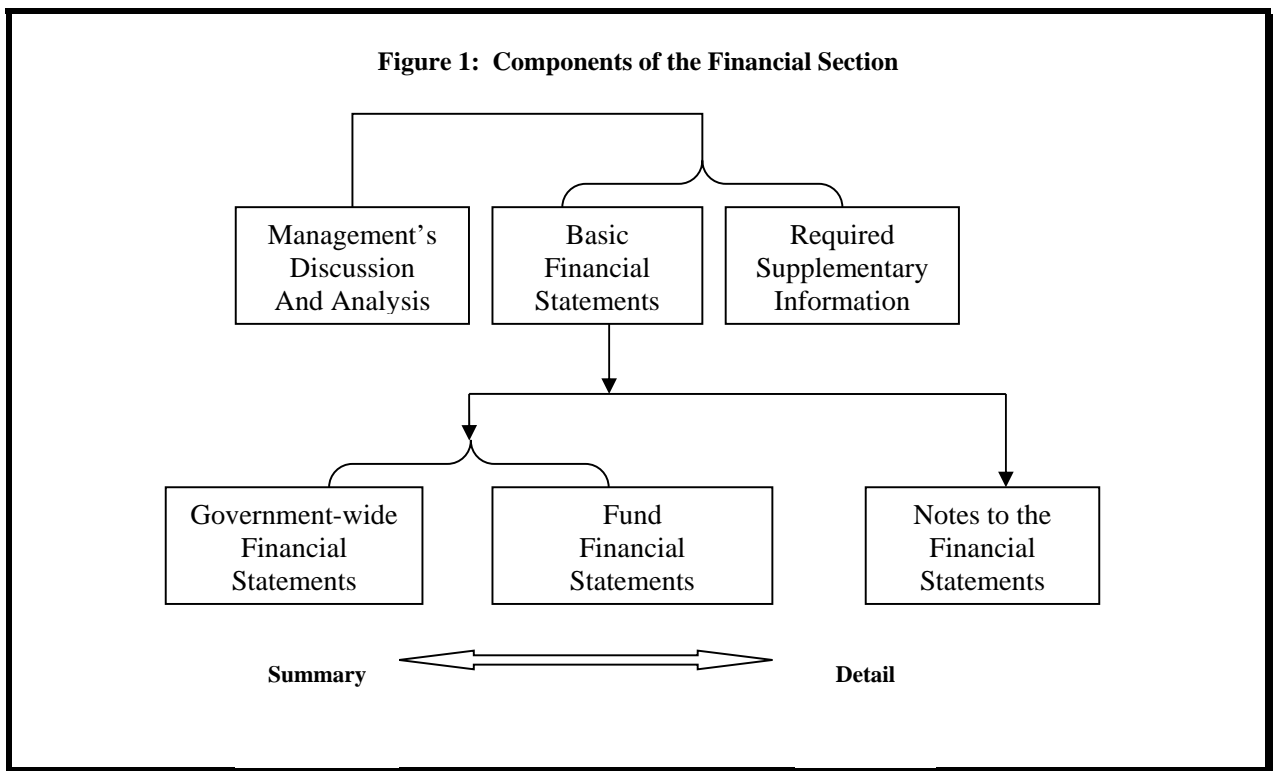


Figure 1 depicts how the required parts of this annual financial report are arranged and relate to one another. In addition to these required elements, a section with combining and individual fund financial statements and schedules that provides details about the non-major governmental funds and internal service funds is included.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements of the City of Corpus Christi are comprised of three elements:

1. **Government-wide financial statements** provide both long-term and short-term information about the City's overall financial condition. The *Statement of Net Position* and the *Statement of Activities*, which are the government-wide statements, report

information about the City as a whole, and about its activities, in a way that provides information helpful in determining whether the City's financial condition has improved or deteriorated as a result of current year's activities. These statements are presented for both *governmental activities* and *business-type activities*. All assets, liabilities, deferred inflows, and deferred outflows are reported using the accrual basis of accounting so the statements will provide readers with a broad overview of the City's finances, similar to statements used by most private-sector companies. Because of the closeness of their relationship with the primary government (the City), some component units are blended as though they are part of the primary government. The City has no discretely presented component units. This is a change from the restated prior year financial statement presentation.

2. **Fund financial statements** provide a detailed short-term view of the City's operations, focusing on the most significant funds in greater detail than the government-wide statements. The three types of funds reported are:

- ***Governmental funds*** – General Fund, Debt Service Fund, Streets Capital Projects Fund, and other non-major funds consisting of special revenue funds, capital project funds, the other debt service funds, focus on how cash and other financial assets that can readily be converted to cash flow in and out and the balances left at year-end that are available for spending. The governmental funds statements provide the short-term view that helps determine whether there are more or fewer financial resources to be spent in the near future to finance the City's programs. Because the focus of governmental funds does not encompass the additional long-term focus of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. Due to shifts in revenue sources, the Development Services fund now qualifies as a Special Revenue fund. The portion of General Fund beginning fund balance related to Development Services is now included in the financial statements as the beginning balance of Other Governmental funds. Coastal Bend Health Facilities Development Corporation has been reclassified from a discretely presented component unit to a blended component unit in the Other Governmental funds and the Corpus Christi Convention and Visitors Bureau is no longer reported as a component unit of the City. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.
- ***Proprietary funds*** – Enterprise funds and Internal Service funds are used to report services for which the City charges their customers, either internal or external, a fee. These funds, like the government-wide statements, provide both long-term and short-term financial information, however, in more detail. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Utility System, Airport, Golf Courses, and Marina. Internal service funds are used to report activities that provide supplies and services for the City's various other programs and activities.

The City uses internal service funds to account for Stores, Fleet Maintenance Services, Facilities Maintenance Service, Information Technology, Liability and Employee Benefits, and Engineering Services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

- ***Fiduciary funds*** – The City is trustee, or fiduciary, for certain amounts held on behalf of others or, because of an arrangement, can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The Fireman’s Retirement System and a Private Purpose Trust Fund are the City’s two fiduciary activities and are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These fiduciary activities are excluded from the City’s government-wide financial statements because the City cannot use these assets to finance its operations.

3. **Notes to the financial statements** provide disclosures and additional information that are essential to the full understanding of the financial information presented in the government-wide and fund financial statements.

Following the notes to the financial statements is *required supplementary information (RSI)* that further explains and supports the information in the financial statements.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

### **Net Position**

At September 30, 2016, the net position for the City of Corpus Christi totaled \$1.2 billion, \$77.0 million higher than the restated net position at September 30, 2015. The composition of the net position is \$311.4 million for governmental activities and \$904.0 million for business-type activities. The largest portion of the City’s total net position, 89.0%, is net investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment, and construction in progress); less any related debt used to acquire those assets that are still outstanding. The City has \$155.7 million in restricted net position for specific purposes at September 30, 2016, which is a \$14.3 million increase from restated September 30, 2015. The City’s unrestricted net position is a negative \$22.0 million at September 30, 2016. It should be noted that the City has sufficient funds to meet requirements for cash outlays in the next fiscal year.

Table 1 reflects a comparative summary of statement of net position for the City of Corpus Christi.

City of Corpus Christi

Table 1  
Summary of Net Position  
As of September 30, 2016 and 2015  
(in 000's)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015*	2016	2015*	2016	2015*
Capital assets, net of accumulated depreciation	\$ 692,006	\$ 667,854	\$ 1,564,386	\$ 1,524,111	\$ 2,256,392	\$ 2,191,965
Other assets	517,628	480,757	424,204	458,961	941,833	939,718
Total assets	1,209,634	1,148,611	1,988,591	1,880,062	3,198,225	3,131,683
Deferred outflows of resources	71,313	32,064	25,951	11,646	97,264	43,710
Long-term liabilities	899,163	678,623	1,088,416	1,476,307	1,987,579	2,154,930
Estimated long-term liability claims	9,406	6,990	--	--	9,406	6,990
Other liabilities	57,646	33,854	21,210	16,428	78,856	50,283
Total liabilities	966,216	719,467	1,109,626	1,492,735	2,075,842	2,212,203
Deferred inflows of resources	3,380	3,611	946	1,395	4,326	5,006
Net position						
Net investment in capital assets	304,107	249,204	777,596	787,635	1,081,702	1,036,840
Restricted	137,075	121,204	18,590	20,126	155,665	141,330
Unrestricted	(129,831)	(92,475)	107,785	52,667	(22,046)	(39,808)
Total net position	\$ 311,351	\$ 277,933	\$ 903,970	\$ 860,429	\$ 1,215,321	\$ 1,138,362

\*FY 2015 Beginning balances restated

Of the business-type activities, the Utility System fund is the largest operation at the City with total assets of \$1.83 billion, comprising 92% of all business-type activities total assets for 2016, slightly increasing from 88.8% in restated 2015. The Utility System fund net position as of September 30, 2016 was \$781.2 million which is an increase of 7.0% over last year's \$730.0 million net position.

**Changes in Net Position**

Table 2 reflects a comparative detail of changes in net position for the City of Corpus Christi for the fiscal year ended September 30, 2016 and September 30, 2015.

## City of Corpus Christi

Table 2  
Changes in Net Position  
For Fiscal Year Ended September 30, 2016  
(in 000's)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015*	2016	2015*	2016	2015*
<b>Revenue</b>						
Program revenues						
Charges for services	\$ 91,565	\$ 94,687	\$ 243,585	\$ 235,378	\$ 335,150	\$ 330,065
Operating grants and contributions	11,532	9,899	1,310	1,226	12,842	11,125
Capital grants and contributions	11,479	7,912	11,580	27,220	23,059	35,131
Total program revenues	<u>114,576</u>	<u>112,498</u>	<u>256,474</u>	<u>263,824</u>	<u>371,050</u>	<u>376,322</u>
General revenue						
Property taxes	119,289	103,987	--	--	119,289	103,987
Sales taxes	81,618	96,806	--	--	81,618	96,806
Hotel occupancy taxes	17,636	15,110	--	--	17,636	15,110
Business fees	17,394	17,284	--	--	17,394	17,284
Investment earnings	1,966	1,283	1,955	1,212	3,921	2,495
Total general revenue	<u>237,903</u>	<u>234,471</u>	<u>1,955</u>	<u>1,212</u>	<u>239,859</u>	<u>235,683</u>
Total revenues	<u>352,479</u>	<u>346,968</u>	<u>258,430</u>	<u>265,036</u>	<u>610,909</u>	<u>612,005</u>
<b>Expenses</b>						
General government	23,549	20,530	--	--	23,549	20,530
Police and municipal court	96,428	91,069	--	--	96,428	91,069
Fire and ambulance	58,265	48,724	--	--	58,265	48,724
Emergency management	631	614	--	--	631	614
Inspections	227	2,379	--	--	227	2,379
Streets	36,241	34,051	--	--	36,241	34,051
Health	6,446	5,941	--	--	6,446	5,941
Parks and recreation	22,460	19,929	--	--	22,460	19,929
Libraries	4,895	4,576	--	--	4,895	4,576
Museums	2,085	1,867	--	--	2,085	1,867
Community enrichment	6,113	5,851	--	--	6,113	5,851
Community development	9,393	13,365	--	--	9,393	13,365
Convention and visitors activities	15,460	16,228	--	--	15,460	16,228
Interest on long-term debt	17,315	18,424	--	--	17,315	18,424
Solid waste	25,422	26,672	--	--	25,422	26,672
Utilities	--	--	192,439	198,385	192,439	198,385
Airport	--	--	14,115	13,631	14,115	13,631
Golf centers	--	--	129	215	129	215
Marina	--	--	2,338	1,997	2,338	1,997
Total expenses	<u>324,930</u>	<u>310,220</u>	<u>209,020</u>	<u>214,228</u>	<u>533,950</u>	<u>524,448</u>
Excess revenues over expenses	27,550	36,749	49,409	50,808	76,959	87,557
Transfers in (out)	5,868	6,611	(5,868)	(6,611)	--	--
Increase in net position	33,418	43,360	43,541	44,197	76,959	87,557
Net position at beginning of year	277,933	394,300	860,429	845,121	1,138,362	1,239,421
Prior period adjustment for change in accounting for pension liability	--	(159,726)	--	(28,889)	--	(188,615)
Net position at end of year	<u>\$ 311,351</u>	<u>\$ 277,933</u>	<u>\$ 903,970</u>	<u>\$ 860,429</u>	<u>\$ 1,215,321</u>	<u>\$ 1,138,362</u>

\*FY 2015 Restated for prior period adjustments

### **Governmental Activities**

As shown in Table 2, there was a \$33.4 million increase in net position for governmental activities for the fiscal year ended September 30, 2016 as compared to the restated prior period. For the fiscal year ended September 30, 2016, revenues totaled \$352.5 million compared to \$347.0 million for the restated prior period, an increase of \$5.5 million or 1.6%. Property tax revenue reflected the highest increase from the restated prior year of \$15.3 million or 14.7% due to the increase in assessed property valuations.

Expenses for governmental activities totaled \$325.0 million for the fiscal year ended September 30, 2016 compared to \$310.2 million for the restated prior period, an increase of approximately \$14.7 million.

### **Business-Type Activities**

As shown in Table 2, there was a \$43.5 million increase in net position for business-type activities for the fiscal year ended September 30, 2016 as compared to the restated prior period, which is a 5.1% increase. For the fiscal year ended September 30, 2016, revenues for business-type activities decreased by \$6.6 million from the restated prior period's amounts.

Revenues for the City's business-type activities are associated with operating activities accounted for in the enterprise funds, the largest activity being the utilities (91.8%) which consists of the gas, water, and wastewater systems. Charges for services for the utilities increased \$14.5 million from the restated prior period. Rate increases were implemented in January 2016. These rates will be effective for a two-year period. Water consumption of 32.4 billion gallons sold was a 3% decrease with respect to the prior year consumption of 33.4 billion gallons sold. The pass-through revenue related to natural gas was \$4.4 million lower than prior year due to low prices. These effects were largely offset by the rate increases. Capital contributions decreased from the prior period because the fiscal year 2015 included extensive grants reimbursements associated with the Airport's runway extension and taxiway rehabilitation.

Expenses reported in the business-type activities decreased by \$5.2 million from the restated prior period. The majority of expenses reported in the business-type activities were utilities (92.1%), reflecting \$192.4 million for the fiscal year ended September 30, 2016 compared to \$198.4 million for the restated prior period. Expenses for the utilities decreased by \$5.9 million from the restated prior year.

## **FINANCIAL ANALYSIS OF THE CITY'S GOVERNMENTAL FUNDS**

### **Governmental Funds**

- Total assets of the General Fund has increased by \$8.9 million at September 30, 2016. Cash, cash equivalents and investments reflect \$53.1 million or 71.9% of total assets with net receivables reporting \$19.8 million, or 26.8% of the total. The majority of the net receivables balance was in property taxes receivables, solid waste receivables, demolition liens, and intergovernmental receivables attributed to sales tax. Some of these receivables



are not available to pay current expenditures and therefore reflected as Deferred Inflows – Unavailable Revenue.

- Total liabilities of the General Fund increased by \$7.4 million from the restated prior year, accrued liability increased by \$3.3 million attributed to payroll clearing, and increased by \$4.6 million in retainage payable.
- General Fund revenues for the fiscal year ended September 30, 2016 reflect a \$6.1 million decrease from the restated prior period revenues due to a decline in sales tax revenue of \$5.1 million, industrial district agreement payments in lieu of taxes. Total property taxes increased \$4.9 million from \$55.7 million, licenses and permits decreased by \$5.6 million due to Development Services Fund being reclassified to the Special Revenue section.
- The General Fund’s unassigned fund balance increased by \$47.1 million from September 30, 2015. In 2016, major contingencies that were previously in the committed balance have now been classified as unassigned.
- Committed for major contingencies in the General Fund decreased by \$39.5 million at September 30, 2016, attributable to the moved major contingencies to unassigned fund balance. The financial policy specifies that the City maintain the commitment for major contingencies of least 10% and up to 25% of the total annual General Fund appropriations. The commitment at September 30, 2016 was 18.6% of the total General Fund appropriations for fiscal ended September 30, 2016.
- The Debt Service Fund’s restricted fund balance increased by \$2.1 million, reporting a balance of \$12.9 million at September 30, 2016.
- The Streets Capital Projects Fund decreased its fund balance by \$976 thousand for the fiscal year ended September 30, 2016. In 2016, the fund received \$18.4 million in certificates of obligation. The fund spent \$21.9 million on capital projects during fiscal year ended September 30, 2016. Total fund balance was \$159.3 million at September 30, 2016.

### **Non-major Governmental Funds**

Funds comprising the non-major governmental category are special revenue, capital projects funds and debt service funds from the Corpus Christi Business and Job Development Corporation. The combined fund balance for all non-major governmental funds at September 30, 2016 was \$189.3 million, as compared to \$171.2 million at September 30, 2015. This represents an \$18.1 million increase or 10.6%. The Street Maintenance Fund increased its fund balance by \$4.2 million due to an increase in revenues being allocated for street maintenance.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

As shown in Table 3, at September 30, 2016 the City had invested over \$2.3 billion in a broad range of capital assets, including Police and Fire equipment, buildings, park facilities, roads and bridges, and its Utility System and Airport. During fiscal year 2016 the City reevaluated the classification of funds and determined that Solid Waste activities should be included as a

City of Corpus Christi

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governmental activity at the government-wide level. The amount of this restatement is \$69 million. Governmental activities increased by 24.1 million from the previous year. This increase included \$53.9 million in additions less \$29.7 million of depreciation expense and \$124 thousand for retirements. The beginning balance of Business-type activities capital assets has been restated from prior year due to a change in accounting policy in which the LNRA purchase contract for Lake Texana water which was previously reported as Notes Payable and an associated Water Rights capital asset is now reported as an unconditional purchase obligation (footnote 18) with no associated capital asset. This restatement reduces the beginning balance by \$86 million. The business type activities increased by 40.3 million from the restated prior year. Business activities increased by \$87.3 million in additions less \$40.6 million of depreciation expense and \$6.4 million for retirements. This contributed to a total increase in capital assets of \$64.4 million, or 2.9% over September 30, 2015.

Table 3  
Capital Assets (net of depreciation) at September 30, 2016 and 2015  
(in 000's)

	Governmental Activities		Business-Type Activities		Total		% Change 2015-2016
	2016	2015*	2016	2015*	2016	2015*	
Land	\$ 68,606	\$ 68,422	\$ 28,589	\$ 28,436	\$ 97,195	\$ 96,858	0.3%
Water rights	--	--	106,808	106,808	106,808	\$ 106,808	0.0%
Buildings	137,062	142,311	48,103	55,694	185,166	\$ 198,005	-6.5%
Improvements	141,219	133,122	199,417	191,035	340,636	\$ 324,157	5.1%
Equipment	33,477	32,269	10,408	10,939	43,886	\$ 43,208	1.6%
Infrastructure	202,422	193,697	776,919	770,295	979,341	\$ 963,992	1.6%
Construction in progress	109,220	98,032	394,143	360,903	503,363	\$ 458,935	9.7%
Total	<u>\$ 692,006</u>	<u>\$ 667,853</u>	<u>\$ 1,564,387</u>	<u>\$ 1,524,110</u>	<u>\$ 2,256,395</u>	<u>\$ 2,191,963</u>	2.9%

\*FY2015 restated for prior period adjustments

### Long-term Liabilities

Table 4 shows that total long-term liabilities increased \$15 million during the 12 months ended September 30, 2016, from \$1.983 billion at September 30, 2015 to \$1.998 billion at September 30, 2016, or 0.76%. Governmental activities reported a net increase in long-term liabilities of \$54 million or 6.4% which reflects the addition of \$128 million of debt, paying down \$126 million of debt, and increasing other long-term liabilities by \$52 million due mainly to the funding levels for retirement. Business-type activities reported a decrease in long-term liabilities of \$39.4 million or a 3.5% decrease from the restated September 30, 2015 year due to the addition of \$93 million of debt, paying down \$134 million of debt, and increasing other long-term liabilities of \$2 million due mainly to increasing funding levels for retirement.

City of Corpus Christi

Table 4  
Long-Term Liabilities at September 30, 2016 and 2015  
(in 000's)

	Governmental Activities		Business-Type Activities		Total		% Change 2015-2016
	2016	2015*	2016	2015*	2016	2015*	
General obligation bonds	\$ 419,810	\$ 440,945	\$ 17,545	\$ 18,450	\$ 437,355	\$ 459,395	-4.8%
Certificates of obligation	32,253	10,322	10,837	11,222	43,090	21,544	100.0%
Revenue bonds	58,185	65,105	--	--	58,185	65,105	-10.6%
Utility priority revenue bonds	--	--	227,555	336,420	227,555	336,420	-32.4%
Utility junior lien revenue bonds	--	--	655,655	587,835	655,655	587,835	11.5%
Discount on bonds payable	(19)	(22)	(60)	(854)	(79)	(876)	-91.0%
Premium on bonds payable	32,157	24,126	66,218	62,882	98,375	87,008	13.1%
Capital leases	17,486	14,243	1,713	1,564	19,199	15,807	21.5%
Other notes	20,286	22,878	52,884	55,507	73,170	78,385	-6.7%
Total debt	580,158	577,597	1,032,347	1,073,026	1,612,505	1,650,623	-2.3%
Accumulated compensated							
absences	33,569	34,429	2,666	3,649	36,235	38,078	-4.8%
Landfill closure cost	25,975	28,174	--	--	25,975	28,174	-7.8%
Net pension liability	259,610	204,265	52,684	50,452	312,294	254,717	22.6%
Net OPEB obligation	10,394	11,114	719	667	11,113	11,781	-5.7%
Total long-term liabilities	\$ 909,706	\$ 855,579	\$ 1,088,416	\$ 1,127,794	\$ 1,998,122	\$ 1,983,373	0.7%

\*FY2015 restated for prior period adjustments

During the fiscal year, the City completed six bond issuances to fund permanent capital improvements to public facilities, the City's solid waste system and City streets; and to refund existing City General Obligation Improvement Bonds and Utility System Revenue Improvement and Refunding bonds for savings.

In October 2015, the City issued \$61.0 million of Corpus Christi General Improvement Refunding Bonds, Series 2015 for the purpose of refunding the Series 2007 and Series 2009 General Improvement Bonds for bond savings. The City will reduce its total debt service payments over the next 14 years by approximately \$4,123,940 and obtain an economic gain of \$4,282,754. The interest rate for these bonds range between 4.0% and 5.0%.

In October 2015, the City issued \$10.0 million of Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2015 for the purpose of funding capital improvements to the City's Solid Waste System. The interest rates range from 0.350% - 4.493%.

In December 2015, the City issued \$2 million of Combination Tax and Limited Pledge Revenue Certificates of Obligation Series 2016 to fund making capital improvements to the City's parks and recreation facilities. The interest rates range from 2.00% - 5.00%.

In July 2016, the City issued \$16.1 million of Corpus Christi General Improvement Refunding bonds, Series 2016 to refund the existing 2007A and 2009 General Obligation Improvement bonds and the 2009 Combination Tax and Limited Pledge Revenue Certificates of Obligations for bond savings. The City will reduce its total debt service payments over the next 14 years by approximately \$1,052,738 and obtain an economic gain of \$800,430. The interest rates range between 2.00% - 4.00%.

## City of Corpus Christi

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In July 2016, the City issued \$16.4 million of Combination Tax and Limited Pledge Revenue Certificates of Obligation for the purpose of improving city streets, including utility repair, replacement and relocation. The interest rates range between 2.00% - 4.00%.

In August 2016, the City issued \$80.4 million Utility System Junior Lien Revenue Refunding bonds, Series 2016 to refund the existing Series 2006 and 2009 Utility System Revenue Improvement and Refunding bonds for bond savings. The City will reduce its total debt service payments over the next 21 years by approximately \$14,875,001 and obtain an economic gain of \$15,115,209. The interest rates range between 2.00% - 5.00%.

The net pension liability increased from \$254.7 million at September 30, 2015 to \$312.3 million at September 30, 2016, a 23% increase primarily related to investment returns lower than projected, and due to the City's funding its contribution to the Texas Municipal Retirement System (TMRS) at a rate lower than the annual required contribution as actuarially determined. In calendar year 2011, the City Council approved an ordinance to change the "annually repeating" feature of the City's plan regarding updated service credits and 70% consumer price index (CPI) increases for annuitants to "ad hoc" (one time only basis) - thereby reducing the City's full contribution rate for subsequent years. However, these provisions are considered to be substantively automatic due to contract provisions with the Corpus Christi Police Officers' Association; so the full TMRS rate of 20.57% for 2016 is 2.11% more than the 18.46% contribution rate. See "Schedule of Contributions for TMRS" in the Required Supplemental Information. It is the City Council and management's intent to increase the City's TMRS contribution rate by 2% each fiscal year beginning in 2017 until the fully funded rate is achieved. The financial/budgetary policies were amended by the City Council in March 2016 to reflect such a change. (See Note 9 Employee Retirement Benefits in the Notes to the Financial Statements.) An additional factor causing the increase is that a lower discount rate (rate of return on pension plan investments) has been assumed in calculating the actuarial liability. Last year's valuation assumed a discount rate of 7.0%, this year's assumes 6.75%.

The net OPEB (other post-employment benefits) obligation decreased by \$0.7 million from September 30, 2015 to September 30, 2016, a 6.0% decrease. An actuarial valuation was obtained and determined that the total 12-month required contribution (ARC) for the City at September 30, 2016, was \$713 thousand. In an effort to reduce the City's liability, all City retirees who are Medicare-eligible are enrolled in a separate Medicare insurance plan and are not covered by the City's insurance. The unfunded actuarial accrued liability for the City at October 1, 2015, is \$10.9 million. (See Note 10 Post-Employment Health Care Benefits in the Notes to the Financial Statements.)

The landfill closure cost decreased by \$2.2 million from September 30, 2015 to September 30, 2016 due mainly to normal closure/post-closure costs for the Cefe Valenzuela landfill. Additionally, during the year one cell was inactivated and one cell was opened. (See Note 13 Long-Term Obligations in the Notes to the Financial Statements.)

## **Bond Ratings**

In 2016, the City received one bond rating upgrade. Standard & Poor's Ratings Service (S&P) upgraded the City's general obligation bonds to AA in 2016:

- The unenhanced bond ratings for general obligation bonds were assigned Aa2 from Moody's Investors Service, Inc. (Moody's), and AA from Fitch Ratings (Fitch).
- The City's unenhanced bond ratings for 2016 for the priority lien utility revenue bonds were assigned Aa3 from Moody's, AA- from S&P, and AA- from Fitch.
- The City's unenhanced bond ratings for the junior lien utility revenue bonds established in 2015 were A+ by S&P, A+ by Fitch, and by A1 by Moody's.
- The unenhanced bond ratings for the Corpus Christi Business and Job Development's sales tax revenue bonds for the arena and seawall were A1 from Moody's, A+ from S&P, and AA- from Fitch.
- The unenhanced bond ratings for the Corpus Christi Business and Job Development's sales tax revenue bonds for the baseball stadium were A1 from Moody's, A+ from S&P, and AA from Fitch.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The financial policies of the City dictate that current budgeted revenues will equal or exceed current budgeted expenditures. The financial policy is to maintain the reserve for major contingencies of least 10% and up to 25% of the total annual General Fund appropriations. The reserve at September 30, 2016 was 18.6% of the total annual General Fund appropriations in 2016.

Exhibit 3 of the Financial Statements reflects the budget to actual budget basis comparisons for the General Fund. The originally adopted General Fund revenue budget (including transfers in) of \$232.2 million was amended by the City Council during 2016 resulting in a net decrease in revenue of \$6.7 million. Major amendment for the revenue decrease in the amount of \$8.0 million were due to a decline in sales tax revenue, industrial district agreement payments in lieu of taxes, and municipal court revenues; \$1.2 million mid-year rebates from Municipal Information Systems Fund, Fleet Maintenance Fund, Development Services Fund, and General Liability Fund. The originally adopted General Fund expenditure budget (including transfers out) of \$231.5 million was amended by the City Council during 2016 resulting in a net increase in expenditures of \$4.8 million. Major amendments included \$4.5 million of encumbrances carried forward into 2016; \$187 thousand transfer to Street Fund from coast savings related to lower premium costs. (See Note 6 Budgetary Data in the Financial Statements for more detail of budget changes.)

## **Budgetary Variances**

General Fund actual budget basis revenue for the 12 months ended September 30, 2016 of \$217.3 million was \$610 thousand over the final budgeted amount.

General Fund actual budget basis expenditures for the 12 months ended September 30, 2016 of \$207.6 million were \$11.1 million under the amended budget amount of \$218.7 million. Main contributing factors were Solid Waste was under budget by \$2.1 million due to encumbrances that will be paid in FY2017, and a reduction in the transfer to Debt Service fund due to a delay in issuance of Certificates of Obligation. Police Department and Municipal Court were \$1.7 million under budget due to salary and operational savings of \$646 thousand in Municipal Court Administration and City Marshals. Parks and recreation was under budget by \$1.9 million mainly due to salary and operational savings. General Government, which includes \$286 thousand in City Attorney, \$123 thousand ACM of Safety, Health and Neighborhoods, \$308 thousand in Public Information, \$172 thousand in Management & Budget, \$203 thousand in Training, and \$793 thousand in Comprehensive Planning was under budget largely due to salary and operational savings. Intergovernmental Relations was under budget by \$188 thousand because lobby contracts were budgeted in the General Fund, but costs were shared by Utilities Funds. Health was under budget by \$783 thousand due to salary and operational savings.

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

- The unemployment rate for Corpus Christi increased to 6.3% in September 2016 from 5.0% in September 2015. In December 2016, the unemployment rate increased to 6.1%, which was above the 4.6% unemployment rate for the State of Texas and above the 4.5% national unemployment rate.
- For fiscal year 2016-2017, the Certified Net Assessed Taxable Value experienced an increase of 8.1% to \$18.3 billion. The adopted tax rate for fiscal year 2016-2017 is \$0.606264 per \$100 valuation. The Maintenance and Operations (M&O) rate is \$0.376806 per \$100 valuation, and the Debt Service rate is \$0.229458 per \$100 valuation.
- The City of Corpus Christi has appropriated total revenues and expenditures for fiscal year 2016-2017 of \$865.2 million and \$877.1 million, respectively. Included for the General Fund are revenues budgeted at \$230.9 which is a \$1.2 million decrease over the adopted General Fund budget of \$232.1 million for fiscal year 2015-2016. Ad valorem tax revenue is budgeted at a 4.7% increase from the restated prior year which is estimated to generate an additional \$3.1 million. Sales tax revenue is budgeted at a 1.0% increase over the current year's estimate.
- Included for the General Fund are expenditures budgeted at \$232 million, which is a \$514 thousand decrease over the adopted General Fund budget of \$232,500,653 for fiscal year 2015-2016.
- The Fiscal Year 2016-2017 Budget includes a 2% increase for our Texas Municipal Retirement System contribution rate. Our plan is to increase our contribution rate by 2% a year for Fiscal Year 2015-2016 through Fiscal Year 2019-2020 to reach our fully funded rate.
- The General Fund reflects a transfer of \$13,560,690 to the Street Department for Street Maintenance. This equates to 6% of General Fund revenue (less any grant and Industrial District revenue). The 2016-2017 Budget also includes an additional \$1,000,000 General Fund transfer to the Street Department for the Residential/Local Street Fund.

- Two-year utility rate increases are programmed in the fiscal year 2015-2016 budget as follows: 22.0% average water rate increase for residential customers; 11.1% wastewater rate increase; and 1.9% gas rate increase. The last change in rates was effective January 1, 2016. The rates in effect are for a two year period. The next rate change, if any, will not take effect until January 1, 2018 and will be addressed during our upcoming budget for Fiscal Year 2017-2018.

### **CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the City Council, citizens, taxpayers, customers, bondholders, creditors, and other governmental sectors with a general overview of the City's financial condition and to demonstrate the City's accountability for the funds it receives.

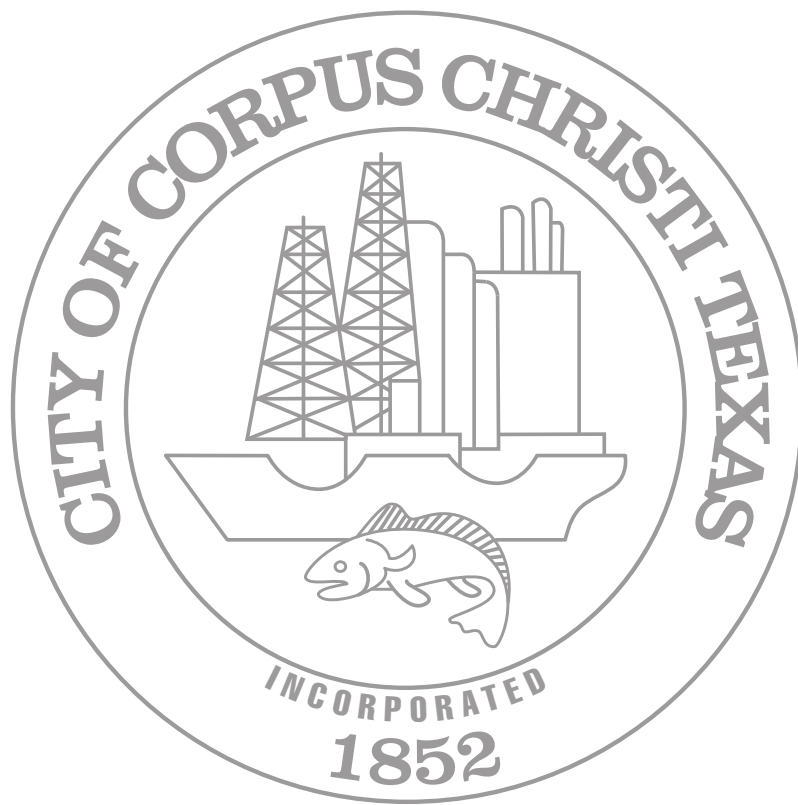
If you have any questions about this report or need additional information, contact:

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*or visit our web site at:* **[www.ctexas.com](http://www.ctexas.com)**





City of Corpus Christi

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**STATEMENT OF NET POSITION  
SEPTEMBER 31, 2016**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash, cash equivalents and investments (Note 5)	\$ 190,966,267	\$ 142,081,535	\$ 333,047,802
Receivables, net of allowance for uncollectibles (Note 7)	31,328,179	29,285,376	60,613,555
Internal balances	3,035,583	(3,035,583)	--
Inventories	1,936,750	921,119	2,857,869
Prepaid items	1,376,378	--	1,376,378
Restricted assets			
Cash, cash equivalents and investments (Note 5)	270,328,793	254,882,993	525,211,786
Receivables, net of allowance for uncollectibles (Note 7)	18,606,599	69,039	18,675,638
Other property	49,871	--	49,871
Land, construction in progress, and water supply rights (Note 8)	177,826,096	529,538,963	707,365,059
Other capital assets, net of accumulated depreciation (Note 8)	514,179,417	1,034,847,137	1,549,026,554
Total assets	<u>1,209,633,933</u>	<u>1,988,590,579</u>	<u>3,198,224,512</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized loss on refunded debt	12,225,811	12,279,876	24,505,687
Deferred outflows related to pension liability (Note 9)	59,086,981	13,671,606	72,758,587
Total deferred outflows of resources	<u>71,312,792</u>	<u>25,951,482</u>	<u>97,264,274</u>
<b>LIABILITIES</b>			
Accounts payable	14,327,596	9,343,329	23,670,925
Accrued expenses	10,701,904	--	10,701,904
Accrued interest	1,794,627	8,644,293	10,438,920
Contractor interest and retainage payable	4,585,953	2,382	4,588,335
Deposits	2,576,299	2,533,556	5,109,855
Liability to claimants - escheat property	117,678	121,825	239,503
Due to other governmental agencies	825,117	--	825,117
Unearned revenue	3,977,022	564,625	4,541,647
Current portion of estimated claims liability (Note 11)	8,197,326	--	8,197,326
Current portion of long-term liabilities (Note 13)			
Long-term debt	42,419,833	42,776,408	85,196,241
Landfill closure cost	774,053	--	774,053
Accumulated unpaid compensated absences	14,452,372	2,231,312	16,683,684

(Continued)

City of Corpus Christi

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**Exhibit 1-A**

	<b>Primary Government</b>		<b>Total</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	
Long-term liabilities, excluding current portion (Note 13)			
Long-term debt	537,737,898	989,570,386	1,527,308,284
Estimated liability claims, excluding current portion (Note 11)	9,406,257	--	9,406,257
Landfill closure cost	25,201,287	--	25,201,287
Accumulated unpaid compensated absences	19,116,651	434,196	19,550,847
Net pension liability (Note 9)	259,610,156	52,684,302	312,294,458
Net OPEB obligation (Note 10)	10,393,934	719,017	11,112,951
Total liabilities	966,215,963	1,109,625,631	2,075,841,594
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unamortized gain on refunded debt	208,681	--	208,681
Deferred inflows related to pension liability (Note 9)	3,171,230	946,083	4,117,313
Total deferred inflows of resources	3,379,911	946,083	4,325,994
<b>NET POSITION</b>			
Net investment in capital assets	304,106,762	777,595,643	1,081,702,405
Restricted for			
Vital statistics records retention	345,278	--	345,278
Passenger facility charges projects	--	2,571,079	2,571,079
Bond interest and redemption	18,999,657	9,825,843	28,825,500
Municipal and Juvenile Court	709,363	--	709,363
Fire contribution trust	5,585	--	5,585
PEG equipment and facilities	1,561,743	--	1,561,743
Tourism (HOT)	6,711,381	--	6,711,381
Traffic safety programs	727,400	--	727,400
State and federal grant programs	928,169	--	928,169
Parks and recreation	5,855,318	--	5,855,318
Infrastructure development	1,705,972	--	1,705,972
Loans	13,577,619	--	13,577,619
Crime control and prevention	4,884,816	--	4,884,816
Business and job development	75,052,357	--	75,052,357
Tax increment zone improvements	6,010,320	--	6,010,320
Improvements to utility lines and facilities	--	6,091,196	6,091,196
Public health	--	96,187	96,187
Law enforcement officers' standards and education	--	5,485	5,485
Unrestricted	(129,830,889)	107,784,915	(22,045,974)
Total net position	\$ 311,350,851	\$ 903,970,348	\$ 1,215,321,199

The notes to the financial statements are an integral part of this statement.

City of Corpus Christi

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**STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2016**

	<b>Expenses</b>	<b>Charges for Services</b>
Primary government		
Governmental activities		
General government	\$ 23,549,438	\$ 9,095,175
Police and municipal court	96,427,880	14,709,131
Fire and ambulance	58,265,448	5,577,728
Solid Waste	25,422,366	38,049,509
Emergency management	630,679	--
Inspections	226,501	--
Streets	36,240,932	14,480,032
Health	6,446,306	1,015,996
Parks and recreation	22,459,907	3,320,804
Libraries	4,894,637	132,977
Museums	2,085,260	807,840
Community enrichment	6,112,618	212
Community development	9,393,044	92,924
Convention and visitor activities	15,459,948	4,282,776
Interest on long-term debt	17,314,590	--
Total governmental activities	324,929,554	91,565,104
Business-type activities		
Utilities		
Water	106,291,296	137,305,933
Gas	29,510,720	27,679,719
Wastewater	56,636,897	72,265,040
Airport	14,115,378	4,312,314
Golf centers	128,614	137,977
Marina	2,337,522	1,883,564
Total business-type activities	209,020,427	243,584,547
Total primary government	\$ 533,949,981	\$ 335,149,651

City of Corpus Christi

Exhibit 1-B

Program Revenue		Net (expense) revenue and changes in net position		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ 7,569	\$ --	\$ (14,446,693)	\$ --	\$ (14,446,693)
2,056,125	100,989	(79,561,635)	--	(79,561,635)
241,673	--	(52,446,047)	--	(52,446,047)
--	--	12,627,143	--	12,627,143
660,009	--	29,330	--	29,330
--	--	(226,501)	--	(226,501)
--	7,825,827	(13,935,073)	--	(13,935,073)
2,893,644	--	(2,536,666)	--	(2,536,666)
2,433,871	776,948	(15,928,284)	--	(15,928,284)
6,000	--	(4,755,660)	--	(4,755,660)
--	--	(1,277,420)	--	(1,277,420)
1,318,020	846,292	(3,948,094)	--	(3,948,094)
1,764,837	1,508,524	(6,026,759)	--	(6,026,759)
150,000	90,000	(10,937,172)	--	(10,937,172)
--	330,613	(16,983,977)	--	(16,983,977)
<u>11,531,748</u>	<u>11,479,193</u>	<u>(210,353,508)</u>	<u>--</u>	<u>(210,353,508)</u>
710,056	4,504,292	--	36,228,985	36,228,985
56,622	--	--	(1,774,379)	(1,774,379)
541,481	900,163	--	17,069,787	17,069,787
1,829	6,175,312	--	(3,625,923)	(3,625,923)
--	--	--	9,363	9,363
--	--	--	(453,958)	(453,958)
<u>1,309,988</u>	<u>11,579,767</u>	<u>--</u>	<u>47,453,875</u>	<u>47,453,875</u>
<u>\$ 12,841,736</u>	<u>\$ 23,058,960</u>	<u>(210,353,508)</u>	<u>47,453,875</u>	<u>(162,899,633)</u>
General revenue				
Taxes				
Property taxes, levied for general purposes		78,863,952	--	78,863,952
Property taxes, levied for debt service		40,425,079	--	40,425,079
Sales taxes		81,618,057	--	81,618,057
Hotel occupancy taxes		17,636,317	--	17,636,317
Business fees		17,394,372	--	17,394,372
Unrestricted investment earnings		1,965,520	1,955,470	3,920,990
Transfers		5,867,890	(5,867,890)	--
Total general revenue and transfers		<u>243,771,187</u>	<u>(3,912,420)</u>	<u>239,858,767</u>
Changes in net position		33,417,679	43,541,455	76,959,134
Net position at beginning of year, restated (Note 21)		<u>277,933,172</u>	<u>860,428,893</u>	<u>1,138,362,065</u>
Net position at end of year		<u>\$ 311,350,851</u>	<u>\$ 903,970,348</u>	<u>\$ 1,215,321,199</u>

The notes to the financial statements are an integral part of this statement.

City of Corpus Christi

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**GOVERNMENTAL FUNDS  
BALANCE SHEET  
SEPTEMBER 30, 2016**

	<b>General</b>	<b>Debt Service</b>	<b>Street Capital Projects</b>	<b>Other Governmental Funds</b>
<b>ASSETS</b>				
Cash, cash equivalents and investments (Note 5)	\$ 53,145,020	\$ 12,767,314	\$ 163,323,090	\$ 177,494,879
Receivables, net of allowance for uncollectibles (Note 7)	19,796,266	1,194,122	4,765,293	24,055,940
Inventories	--	--	--	441,217
Prepaid items	10,566	--	--	237,005
Advances to other funds (Note 15)	989,606	--	--	--
	<u>\$ 73,941,458</u>	<u>\$ 13,961,436</u>	<u>\$ 168,088,383</u>	<u>\$ 202,229,041</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,872,605	\$ --	\$ 4,106,147	\$ 6,345,782
Accrued liabilities	10,379,978	--	--	321,926
Contractor interest and retainage payable	4,585,953	--	--	-
Deposits	377,706	--	29,396	2,165,809
Liability to claimants - escheat property	96,832	--	--	--
Due to other governmental agencies	416,386	--	--	408,731
Advance from other funds (Note 15)	--	--	--	250,000
Unearned revenues	592,440	--	25,000	3,358,480
Total liabilities	<u>19,321,900</u>	<u>--</u>	<u>4,160,543</u>	<u>12,850,728</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property taxes	1,715,074	1,044,403	--	--
Unavailable Revenue - Contributions and donations	--	--	4,662,357	90,000
	<u>1,715,074</u>	<u>1,044,403</u>	<u>4,662,357</u>	<u>90,000</u>
<b>FUND BALANCES</b>				
Nonspendable				
Inventory	--	--	--	441,217
Prepaid items	10,566	--	--	237,005
Advances to other funds	989,606	--	--	--
Total nonspendable	<u>1,000,172</u>	<u>--</u>	<u>--</u>	<u>678,222</u>
Restricted				
Vital statistic record retention	345,278	--	--	--
Municipal and Juvenile Court				
Municipal Court building security	--	--	--	99,017
Municipal Court technology	--	--	--	176,232
Judicial/Court improvements	69,554	--	--	--
Juvenile Court case manager	--	--	--	364,560
Fire contribution trust	5,585	--	--	--
PEG equipment and facilities	19,768	--	--	1,541,975
Tourism (HOT)	--	--	--	6,711,381
Traffic safety programs	--	--	--	727,400

(Continued)

City of Corpus Christi

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Exhibit 2-A

<b>Total Governmental Funds</b>	
\$	406,730,303
	49,811,621
	441,217
	247,571
	989,606
	<u>458,220,318</u>

\$	13,324,534
	10,701,904
	4,585,953
	2,572,911
	96,832
	825,117
	250,000
	<u>3,975,920</u>
	<u>36,333,171</u>

	2,759,477
	<u>4,752,357</u>
	<u>7,511,834</u>

	441,217
	247,571
	989,606
	<u>1,678,394</u>

345,278

99,017  
176,232  
69,554  
364,560  
5,585  
1,561,743  
6,711,381  
727,400

City of Corpus Christi

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**GOVERNMENTAL FUNDS  
BALANCE SHEET  
SEPTEMBER 30, 2016**

	<u>General</u>	<u>Debt Service</u>	<u>Streets Capital Projects</u>	<u>Other Governmental Funds</u>
Federal and state grant programs				
Law enforcement	--	--	--	34,103
Fire and ambulance	--	--	--	51,793
CDBG projects	--	--	--	466,626
Health	--	--	--	3,719
Libraries	--	--	--	28
Parks and recreation	--	--	--	5,855,318
Infrastructure	--	--	--	1,705,972
Loans	--	--	--	13,577,619
Crime control and prevention	--	--	--	4,884,816
Business and job development				
Seawall improvement	--	--	--	41,137,763
Arena facility	--	--	--	22,852,295
Economic development	--	--	--	11,062,299
Tax increment zone improvements				
North Padre Island development	--	--	--	2,918,188
Downtown development	--	--	--	3,092,132
Debt service	--	12,917,033	--	6,082,624
Capital projects	--	--	155,816,175	29,829,639
Total restricted	<u>440,185</u>	<u>12,917,033</u>	<u>155,816,175</u>	<u>153,175,499</u>
Committed				
Government access equipment	11,959	--	--	--
Radio system capital replacement	50,970	--	--	--
Parking improvements	--	--	--	131,314
Streets	--	--	--	25,462,688
Obesity prevention - Health	--	--	--	782,791
Sister City programs	--	--	--	9
Park projects	--	--	--	3,318
Development projects	--	--	--	514,634
Local Emergency Planning Committee	--	--	--	47,787
Capital projects	--	--	3,335,024	660,509
Total committed	<u>62,929</u>	<u>--</u>	<u>3,335,024</u>	<u>27,603,050</u>
Assigned				
City Manager Severance	168,547	--	--	--
Visitors facilities	--	--	--	3,034,303
Community enrichment	--	--	--	--
Infrastructure	--	--	--	--
Development Services	--	--	--	4,805,735
Housing	--	--	--	127,330
Industrial development	--	--	--	68,775
Subsequent year's expenditures	3,908,819	--	--	--
Arts and Cultural Commission	2,019	--	--	--
Capital projects	--	--	114,284	42,758
Total assigned	<u>4,079,385</u>	<u>--</u>	<u>114,284</u>	<u>8,078,901</u>
Unassigned	<u>47,321,813</u>	<u>--</u>	<u>--</u>	<u>(247,359)</u>
Total fund balances	<u>52,904,484</u>	<u>12,917,033</u>	<u>159,265,483</u>	<u>189,288,313</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 73,941,458</u>	<u>\$ 13,961,436</u>	<u>\$ 168,088,383</u>	<u>\$ 202,229,041</u>

The notes to the financial statements are an integral part of this statement.

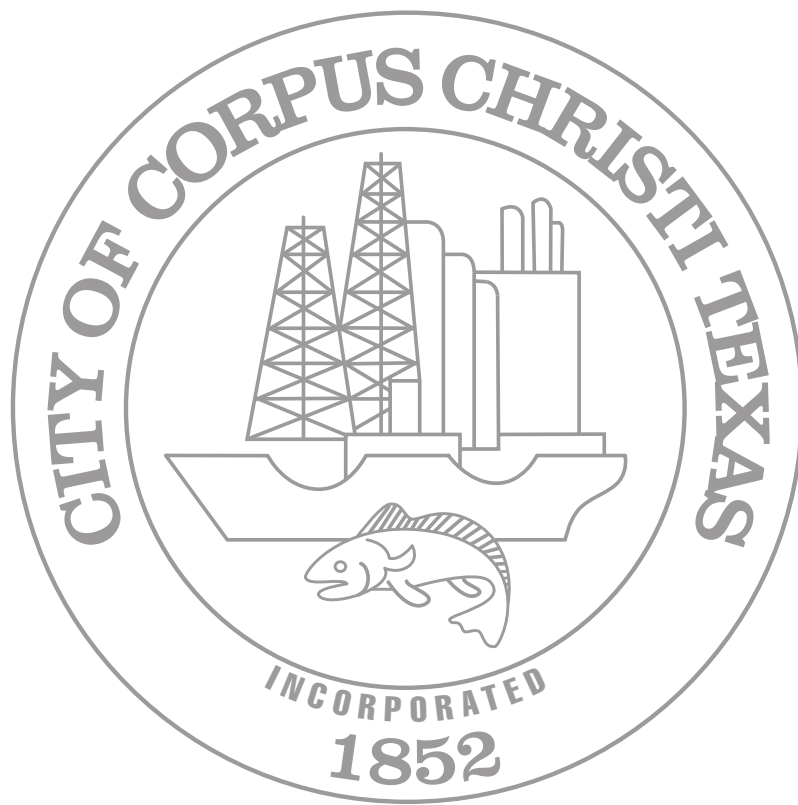
City of Corpus Christi

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**Exhibit 2-A  
(Continued)**

<b>Total Governmental Funds</b>
34,103
51,793
466,626
3,719
28
5,855,318
1,705,972
13,577,619
4,884,816
41,137,763
22,852,295
11,062,299
2,918,188
3,092,132
18,999,657
<u>185,645,814</u>
<u>322,348,892</u>
11,959
50,970
131,314
25,462,688
782,791
9
3,318
514,634
47,787
<u>3,995,533</u>
<u>31,001,003</u>
168,547
3,034,303
--
--
4,805,735
127,330
68,775
3,908,819
2,019
157,042
<u>12,272,570</u>
<u>47,074,454</u>
<u>414,375,313</u>
<u>\$ 458,220,318</u>





City of Corpus Christi

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**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2016**

**Exhibit 2-B**

**Total fund balance - total governmental funds** \$ 414,375,313

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds. The cost of assets in governmental activities excluding Internal service funds is \$1,135,903,490 and the accumulated depreciation is \$456,789,671. 679,113,819

Some other long-term assets are not available to pay for current period expenditures and are, therefore, recorded as deferred inflows in the funds. A detail of these assets follows.

Unavailable - Contributions and Donations	\$	4,752,357	
Unavailable - Property Taxes		2,759,477	7,511,834

Internal service funds are used by management to charge the cost of certain activities, such as inventory of commonly used material and supplies, vehicular fleet and building maintenance, data processing, insurance and engineering. The assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net position. 22,275,728

Deferred inflows and outflows are not reported in the funds.

Unamortized loss on refunded debt	\$	12,225,811	
Deferred outflows related to pension liability		53,249,952	
Deferred inflows related to pension liability		(2,749,601)	
Unamortized gain on refunded debt		(208,681)	62,517,481

Some liabilities are not due and payable in the current period and therefore are not reported in funds. A detail of these liabilities follows.

Accrued interest	\$	(1,788,625)	
Long-term debt		(577,785,007)	
Accumulated compensated absences		(31,881,433)	
Net pension liability		(237,012,918)	
Landfill closure costs		(25,975,340)	(874,443,323)

**Net position of governmental activities** \$ 311,350,852

The notes to the financial statements are an integral part of this statement.

City of Corpus Christi

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**GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED SEPTEMBER 30, 2016**

	<b>General</b>	<b>Debt Service</b>	<b>Street Capital Projects</b>
<b>Revenues</b>			
Taxes and business fees	\$ 146,923,528	\$ 40,196,519	\$ --
Licenses and permits	2,011,186	--	--
Intergovernmental	--	--	--
Grants	618,971	--	--
Charges for services	57,146,526	--	--
Fines and forfeitures	4,359,312	--	--
Contributions and donations	--	--	57,214
Special assessments	--	--	79,407
Earnings on investments	402,326	155,688	668,535
Interest on loans	--	--	--
Payments from Texas State Aquarium	--	330,613	--
Sale of City property	--	--	--
Miscellaneous	1,447,113	--	57,369
Total revenues	212,908,962	40,682,820	862,525
<b>Expenditures</b>			
Current			
General government	17,072,869	--	1,069,554
Police and municipal court	78,985,846	--	--
Fire and ambulance	54,325,074	--	--
Emergency management	331,424	--	--
Streets	3,766,136	--	--
Solid waste	23,490,708	--	--
Health	2,995,920	--	--
Parks and recreation	14,446,851	--	--
Libraries	4,040,955	--	--
Museums	1,635,036	--	--
Community enrichment	--	--	--
Community development	--	--	--
Convention and visitors activities	--	--	--
Capital projects	--	--	21,856,339
Debt service			
Principal retirement	4,089,708	26,091,488	--
Interest	245,904	18,434,467	--
Bond issue cost	--	16,714	248,179
Refund of bond issue cost	--	--	--
Paying agent fees	--	819,243	--
Total expenditures	205,426,431	45,361,912	23,174,072
Excess (deficiency) of revenues over (under) expenditures	7,482,531	(4,679,092)	(22,311,547)

(Continued)

City of Corpus Christi

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**Exhibit 2-C**

	<b>Other Governmental Funds</b>		<b>Total Governmental Funds</b>
\$	50,147,635	\$	237,267,682
	6,311,772		8,322,958
	2,761,017		2,761,017
	10,877,522		11,496,493
	17,707,145		74,853,671
	2,188,535		6,547,847
	2,225,785		2,282,999
	--		79,407
	738,830		1,965,379
	50,887		50,887
	--		330,613
	7,289		7,289
	1,398,800		2,903,282
	<u>94,415,217</u>		<u>348,869,524</u>
	7,006,230		25,148,653
	11,227,679		90,213,525
	184,755		54,509,829
	279,287		610,711
	24,878,633		28,644,769
	--		23,490,708
	3,137,431		6,133,351
	4,320,990		18,767,841
	6,000		4,046,955
	--		1,635,036
	2,619,871		2,619,871
	6,426,611		6,426,611
	14,091,247		14,091,247
	22,086,732		43,943,071
	7,576,618		37,757,814
	2,906,691		21,587,062
	93,646		358,539
	(883)		(883)
	30,635		849,878
	<u>106,872,173</u>		<u>380,834,588</u>
	(12,456,956)		(31,965,064)

City of Corpus Christi

**GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED SEPTEMBER 30, 2016**

	<u>General</u>	<u>Debt Service</u>	<u>Street Capital Projects</u>
<b>Other financing sources (uses)</b>			
Capital leases	6,882,406	--	--
Certificate of obligation bonds issued	--	--	16,430,000
Premium on bonds issued	--	--	1,968,831
Refunding bonds issued	--	77,145,000	--
Premium on refunding bonds issued	--	11,898,979	--
Payment to escrow agent for refunded bonds	--	(88,191,024)	--
Transfers in (Note 15)	7,930,990	6,035,636	2,937,147
Transfers out (Note 15)	(22,049,292)	(70,000)	--
Total other financing sources (uses)	<u>(7,235,896)</u>	<u>6,818,591</u>	<u>21,335,978</u>
Net change in fund balance	246,635	2,139,499	(975,569)
Fund balances at beginning of year, restated (Footnote 21)	<u>52,657,849</u>	<u>10,777,534</u>	<u>160,241,052</u>
Fund balances at end of year	<u>\$ 52,904,484</u>	<u>\$ 12,917,033</u>	<u>\$ 159,265,483</u>

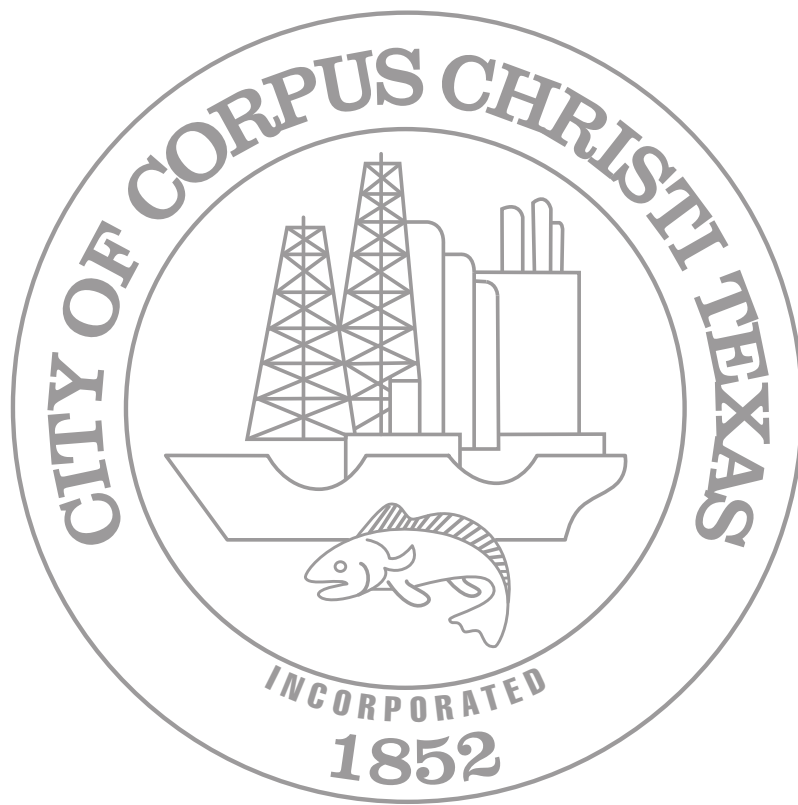
The notes to the financial statements are an integral part of this statement.

City of Corpus Christi

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**Exhibit 2-C  
(Continued)**

<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
929,184	7,811,590
12,020,000	28,450,000
107,857	2,076,688
--	77,145,000
--	11,898,979
--	(88,191,024)
16,765,072	33,668,845
(6,748,897)	(28,868,189)
<u>23,073,216</u>	<u>43,991,889</u>
10,616,260	12,026,825
<u>178,672,053</u>	<u>402,348,488</u>
<u>\$ 189,288,313</u>	<u>\$ 414,375,313</u>



City of Corpus Christi

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Exhibit 2-D

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2016**

**Net change in fund balances - total governmental funds** \$ 12,026,825

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period.

Capital outlays	\$ 51,517,032	
Depreciation	(25,951,128)	
		25,565,904

Revenue in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	4,752,357
--	-----------

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayment.

Bond proceeds	\$ (103,440,667)	
Refunding bonds issued	(16,130,000)	
Payment to escrow agent for refunded bonds	88,191,024	
Capital leases	(7,811,590)	
Principal retirement	37,757,814	
Interest	5,122,350	
		3,688,931

Delinquent property taxes and special assessments, net of allowance, are not reported as revenue in the governmental funds. These items increased in the current fiscal year.	304,574
---	---------

Compensated absences reported in the statement of net position did not require the use of current financial resources, and therefore are not expenditures in governmental funds. Compensated absences for governmental funds decreased in the current fiscal year.	1,922,834
--	-----------

Landfill closure costs reported in the statement of net position did not require the use of current financial resources, and therefore are not expenditures in governmental funds. Landfill closure costs decreased in the current year.	2,199,405
--	-----------

Net pension liability and related deferred outflows and inflows reported in the statement of net position did not require the use of current financial resources, and therefore are not an expenditure in the governmental funds. Net pension liability and related deferred outflows and inflows for governmental funds increased in the current fiscal year.	(10,714,776)
--	--------------

Internal service funds are used by management to charge the cost of certain activities, such as inventory of commonly used material and supplies, vehicular fleet and building maintenance, data processing, insurance and engineering to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	(6,328,376)
---	-------------

<b>Change in net position of governmental activities</b>	<b>\$ 33,417,678</b>
--	----------------------

The notes to the financial statements are an integral part of this statement.



City of Corpus Christi

**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes and business fees	\$ 155,022,324	\$ 147,182,692	\$ 146,923,528	\$ --
Licenses and permits	1,825,648	1,825,648	2,011,186	--
Grants	324,850	324,850	618,971	--
Charges for services	56,981,806	56,769,879	57,146,526	--
Fines and forfeitures	5,125,220	4,964,852	4,359,312	--
Earnings on investments	107,897	107,897	402,326	--
Miscellaneous	1,062,769	1,144,980	1,447,113	--
Reimbursements	4,974,396	4,974,396	--	4,996,314
Total revenues	<u>225,424,910</u>	<u>217,295,194</u>	<u>212,908,962</u>	<u>4,996,314</u>
<b>Expenditures</b>				
Current				
General government	24,310,833	22,719,395	17,072,869	1,200,703
Police and municipal court	80,320,740	82,028,137	78,985,846	1,380,689
Fire and ambulance	51,388,163	53,214,836	54,325,074	(1,217,870)
Emergency management	499,066	481,120	331,424	--
Streets	3,928,289	3,933,453	3,766,136	--
Solid waste	28,192,224	28,720,902	23,490,708	3,139,552
Health	3,397,630	3,493,709	2,995,920	(285,278)
Parks and recreation	17,723,427	18,643,696	14,446,851	2,337,242
Libraries	4,100,216	4,184,608	4,040,955	--
Museums	1,329,215	1,329,215	1,635,036	--
Debt service				
Principal retirement	--	--	4,089,708	(4,089,708)
Interest	--	--	245,904	(245,904)
Total expenditures	<u>215,189,803</u>	<u>218,749,071</u>	<u>205,426,431</u>	<u>2,219,426</u>
Excess (deficiency) of revenues over (under) expenditures	10,235,107	(1,453,877)	7,482,531	2,776,888
<b>Other financing sources (uses)</b>				
Capital leases	--	--	6,882,406	(6,882,406)
Transfers in (Note 15)	6,730,743	8,173,798	7,930,990	--
Transfers out (Note 15)	(16,310,849)	(17,504,233)	(22,049,292)	4,105,518
Total other financing sources (uses)	<u>(9,580,106)</u>	<u>(9,330,435)</u>	<u>(7,235,896)</u>	<u>(2,776,888)</u>
Net change in fund balance	655,001	(10,784,312)	246,635	--
Fund balance at beginning of year, restated (Footnote 21)	<u>42,280,520</u>	<u>52,657,849</u>	<u>52,657,849</u>	<u>--</u>
Fund balance at end of year	<u>\$ 42,935,521</u>	<u>\$ 41,873,537</u>	<u>\$ 52,904,484</u>	<u>\$ --</u>

The notes to the financial statements are an integral part of this statement.

City of Corpus Christi

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**Exhibit 3**

	<b>Actual Budget Basis</b>		<b>Variance with Final Budget</b>
\$	146,923,528	\$	(259,164)
	2,011,186		185,538
	618,971		294,121
	57,146,526		376,647
	4,359,312		(605,540)
	402,326		294,429
	1,447,113		302,133
	4,996,314		21,918
	<u>217,905,276</u>		<u>610,082</u>
	18,273,572		4,445,823
	80,366,535		1,661,602
	53,107,204		107,632
	331,424		149,696
	3,766,136		167,317
	26,630,260		2,090,642
	2,710,642		783,067
	16,784,093		1,859,603
	4,040,955		143,653
	1,635,036		(305,821)
	--		--
	--		--
	<u>207,645,857</u>		<u>11,103,214</u>
	10,259,419		11,713,296
	--		--
	7,930,990		(242,808)
	<u>(17,943,774)</u>		<u>(439,541)</u>
	<u>(10,012,784)</u>		<u>(682,349)</u>
	246,635		11,030,947
	<u>52,657,849</u>		<u>--</u>
\$	<u><u>52,904,484</u></u>	\$	<u><u>11,030,947</u></u>

City of Corpus Christi

Exhibit 4-A

**PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2016**

	Enterprise Funds			Internal Service Funds
	Utility System Fund	Other Enterprise Funds	Total	
<b>ASSETS</b>				
Current assets				
Cash, cash equivalents and investments (Note 5)	\$ 132,861,154	\$ 9,220,381	\$ 142,081,535	\$ 54,564,757
Receivables, net of allowance for uncollectibles (Note 7)	29,083,408	201,968	29,285,376	123,157
Inventories	898,710	22,409	921,119	1,495,533
Prepaid items	--	--	--	1,128,807
Restricted assets				
Cash, cash equivalents and investments (Note 5)	--	6,212	6,212	--
Total current assets	<u>162,843,272</u>	<u>9,450,970</u>	<u>172,294,242</u>	<u>57,312,254</u>
Noncurrent assets				
Restricted assets				
Cash, cash equivalents and investments (Note 5)	250,833,544	4,043,237	254,876,781	--
Receivables, net of allowance for uncollectibles (Note 7)	--	69,039	69,039	--
Total noncurrent restricted assets	<u>250,833,544</u>	<u>4,112,276</u>	<u>254,945,820</u>	<u>--</u>
Other assets				
Capital assets (Note 8)	--	--	--	49,871
Land, construction in progress, and water supply rights	480,059,369	49,479,594	529,538,963	310,159
Other capital assets, net of accumulated depreciation	935,758,806	99,088,331	1,034,847,137	12,581,535
Net capital assets	<u>1,415,818,175</u>	<u>148,567,925</u>	<u>1,564,386,100</u>	<u>12,891,694</u>
Total noncurrent assets	<u>1,666,651,719</u>	<u>152,680,201</u>	<u>1,819,331,920</u>	<u>12,941,565</u>
Total assets	<u>1,829,494,991</u>	<u>162,131,171</u>	<u>1,991,626,162</u>	<u>70,253,819</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Unamortized loss on refunded debt	11,814,781	465,095	12,279,876	--
Deferred outflows related to pension liability (Note 9)	11,924,428	1,747,178	13,671,606	5,837,029
Total deferred outflows of resources	<u>23,739,209</u>	<u>2,212,273</u>	<u>25,951,482</u>	<u>5,837,029</u>

(Continued)

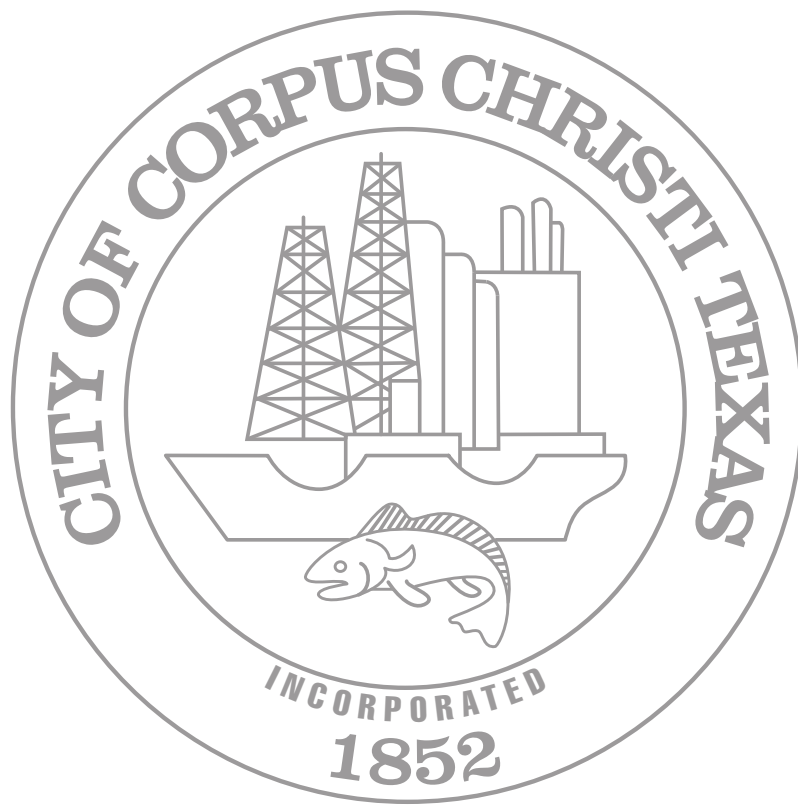
City of Corpus Christi

Exhibit 4-A  
(continued)

**PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2016**

	<b>Enterprise Funds</b>			<b>Internal Service Funds</b>
	<b>Utility System Fund</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	\$ 9,275,680	\$ 67,649	\$ 9,343,329	\$ 1,003,062
Accrued expenses	--	--	--	6,002
Accrued interest	8,549,197	95,096	8,644,293	--
Current portion of estimated liability claims (Note 11)	--	--	--	8,197,326
Contractor interest and retainage payable	2,382	--	2,382	--
Deposits	2,381,865	151,691	2,533,556	3,388
Liability to claimants - escheat property	121,825	--	121,825	20,846
Unearned revenue	16,204	548,421	564,625	1,102
Current portion of long-term liabilities (Note 13)				
Long-term debt	41,086,408	1,690,000	42,776,408	690,812
Accumulated unpaid compensated absences	1,935,759	295,553	2,231,312	953,903
Total current liabilities	<u>63,369,320</u>	<u>2,848,410</u>	<u>66,217,730</u>	<u>10,876,441</u>
Noncurrent liabilities				
Estimated liability claims, net of current portion (Note 11)	--	--	--	9,406,257
Long-term liabilities, net of current portion (Note 13)				
Advances from other funds (Note 15)	--	739,606	739,606	--
Long-term debt	960,848,358	28,722,028	989,570,386	1,681,912
Accumulated unpaid compensated absences	347,766	86,430	434,196	733,687
Net pension liability (Note 9)	46,081,765	6,602,537	52,684,302	22,597,238
Net OPEB obligation (Note 10)	616,287	102,730	719,017	10,393,934
Total noncurrent liabilities	<u>1,007,894,176</u>	<u>36,253,331</u>	<u>1,044,147,507</u>	<u>44,813,028</u>
Total liabilities	<u>1,071,263,496</u>	<u>39,101,741</u>	<u>1,110,365,237</u>	<u>55,689,469</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pension liability (Note 9)	<u>816,208</u>	<u>129,875</u>	<u>946,083</u>	<u>421,628</u>
<b>NET POSITION</b>				
Net investment in capital assets	657,926,649	119,668,994	777,595,643	10,518,970
Restricted for				
Passenger facility charges projects	--	2,571,079	2,571,079	--
Bond interest and redemption	9,825,843	--	9,825,843	--
Improvements to utility lines and facilities	6,091,196	--	6,091,196	--
Abatement of public health hazards	96,187	--	96,187	--
Law enforcement officers' standards and education	--	5,485	5,485	--
Unrestricted	<u>107,214,622</u>	<u>2,866,270</u>	<u>110,080,892</u>	<u>9,460,781</u>
Total net position	<u>781,154,497</u>	<u>125,111,828</u>	<u>906,266,325</u>	<u>\$ 19,979,751</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time			<u>(2,295,977)</u>	
Net position of business-type activities			<u>903,970,348</u>	

The notes to the financial statements are an integral part of this statement.



City of Corpus Christi

Exhibit 4-B

**PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED SEPTEMBER 30, 2016**

	Enterprise Funds		Total	Internal Service Funds
	Utility System Fund	Other Enterprise Funds		
<b>Operating revenues</b>				
Charges for services - net	\$ 235,244,177	\$ 10,223,629	\$ 245,467,806	\$ 71,332,691
<b>Operating expenses</b>				
Personal services	36,230,830	5,339,174	41,570,004	17,718,899
Materials and supplies	33,815,416	485,742	34,301,158	1,956,014
Contractual services	30,327,503	2,267,904	32,595,407	19,460,619
Other operating expenses	21,798,667	1,007,030	22,805,697	2,544,807
Uncollectible accounts	2,706,089	52,844	2,758,933	(887)
Depreciation	34,754,419	5,870,551	40,624,970	3,768,878
Self-insurance claims	--	--	--	36,812,660
Other post employment benefits (Note 10)	--	--	--	646,861
Total operating expenses	<u>159,632,924</u>	<u>15,023,245</u>	<u>174,656,169</u>	<u>82,907,851</u>
Operating income (loss)	75,611,253	(4,799,616)	70,811,637	(11,575,160)
<b>Nonoperating revenues (expenses)</b>				
Investment income	1,902,084	53,386	1,955,470	255,090
Interest expense and fiscal charges	(26,663,127)	(955,012)	(27,618,139)	(81,778)
Bond issue costs	(844,599)	--	(844,599)	--
Passenger facility charges	--	1,247,328	1,247,328	--
Customer facility charges	--	947,203	947,203	--
Net gain (loss) on disposal of city property	(397,855)	(6,084,305)	(6,482,160)	(122,039)
Recovery on damage claims	5,103	--	5,103	200,313
Developer deposits	1,636,331	--	1,636,331	--
Reimbursements to developers	(1,210,622)	--	(1,210,622)	--
Contributions from other governmental agencies	1,308,159	1,829	1,309,988	--
Total nonoperating revenues (expenses)	<u>(24,264,526)</u>	<u>(4,789,571)</u>	<u>(29,054,097)</u>	<u>251,586</u>
Change in net position before capital contributions and transfers	51,346,727	(9,589,187)	41,757,540	(11,323,574)
<b>Capital contributions</b>				
Contributions from other governmental agencies	781,346	6,128,889	6,910,235	--
Contributions from developers	2,981,637	--	2,981,637	--
Contributions from others	1,641,472	46,423	1,687,895	--
Total capital contributions	<u>5,404,455</u>	<u>6,175,312</u>	<u>11,579,767</u>	<u>--</u>
<b>Transfers in (out)</b>				
Transfers in (Note 15)	327,833	85,884	413,717	2,781,343
Transfers out (Note 15)	(5,921,674)	(359,931)	(6,281,605)	(1,714,109)
Total transfers	<u>(5,593,841)</u>	<u>(274,047)</u>	<u>(5,867,888)</u>	<u>1,067,234</u>
Change in net position	51,157,341	(3,687,922)	47,469,419	(10,256,340)
Net position at beginning of year	<u>729,997,156</u>	<u>128,799,750</u>		<u>30,236,091</u>
Net position at end of year	<u>\$ 781,154,497</u>	<u>\$ 125,111,828</u>		<u>\$ 19,979,751</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds			<u>(3,927,964)</u>	
Change in net position of business-type activities			<u>43,541,455</u>	

The notes to the financial statements are an integral part of this statement.

City of Corpus Christi

Exhibit 4-C

**PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Utility System Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
<b>Cash flows from operating activities</b>				
Receipts from customers	\$ 230,705,023	\$ 10,329,656	\$ 241,034,679	\$ 9,193,772
Receipts from interfund services provided	1,004,570	--	1,004,570	72,192,996
Payments to suppliers	(59,293,510)	(2,995,805)	(62,289,315)	(31,096,996)
Payments to employees	(32,504,316)	(4,700,535)	(37,204,851)	(15,822,111)
Internal activity - payments to other funds	(29,071,745)	(1,459,686)	(30,531,431)	(4,172,501)
Claims paid	--	--	--	(35,527,152)
Other receipts	--	--	--	234,611
Net cash provided by (used for) operating activities	<u>110,840,022</u>	<u>1,173,630</u>	<u>112,013,652</u>	<u>(4,997,381)</u>
<b>Cash flows from noncapital financing activities</b>				
Changes in interfund borrowings	--	1,029,019	1,029,019	--
Advances from other funds	--	(31,082)	(31,082)	--
Contributions from other government agencies	114,231	1,829	116,060	--
Transfers in from other funds	327,833	85,884	413,717	--
Transfers out to other funds	(5,921,674)	(359,931)	(6,281,605)	(1,319,909)
Net cash provided by (used for) noncapital financing activities	<u>(5,479,610)</u>	<u>725,719</u>	<u>(4,753,891)</u>	<u>(1,319,909)</u>
<b>Cash flows from capital and related financing activities</b>				
Acquisition of capital assets	(58,881,135)	(7,668,596)	(66,549,731)	(1,700,444)
Proceeds from sale/disposal of city property	22,839	1,279	24,118	2,427
Developers deposits	1,636,332	--	1,636,332	--
Capital contributions	563,926	134,599	698,525	--
Reimbursements to developers	(979,424)	--	(979,424)	--
Contributions from other governmental agencies	293,331	8,391,963	8,685,294	--
Passenger facility charge	--	1,300,941	1,300,941	--
Customer facility charges	--	932,145	932,145	--
Transfers in from other funds related to capital acquisition	--	--	--	2,781,343
Return of prior year transfers related to capital acquisition	--	--	--	(394,200)
Principal paid on long-term debt	(39,665,850)	(1,430,000)	(41,095,850)	(600,982)
Interest expense and fiscal charges	(44,832,327)	(1,146,400)	(45,978,727)	(81,778)
Recovery on damage claims	5,103	--	5,103	--
Net cash provided by (used for) capital and related financing activities	<u>(141,837,205)</u>	<u>515,931</u>	<u>(141,321,274)</u>	<u>6,366</u>
<b>Cash flows from investing activities</b>				
Investment income	1,902,153	53,386	1,955,539	255,090
Net cash provided by investing activities	<u>1,902,153</u>	<u>53,386</u>	<u>1,955,539</u>	<u>255,090</u>
Net increase (decrease) in cash, cash equivalents and investments	(34,574,640)	2,468,666	(32,105,974)	(6,055,834)
Cash, cash equivalents and investments at beginning of year, including restricted accounts	<u>418,269,338</u>	<u>10,801,164</u>	<u>429,070,502</u>	<u>60,620,591</u>
Cash, cash equivalents and investments at end of year, including restricted accounts	<u>\$ 383,694,698</u>	<u>\$ 13,269,830</u>	<u>\$ 396,964,528</u>	<u>\$ 54,564,757</u>

(Continued)

City of Corpus Christi

Exhibit 4-C  
(Continued)

PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2016

	Enterprise Funds			Internal Service Funds
	Utility System Fund	Other Enterprise Funds	Total	
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>				
Operating income (loss)	\$ 75,611,253	\$ (4,799,616)	\$ 70,811,637	\$ (11,575,160)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation	34,754,419	5,870,551	40,624,970	3,768,878
Provision for uncollectible accounts	2,706,089	52,844	2,758,933	(887)
Operating costs paid from bond proceeds	750	--	750	--
Recovery on damage claims	--	--	--	200,313
Changes in assets and liabilities				
Receivables	(3,836,904)	(185,320)	(4,022,224)	273,157
Inventory	(210,892)	(708)	(211,600)	71,740
Prepaid items	--	--	--	939,735
Deferred outflows of resources	(7,695,617)	(1,075,910)	(8,771,527)	(3,662,614)
Accounts payable	725,869	1,341	727,210	(1,250,492)
Accrued expenses	(748,067)	(114,936)	(863,003)	(452,657)
Deposits	379,802	1,003	380,805	(1,260)
Unearned revenue	--	31,488	31,488	(9,200)
Accumulated unpaid compensated absences	(62,128)	47,963	(14,165)	92,927
Net pension liability	9,192,653	1,341,609	10,534,262	4,475,825
Net OPEB obligation	46,088	6,358	52,446	(720,237)
Liability to claimants-escheat property	(2,483)	--	(2,483)	1,502
Estimated claims liability	--	--	--	2,861,181
Deferred inflows of resources	(20,810)	(3,037)	(23,847)	(10,132)
Net cash provided by (used for) operating activities	<u>\$ 110,840,022</u>	<u>\$ 1,173,630</u>	<u>\$ 112,013,652</u>	<u>\$ (4,997,381)</u>
<b>Noncash investing, capital and financing activities</b>				
Contribution of capital assets	\$ 2,981,637	\$ --	\$ 2,981,637	\$ --
Reimbursements to developers accrued but not paid	\$ 151,450	\$ --	\$ 151,450	\$ --
Acquisition of capital assets under capital lease	\$ 430,498	\$ --	\$ 430,498	\$ 778,455
Acquisition of capital assets accrued but not paid	\$ 4,674,683	\$ (177,432)	\$ 4,497,251	\$ --
Bond refunding	\$ 97,699,992	\$ --	\$ 97,699,992	\$ --
Bond issue costs	\$ 123,765	\$ --	\$ 123,765	\$ --
Change in accrued non-operating revenue receivable	\$ (1,518,906)	\$ 1,634,834	\$ 115,928	\$ --
Capitalized interest cost	\$ 12,695,514	\$ 156,841	\$ 12,852,355	\$ --

The notes to the financial statements are an integral part of this statement.



City of Corpus Christi

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Exhibit 5-A

**FIDUCIARY FUNDS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2016**

	<b>Firefighters' Retirement System (1)</b>	<b>Private Purpose Trust Fund</b>
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents (Note 5)	\$ 1,487,986	\$ 24,867
Investments (Note 5)	128,024,792	
Receivables		
Contributions	417,114	--
Interest	333,061	--
Other	3,089	--
Net receivables	<u>753,264</u>	<u>          </u>
Total current assets	<u>130,266,042</u>	<u>24,867</u>
Capital assets		
Furniture and equipment, net of accumulated depreciations	3,551	--
Total assets	<u>130,269,593</u>	<u>24,867</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 148,310	\$ --
Benefits payable	<u>107,480</u>	<u>          </u>
Total liabilities	255,790	--
<b>NET POSITION</b>		
Held in trust for pension benefits	130,013,803	--
Held in trust for individuals and organizations	<u>          </u>	<u>24,867</u>
Total net position	<u>\$ 130,013,803</u>	<u>\$ 24,867</u>

(1) Firefighters' Retirement System financial statements are as of December 31, 2015

The notes to the financial statements are an integral part of this statement.

City of Corpus Christi

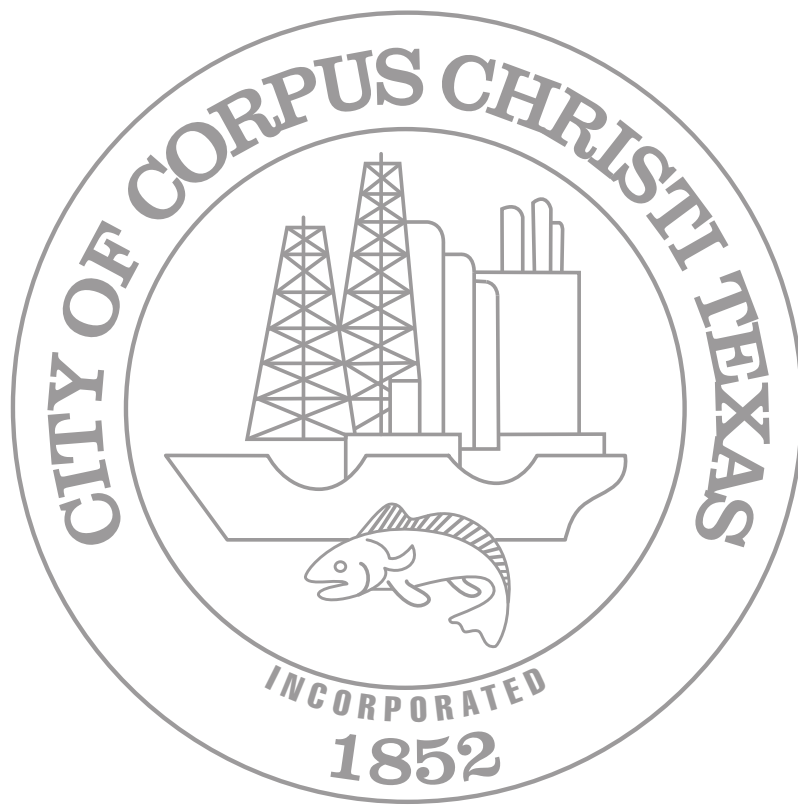
Exhibit 5-B

**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**YEAR ENDED SEPTEMBER 30, 2016**

	<b>Firefighters' Retirement System (1)</b>	<b>Private Purpose Trust Fund</b>
	<u>                    </u>	<u>                    </u>
<b>Additions</b>		
Contributions		
Employer contributions	\$ 6,361,276	\$ --
Employee contributions	3,896,613	--
Other contributions	--	600
Total contributions	<u>10,257,889</u>	<u>600</u>
Investment income		
Interest	1,730,034	36
Dividends	1,125,419	--
Net realized and unrealized gains (losses) on investments	(2,057,239)	--
Total investment income	<u>798,214</u>	<u>36</u>
Less: investment expenses	(485,504)	--
Net investment income	<u>312,710</u>	<u>36</u>
Total additions	<u>10,570,599</u>	<u>636</u>
<b>Deductions</b>		
Benefits	10,838,584	--
Administrative expenses	279,729	--
Refund of contributions	252,902	--
Disbursements for designated purposes	--	234,451
Total deductions	<u>11,371,215</u>	<u>234,451</u>
Net increase (decrease)	(800,616)	(233,815)
Net position at beginning of year, restated	<u>130,814,419</u>	<u>258,683</u>
Net position at end of year	<u>\$ 130,013,803</u>	<u>\$ 24,867</u>

(1) Firefighters' Retirement System financial statements are as of December 31, 2015

The notes to financial statements are an integral part of this statement.



**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies**

The City of Corpus Christi (the City) was incorporated in 1852 and operates as a Council-Manager form of government. The principal services accounted for as general governmental functions include public safety, health, streets, sanitation, parks and recreation, planning, zoning, and general administrative services.

The accounting and reporting policies of the City relating to the funds include in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The more significant accounting policies of the City are described below.

**A. Reporting Entity**

In evaluating the City as a reporting entity, management has addressed all potential component units for which the City may be financially accountable and, as such, should be included within the City's financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization, or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units. Because of the closeness of their relationship with the primary government (the City), some component units are blended as though they are part of the primary government. The City has no discretely presented component units. This is a change from prior year financial statement presentation.

**Blended Component Units**

The Corpus Christi Community Improvement Corporation was formed to provide financing for the rehabilitation of residential property in the City. The Corpus Christi Housing Finance Corporation and the Corpus Christi Industrial Development Corporation promote business development and issue housing revenue or industrial development bonds. The City manages the day-to-day operations of these corporations. The Mayor and Council Members are directors of the corporations.

The Coastal Bend Health Facilities Development Corporation (CBHFDC) is a public, non-profit corporation created by the City under State law to facilitate financing and development of health and health-related facilities. The City Council has authority to remove board members at will, and therefore has the ability to impose its will on the organization. The City manages the day-to-day operations of this corporation.

The Corpus Christi Crime Control and Prevention District (District) is a public non-profit corporation created under State law to provide funding for public safety programs. Although the District is legally separate from the City, the District is reported as if it were part of the primary government because it is a financing mechanism for the City to provide public safety to the citizens of the City.

The Corpus Christi Business and Job Development Corporation (CCBJDC) is a public non-profit corporation created by State law to provide funding of voter approved capital improvement programs. The City Council appoints the Board and has financial accountability. Although it is legally separate from the City, CCBJDC is reported as if it were part of the primary government because its primary purpose is to issue revenue bonds to finance major capital improvements on behalf of the City.

North Padre Island Development Corporation (NPIDC) was created by the City pursuant to the Tax Increment Financing Act to facilitate development of the land within the boundaries of the tax increment zone, namely Packery Channel. NPIDC became effective on November 14, 2000, and will terminate on December 31, 2022. The receipt

## City of Corpus Christi

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of post-2000 incremental property taxes from taxing units with property within the boundaries of the zone provides the funding for its projects. The Mayor and Council Members are a voting majority of the board, and the City manages its day-to-day operations.

Complete financial statements for each of the individual blended component units may be obtained from the City's Director of Financial Services at 1201 Leopard Street, Corpus Christi, Texas 78401.

### **B. Related Organizations and Jointly Governed Organizations**

Related organizations and jointly governed organizations provide services within the City that are administered by separate boards or commissions, but the City is not financially accountable, and such organizations are therefore not component units of the City, even though the City Council may appoint a voting majority of an organization's board members. Consequently, financial information for the Coastal Bend Council of Governments, the Regional Transit Authority, the Corpus Christi Housing Authority, the Corpus Christi Regional Economic Development Corporation, the Corpus Christi Convention and Visitor's Bureau, and the Port of Corpus Christi Authority are not included in these financial statements.

### **C. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support or services.

Both the government-wide and fund financial statements categorize activities as either governmental activities or business-type activities. In the government-wide statement of net position, both the governmental and business-type activities columns are (1) presented on a consolidated basis by column, and (2) reflected on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide statement of activities reflects both the gross and net cost per functional category (police and municipal court, fire, streets, etc.) which are otherwise being supported by general government revenues (e.g., property taxes, sales taxes, certain intergovernmental revenues). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function or a business-type activity. Program revenues include revenues from charges for services, franchise fees, fines and forfeitures, licenses and permits fees, and special assessments. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The government-wide statement focuses on the substantiality of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds (excluded from the government-wide financial statements). Emphasis is on the major funds in either the governmental or business-type categories. Non-major funds (by category) or fund type are summarized into a single column.

### **D. Measurement Focus, Basis of Accounting, and Financial Statement Preparation**

The governmental fund statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to (1) demonstrate legal and covenant compliance, (2) demonstrate the source and use of liquid resources, and (3) demonstrate how the City's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements governmental column, a reconciliation is presented on the page following each statement which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

## City of Corpus Christi

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Proprietary funds statements are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and payments relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of operating income, financial position, changes in net position and cash flows. Operating revenues include charges for services. Operating expenses include costs of services as well as materials, contracts, personnel, and depreciation. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Enterprise funds account for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's enterprise funds account for the operations of the City's utility system, airport, golf centers and marina.

Internal service funds of a government which provide services primarily to other funds of the government are presented in the summary form as part of the proprietary fund financial statements. The City's internal service funds account for printing and messenger services, maintaining an inventory of commonly used supplies, vehicle and building maintenance, technology services, risk management, and engineering services to other departments within the City on a cost-reimbursement basis. Since the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental column when presented at the government-wide level in the Statement of Net Position. The net activity of these services is offset against the appropriate functional activity in the Statement of Activities. This complies with the City's policy of eliminating internal activity from the government-wide statements.

The City's fiduciary funds are presented in the fund financial statements by type (pension and private-purpose). Since by definition these assets are being held for the benefit of a third party (e.g., other local governments, private parties, pension participants) and cannot be used to finance activities or obligations of the government, these funds are not incorporated into the government-wide statements. The City's fiduciary funds are used to account for the assets in the Firefighter's Retirement System held in trust for the exclusive benefit of employees, the financial statements of which are reported as of December 31, 2015, and a fund established to provide cash awards to selected Police Academy graduates.

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The criteria used to determine if a governmental or enterprise fund should be reported as a major fund are as follows: the total assets, liabilities, revenues or expenditures/expenses of that governmental or enterprise fund are at least 10% of the corresponding element total for all funds of that category or type (that is, total governmental or total enterprise funds), and the same element that met the 10% criterion above in the governmental or enterprise fund is at least 5% of the corresponding element total for all governmental and enterprise funds combined. The Street Capital Project Fund is presented as a major fund for consistency with prior years. The non-major funds are combined in a single column in the fund financial statements. The City reports the following major funds:

**The general fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

**The debt service fund** is used to account for funds needed to make principal and interest payments on outstanding bonds when due. The City reports this fund as a major fund because of public interest and consistency between years.

**The streets capital projects fund** is used to account for capital improvements to streets funded mainly through long-term debt and participation of other governmental entities.

**The utility system fund** is used to account for the operations of the City's combined utilities. The Utility System includes the City's water and storm water system, wastewater disposal system and gas distribution system.

## City of Corpus Christi

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Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied. The government-wide financial statements and the proprietary, and fiduciary financial statements are presented on an accrual basis of accounting. The governmental funds in the fund financial statements are presented on a modified accrual basis.

### **Accrual**

Revenues are recognized using the economic resources measurement focus. Revenues are recorded when earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

### **Modified Accrual**

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, except for interest payable accrued at the debt issuance date for which cash is received with the debt proceeds, as well as expenditures related to compensated absences, are recorded only when payment is due and will be payable shortly after year-end. General capital assets acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisition of assets under capital leases are reported as other financing sources.

The revenues susceptible to accrual are property taxes, franchise fees, sales taxes, licenses, charges for service, interest income and intergovernmental revenues. Grants are recorded as revenues when a qualifying expenditure has been incurred and all eligibility requirements are met including time requirements, and the amount is available (within 60 days of fiscal year end). All other governmental fund revenues are considered to be measurable and available only when cash is received.

## **E. Cash, Cash Equivalents and Investments**

The City’s investment practices are governed by state statutes and by the City’s own Investment Policy. City cash is required to be deposited in Federal Deposit Insurance Corporation (FDIC) insured banks located within the State of Texas. A pooled cash and investment strategy is utilized for all City funds except for the Firefighter’s Retirement System. The City utilizes one central depository bank. Investments are pooled with principal and interest income distributed to each respective fund on a pro rata basis. Cash, Cash Equivalents and Investments are included in both unrestricted as well as restricted assets.

The City’s investments managed through overnight local government investment pools are recorded at amortized cost in accordance with GASB Statement No 79, *Certain External Investment Pools and Pool Participants*. The City reports money market investments at amortized cost. Amortization of premium or accretion of discount is recorded over the term of the investments. The City values its investments in U. S Government Securities within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. Net change in the fair value of investments is recognized and reported as investment income in the financial statements. The City considers all investments with an original maturity of approximately 90 days or less to be cash equivalents. The City’s Investment Policy authorizes investments in: repurchase agreements, public funds investment pool, collateralized and brokered certificates of deposit, money market mutual fund, guaranteed investment contracts, Texas Term Investment Pool and obligations of the United States or its agencies and instrumentalities, excluding mortgage backed securities.

During the fiscal year ending September 30, 2016, the City adopted GASB Statement No. 72, *Fair Value Measurement and Application* and GASB Statement No. 79 *Certain External Investment Pools and Pool Participants*. GASB Statement No. 72, *Fair Value Measurement and Application* provides guidance for

## City of Corpus Christi

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determining a fair value measurement for financial reporting purposes. For additional information on GASB Statement No. 72 *Fair Value Measurement and Application*, see Note 5 Cash, Cash Equivalents and Investments. GASB Statement No. 79 *Certain External Investment Pools and Pool Participants* enhances comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement.

### **F. Receivables**

Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the government-wide governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. Within the governmental fund financial statements, long-term advances and long-term receivables are reflected as unspendable fund balance indicating they do not constitute available expendable resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance for uncollectibles is management's best estimate of the amount of credit losses based on account delinquencies and historical write-off expense.

Utility revenue is recorded when earned. Customers are billed monthly. The estimated value of services provided but unbilled has been included in the financial statements.

### **G. Inventories and prepaid items**

Inventories are valued at cost, which approximates market, using either the first-in/first-out (FIFO) method or the average cost method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

### **H. Use of Estimates**

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

### **I. Capital Assets**

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. City policy has set the capitalization threshold for reporting capital assets at \$5,000. Contributed assets are recorded at fair market value as of the date donated. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on capital assets is calculated on the straight-line basis over the following estimated useful lives:

<u>Assets</u>	<u>Life in Years</u>
Dams	100
Water pipelines	40-50
Gas pipelines	40-57
Infrastructure	40-50
Utility plants	40-45
Runways and related improvements	25
Terminals and hangers	40-50
Buildings	15-40
Improvements other than buildings	5-20
Vehicles	4-6



## City of Corpus Christi

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Machinery and equipment	4-15
Office furniture	12

The City has a collection of art housed in the Corpus Christi Museum of Science and History. The collection is not capitalized because it meets all the following conditions.

- The collection is held for reasons other than financial gain.
- The collection is protected, kept unencumbered, cared for, and preserved.
- The collection is subject to City policy requiring that the proceeds from sales of collection items be used to acquire other items for collections.

### **J. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. One is the deferred charge on refunding reported in the government-wide statements of net position. A deferred outflow on refunding results when the carrying value of refunded debt was lower than its reacquisition price. This difference is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other deferred outflow is related to the net pension liability. It includes City contributions to the retirement systems contributed subsequent to the measurement date of the net pension liabilities, and changes of assumptions and differences between projected and actual investment earnings which are amortized over subsequent accounting periods as determined by the actuary (Footnote 9).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. One is the deferred inflow on refunding reported in the government-wide statements of net position. A deferred outflow on refunding results when the carrying value of refunded debt was higher than its reacquisition price. This difference is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other deferred outflow is related to the net pension liability and is the difference between expected and actual experience. This is amortized over subsequent accounting periods as determined by the actuary (Footnote 9).

### **K. Restricted Assets**

Certain debt proceeds of the City's enterprise funds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Developer funds are also classified as restricted.

All revenues received from passenger facility charges (PFC) are reported as restricted assets in the Airport Fund. In accordance with Federal Regulations, PFC funds can only be expended on projects approved by the Federal Aviation Administration. Current approved projects include runway pavement reconstruction, terminal improvements, and runway lighting. It is management's intention to use a portion of the PFC funds on approved projects on a pay-as-you-go basis with the remaining funds to be used to support approved airport revenue bond issues debt service.

Certain assets of governmental funds are reclassified as restricted for presentation on the government-wide statement of net position due to the restriction on the use of these funds for a particular purpose.

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

**L. Accumulated Unpaid Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. These benefits are accounted for using the termination payment method. All compensated absences are accrued when earned in the government-wide and proprietary fund financial statements. Expenditures are recorded in the governmental funds as employees resign or retire. Compensated absence liabilities are normally paid from the funds reporting payroll and related expenditures including the general fund and special revenue funds.

**M. Long-term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Gains or losses on proprietary fund refundings and on the government-wide financial statements are reported as deferred inflows or outflows and are amortized over the term of the lesser of the new bonds or the refunded bonds using the effective interest method. Bond issuance costs are recognized as expenditures/expenses when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Bond issuance costs are shown in debt service expenditures.

**N. Pension Plans**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and the Fire Fighters Retirement System (FFRS) and additions to/deductions from TMRS's and FFRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS and FFRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**O. Fund Equity**

In the government-wide financial statements and proprietary fund financial statements, net position is classified in the following categories:

*Net Investment in Capital Assets*

This category represents the net carrying value of all capital assets, reduced by the outstanding balances of long-term debt that are attributable to the acquisition, construction or improvement of these assets.

*Restricted*

The restricted component of net position represents restricted assets reduced by liabilities related to those assets. This category represents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

*Unrestricted*

This category is the "residual" component of net position. It consists of net position that does not meet the definition of "restricted" or "net invested in capital assets."

In the governmental fund financial statements, the components of fund balances reflect policies and procedures established by actions of the City Council and its designated officials.

## City of Corpus Christi

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The *nonspendable* fund balance includes the portion of net resources that cannot be spent because of their form or because they must be maintained intact. Resources not in spendable form include inventories and prepaid items, long-term advances, long-term receivables, and nonfinancial assets held for resale.

Some resources are spendable but are legally or contractually required to be maintained intact. Such resources include the principal of an endowment.

The *restricted* fund balance includes net resources that can be spent only for the specific purposes stipulated by constitution, external resource providers (creditors, grantors, contributors), laws and regulations of other governments, or through enabling legislation.

The enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources from external resource providers; those resources can be used only for the specific purposes stipulated in the legislation. The City revenue generated through enabling legislation includes Hotel Occupancy taxes, Municipal and Juvenile Court fees, Vital Records fees, Redlight Photo Enforcement fines, and taxes from Crime Control District, CCBJDC, and tax increment zones.

The *committed* fund balance includes spendable net resources that can only be used for specific purposes pursuant to constraints imposed by Council ordinance or resolution no later than the close of the fiscal year. Those constraints remain binding unless removed or changed in the same manner employed to previously commit those resources.

The *assigned* fund balance includes amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. The City Council, the City Manager, or her designee has the authority to assign amounts for a specific purpose as per City Charter, Article I, Section 3 which states, "...the (City) Council...shall enact local legislation, determine policies, appoint the city manager, and which council and city manager shall execute the laws and administer the government of the city." Constraints imposed on the use of assigned amounts can be removed with no formal Council action. The residual fund balance that is not Restricted or Committed in governmental funds except the General Fund is assigned.

The *unassigned* fund balance represents the spendable net resources that have not been restricted, committed, or assigned to specific purposes.

### **Spending Prioritization in Using Available Resources**

When both restricted resources and other resources (i.e., committed, assigned, and unassigned) can be used for the same purpose, the City budget considers restricted resources to be spent first.

When committed, assigned, and unassigned resources can be used for the same purpose, the flow assumption in the City budget is to spend in the sequence of committed resources first, assigned second, and unassigned last.

### **General Fund Balance Requirements Caused by Council Actions or Management's Intended Use**

The *General Fund Reserve for Major Contingencies* is established by the City Council to be maintained at a minimum of 10% and up to 25% of General Fund annual appropriations to provide funding for any unforeseen circumstances that may arise such as an economic slowdown, emergencies, or natural disasters. It is not intended for normal unanticipated expenditures. It has a balance of \$42,963,519 and is classified as unassigned resources.

The *Government Access Equipment Reserve* reflects required contributions made by cable television franchisees set aside for capital needs of government access cable television system or facilities. It has a balance \$11,959 and is classified as committed resources.

The *Reserve for Radio System Capital Replacement* was established through an inter-local agreement with the Regional Transportation Authority regarding an 800 MHz public safety trunked radio system. When other governmental entities wish to participate in the system, a fee is collected based on the proportionate share of radios they will use. Moneys received from these entities are held in reserve to be used for capital replacements and upgrades for the backbone of the system. It has a balance of \$50,970 and is classified as committed resources.

**P. New Accounting Pronouncements**

Statement No. 72, “Fair Value Measurement and Application” – This statement addresses accounting and financial reporting issues related to fair value measurements. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2015. The City has implemented GASB No. 72 in this annual report. Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” – This statement changes the focus of accounting of postemployment benefits other than pension from whether they are responsibly funding the benefits over time to a point-in-time liability that is reflected on the employer’s financial statements for any actuarially unfunded portion of benefits earned to date. This statement will become effective for the City in fiscal year 2018.

Statement No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments” – This statement establishes the hierarchy of GAAP for state and local governments. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2015. The City has implemented GASB No. 76 in this annual report.

Statement No. 77, “Tax Abatement Disclosures” – This statement requires governments that enter into tax abatement agreements to provide certain disclosures regarding these commitments. This statement will become effective for the City in fiscal year 2017.

Statement No. 79, “Certain External Investment Pools and Pool Participants” – This statement will enhance comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. The City has implemented GASB No. 79 in this annual report.

Statement No. 80, “Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14” – This statement will enhance the comparability of financial statements among governments. . This statement will become effective for the City in fiscal year 2017.

Statement No. 82, “Pension Issues” – This statement will improve financial reporting by enhancing the consistency in the application of financial reporting requirements to certain pension issues. This statement will become effective for the City in fiscal year 2017.

**2. Budget Policy and Budgetary Accounting**

City Charter requires the City Manager to submit a proposed budget to the City Council at least sixty days prior to August 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. The budget and tax levy are legally enacted through the passage of ordinances.

Budgets are prepared for all governmental funds except the Federal/State grant fund, the capital projects funds, the community enrichment fund, the infrastructure fund, the Corpus Christi Community Improvement Corporation (CCCIC), the Corpus Christi Housing Finance Corporation (CCHFC), the Coastal Bend Cultural and Educational Facilities Finance Corporation (CBCEFFC), and the Corpus Christi Industrial Development Corporation (CCIDC). The Federal/State grant fund and the capital projects funds adopt project-length budgets. The budgets are prepared on a basis consistent with generally accepted accounting principles, except that expenditures financed by capital leases are not included in the governmental fund budgets, principal and interest payments are included in the activity expenditures and reimbursements are accounted for as revenues rather than reductions of expenditures. The detail of these differences is included in the statement of revenues, expenditures and changes in fund balance – budget and actual in the column titled “Adjustments to Budget Basis.” All annual appropriations lapse at fiscal year end.

## City of Corpus Christi

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The appropriated budget is prepared by fund, department, and activity. The City Manager is authorized to transfer appropriations at the object of expenditure level and department levels within any fund. Any revisions that alter the total appropriations of any fund must be approved by the City Council. During the year, several supplemental appropriations were necessary. All budget amounts presented reflect the original budget and the amended budget which has been adjusted for legally authorized revisions to the annual budget during the year.

Encumbrance accounting is employed in governmental funds. Encumbrances represent commitments related to unperformed contracts for goods or services. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation. Encumbrances outstanding at year end are reported as assigned fund balances and do not constitute expenditures or liabilities until the commitments are honored by inclusion in the subsequent year's budget.

### **3. Sales Tax Revenue**

The City has a 1% city sales tax, a 0.125% sales tax for crime control, a 0.125% sales tax for construction of a multipurpose arena, a 0.125% sales tax for improvements to the downtown seawall, and a 0.125% sales tax for economic development and the construction of a baseball stadium. Sales tax is collected monthly by the State of Texas and remitted to the City. The tax is collected by the merchants, remitted to the State, and then paid to the City by the 10th of the month following collection from the merchants. A two-month lag exists between collection by the merchant and payment to the City by the State.

In governmental funds, sales tax revenue is recognized in the period when the underlying exchange transaction has occurred and the resources are available.

### **4. Property Taxes**

Property taxes are levied and due upon receipt on October 1, based on the value of the previous January 1, and attach as an enforceable lien on property as of January 1 of the subsequent year. The City's property tax is levied each October 1 on the basis of assessed values at the date the enforceable lien attaches. Appraised values are established by the Nueces County Appraisal District, assessed at 100% of appraised value, approved by the Nueces County Appraisal Review Board, and certified by the Chief Appraiser. Responsibility for the billing and collection of the City's taxes is contracted to Nueces County as an efficiency measure.

Taxes are due on receipt of the tax bill and are delinquent if not paid before February of the year following the year in which imposed. Taxes become delinquent on February 1 at which time penalty and interest charges are applicable. Property tax revenues are recorded as revenues when they become available. As permitted by the Constitution of the State of Texas, home rule cities of over 5,000 population shall have a total tax allowable of \$2.50 and shall have a bond allowable of \$1.50 per \$100 valuations (unless City Charter provides less). On April 3, 1993, the citizens of Corpus Christi voted to amend the City Charter which contained a tax limitation of \$0.68 per \$100 of assessed value for all purposes including debt service. The amended charter provided for the tax rate to increase up to the State limit, \$1.50 per \$100 of assessed value, for voter approved debt after April 4, 1993. The State total tax and bond allowable is computed based on 90% collections.

The 2015-2016 tax rates were \$0.376806 for the general fund and \$0.229458 for debt service for a total of \$0.606264 per \$100 of assessed value. Therefore, the City's tax margin of \$0.0737360 per \$100 of assessed value could raise up to \$13,526,836 in additional taxes each year based on the assessed value of \$18,344,955,055. The City could raise up to \$192,009,123 in additional taxes for voter approved tax supported obligations, based on the assessed valuation of \$18,344,955,055 and a debt margin of \$1.046659 calculated on 90% collections.

### **5. Cash, Cash Equivalents, and Investments**

#### **City**

In accordance with City policy, the total bank deposits of \$48,605,152 were covered by Federal Depository Insurance (FDIC) or by collateral held by the City's agent in the City's name. The cash funds and short-term investments included in cash and cash equivalents are not subject to collateralization requirements.

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As of September 30, 2016, the City had the following cash, cash equivalents and investments:

<u>Type</u>		<b>Weighted Average Maturity (Years)</b>	<b>Fair Value Measurement</b>	<b>Credit Rating (S &amp; P)</b>
<b>Investments measured at fair value:</b>				
Federal Agency Coupon Securities	\$429,818,113	1.113	Level 2	AAA
Federal Agency Discount Notes	89,873,522	0.258	Level 2	AAA
Federal Agency Discount Notes	54,774,607	0.643	Level 2	Not Rated
<b>Investments measured at amortized cost:</b>				
Local government investment pools-overnight	227,365,043	0.003		AAA-m
Money market funds	7,198,067	0.003		AAA-m
<b>Total Investments</b>	<u>809,029,352</u>			
Portfolio weighted average maturity		0.664		
<b>Cash and Cash Equivalents</b>				
Deposits in Bank	\$ 48,605,152			
Cash Funds	649,952			
<b>Total Cash and Cash Equivalents</b>	<u>49,255,104</u>			
<b>Total Cash, Cash Equivalents, and Investments</b>	<u>\$858,284,456</u>			

\* Includes the Fiduciary Trust Fund amount of \$24,867.

**Fair Value Measurements** - During the fiscal year ending September 30, 2016, the City adopted GASB Statement No. 72, *Fair Value Measurement and Application*, which provides guidance for determining a fair value measurement for financial reporting purposes. The City categorizes its investments measured at fair value within the hierarchy established by generally accepted accounting principles. Investments valued at fair value are categorized based on inputs to valuation techniques as follows:

Level 1 input – Quoted prices for identical assets or liabilities in an active market that an entity has the ability to access.

Level 2 input – Quoted prices for similar assets or liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 input – Inputs that are unobservable for the asset or liability which are typically based upon the City's own assumptions as there is little, if any, related market activity.

Hierarchy – The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Inputs – If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Debt securities classified in Level 2 of the fair value hierarchy are valued using a computerized pricing service utilizing a yield-based matrix system to arrive at an estimated market value. The City does not have any Level 1 or Level 3 investments.

**Interest rate risk** – In accordance with the City's investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than 365 days.

## City of Corpus Christi

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**Credit risk** - Texas statutes authorize the City to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a Federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed, insured by, or backed by the full faith and credit of, this State or the United States or their respective agencies and instrumentalities; and (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state (rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent).

Public funds investment pools in Texas (Pools) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (PFIA), Chapter 2256 of the Texas Government Code. In addition to other provisions of the PFIA designed to promote liquidity and safety of principal, the (PFIA) requires Pools to: (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; (2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and (3) maintain the fair value of its underlying investment portfolio within one half of one percent of the value of its shares. Investments noted above have been rated AAA-m by Standard & Poor’s or AAA by Moody’s.

**Concentration of credit risk** – According to the City’s investment policy, the maximum amount that may be invested in any one public funds investment pool is five percent of the total current invested balance of the Public Funds Investment Pool. The maximum total amount that may be invested in any one overnight Public Funds Investment Pool is thirty percent of the Investment Portfolio. There is no limit on the percent of the total Investment Portfolio that may be invested in public funds pools overall.

The concentration of the City’s Investment in debt securities are as follows:

<u>Issuer</u>	<u>Percent of Total Investments</u>
Federal Farm Credit Bank	12.24%
Federal Home Loan Bank	20.74%
Federal Home Loan Mortgage Corporation	29.44%
Federal Agriculture Mortgage Corporation	6.78%

**Custodial credit risk - deposits** – In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s deposits, including blended component units, held at financial institutions at year end were entirely covered by federal depository insurance (FDIC) or were secured by collateral held by the City’s agent in the City’s name.

**Custodial credit risk – investments** - For an investment, this is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All investments are held in the City’s name.

### **Corpus Christi Firefighters’ Retirement System**

The Board of Trustees has established that the System shall keep a sufficient amount of cash on hand to make payments as they become due under the System. If the Board determines that the cash fund of the System contains amounts in excess of the amount needed to make necessary payments as they become due, the Board of Trustees may invest any portion of the excess.

In making investments for the retirement system, the Board of Trustees shall exercise proper judgment and care, taking into account the circumstances prevailing at the time of the investment. The Board of Trustees may not invest in the stock or bonds of one corporation more than five percent of the book value of the assets of a fund. In addition, the System may not own more than five percent of the voting stock of one corporation.

City of Corpus Christi

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As of December 31, 2015, the System had the following cash, short-term and long-term investments:

<u>Type</u>		<u>Fair Value Measurement</u>
<b>Investments measured at fair value:</b>		
Common and preferred stocks	\$ 44,625,807	Level 2
U.S. Government securities	40,623,956	Level 2
Mutual funds	20,768,462	Level 2
Mutual funds - Real estate	15,386,681	Level 2
Corporate (domestic and foreign) bonds and notes	<u>6,619,886</u>	Level 2
<b>Total Investments</b>	<u>128,024,792</u>	
<b>Cash and Short-term Investments</b>	<u>\$ 1,487,986</u>	
<b>Total Cash and Investments</b>	<u>\$ 129,512,778</u>	

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.24%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The investment policy of the plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more of the fiduciary net position at December 31, 2015.

The difference between the fair value table and above and the investment allocation table below is due to operating cash and prepaids held by the investment managers.

**Fair Value Measurements** – During the fiscal year ending December 31, 2015, the System adopted GASB Statement No. 72, *Fair Value Measurement and Application*, which provides guidance for determining a fair value measurement for financial reporting purposes. The System categorizes its investments measured at fair value within the hierarchy established by generally accepted accounting principles. Investments valued at fair value are categorized based on inputs to valuation techniques as follows:

Level 1 input – Inputs representing unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 input – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (for example interest rates, volatilities, credit risks and default rates) or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 input – Significant observable inputs that reflect an entity’s own assumptions that market participants would use in pricing the assets or liabilities.

Hierarchy – The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.



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The table below reflects the composition of the System’s investments as of December 31, 2015:

Equities:	Fair Value	% of Portfolio	Investment Policy Asset Allocation
Montag & Caldwell	\$ 17,617,832	13%	10-15%
LSV Asset Management	16,567,370	13%	10-15%
Templeton Int'l.	14,246,870	11%	10-15%
JP Morgan	6,521,592	5%	2.5-7.5%
WCM Investment	6,219,929	5%	2.5-7.5%
Eaton Vance Emerging Mkt	5,434,521	4%	0-10%
Equities total	<u>\$ 66,608,114</u>		
Fixed income:			
Garcia Hamilton	47,820,834	37%	31-41%
Fixed income total	47,820,834		
Alternative investments:			
JPM Strategic RE	15,386,681	12%	5-15%
Alternative investment total	<u>\$ 15,386,681</u>		
Total portfolio	<u>\$ 129,815,629</u>	100%	

Because of the complexity of the portfolio, the System’s Board of Trustees relies on its consultant to provide the necessary guidance to accomplish the System’s objectives. The Board also understands that return objectives can be achieved while assuming “market” volatility. The Board is willing to forgo potential return in strong markets in return for protection against a severe decline during weak periods.

**Concentration of credit risk** – As noted in the above schedule, none of the asset classes exceed their maximum percentage of asset allocation. The System is well diversified, with no one issue exceeding 5%. With the exception of the alternative investments, the portfolio can be liquidated within one to two days if so desire. Alternative investments can only be liquidated quarterly.

**Interest rate risk** – Only the fixed income securities of the Plan are subject to interest rate risk due to the possibility that prevailing interest rates could change before the securities reach maturity. Securities that are subject to interest rate risk as of December 31, 2015, amount to \$47,820,544 and have weighted average duration of 1.30 years. Duration is defined as the change in the value of a fixed income security that will result from a 1% change in interest rates.

Duration is stated in years. For example, 5-year duration means the bond will decrease in value by 5% if interest rates rise 1% and increase in value by 5% if interest rates fall 1%. Securities that are subject to interest rate risk are shown in the following table for the year ending December 31, 2015. The investment policy is silent on the subject of duration.

<u>Investment type</u>	<u>Fair Value</u>	<u>Percentage of Total</u>	<u>Duration (Years)</u>
Mortgage-backed securities	\$ 16,941,128	28.86%	5.30
Treasury	13,801,203	21.16%	0.05
Agency	10,117,190	35.43%	0.28
Corporate bonds	6,694,683	14.00%	0.89
Cash & equivalents	266,340	0.55%	-
Total interest rate sensitive bonds	<u>47,820,544</u>	100.00%	1.30

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**Credit risk** – Using Standard and Poor’s rating system for fixed income securities as of December 31, 2015, the System’s bonds were rate as noted below. The Investment Policy Statement requires corporate fixed income securities to be at least investment grade at the time of purchase, with additional actions required if any security is downgraded below investment grade after purchase.

<u>S&amp;P Rating</u>	<u>Fair Value</u>	<u>Percentage of Total</u>
AA	\$ 43,315,971	90.58%
A	2,447,571	5.12%
BBB	1,790,662	3.74%
Not rated	<u>266,340</u>	<u>0.56%</u>
Total credit sensitive bonds	<u>\$ 47,820,544</u>	100.00%

**Foreign currency risk** – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. As of December 31, 2015, the System did not have direct exposure to foreign currency risk through its investments. The Investment Policy Statement is silent on the subject of foreign currency risk.

**6. Budgetary Data**

General Fund Budget amendments approved during the year included the following: (\$6,686,661) to revenue and other financing sources comprised of:

- (\$8,000,000) reducing General Fund revenue due to a decline in sales tax revenue, industrial district agreement payments in lieu of taxes, and municipal court revenues
- \$73,617 first half of reimbursement due from Nueces County for overbilling of election services
- \$8,594 recovery on damage claims
- \$1,212,555 mid-year rebates from Information Technology Fund, Fleet Maintenance Fund, Development Services Fund, and General Liability Fund
- \$13,000 transfer from Corpus Christi Business and Job Development Corporation
- \$5,573 unclaimed monies from the Police Property Room

\$4,752,651 to expenditures and other financing sources comprised of:

- \$4,454,194 for encumbrances approved to carry forward from the end of the prior fiscal year
- \$73,617 first half of reimbursement due from Nueces County for overbilling of election services transferred to Residential and Local Streets Fund
- \$8,594 for vehicle repairs
- \$4,290 from the fund balance assigned for the Arts & Cultural Commission for arts programs
- \$186,925 transfer to Streets fund from cost savings related to lower premium costs
- \$13,000 transfer from Corpus Christi Business and Job Development Corporation for Miradores maintenance
- \$5,573 unclaimed monies from the Police Property Room for use within the Property Room
- \$6,459 transfer of a City Councilmember’s salary and benefits to Streets Fund for street maintenance

Budget variances to expenditures and transfers include the following:

- General Government is under-budget by \$4,445,826, which includes \$294,902 in City Attorney, \$37,234 Americans with Disabilities Act Compliance, \$122,669 Assistant City Manager of Safety, Health and Neighborhoods, \$47,568 Assistant City Manager of General Government and Operations Support, \$397,895 Public Information, \$171,625 Management & Budget, \$205,459 Training, and \$806,814 Comprehensive Planning largely due to salary and operational savings. Intergovernmental

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Relations is under-budget by \$188,780 because lobby contracts were budgeted in the General Fund, but costs were shared by Utilities Funds.

- Police Department and Municipal Court were under-budget by \$1,661,603 due to salary and operational savings of \$722,176 in Municipal Court Administration and City Marshals, and \$164,767 in Police Computer Support.
- Solid Waste is under-budget by \$2,090,641 due to encumbrances that will be paid in fiscal year 2017, and a reduction in the transfer to Debt Service fund due to a delay in issuance of Certificates of Obligation.
- Health is under-budget by \$783,468 due to salary and operational savings.
- Parks and recreation is under-budget by \$1,859,601 mainly due to salary and operational savings.

**7. Receivables**

	General	Debt Service	Street Capital Projects	Utility System	Nonmajor and Other Funds	Total
Unrestricted						
Accounts	\$ 6,611,022	\$ --	\$ --	\$ 28,609,467	\$ 4,783,996	\$ 40,004,485
Taxes	3,391,697	2,065,392	--	--	37,649	5,494,738
Intergovernmental	10,271,364	--	4,662,357	2,597,881	9,252,073	26,783,675
Property leases	6,864	--	--	4,058	--	10,922
Demolition liens	3,556,411	--	--	--	769,629	4,326,040
Special assessments	--	--	756,071	--	4,588	760,659
Employees	35,192	--	--	11,794	1,596	48,582
Miscellaneous	1,575,261	--	--	40,290	10,633	1,626,184
Restricted						
Mortgages and loans	--	--	--	--	13,066,566	13,066,566
Intergovernmental	--	--	--	--	69,039	69,039
Miscellaneous	--	--	--	--	4,989	4,989
Gross receivables	25,447,811	2,065,392	5,418,428	31,263,490	28,000,758	92,195,879
Less allowance for uncollectible	(5,651,545)	(871,270)	(653,135)	(2,180,081)	(3,550,654)	(12,906,685)
Net total receivables	<u>\$ 19,796,266</u>	<u>\$ 1,194,122</u>	<u>\$ 4,765,293</u>	<u>\$ 29,083,409</u>	<u>\$ 24,450,104</u>	<u>\$ 79,289,194</u>

**8. Capital Assets**

A summary of changes in the capital assets follows. In previous years, business-type activities included the enterprise funds' and Solid Waste's capital assets. During fiscal year 2016 the City reevaluated the classification of funds and determined that Solid Waste activities should be included as a Governmental activity at the government-wide level. Accordingly, the beginning balances of capital assets have been restated to include Solid Waste in Governmental activities and remove them from Business-type activities. The amount of this restatement is \$68,802,569.

The beginning of Business-type activities capital assets has been restated from prior year due to a correction of an error in which the LNRA purchase contract for Lake Texana water which was previously reported as Notes Payable and an associated Water Rights capital asset is now reported as an unconditional purchase obligation (footnote 18) with no associated capital asset. This restatement reduces beginning balance by \$85,778,498.

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	<b>Restated Beginning Balance</b>	<b>Additions and Transfers</b>	<b>Retirements</b>	<b>Ending Balance</b>
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 68,422,321	\$ 183,614	\$ --	\$ 68,605,935
Construction in Progress	98,032,466	11,187,695	--	109,220,161
Total capital assets, not being depreciated	<u>166,454,787</u>	<u>11,371,309</u>	<u>--</u>	<u>177,826,096</u>
Capital assets, being depreciated				
Buildings	237,904,217	310,593	396,009	237,818,801
Improvements	248,320,135	16,067,239	960,482	263,426,892
Machinery & Equipment	131,221,438	11,535,692	22,064,032	120,693,098
Infrastructure	366,084,953	14,711,098	--	380,796,051
Total capital assets, being depreciated	<u>983,530,743</u>	<u>42,624,622</u>	<u>23,420,523</u>	<u>1,002,734,842</u>
Less accumulated depreciation for:				
Buildings	95,592,757	5,437,451	272,878	100,757,330
Improvements	115,198,321	7,970,075	960,482	122,207,914
Machinery & Equipment	98,952,535	10,326,309	22,062,698	87,216,146
Infrastructure	172,387,864	5,986,171	--	178,374,035
Total accumulated depreciation	<u>482,131,477</u>	<u>29,720,006</u>	<u>23,296,058</u>	<u>488,555,425</u>
Total capital assets, being depreciated, net	<u>501,399,266</u>	<u>12,904,616</u>	<u>124,465</u>	<u>514,179,417</u>
<b>Governmental activities capital assets, net</b>	<u><u>\$ 667,854,053</u></u>	<u><u>\$ 24,275,925</u></u>	<u><u>\$ 124,465</u></u>	<u><u>\$ 692,005,513</u></u>

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	<u>Restated Beginning Balance</u>	<u>Additions and Transfers</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Business-type activities</b>				
Capital assets, not being depreciated				
Land	\$ 28,436,251	\$ 152,417	\$ --	\$ 28,588,668
Water rights	106,807,672	--	--	106,807,672
Construction in progress	360,903,435	33,239,187	--	394,142,622
Total capital assets, not being depreciated	<u>496,147,358</u>	<u>33,391,604</u>	<u>--</u>	<u>529,538,962</u>
Capital assets, being depreciated				
Buildings	95,948,604	104,609	11,862,479	84,190,734
Improvements	367,667,213	25,179,805	3,462,034	389,384,984
Machinery and equipment	37,237,445	1,807,503	1,927,341	37,117,607
Infrastructure	1,098,683,174	26,822,876	138,849	1,125,367,201
Total capital assets, being depreciated	<u>1,599,536,436</u>	<u>53,914,793</u>	<u>17,390,703</u>	<u>1,636,060,526</u>
Less: accumulated depreciation for				
Buildings	40,254,614	2,133,758	6,301,035	36,087,337
Improvements	176,631,821	16,063,017	2,726,505	189,968,333
Machinery and equipment	26,298,654	2,283,451	1,872,782	26,709,323
Infrastructure	328,387,754	20,144,743	84,102	348,448,395
Total accumulated depreciation	<u>571,572,843</u>	<u>40,624,969</u>	<u>10,984,424</u>	<u>601,213,388</u>
Total capital assets, being depreciated, net	<u>1,027,963,593</u>	<u>13,289,824</u>	<u>6,406,279</u>	<u>1,034,847,138</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 1,524,110,951</u>	<u>\$ 46,681,428</u>	<u>\$ 6,406,279</u>	<u>\$ 1,564,386,100</u>

Depreciation expense is charged to functions as follows:

<u>Governmental activity</u>		<u>Business-type activity</u>	
General government	\$ 1,036,454	Gas	\$ 2,736,068
Police	1,402,855	Water	20,029,479
Fire	1,177,101	Wastewater	11,988,871
Emergency management	2,223	Airport	5,185,857
Inspections	6,638	Golf centers	78,416
Streets	6,391,058	Marina	606,278
Solid waste	4,673,672	Total	<u>\$ 40,624,969</u>
Health	237,499		
Parks and recreation	2,773,093		
Libraries	393,331		
Museums	224,632		
Community enrichment	3,465,532		
Community development	2,884,835		
Convention and visitors facilities	1,282,206		
Internal service fund	3,768,878		
Total	<u>\$ 29,720,007</u>		

## **9. Employment Retirement Benefits**

### **A. Plan Descriptions**

The City participates in funding two retirement plans as follows: (1) all City employees except firefighters participate in the Texas Municipal Retirement System (TMRS) and (2) firefighters participate in the Corpus Christi Fire Fighters Retirement System (FFRS).

The City participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit plan administered by TMRS. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmr.com](http://www.tmr.com).

The City contributes to the FFRS for firefighters in the Corpus Christi Fire Department. FFRS is a single employer, contributory, defined benefit plan. The benefit provisions are authorized by the Texas Local Fire Fighters' Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions. The plan is administered by the Board of Trustees of the Corpus Christi Fire Fighters' Retirement System. The City does not have access to nor can it utilize assets within the retirement plan trust. FFRS issues a stand-alone report pursuant to GASB Statement No. 67, which may be obtained by writing the Corpus Christi Fire Fighters' Retirement System at 711 N. Carancahua, Suite 724, Corpus Christi, Texas 78475.

### **B. Benefits Provided**

TMRS provides retirement benefits to all City employees except firefighters. Benefit provisions are adopted by the governing body of the city within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits, with interest, were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The City grants a monetary credit referred to as Updated Service Credit. This monetary credit is determined by hypothetically re-computing the member's account balance by assuming that the current member deposit rate of the employing city has always been in effect. The computation also assumes that the member's salary has always been the member's average salary using a salary calculation based on the 36-month period ending a year before the effective date of calculation. This hypothetical account balance is increased by 3% each year (not the actual interest credited to the member's account in previous years), and increased by the city match currently in effect. The resulting sum is then compared to the member's actual account balance increased by the actual city match and actual interest credited. If the hypothetical calculation exceeds the actual calculation, the member is granted a monetary credit (or Updated Service Credit) equal to the difference between the hypothetical calculation and the actual calculation times the percentage adopted. The City increase the annuities of its retirees, effective January 1 of a calendar year at a rate equal to 70% of the increase in the Consumer Price index – all Urban Consumers (CPI-U) between the December preceding the member's retirement date and the December one year before the effective date of the increase, minus any previously granted increases. Members can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. Members are vested after 5 years.

The FFRS provides benefits to firefighters in the Corpus Christi Fire Department. The benefits are fully vested after 20 years of credited service. Firefighters may retire at age 54 with 20 years of service. A partially vested benefit is provided for firefighters who terminate employment with at least 10 but less than 20 years of service.

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If a terminated firefighter has a partially vested benefit, he may retire starting on the date he would have both completed 20 years of service if he had remained a Corpus Christi firefighter and attained age 54. Effective June 1, 2015, the plan provided a monthly normal service retirement benefit, payable in a Joint and 100% to Spouse form of annuity, equal to the greater of (1) 50.8% of Highest 60-Month Average Pay plus \$150.00 per month for each year of service in excess of 20 years and (2) \$137.00 per month for each year of service.

A retiring firefighter who is at least age 54 with at least 20 years of service has the option to elect the Retroactive Deferred Retirement Option Plan (RETRO DROP) which will provide a lump sum benefit and a reduced monthly benefit. The reduced monthly benefit is based on the service and Highest 60-Month Average Pay as if he had terminated employment on his selected RETRO DROP benefit calculation date, which is no earlier than the later of the date he meets the age 54 and 20 years of service requirements and the date three years prior to the date he actually retires. Upon retirement, the member will receive, in addition to his monthly retirement benefit, a lump sum equal to the sum of (1) the amount of monthly contributions the member has made to the System after the RETRO DROP benefit calculation date plus (2) the total of the monthly retirement benefits the member would have received between the RETRO DROP benefit calculation date and the date he retired under the plan. There are no account balances. The lump sum is calculated at the time of retirement and distributed as soon as administratively possible.

There is no provision for automatic postretirement benefit increases. The System has the authority to provide, and has periodically in the past provided, ad hoc postretirement benefit increases.

**Membership in the Plans**

	City Employees	Fire Fighters	Total
Retirees and beneficiaries currently receiving benefits	2,060	297	2,357
Inactive employees entitled to but not yet receiving benefits	917	13	930
Current contributing employees	2,346	408	2,754
Total	5,323	718	6,041

**C. Contributions**

**TMRS** - Contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Corpus Christi were required to contribute 6% of their annual gross earnings during the fiscal year. The City's contributions to TMRS for the year ended September 30, 2016, of \$22,672,210 did not equal the required contributions of \$26,260,333.

**FFRS** - The contribution provisions of the System are authorized by TLFFRA. TLFFRA provides the authority and procedure to change the amount of contributions determined as a percentage of pay by each firefighter and a percentage of payroll by the city.

Firefighters for the City of Corpus Christi were required to contribute 13.1% of their annual gross earnings during the fiscal year. The City's contributions to FFRS for the year ended September 30, 2016, were \$6,695,120 which equaled the required contributions.

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Contribution rates for employees and for the City during the fiscal year were as follows:

	<u>Texas Municipal Retirement System</u>	<u>Fire Fighters Retirement System</u>
Authority establishing contribution obligation	State Legislation	State Legislation
Frequency of contribution	Biweekly	Biweekly
Employee's contribution (percent of earnings)		
October 1, 2015 - September 30, 2016	6.00%	13.10%
City's contribution (percent of earnings)		
October 1, 2015 - December 27, 2015	16.46%	20.78%
December 28, 2015 - September 30, 2016	18.46%	20.78%
City's contribution October 1, 2015 - September 30, 2016	\$22,672,210	\$6,695,120

**D. Net Pension Liabilities**

The City's net pension liabilities for TMRS was measured as of December 31, 2015. FFRS most recent actuarial study was dated December 31, 2014, and this was rolled forward to the measurement date of December 31, 2015. Total Pension Liabilities (TPL) used to calculate the Net Pension Liabilities were determined by actuarial valuations as of those dates.

**Actuarial Assumptions**

The Total Pension Liabilities in the December 31, 2015, actuarial valuation (TMRS) and December 31, 2014, actuarial valuation (FFRS) were determined using the following actuarial assumptions:

	<u>City Employees</u>	<u>Fire Fighters</u>
Inflation Rate	2.5%	3.75%
Overall payroll growth	3%	3.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation	7.9%, net of pension plan investment expense, including inflation

**TMRS** - salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used, male rates multiplied by 109% and female rates multiplied by 103% with a 2-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2015, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December, 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013, valuation, along with a change to the Entry Age Normal



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(EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuations. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best portfolios, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic equity	17.5%	4.55%
International equity	17.5%	6.10%
Core fixed income	10.0%	1.00%
Non-core fixed income	20.0%	3.65%
Real return	10.0%	4.03%
Real estate	10.0%	5.00%
Absolute return	10.0%	4.00%
Private equity	5.0%	8.00%
Total	100.0%	

**FFRS** – Mortality rates were based on the gender-distinct RP2000 Combined Healthy Mortality Table for males and for females projected to 2024 by scale AA.

The long-term expected rate of return on pension plan investments is reviewed for each biennial actuarial valuation and was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future net real rates of return by the target asset allocation percentage (currently resulting in 4.24%) and by adding expected inflation (3.75%). In addition, the final 7.90% assumption was selected by “rounding down” and thereby reflects a reduction of 0.09% for adverse deviation. The target allocation and expected arithmetic net real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Equities		
Large cap domestic	25.0%	5.77%
Small/mid cap domestic	10.0%	6.07%
International developed	12.5%	6.12%
Emerging markets	6.0%	7.29%
Real estate	10.0%	3.90%
Fixed income	36.5%	1.64%
Cash	0	0.40%
Total	100.0%	

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**Discount Rate**

**TMRS** - The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in the statute. Based on that assumption, the pension plan’s Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

**FFRS** - The discount rate used to measure the total pension liability was 7.9%. No projection of cash flows was used to determine the discount rate because the December 31, 2014 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 23 years. That UAAL was based on an actuarial value of assets that was \$4.5 million less than the plan fiduciary net position as of December 31, 2014. Because of the 23-year amortization period of the UAAL with the lower value of assets, the pension plan’s fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments of 7.9% was applied to all periods of projected benefit payments as the discount rate to determine the total pension liability.

**Sensitivity of the net pension liabilities to changes in the discount rate**

The following presents the net pension liabilities of the City, calculated using the discount rates used in the actuarial valuation, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease in the Discount Rate	Discount Rate	1% Increase in the Discount Rate
City’s net pension liability (TMRS)	(5.75%) \$334,730,354	(6.75%) \$224,189,853	(7.75%) \$132,739,134
City’s net pension liability (FFRS)	(6.9%) \$110,876,601	(7.9%) \$88,104,603	(8.9%) \$68,664,580
Total net pension liability	\$445,606,955	\$312,294,456	\$201,400,714

**Pension Plans Fiduciary Net Positions**

**TMRS** – Detailed information about the TMRS pension plans’ Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tms.com](http://www.tms.com).

**FFRS** - FFRS issues a stand-alone report pursuant to GASB Statement No. 67, which may be obtained by writing the Corpus Christi Fire Fighters’ Retirement System at 711 N. Carancahua, Suite 724, Corpus Christi, Texas 78475. See that report for all information about the plan fiduciary net position.

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**Changes in the Net Pension Liabilities**

<b>TMRS</b>	Increase		
	Total Pension	(Decrease) Plan	Net Pension
	Liability (a)	Fiduciary Net Position (b)	Liability (a)-(b)
Balance, beginning of year	817,028,432	637,287,989	179,740,443
Changes for the year:			
Service cost	16,900,733	-	16,900,733
Interest	56,277,242	-	56,277,242
Difference between expected and actual experience	(1,821,888)	-	(1,821,888)
Change of assumptions	1,101,027	-	1,101,027
Contributions-employer	-	20,275,926	(20,275,926)
Contributions-employee	-	7,392,596	(7,392,596)
Net investment income	-	940,243	(940,243)
Benefit payments, including refunds of employee contributions	(43,036,410)	(43,036,410)	-
Administrative expense	-	(572,772)	572,772
Other changes		(28,289)	28,289
Net changes	<u>29,420,704</u>	<u>(15,028,706)</u>	<u>44,449,410</u>
Balance, end of year	<u>846,449,136</u>	<u>622,259,283</u>	<u>224,189,853</u>

<b>FFRS</b>	Increase		
	Total Pension	(Decrease) Plan	Net Pension
	Liability (a)	Fiduciary Net Position (b)	Liability (a)-(b)
Balance, beginning of year	205,789,604	130,814,419	74,975,185
Changes for the year:			
Service cost	4,318,568	-	4,318,568
Interest	16,375,781	-	16,375,781
Changes in benefit provisions	2,725,939		2,725,939
Contributions-employer	-	6,361,276	(6,361,276)
Contributions-employee	-	3,896,613	(3,896,613)
Net investment income	-	312,710	(312,710)
Benefit payments, including refunds of employee contributions	(11,091,486)	(11,091,486)	-
Administrative expense	-	(279,729)	279,729
Net changes	<u>12,328,802</u>	<u>(800,616)</u>	<u>13,129,418</u>
Balance, end of year	<u>218,118,406</u>	<u>130,013,803</u>	<u>88,104,603</u>

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**E. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended September 30, 2016, the city recognized pension expense of \$42,624,404.

Components of Pension Expense	TMRS	FFRS	Total
Service cost	16,900,733	4,318,568	21,219,301
Interest	56,277,242	16,375,781	72,653,023
Employee contributions	(7,392,596)	(3,896,613)	(11,289,209)
Projected earnings on plan investments	(44,610,159)	(10,290,363)	(54,900,522)
Amortization of deferred outflows (inflows) - Liabilities	(1,632,764)	38,305	(1,594,459)
Amortization of prior year deferred outflows (inflows) - Assets	10,324,211	2,605,829	12,930,040
Administrative expense	572,272	279,729	852,001
Changes in benefit provisions	-	2,725,939	2,725,939
Other changes in Fiduciary Net Position	28,290	-	28,290
Total pension expense	30,467,229	12,157,175	42,624,404

At September 30, 2016, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TMRS		FFRS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	(4,117,313)	-	-	-	(4,117,313)
Changes of assumptions	811,283	-	236,956	-	1,048,239	-
Differences between projected and actual investment earnings	39,706,616	-	9,813,015	-	49,519,631	-
Contributions subsequent to the measurement date	17,241,078	-	4,949,639	-	22,190,717	-
Total	57,758,977	(4,117,313)	14,999,610	-	72,758,587	(4,117,313)

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The total of the contributions by the City to the Systems contributed subsequent to the measurement date of the net pension liabilities, December 31, 2015, through September 30, 2016, is a deferred outflow of resources that will be recognized as a reduction in the net pension liabilities in the fiscal year ending September 30, 2017. These amounts are \$17,241,078 (TMRS) and \$4,949,639 (FFRS) for a total of \$22,190,717. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended Sept. 30:	TMRS	FFRS	Total
2017	8,691,447	2,644,134	11,335,581
2018	8,802,706	2,644,134	11,446,840
2019	10,172,451	2,644,132	12,816,583
2020	8,733,983	2,033,835	10,767,818
2021	-	38,305	38,305
Thereafter	-	45,430	45,430
Total	36,400,587	10,049,970	46,450,557

**F. Deferred Compensation Plan**

The City maintains responsibility for reviewing and approving emergency withdrawals from the Internal Revenue Code, Section 457, Deferred Compensation Plans.

**10. Post-Employment Health Care Benefits**

GASB Statement No. 45: *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (OPEB), establishes accounting standards for postretirement benefits. The standard does not require funding of OPEB expense, but any difference between the annual required contribution (ARC) and the amount funded during the year is required to be recorded in the employer’s financial statement as an increase (or decrease) in the net OPEB obligation. The City is required to obtain an actuarial valuation at least once every two years in accordance with GASB 45 standards. The City’s latest valuation is dated as of October 1, 2015, and discloses the following:

**Plan Description and Funding Policy**

Employees who retire from the City of Corpus Christi, and eligible dependents and survivors, are eligible to continue to participate in the City’s health insurance programs at the “blended” employee group rate which is determined annually by the City of Corpus Christi and approved by the City Council. Retirees have 31 days to elect to enroll in the City’s self-funded, single-employer health insurance plan (Citicare, Citicare Public Safety, and Citicare-Fire) in which they were participating at the time of retirement unless otherwise stated in a plan document or collective bargaining agreement. In an effort to reduce the City’s liability, retirees who are Medicare-eligible have been enrolled in a separate Medicare insurance plan and are no longer covered by the City’s group insurance plan. As of October 1, 2015, a total of 200 eligible retirees and dependents were participating in the City’s group health program detailed as follows:

Citicare and Citicare Premium	40
Citicare Public Safety	77
Citicare Fire	83
Pending election	--
Total	200

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The plan is funded on a pay-as-you-go basis and incurred \$2,911,504 in claims and other costs in the fiscal year ended September 30, 2016. The funds to pay these claims and other costs are derived in part from retiree premiums, which do not fully cover the costs. The plan is not accounted for as a trust fund because an irrevocable trust has not been established to fund the plan. The plan does not issue a separate financial report.

**Annual OPEB Cost and Net OPEB Obligation**

The City's annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The City's annual OPEB cost for each plan for the current year is as follows:

	Citicare	Citicare Public Safety	Citicare Fire	Total
Annual required contribution	\$ 214,613	\$ 317,886	\$ 181,369	\$ 713,868
Interest on net OPEB obligation	279,179	70,762	109,508	459,449
ARC adjustment	(319,894)	(81,083)	(125,479)	(526,456)
Annual OPEB cost	173,898	307,565	165,398	646,861
Contributions made (pay-as-you-go basis)	26,540	255,289	1,032,823	1,314,652
Increase (Decrease) in net OPEB obligation	147,358	52,276	(867,425)	(667,791)
Net OPEB obligation - beginning of year	7,158,417	1,814,419	2,807,906	11,780,742
Net OPEB obligation - end of year	<u>\$ 7,305,775</u>	<u>\$ 1,866,695</u>	<u>\$ 1,940,481</u>	<u>\$ 11,112,951</u>

Three year trend information is as follows:

	Citicare	Citicare Public Safety	Citicare Fire	Total
<b>City's Annual OPEB Cost (APC)</b>				
2014 (14 months)	\$304,160	\$282,758	\$209,501	\$796,419
2015	\$310,751	\$285,869	\$210,783	\$807,403
2016	\$173,898	\$307,565	\$165,398	\$646,861
<b>Percentage of APC contributed</b>				
2014 (14 months)	38.6%	154.7%	-68.0%	N/A
2015	26.1%	99.1%	306.9%	N/A
2016	8.5%	89.3%	490.0%	N/A
<b>Net OPEB Obligation</b>				
2014	\$ 6,928,893	\$ 1,811,850	\$ 3,244,049	\$ 11,984,792
2015	\$ 7,158,417	\$ 1,814,418	\$ 2,807,906	\$ 11,780,741
2016	\$ 7,305,775	\$ 1,866,695	\$ 1,940,481	\$ 11,112,951

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**Funded Status and Funding Progress**

The funded status of the plan as of the last valuation date of October 1, 2015, was as follows:

	Citicare	Citicare Public Safety	Citicare Fire	Total
Actuarial accrued liability	\$ 2,283,060	\$ 5,499,833	\$ 3,144,261	\$ 10,927,154
Actuarial value of plan assets	--	--	--	--
Unfunded actuarial accrued liability	<u>\$ 2,283,060</u>	<u>\$ 5,499,833</u>	<u>\$ 3,144,261</u>	<u>\$ 10,927,154</u>
Funded ratio	0%	0%	0%	0%
Covered payroll	\$ 67,782,272	\$ 30,528,376	\$ 18,725,546	\$ 117,036,194
Unfunded actuarial accrued liability as a percentage of covered payroll	3.4%	18.0%	16.8%	9.3%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Plan Changes**

The total GASB 45 actuarial accrued liability for Citicare, Public Safety and Fire decreased from approximately \$11.8 million as of August 1, 2013, to approximately \$10.9 million as of October 1, 2015. The reduction is due to a combination of changes in assumptions and differences between prior assumptions and actual experience. The primary differences causing a reduction in the liability include an 18% reduction in number of retirees and beneficiaries participating in the plan, updates to the per capita claims cost assumptions, and the effect of unblending the Citicare active and retiree premiums. These reductions were slightly offset by the updated health care cost trend assumptions.

**Actuarial Methods and Assumptions**

Projections of benefits are based on the substantive plan and include the type of benefits in force at the valuation date and the pattern of sharing benefits between the City and the plan members at that point. Actuarial calculations reflect a long term perspective and employ methods and assumptions that are designed to reduce the short term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions used for this valuation are as follows:

Measurement Date	October 1, 2015
Actuarial Cost Method	Entry Age
Amortization Period	30 years, Open
Amortization Method	Level Percent of Payroll
Discount rate	3.90%
CPI	2.50%
Healthcare Cost Trend Rate	8.75% in fiscal 2017, trending to 5.5% in fiscal 2017, and an ultimate trend rate of 4.0% in 2073
Payroll Growth Rate	2% annually

**11. Risk Management**

The City operates a risk management program for workers’ compensation claims, liability claims and property insurance. In addition, the City operates an employee benefits program which includes life and health insurance.

**A. Insurance**

The City self-funds workers’ compensation, general/auto liabilities and health benefits. Purchased insurance coverage includes: Commercial property insurance with a \$250 million limit on all perils and a \$150 million limit on named storm, \$75 million in airport liability, \$10 million of gas utility liability insurance, \$10 million aggregate of excess general liability insurance and statutory excess workers’ compensation coverage. Primary flood coverage provides up to \$500,000 on specified buildings. All funds of the City participate in the program and make payments to the Liability and Employee Benefits Fund based on an annual actuarial analysis. In addition, the City of Corpus Christi provides comprehensive health coverage to employees, dependents and retirees. Coverage becomes effective the first day of employment and the plan has no lifetime limit.

The estimated claims liability of \$17,603,583 at September 30, 2016, of which \$8,197,326 is due within one year, is based on requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund claims liability amounts for fiscal years 2015 and 2016 were:

<b>Fiscal Year</b>	<b>Beginning of Fiscal Year Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>Balance at Fiscal Year End</b>
2014-2015	\$ 10,934,619	\$ 30,157,544	\$ (26,349,761)	\$ 14,742,402
2015-2016	\$ 14,742,402	\$ 36,812,660	\$ (33,951,479)	\$ 17,603,583

**B. Contingent Liabilities**

The City is a defendant in various claims and lawsuits involving automobile liability, civil rights liability, contractual issues, and other matters. The City intends to vigorously contest any and all cases while recognizing that sound business judgment may dictate settlement. The estimated liability, which includes an estimate of incurred but not reported claims, is included in the estimated claims liability above. The City estimates that the claims reserves are adequate to cover losses for which the City may be liable. The City believes any unknown claims or changes to the claims would not have a material impact on the City’s basic financial statements. The following is a list of claims and lawsuits that have a reasonable possibility of resulting in a financial impact to the City.

*Bourbon Street Bar and Grill vs. the City of Corpus Christi and Doxa Enterprises, LP*, Cause No. 2013DCV-6211-G. Plaintiff alleges inverse condemnation alleging loss of use of property and loss of business income. The case is in pretrial discovery and no trial date has been set, despite the case being on file since 2013. The City will defend.

*Cantu, Gracie, et al. vs. City of Corpus Christi*, Cause No. 2012CCV-60497-4. Plaintiff claims personal injuries for herself, husband and two minor children from a vehicle accident with a City vehicle. Medical expenses reported to the City to date total approximately \$12,000. The City’s maximum exposure is \$500,000 under the Texas Torts Claim Act. The City will defend.



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*Castro, Helen and Juan vs. City of Corpus Christi*, Cause No. 2011CCV-61486-3. Plaintiffs claim personal injuries from a vehicle accident with a City vehicle. Total past medical expenses for both is approximately \$24,057, with the City's maximum exposure of \$500,000 under the Texas Torts Claim Act. The City will defend.

*Gonzales, Patrick vs. the City of Corpus Christi*, Civil Action No. 2:14-cv-00047. Plaintiff alleges wrongful termination of employment. The case is in the pretrial motion stage. The City and the individual defendants have filed motions seeking to have the Court dismiss Plaintiff's claims. The Court has stayed any further activity while considering the dismissal motions. If the Court denies the individual defendants' motions to dismiss, an interlocutory appeal will be taken to the Fifth Circuit. The City will defend.

*Gonzales, Thomas and Melinda vs. the City of Corpus Christi and Teri Nelson-Zepeda d/b/a Nuevo Café*. Cause No. 2014CCV-61870-4. Premises liability case where Plaintiffs allege personal injuries caused by a fall. Both written discovery and depositions are ongoing. The City filed a plea to the jurisdiction asserting that the requirements of bringing suit against the City for a premises defect have not and cannot be met. The trial court denied the jurisdictional plea and the trial court's decision is currently on appeal. If the appellate court affirms, then the City will probably appeal to the Supreme Court of Texas. Medicals reported to the City total approximately \$79,588. The City's maximum exposure is \$500,000 under the Texas Torts Claim Act. The City will continue to defend.

*Graham Construction Services, Inc. v. City of Corpus Christi and Freese and Nichols, Inc.* Graham contracted to build the New Broadway Waste Water Treatment Facility in 2009. More than 6 years after initiating construction, and several years after the initially demanded completion time, Graham sued the City for damages it claimed it incurred in the construction of this Facility. In the lawsuit, Graham claimed more than \$20,000,000 in delay damages. The City had previously indicated willingness to settle the dispute by submitting it to Navigant, a leading engineering firm that focuses on damage estimation and substantiation. Navigant found that the highest sustainable damage calculation was approximately \$2.7 million. Graham refused to settle the dispute and sued the City. The City will fight this case and has already successfully defended Graham's Motion for Partial Summary Judgment. The City anticipates that the maximum liability in this case would not exceed the Navigant estimate. The City also believes that judgment could potentially be rendered in the City's favor on the basis of liquidated damages owed to the City for Graham's delays and direct contract damages for Graham's underperformance of the contract.

*Kaufman, In Re: Sharon Kaye and Colin Kelly*, Cause No. 03-20305-C-7. This case was originally filed in bankruptcy court, but was removed to state court. Plaintiffs claim the City inversely condemned their house with sewage overflows into his unfinished basement. Plaintiffs' house was appraised at \$200,000, but has since burned down. No trial date has been set. The City will defend.

*Nick LeClair and Emily Whipple v. Corpus Christi Police Department, et al* Civil Action No. 2:17-cv-00058. This pro se plaintiff claims violation of his 1<sup>st</sup>, 4<sup>th</sup>, and 14<sup>th</sup> Amendment rights as a result of a detention in a police car of approximately 10 minutes. The City of Corpus Christi has not been formally served, but we are expecting service at some point soon. There are no financial caps on liability; however, the City has excess coverage for damages over \$500,000. The City will defend.

*Mesa, Graziella G. vs. the City of Corpus Christi*, Civil Action No. 2:16-cv-00293. Ms. Mesa filed suit for wrongful termination alleging she was terminated because of her gender (female) and race (Asian) and in retaliation for complaining to Human Resources about discrimination. Ms. Mesa alleges also that her termination was politically motivated in that as an inspector she was forcing a contractor to perform its obligations. The city is contesting this case and it is scheduled for trial on October 16, 2017. The City will defend.

*Mills, Yvonne and Hollie Rios vs. the City of Corpus Christi*, Cause No. 2015CCV- 60121-2. Plaintiffs allege personal injuries due to a collision with a City vehicle. No trial date has been set and no docket control order entered. The City will defend.

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*Morales, Maria, et al. vs. the City of Corpus Christi*, Civil Action No. 2:16-cv-00049. Plaintiffs allege employment discrimination. Suit has been filed. The individual defendant, a former City employee, has answered. On February 28, 2016, and March 1, 2016, Plaintiffs filed additional charges of discrimination with the Equal Employment Opportunity Commission (“EEOC”). The case was abated while the EEOC made its determination. The EEOC denied the charge of discrimination and the Court permitted the case to proceed. Plaintiffs are still employed by the City; therefore, it is too early to make any type of detailed estimate of the City’s exposure in this case. The City will defend.

*Nelson, Martin and Veronica vs. City of Corpus Christi*, Cause No. 2016CCV-60240-2. Plaintiffs allege personal injuries due to a collision with a City vehicle. Total estimated medical expenses are approximately \$42,030 in this case. The City’s maximum exposure is \$500,000 under the Texas Torts Claim Act. The City will defend.

*Reaves, Hayden and Billy Rochier vs. the City of Corpus Christi, Jorge Hernandez, Kimberly Kay Balboa and Randy Vasquez*, Appeal No. 13-14-00704-CV/Cause No. 2014CCV-60190-2. Plaintiff sued for personal injuries sustained in an automobile accident. The City filed a plea to the jurisdiction challenging the court’s jurisdiction to hear the case. The plea was granted. Plaintiff appealed to the court of appeals. The Court of Appeals abated the appeal to permit the appellee to return and ask the trial court for permission to pursue an interlocutory appeal. The trial court, on its own motion, denied the motion but severed the City from the main cause. Plaintiffs appealed the decision of the trial court. All briefs have been filed and oral argument was conducted in January. The City will defend.

*Rios, Frances vs. the City of Corpus Christi, Sylvia Flores and Ron Olson*, Civil Action No. 2:14-cv-00409. Plaintiff alleges malicious prosecution and false arrest. The case is in the pretrial motion stage. The City has filed motions seeking to have the Court dismiss Plaintiff’s claims. The Court has stayed discovery while considering the motions. If the Court denies the motions as to the individual defendants the City will appeal to the 5<sup>th</sup> Circuit. The City believes there is no federal law which precludes malicious prosecution and Plaintiff dismisses her state law claim for malicious prosecution. It should be noted that there is a case which could impact on whether there is a federal claim for malicious prosecution pending before the United States Supreme Court. The City also alleges that Plaintiff’s false arrest claim is barred by the applicable statute of limitations. The trial court, on February 1<sup>st</sup>, granted the City’s motion to dismiss. Plaintiff filed a motion for a new trial which is pending before the trial court.

*Rodriguez, Nora vs. City of Corpus Christi*, Cause No. 2:13-cv-00134. Case was tried to a verdict in November, 2015. The Court entered judgment on the verdict in an amount exceeding \$600,000. Post-judgment motions were filed with the Court. All appeal briefs have been filed.

*Ray Rosas, et al v. City of Corpus Christi, et al*, Civil Action No. 2:17-cv-70. Plaintiff claims violation of his 4<sup>th</sup> Amendment rights. More specifically, Plaintiff claims he was falsely arrested by City of Corpus Christi Police, claiming that he was subject to excessive force and malicious prosecution. There are no financial caps on liability; however, the City has excess coverage for damages over \$500,000. The City will defend.

*Saenz, Corina vs. the City of Corpus Christi*, Cause No. 2015CCV-61621-1. Plaintiff alleges wrongful termination of employment. Suit has been filed, answered and discovery is ongoing. The trial court permitted Plaintiff to proceed with extensive discovery and the City appealed to the Supreme Court of Texas. The case is stayed pending a ruling from the Supreme Court. The City will defend.

*Salinas, Maria, et al. vs. Ricardo Alvarado Garcia, City of Corpus Christi, Association of Staffing D/B/A Advanced Temporaries, Inc. and Daniel Gonzalez*, Cause No. 2014DCV-5689-F. Plaintiff sued the City of Corpus Christi and others alleging personal injuries sustained in a motor vehicular accident. City filed a plea to the jurisdiction, which was granted, to dismiss its employee from the case. The City will be defended as additional insured by Advanced Temporaries’ insurance company.

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*Texas Commission on Environmental Quality (TCEQ) v. City, et al* (threatened litigation and administrative actions). The TCEQ has filed three administrative actions against the City over the City's water interruptions established in 2015 and 2016. The TCEQ may file a lawsuit or other administrative action against the City and other parties relating to a water interruption in December 2016. Penalties currently demanded by the State of Texas for these actions are approximately \$13,000; however, amounts for the December 2016 interruption could be higher. If requested, injunctive relief could result in increased future expenditures on the City's water system relating to cross-connection controls, all of which would be funded by water rates or reimbursement by water customers.

*United States vs. City of Corpus Christi* (threatened litigation). Department of Justice Environmental Protection Administration and City are working on a consent decree regarding Administrative Orders on six sewer sheds for overflows. A settlement is being negotiated for improvements to City's sewer system. The latest settlement proposals would give the City approximately 15 years to construct extensive improvements and repairs to City sewer system. These required repairs and improvements to the City's wastewater treatment system will be paid for by wastewater rates.

*United States vs. City of Corpus Christi*, Cause No. 2:12-cv-217. United States Department of Justice alleged in federal court that the City's use of a physical ability test for its police academy discriminated against females from 2005-2011. The parties have agreed to a consent decree with the City providing back pay to claimants and pension contributions for approximately 7 "priority hires". The amounts requested by the DOJ have been set aside; however, details relating to the timing of contributions remain open.

*Watson, James H., and others similarly situated vs. The City of Allen, et al.*, Civil Action No. 4:15-cv-335-A. Plaintiff sued Southlake, Texas, because he paid a civil penalty as a result of the City of Southlake's photographic traffic monitoring system (red light camera). Plaintiff alleges that the statute authorizing photographic traffic monitoring systems violates the Constitution of the State of Texas. Plaintiff is seeking to have the statute declared unconstitutional and is seeking restitution of his civil penalty. Plaintiff has also sued over 60 municipalities throughout the state of Texas. Plaintiff is seeking to have the suit certified as a class action and is seeking return of all civil penalties paid by anyone from April, 2013 to the present. The trial court dismissed Plaintiff's suit, but the 5<sup>th</sup> Circuit reversed and returned the case to state court. The trial court granted the cities' plea to the jurisdiction, and Plaintiff has appealed.

*Zuniga, Mary vs. City of Corpus Christi, et al.*, Civil Action No. 2:15-cv-00503. Plaintiff claims she suffered personal injuries due to excessive force by City of Corpus Christi and its Police Officers. As a civil rights case, there are no financial caps on liability; however, the City has excess coverage for civil rights damages over \$500,000. This case is set for trial on May 15<sup>th</sup>. Motions for summary judgment have been filed by City and defendant officers. The City will defend.

## 12. Operating Leases

### A. Property Leased From Others

The City leases various office space sites and equipment under operating leases. Most of the leases are cancellable and extendable on a monthly basis.

### B. Property Leased To Others

The City is the lessor of airport floor space, real property, and parking spaces under operating leases expiring through the fiscal year 2028. The arena operating leases expire through the fiscal year 2017. Minimum rentals to be received from future leases are:

City of Corpus Christi

<u>Fiscal Year Ending September 30,</u>	<u>Enterprise Funds</u>	<u>Special Revenue Funds</u>
2017	\$ 3,527,352	\$ 76,400
2018	2,508,242	--
2019	1,644,293	--
2020	1,490,149	--
2021	1,490,014	--
2022-2028	6,658,680	--
Total minimum future rentals	<u>\$ 17,318,730</u>	<u>\$ 76,400</u>

Minimum future rentals do not include contingent rentals that may be received if the lessee meets certain performance clauses under the leases.

**13. Long-term obligations**

The following is a summary of long-term obligation transactions of the City for the year ended September 30, 2016:

	<u>Restated Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Long-term debt					
General obligation bonds	\$ 440,945,000	\$ 77,145,000	\$ (98,280,000)	\$ 419,810,000	\$ 25,170,000
Certificates of obligation	10,322,569	28,450,000	(6,520,000)	32,252,569	1,795,000
Revenue bonds	65,105,000	--	(6,920,000)	58,185,000	7,270,000
Discount on bonds payable	(22,871)	--	4,196	(18,675)	--
Premium on bonds payable	24,126,185	13,975,667	(5,944,607)	32,157,245	--
Capital leases	14,243,403	8,589,474	(5,347,308)	17,485,569	5,534,945
Other notes payable	22,877,509	--	(2,591,489)	20,286,020	2,649,888
Total long-term debt	<u>577,596,795</u>	<u>128,160,141</u>	<u>(125,599,208)</u>	<u>580,157,728</u>	<u>42,419,833</u>
Landfill closure cost	28,174,744	--	(2,199,405)	25,975,339	774,053
Accumulated compensated absences	34,429,112	13,592,286	(14,452,374)	33,569,024	14,452,374
Net Pension Liability	204,264,431	99,360,125	(44,014,400)	259,610,156	--
Net OPEB obligation	11,114,171	591,803	(1,312,040)	10,393,934	--
Governmental activities Long-term liabilities	<u>\$ 855,579,253</u>	<u>\$ 241,704,355</u>	<u>\$ (187,577,427)</u>	<u>\$ 909,706,181</u>	<u>\$ 57,646,260</u>
Business-type activities					
Long-term debt					
General obligation bonds	\$ 18,450,000	\$ --	\$ (905,000)	\$ 17,545,000	\$ 1,140,000
Certificates of obligation	11,222,430	--	(385,000)	10,837,430	405,000
Priority Revenue bonds	336,420,000	--	(108,865,000)	227,555,000	20,845,000
Junior Lien Revenue bonds	587,835,000	80,415,000	(12,595,000)	655,655,000	17,095,000
Discount on bonds payable	(854,150)	--	793,691	(60,459)	--
Premium on bonds payable	62,882,207	12,259,888	(8,923,691)	66,218,404	--
Capital leases	1,564,120	606,200	(457,490)	1,712,830	539,297
Utility notes payable	55,506,951	--	(2,623,362)	52,883,589	2,752,111
Total long-term debt	<u>1,073,026,558</u>	<u>93,281,088</u>	<u>(133,960,852)</u>	<u>1,032,346,794</u>	<u>42,776,408</u>
Accumulated compensated absences	3,649,493	1,247,327	(2,231,312)	2,665,508	2,231,312
Net Pension Liability	50,451,195	12,346,603	(10,113,496)	52,684,302	--
Net OPEB Obligation	666,571	55,058	(2,612)	719,017	--
Business-type activities Long-term liabilities	<u>\$ 1,127,793,817</u>	<u>\$ 106,930,076</u>	<u>\$ (146,308,272)</u>	<u>\$ 1,088,415,621</u>	<u>\$ 45,007,720</u>

City of Corpus Christi

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In the schedule above, General obligation bonds, Certificates of obligation, Capital leases, Accumulated compensated absences, Net pension liability, and Net OPEB obligation beginning balances changed from prior year due to Solid Waste activities being reclassified from Business-type activities to Governmental activities based on a change in accounting policy in the amount of \$28,174,744. Beginning Utility notes payable is reduced from prior year due to a change in accounting policy in which the LNRA purchase contract which was previously reported as a utility Note Payable is now reported as an unconditional purchase obligation in the amount of \$85,778,499 (Footnote 18).

In the governmental funds, the OPEB obligation will be liquidated by the General Fund (84%), Special Revenue funds (8%), and Internal Service funds (8%) based on the allocation of the cost of self-insurance for health benefits. General Fund will typically liquidate 86% and Special Revenue and Internal Service funds will liquidate 14% of the pension liability.

**A. Bonds**

Bonds payable at September 30, 2016, are comprised of the following:

**Governmental activities**

**General Obligation Bonds**

\$3,830,000	2007 Texas Military Value Revolving Loan Program Bonds due in annual installments of \$180,000 to \$310,000 through September 1, 2026, interest at 3.75% to 4.00%	\$2,290,000
\$31,145,000	2007-A General Improvement due in annual installments of \$1,355,000 to \$2,350,000 through March 1, 2027, interest at 4.00% to 5.00%	1,520,000
\$88,725,000	2009 General Improvement Bonds due in annual installments of \$3,370,000 to \$6,495,000 through July 31, 2029, interest at 3.00% to 5.00%	7,675,000
\$13,685,000	2010 General Improvement Bonds due in annual installments of \$525,000 to \$950,000 through July 31, 2030, interest at 2.75% to 4.25%	10,430,000
\$44,695,000	2012 General Improvement Bonds due in annual installments of \$500,000 to \$3,610,000 through March 1, 2032, interest at 2.00% to 5.00%	42,695,000
91.36% of \$29,855,000	2012C General Improvement Refunding bonds due in annual installments of \$2,250,000 to \$3,530,000 through March 1, 2023, interest at 2.00% to 5.00%	17,885,000
\$107,660,000	2012D General Improvement Refunding bonds due in annual installments of \$545,000 to \$6,185,000 through March 1, 2032, interest at .29% to 4.03%	95,685,000
\$82,025,000	2013 General Improvement Bonds due in annual installments of \$1,500,000 to \$6,360,000 through March 1, 2033, interest at 2.00% to 5.00%	76,055,000
\$90,520,000	2015 General Improvement Bonds due in annual installments of \$2,090,000 to \$6,775,000 through March 1, 2035, interest at 2.00% to 5.00%	88,430,000
\$61,015,000	2015 General Improvement Refunding Bonds due in annual installments of \$1,405,000 to \$6,075,000 through March 1, 2029, interest at 4.00% to 5.00%	61,015,000
\$16,130,000	2016 General Improvement Refunding Bonds due in annual installments of \$45,000 to \$5,745,000 through March 1, 2029, interest at 2.00% to 4.00%	<u>16,130,000</u>
Total General Obligation Bonds		<u>419,810,000</u>

City of Corpus Christi

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**Certificates of Obligation**

34.58% of \$6,985,000 2007 Certificate of Obligation, Texas Military Preparedness Commission, due in annual installments of \$290,000 to \$565,000 through September 1, 2026, interest at 4.00% to 4.375%	\$347,569
\$8,460,000 2009 Combination Tax and Limited Pledge Revenue Certificates of Obligation due in annual installments of \$300,000 to \$580,000 through July 31, 2029, interest at 4.00% to 5.00%	1,090,000
\$12,000,000 2008 Combination Tax and Solid Waste Revenue Certificates of Obligation due in annual installments of \$245,000 to \$285,000 through March 1, 2018, interest at 3.50% to 4.00%	560,000
\$3,000,000 2010 Combination Tax and Limited Pledge Revenue Certificates of Obligation due in annual installments of \$110,000 to \$210,000 through July 31, 2030, interest at 3.00% to 4.50%	2,310,000
\$10,020,000 2015 Combination Tax and Limited Pledge Revenue Certificates of Obligation due in annual installments of \$410,000 to \$700,000 through March 1, 2035, interest at 0.350% to 4.493%	9,610,000
\$2,000,000 2016 Combination Tax and Limited Pledge Revenue Certificates of Obligation due in annual installments of \$95,000 to \$135,000 through September 1, 2035, interest at 2.00% to 5.00%	1,905,000
\$16,430,000 2016A combination Tax and Limited Pledge Revenue Certificates of Obligation due in annual installments of \$585,000 to \$950,000 through March 1, 2036, interest at 2.00% to 4.00 %	<u>16,430,000</u>
Total Certificates of Obligation	<u>32,252,569</u>

**Revenue Bonds**

\$13,445,000 2008 North Padre Island Development Corporation Tax Increment Contract Revenue Refunding Bonds due in annual installments of \$165,000 to \$1,605,000 through September 15, 2022, interest at 4.50%	\$7,860,000
\$29,075,000 2012 Corpus Christi Business and Job Development Corporation Sales Tax Revenue Refunding Bonds due in annual installments of \$1,720,000 to \$2,810,000 through March 1, 2026, interest at 3.00% to 5.00%	23,705,000
\$30,555,000 2014 Corpus Christi Business and Job Development Corporation Sales Tax Revenue Refunding Bonds due in annual installments of \$1,800,000 to \$3,290,000 through September 1, 2025, interest at 2.00% to 5.00%	24,520,000
\$7,840,000 2014 Corpus Christi Business and Job Development Corporation Sales Tax Revenue Bonds due in annual installments of \$1,825,000 to \$2,100,000 through September 1, 2017, interest at 2.00% to 5.00%	<u>2,100,000</u>
Total Revenue Bonds	<u>58,185,000</u>

**Total Governmental Activities**

\$510,247,569

City of Corpus Christi

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**Business-type activities**

**General Obligation Bonds**

\$8,340,000 2012A General Improvement Airport Refunding Bonds due in annual installments of \$350,000 to \$915,000 beginning March 1, 2015 and ending March 15, 2023, interest at 2.00% to 3.25%	\$5,450,000
\$9,880,000 2012B General Improvement Airport Refunding Bonds due in annual installments of \$45,000 to \$1,385,000 beginning March 1, 2014 and ending March 1, 2030, interest at 2.00% to 4.00%	9,740,000
8.64% of \$29,855,000 2012C General Improvement Refunding bonds due in annual installments of \$2,250,000 to \$3,375,000 through March 1, 2023, interest at 2.00% to 5.00%	<u>2,355,000</u>
Total General Obligation Bonds	<u>17,545,000</u>

**Certificates of Obligation**

\$6,985,000 2007 Certificate of Obligation, Texas Military Preparedness Commission, due in annual installments of \$290,000 to \$565,000 through September 1, 2026, interest at 4.00% to 4.375%	657,430
\$5,500,000 2010 Combination Tax and Limited Pledge Airport Revenue Certificates of Obligation due in annual installments of \$195,000 to \$340,000 through March 1, 2024, and \$2,025,000 term bond due March 1, 2030, interest at 5.00% to 6.25%	4,525,000
\$5,990,000 2012 Combination Tax and Surplus Airport Revenue Certificates of Obligation due in annual installments of \$165,000 to \$385,000 through March 1, 2037, interest at 3.12% to 5.00%	<u>5,655,000</u>
Total Certificates of Obligation	<u>10,837,430</u>

**Priority Revenue Bonds**

\$70,390,000 2005 Utility Revenue Refunding Bonds due in annual installments of \$2,200,000 to \$10,965,000 through July 15, 2020, interest at 3.00% to 5.25%	38,485,000
\$5,160,000 2005 Lavaca-Navidad River Authority Water Supply Facilities Revenue Refunding Bonds due in annual installments of \$20,000 to \$715,000 through July 15, 2017, interest at 3.25% to 4.00%	715,000
\$96,490,000 2009 Utility System Revenue Improvement Bonds due in annual installments of \$1,730,000 to \$6,135,000 through July 15, 2039, interest at 2.50% to 5.25%	4,295,000
\$8,000,000 2010 Utility System Revenue Bonds due in annual installments of \$730,000 to \$885,000 beginning July 15, 2020 and ending July 15, 2029, interest at 1.591% to 2.587%	8,000,000
\$14,375,000 2010A Utility System Revenue Improvement Bonds due in annual installments of \$1,440,000 to \$1,835,000 through July 15, 2019, interest at 3.00% to 4.00%	5,295,000
\$60,625,000 Taxable Series 2010 Utility System Revenue Improvement Bonds (Direct Subsidy – Build America Bonds) payable as \$12,730,000 July 15, 2025 term bond, \$12,940,000 July 15, 2030 term bond, and \$34,955,000 July 15, 2040 term bond due in	

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mandatory redemptions of \$1,945,000 to \$4,155,000 July 15, 2020 through July 15, 2040, interest at 5.43% to 6.243%	60,625,000
\$52,500,000 2012 Utility System Revenue Bonds due in annual installments of \$910,000 to \$3,080,000 beginning July 15, 2015 and ending July 15, 2042, interest at 2.00% to 5.00%	49,440,000
\$2,600,000 2015 Marina System Revenue Bonds, Taxable due in annual installments of \$140,000 to \$205,000 beginning March 1, 2016 ending March 1, 2029, interest at 3.00%	2,460,000
\$62,785,000 2015 Nueces River Authority Water Supply Facilities Revenue Refunding Bonds due in annual installments of \$4,220,000 to \$6,520,000 through July 15, 2027, interest at 3.00% to 5.00%	<u>58,240,000</u>
<b>Total Priority Revenue Bonds</b>	<u>227,555,000</u>
 <b>Junior Lien Revenue Bonds</b>	
\$155,660,000 2012A Utility System Junior Lien Revenue and Refunding Bonds due in annual installments of \$1,655,000 to \$15,355,000 beginning July 15, 2013 and ending July 15, 2042, interest at 2.00% to 5.00%	127,605,000
\$69,085,000 2012B Utility System Junior Lien Revenue Improvement Bonds due in annual installments of \$1,240,000 to \$3,935,000 beginning July 15, 2013 and ending July 15, 2042, interest at 2.00% to 5.00%	63,125,000
\$97,930,000 2013 Utility System Junior Lien Revenue Improvement Bonds due in annual installments of \$1,000,000 to \$3,635,000 beginning July 15, 2014 ending July 15, 2031, interest at 3.00% to 5.00%	95,930,000
\$93,600,000 2015A Utility System Junior Lien Revenue Improvement Bonds due in annual installments of \$1,515,000 to \$5,715,000 beginning July 15, 2016 ending July 15, 2045, interest at 3.00% to 5.00%	92,085,000
\$49,585,000 2015B Utility System Junior Lien Revenue Improvement Bonds due in annual installments of \$8,975,000 to \$10,905,000 beginning July 15, 2041 ending July 15, 2045, interest at 2.00%	49,585,000
\$101,385,000 2015C Utility System Junior Lien Revenue Improvement Bonds due in annual installments of \$1,465,000 to \$6,045,000 beginning July 15, 2016 ending July 15, 2045, interest at 3.00% to 5.00%	99,920,000
\$46,990,000 2015D Utility System Junior Lien Revenue Refunding Bonds due in annual installments of \$3,470,000 to \$5,110,000 beginning July 15, 2017 ending July 15, 2026, interest at 3.00% to 5.00%	46,990,000
\$80,415,000 2016 Utility System Junior Lien Revenue Refunding Bonds due in annual installments of \$355,000 to \$5,355,000 beginning July 15, 2017 ending July 15, 2039, interest at 2.00 to 5.00%	<u>80,415,000</u>
<b>Total Junior Lien Revenue Bonds</b>	<u>655,655,000</u>
 <b>Total Business-type Activities</b>	 <u>\$911,592,430</u>



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The annual requirements to amortize all bonded debt outstanding as of September 30, 2016, are as follows:

<b>Fiscal Year</b>	<b>Governmental Activities</b>			
	<b>General Obligation Bonds</b>		<b>Certificates of Obligation</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2017	25,170,000	16,696,129	1,795,000	1,159,487
2018	26,070,000	15,915,499	1,850,000	1,107,569
2019	27,385,000	15,099,828	1,605,000	1,057,547
2020	28,325,000	14,186,920	1,260,000	1,013,859
2021	28,170,000	13,174,158	1,300,000	973,939
2022-2026	127,245,000	49,393,871	7,527,569	4,194,459
2027-2031	102,675,000	22,943,506	8,415,000	2,649,739
2032-2036	50,325,000	4,716,078	8,500,000	858,373
2037-2038	4,445,000	190,338	--	--
Total	<u>\$ 419,810,000</u>	<u>\$ 152,316,326</u>	<u>\$ 32,252,569</u>	<u>\$ 13,014,973</u>

<b>Fiscal Year</b>	<b>Governmental Activities</b>	
	<b>Revenue Bonds</b>	
	<b>Principal</b>	<b>Interest</b>
2017	7,270,000	2,563,819
2018	5,420,000	2,245,469
2019	5,775,000	2,011,244
2020	6,165,000	1,726,069
2021	6,560,000	1,422,068
2022-2026	26,995,000	2,745,128
Total	<u>\$ 58,185,000</u>	<u>\$ 12,713,797</u>

<b>Fiscal Year</b>	<b>Business-Type Activities</b>		<b>Business-Type Activities</b>	
	<b>General Obligation Bonds</b>		<b>Certificates of Obligation</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2017	1,140,000	558,850	405,000	496,513
2018	1,170,000	525,650	425,000	475,763
2019	1,205,000	487,375	450,000	454,888
2020	1,245,000	447,756	465,000	434,038
2021	1,290,000	406,566	490,000	411,919
2022-2026	6,245,000	1,381,144	3,462,430	1,676,289
2027-2031	5,250,000	378,522	3,070,000	782,019
2032-2036	--	--	1,685,000	270,344
2037-2038	--	--	385,000	7,700
Total	<u>\$ 17,545,000</u>	<u>\$ 4,185,863</u>	<u>\$ 10,837,430</u>	<u>\$ 5,009,471</u>

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Fiscal Year	Business-Type Activities		Business-Type Activities	
	Priority Revenue Bonds		Junior Lien Revenue Bonds	
	Principal	Interest	Principal	Interest
2017	20,845,000	11,150,151	17,095,000	29,253,513
2018	18,200,000	10,222,864	20,230,000	31,284,106
2019	16,770,000	9,377,026	23,355,000	30,385,106
2020	18,375,000	8,712,275	20,180,000	29,330,256
2021	9,105,000	7,789,441	28,955,000	28,389,306
2022-2026	51,890,000	31,970,389	123,855,000	121,277,032
2027-2031	32,290,000	20,147,830	83,590,000	95,915,332
2032-2036	27,635,000	12,803,960	104,835,000	74,673,163
2037-2041	29,365,000	4,796,766	128,830,000	48,501,057
2042	3,080,000	123,200	104,730,000	13,667,350
Total	<u>\$ 227,555,000</u>	<u>\$ 117,093,902</u>	<u>\$ 655,655,000</u>	<u>\$ 502,676,221</u>

\$12,917,033 is available in the Debt Service Fund to service general obligation bonds. There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

The interest subsidy on Build America Bonds (Revenue bonds Taxable Series 2010) is deposited directly with the paying agent and shows as a Contribution from other governmental agencies in the financial statements.

The City also may be contingently liable for rebates to the Federal government associated with interest earned on proceeds of tax exempt bonds issued. Based on regulations of the Tax Reform Act of 1986, the rebate would not be made until five years from the bond issuance date and may be liquidated through lower interest earnings in future years. For the fiscal year ended September 30, 2016, the City has no arbitrage liability.

The City issued \$61,015,000 of Corpus Christi General Improvement Refunding Bonds, Series 2015, dated October 1, 2015 to refund: \$16,175,000 of General Improvement Bonds, Series 2007A, and \$48,765,000 of General Obligation Improvement Bonds, Series 2009. The City will reduce its total debt service payments over the next 14 years by approximately \$4,123,940 and obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$4,282,754. The reacquisition price exceeded the net carrying amount of the old debt by \$5,023,022. This amount is recorded as a deferred outflow and amortized over the life of the refunded debt.

The City issued \$16,130,000 of Corpus Christi General Improvement Refunding Bonds, Series 2016, dated July 1, 2016 to refund: \$3,225,000 of General Improvement Bonds, Series 2007A, \$8,300,000 of General Improvement Bonds, Series 2009 and \$4,835,000 of Combination Tax & Limited Pledge Revenue Certificates of Obligations, Series 2009. The City will reduce its total debt service payments over the next 14 years by approximately \$1,052,738 and obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$800,430. The reacquisition price exceeded the net carrying amount of the old debt by \$972,303. This amount is recorded as a deferred outflow and amortized over the life of the refunded debt.

The City issued \$80,415,000 of Utility System Junior Lien Revenue Refunding Bonds, Series 2016 dated August 1, 2016 to refund: \$3,720,000 of Utility System Revenue Improvement & Refunding Bonds, Series 2006 and \$81,015,000 of Utility System Revenue Improvement & Refunding Bonds, Series 2009. The City will reduce its total debt service payments over the next 21 years by approximately \$14,875,001 and obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$15,115,209. The reacquisition price exceeded the net carrying amount of the old debt by \$7,094,538. This amount is recorded as a deferred outflow and amortized over the life of the refunded debt.

City of Corpus Christi

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**B. Capital Leases**

The City has entered into lease agreements as lessee for the acquisition of the following assets: various trucks and heavy equipment for the Solid Waste Department, Health Department, Street Department, Fire Department, and Utilities; building and improvements for the Emergency Operations Center and Development Services Department; containers for the Solid Waste Department; and computer and connectivity equipment for several City departments. These lease agreements qualify as capital leases for accounting purposes, and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The following is a schedule of assets leased under capital leases as of September 30, 2016.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Land	\$ 66,359	\$ --
Building	1,260,821	--
Machinery and equipment	35,532,860	2,854,461
Less accumulated depreciation	<u>(17,764,502)</u>	<u>(1,100,088)</u>
Total	<u><u>\$ 19,095,538</u></u>	<u><u>\$ 1,754,373</u></u>

The following is a schedule of the future minimum lease payments under these capital leases and the present value of the net minimum lease payments at September 30, 2016:

<u>Fiscal Year</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2017	5,893,862	572,131
2018	5,162,869	506,938
2019	3,761,646	379,267
2020	2,279,071	245,175
2021	<u>1,182,659</u>	<u>80,242</u>
Total minimum lease payments	18,280,107	1,783,753
Less amount representing interest	<u>794,538</u>	<u>70,923</u>
Present value of minimum lease payments	<u><u>\$ 17,485,569</u></u>	<u><u>\$ 1,712,830</u></u>

City of Corpus Christi

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**C. Other Notes Payable, Governmental Activities**

Other notes payable of the Governmental activities as of September 30, 2016, are as follows:

\$7,390,000 2012 Public Property Finance Contractual Obligation - Compass Bank due in installments of \$550,000 to \$685,000 through March 1, 2024, interest at 2.17%	\$ 5,120,000
\$8,000,000 2014 Tax Notes - American National Bank due in annual installments of \$1,075,000 to \$1,215,000 through March 1, 2021, interest at 1.54%	5,830,000
\$9,000,000 2014 Public Property Finance Contractual Obligation - Frost Bank due in installments of \$655,000 to \$870,000 through March 1, 2026, interest at 2.44%	7,675,000
42% of \$5,090,000 2015 Tax Notes - Bank of New York due in annual installments of \$560,000 to \$2,030,000 through September 1, 2021, interest at 4.281%	<u>1,661,020</u>
Total	<u><u>\$ 20,286,020</u></u>

The annual requirements to amortize the notes outstanding as of September 30, 2016, are as follows:

Fiscal Year	Governmental Activities	
	Principal	Interest
2017	2,649,888	433,784
2018	2,644,490	376,476
2019	2,671,392	320,262
2020	2,737,691	263,888
2021	3,462,559	205,889
2022-2026	6,120,000	322,392
Total	<u><u>\$ 20,286,020</u></u>	<u><u>\$ 1,922,691</u></u>

**D. Utility System Notes Payable**

The Utility System notes payable of \$52,883,589 consists of \$50,589,610 related to an agreement with the Bureau of Reclamation for water rights and recreational facilities at Choke Canyon Dam, and \$2,293,979 which represents 58% of the 2015 Tax Notes for military preparedness projects.

**Choke Canyon Dam**

The U.S. Department of the Interior, through the Bureau of Reclamation (the Bureau), constructed a 700,000 acre feet dam on the Frio River, known as the Choke Canyon Dam (the Project). The City and the Nueces River Authority (the Authority) are local sponsors of the Project and entered into an agreement with the Bureau to provide a portion of the funds necessary to construct the dam (cost of water supply rights).

The dam site will remain the property of the Bureau although the City and Authority have the right, in perpetuity, to impound 80% and 20% respectively, of the water in the Project's reservoir. Pursuant to a separate agreement between the City and the Authority, the City, in exchange for certain services, will pay the Authority \$100,000 per calendar year plus additional sums for water used as specified in the agreement. The Bureau also constructed recreation and fish and wildlife facilities. At September 30, 2016, the City's share of the liability of the reservoir and related facilities, excluding interest, totaled \$50,589,610 and is payable over a 30 year period at an interest rate of 5.116%.

City of Corpus Christi

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All costs are recorded as Water Supply Rights and Choke Canyon construction and related facilities in the Utility System. The City is responsible for the care, operation, and maintenance of the Project which must be carried out in compliance with the applicable government requirements.

The annual requirements to amortize the notes outstanding as of September 30, 2016, are as follows:

<u>Fiscal Year</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2017	2,752,111	2,683,547
2018	2,805,652	2,546,600
2019	2,903,190	2,406,139
2020	3,047,957	2,260,329
2021	4,116,112	2,106,898
2022-2026	17,108,357	7,867,458
2027-2031	12,539,616	3,315,554
2032-2036	2,429,032	1,710,638
2037-2041	3,117,290	1,022,380
2042-2044	2,064,273	204,070
Total	<u>\$ 52,883,589</u>	<u>\$ 26,123,613</u>

**E. Closure and Post-closure Care Costs**

State and Federal laws and regulations require the City to place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfills, an accrued liability has been recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfills no longer accept waste. The estimated remaining total current cost of the landfill closure and post-closure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfills were acquired as of September, 30, 2016, and is assigned to periods based on cumulative landfill use. The City ceased accepting waste for disposal at the J.C. Elliott Landfill on November 10, 2007, and began full-time waste operations at Cefe Valenzuela Landfill. The estimated liability for landfill closure and post-closure costs recorded in the business-type activities at September, 30, 2016, is \$25,975,339 for both the J.C. Elliott Landfill and the Cefe Valenzuela Landfill. The current portion of this amount is \$774,053, the majority of which is related to the costs for gas and water monitoring, site inspection and record-keeping for J.C. Elliott Landfill. The closure and post-closure costs that have not been recognized in these financial statements is \$3,511,382. The actual costs of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. As of September 30, 2016, Cefe Valenzuela Landfill was at 73.46% filled capacity for developed cells and 5.17% filled capacity for the entire permitted site, with an estimated remaining life as currently permitted between 71 and 95 years. This year one cell was inactivated and an additional 2 cells were opened.

**14. Advance Refundings and Defeasances**

In prior years, the City refinanced other bond issues through the issuance of refunding bonds. The proceeds from the refunding bonds have been deposited in irrevocable trusts which, together with interest earnings on those deposits, will provide amounts sufficient for future redemption or payment of principal and interest of the issues refunded. The trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On September 30, 2016, \$448,190,000 of bonds outstanding were considered legally defeased.

City of Corpus Christi

**15. Interfund Transfers, Receivables and Payables**

Interfund transfers for the year ended September 30, 2016, are as follows:

	Transfers Out						
	General	Debt Service	Non-major Governmental	Utility System Fund	Non-major Proprietary	Internal Service	Total
<b>Transfers In:</b>							
General	\$ --	\$ --	\$ 1,440,447	\$ 5,137,838	\$ 310,699	\$ 1,042,006	\$ 7,930,990
Debt service	3,433,652	--	2,321,303	--	49,232	231,449	6,035,636
Streets capital projects	--	--	2,937,147	--	--	--	2,937,147
Non-major government	16,668,133	--	--	--	--	96,939	16,765,072
Utility system	--	--	--	--	--	327,833	327,833
Non-major proprietary	--	70,000	--	--	--	15,884	85,884
Internal Service	1,947,507	--	50,000	783,836	--	--	2,781,343
<b>Total</b>	<b>\$ 22,049,292</b>	<b>\$ 70,000</b>	<b>\$ 6,748,897</b>	<b>\$ 5,921,674</b>	<b>\$ 359,931</b>	<b>\$ 1,714,111</b>	<b>\$ 36,863,905</b>

During the year, various interfund transfers were made to finance expenditures and service debt. The \$22,049,292 General Fund transfers out includes transfers of \$3,433,652 for payment of debt service, \$909,706 for capital equipment, \$1,037,801 for future capital replacement, \$185,000 to subsidize the arena/convention center operations, \$15,324,317 to streets, \$196,799 to the Federal/State Grants Fund as matching grants, and \$962,017 to Medicaid 1115 Waiver.

The General Fund received transfers in of \$7,930,990 of which \$6,031,290 was for administrative service charges and \$144,693 was indirect cost reimbursements from the Federal/State Grants Fund. \$529,452 was for the transfer of 5 employees from Risk funds to General Fund and \$13,000 was from Corpus Christi Business and Job Development Corporation for Mirador maintenance. \$700,000 and \$512,555 was the return of previously contributed funds from Development Services and Internal Service funds respectively.

The Debt Service Fund received transfers in of \$6,035,636 from the various funds (including the General Fund) for payment of debt service principal and interest and to establish debt service reserves.

Streets Capital Projects Fund received \$2,937,147 from Parks Capital Projects Fund.

Transfers were made from the Utility System Fund to the Maintenance Service Fund consisting of \$783,836 for future capital replacement. The Utility System Fund also transferred \$5,137,838 to General Fund for administrative service charges.

Marina received \$70,000 from Debt Service Fund for interest.

The Internal Service Funds transferred out \$1,042,006 to the General Fund, \$96,939 to Non-Major Government Funds, \$327,833 to Utility System Funds, and \$15,884 to Non-Major Proprietary Funds to return unused contributed funds.

Interfund advances outstanding at September 30, 2016, are as follows:

To	From	Amount
Golf Fund	General Fund	\$ 739,606
Public Health & Safety Capital Project Fund	General Fund	250,000
		<u>\$ 989,606</u>

## City of Corpus Christi

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The General Fund advanced the Golf Fund money to cover its negative unassigned fund balance. This advance is expected to be paid back over a period of 4-5 years, based on anticipated increased revenues from the Golf courses due to a management contract with a private firm. The General Fund made an advance to the Public Health & Safety Capital Project Fund as a loan approved by ordinance. The loan is to fund the Police Public Safety Warehouse Project and will be repaid from the Law Enforcement Trust Fund over a 4 year period.

There were no interfund receivables and payables at September 30, 2016.

### 16. Fund Deficits

At fiscal year end, the Golf Centers Fund had an accumulated deficit. The City entered into a management contract with a private firm to operate the golf centers beginning February 1, 2011. Revenues from the lease payments are expected to reduce the deficit.

As a result of the implementation of GASB 68, beginning in Fiscal Year 2014-2015, three Internal Service Funds have a negative fund balance: Stores, Engineering and Information Technology. The full Net Pension Liability must now be recorded, but the City's policy is to fund long-term liabilities on a pay-as-you-go basis. Therefore these Internal Service Funds will likely continue to carry negative fund balances in future fiscal years.

### 17. Conduit Debt Obligations

The Corpus Christi Housing Finance Corporation (CCHFC) and the Coastal Bend Health Facilities Development Corporation are public non-profit corporations created by the City under State law to facilitate financing of authorized projects. These entities issued bonds to unrelated commercial entities. As of September 30, 2016, there were five series of bonds outstanding with an aggregate principal amount payable of \$52,532,908. The bonds are not liabilities of the City or the respective corporations and are solely payable from revenues of the various commercial entities.

### 18. Commitments

The City has entered or will enter into contracts for the construction or renovation of various facilities as follows:

	<b>Project Authorization</b>	<b>Expenditures Through 09/30/2016</b>	<b>Funds Committed 9/30/2016</b>	<b>Additional Project Authorization to be Committed</b>
Airport	\$ 80,235,088	\$ 62,659,100	\$ 6,730,977	\$ 10,845,011
Arena	247,569	148,994	--	98,575
Bayfront Development	14,190,693	8,406,591	5,581,977	202,125
City Buildings and Facilities	12,039,908	8,797,388	1,361,548	1,880,973
Convention Facility	298,264	271,524	--	26,740
Library	103,167	40,155	--	63,012
Packery Channel	3,310,194	1,304,478	349,046	1,656,670
Park	27,589,808	12,334,896	2,868,433	12,386,479
Police Building	752,874	196,691	34,331	521,852
Fire	2,239,199	338,190	66,474	1,834,535
Public Health & Safety	1,658,781	1,540,825	12,591	105,366
Sanitary Landfill	12,464,467	6,902,047	697,107	4,865,314
Seawall	3,316,743	2,708,245	675,571	(67,072)
Street	238,527,419	83,490,413	41,721,348	113,315,658
Water	328,251,236	188,639,927	35,070,213	104,541,096
Storm Water	137,402,193	39,074,114	14,685,994	83,642,085
Wastewater	243,702,409	119,777,726	30,272,569	93,652,114
Gas	16,087,710	7,900,656	626,004	7,561,051
Total	<u>\$ 1,122,417,723</u>	<u>\$ 544,531,959</u>	<u>\$ 577,885,764</u>	<u>\$ 437,131,583</u>

## City of Corpus Christi

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The City entered into an agreement with the Lavaca Navidad River Authority to acquire the rights to purchase water from Lake Texana for a period of forty-two years. The annual payments are based on a formula which includes a percentage of the operating and maintenance expenses of Lake Texana and a percentage of the principal and interest on the bonds associated with the construction of the reservoir. The percentage is based on the portion of Lake Texana's firm yield which is allocated to the City. From the inception of the agreement through January 10, 2018, the City was allocated 41,840 acre feet out of a total firm yield of 74,500 acre feet. As of January 11, 2018, the City's allocation of water will be reduced from 41,840 acre feet to 36,440 acre feet, thus reducing the portion of costs paid by the City from 56.16% to 48.91%. The minimum annual payments based on the City's current allocation of Lake Texana water on this unconditional purchase obligation are as follows:

Fiscal Year	Fixed	Variable	Total
2017	\$ 1,924,808	\$ 3,485,452	\$ 5,410,260
2018	1,921,525	3,561,086	5,482,611
2019	1,922,713	3,638,362	5,561,075
2020	1,921,596	3,717,315	5,638,911
2021	1,924,329	3,797,980	5,722,309
2022-2026	9,610,285	20,262,494	29,872,779
2027-2031	9,608,496	22,558,479	32,166,975
2031-2035	7,684,373	19,873,759	27,558,132
Total	<u>\$ 36,518,125</u>	<u>\$ 80,894,927</u>	<u>\$ 117,413,052</u>

The assigned fund balance in the General Fund includes \$3,908,819 encumbered commitments related to unperformed contracts for goods or services.

### 19. Service Concession Arrangement for City Golf Courses

The City has an agreement with Foresight Corpus Christi Golf, LLC (Foresight), under which Foresight will operate and collect user fees from the Gabe Lozano, Sr. Golf Course and the Oso Beach Golf Course. Foresight pays the City 50% of net cash flows from operations annually. The City uses the funds received to fund the City's operational, debt service, and capital improvement costs related to the golf courses. The City reports the golf courses and related equipment as a capital asset with a carrying amount of \$513,358 at September 30, 2016.

### 20. Segment Information for Enterprise Funds

The City has pledged future utility revenues, net of specified operating expense, to repay \$166,140,000 of priority revenue bonds and \$655,655,000 of junior lien revenue bonds. Proceeds of the bonds provided financing for the construction of improvements to its utility system or were used to refund previously issued bonds. The bonds are payable solely from utility net revenues and are payable through 2045. The City's policy is to establish and maintain rates and charges for facilities and services provided by the utility system that will produce revenues sufficient to pay in each fiscal year the operating and debt service expenses of the system and to cover average annual debt service requirements at 1.25 times for priority revenue bonds and 1.15 times for junior lien revenue bonds. Annual principal and interest payments on the bonds are expected to require approximately 80% of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,422,347,723. Principal and interest paid for the current year and total net revenues were \$70,419,377 and \$100,246,030, respectively. Because the utility system fund is a segment and reported as a major fund in the fund financial statements, segment disclosures herein are not reported.

The City has pledged future revenues of the City Marina, net of specified operating expense, to repay \$2,460,000 of priority revenue bonds. Proceeds of the bonds provided financing for improvements to the Marina. The bonds are payable solely from Marina net revenues and are payable through 2030. Annual principal and interest payments on the bonds are expected to require approximately 46% of net revenues. The total principal and interest remaining to be paid on the bonds is \$3,048,750. Principal and interest paid for the current year and total net revenues were \$215,900 and \$471,177, respectively. The marina activity is accounted for in other enterprise funds in the fund financial statements.



City of Corpus Christi

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Segment information of the marina fund as of and for the year ended September 30, 2016, is as follows:

	<b>Marina Fund</b>
Current assets, excluding restricted assets	\$ 1,030,099
Capital assets	8,581,034
Total assets	9,611,133
Deferred outflows of resources	268,472
Current liabilities	690,558
Long-term liabilities	5,502,232
Total liabilities	6,192,790
Deferred inflows of resources	17,340
Net position	
Investment in capital assets, net of related debt	3,598,405
Unrestricted	71,070
Net position	\$ 3,669,475
Operating revenue	\$ 1,919,347
Depreciation	(606,278)
Other operating expenses	(1,448,170)
Operating loss	(135,101)
Nonoperating expense	(161,164)
Change in net position before transfers	(296,265)
Transfers	21,372
Change in net position	(571,158)
Net position beginning of year	3,944,368
Net position end of year	\$ 3,373,210
Net cash flow provided by	
Operating activities	\$ 527,575
Noncapital financing activities	21,372
Capital and related financing activities	73,634
Investment activities	4,353
Beginning cash, cash equivalents and investments	384,453
Ending cash, cash equivalents and investments	\$ 1,011,387

**21. Other Information**

**Prior Period Adjustments**

During fiscal year 2016 the City reevaluated the classification of funds and determined that Solid Waste activities should be included as a Governmental activity at the government-wide level. Accordingly, the beginning Net Position has been reallocated between Governmental and Business-type activities. Due to shifts in revenue sources, the Development Services fund now qualifies as a Special Revenue fund. The portion of General Fund beginning fund balance related to Development Services is now included in the financial statements as the beginning balance of Other Governmental funds. Coastal Bend Health Facilities Development Corporation has been reclassified from a discretely presented component unit to a blended component unit in the Other Governmental funds (footnote 1A) and the Corpus Christi Convention and Visitors Bureau is no longer reported as a component unit of the City.

City of Corpus Christi

After a reevaluation of accounts receivable related to revenues, an additional accrual was needed for Sales Taxes, Liquor by the Drink revenues, and certain business fees. The City also reevaluated the allocation of internal service activity between the governmental and business-type activities. The effect of these changes are reflected in the beginning net position in the government-wide financial statements and in the beginning fund balances in the General Fund and Other Governmental funds:

	Government-wide			Fund Level	
	Statement of Activities			Statement of Revenues, Expenditures and Changes in	
	Governmental Activities	Business-type Activities	Discretely Presented Component Units	Fund Balances	Other Governmental Funds
Beginning Net position/Fund balances as previously reported	285,697,675	844,043,749	1,213,171	51,521,501	171,187,758
Solid Waste activity no longer reclassified from Governmental to Business-type activity	(14,753,158)	14,753,158	-	-	-
Convention and Visitors Bureau not a Component Unit of City	-	-	(1,209,452)	-	-
Coastal Bend Health Facilities Development Corp. presented as a Special Revenue fund	3,719	-	(3,719)	-	3,719
Development Services presented as a Special Revenue fund	-	-	-	(5,048,318)	5,048,318
Change in accrual period for Sales and Liquor by the Drink taxes	7,680,024	-	-	5,247,768	2,432,256
Change in accrual period for certain business fees	936,899	-	-	936,899	-
Reallocation of internal service activity	(1,631,987)	1,631,987	-	-	-
Prior period adjustment	(7,764,503)	16,385,145	(1,213,171)	1,136,349	7,484,293
Beginning Net position/ Fund balances as restated	<u>277,933,172</u>	<u>860,428,894</u>	<u>-</u>	<u>52,657,850</u>	<u>178,672,051</u>

The Firefighters' Retirement System has been added as a fiduciary fund of the City in fiscal year 2016, and the Deferred Compensation Plan which was previously presented as a fiduciary fund has been determined to not qualify as such. The net effect of this change is to increase the beginning net position of the fiduciary funds by \$50,174,652.

**Subsequent Events**

In December 2016, the City issued \$7.4 million of General Improvement Refunding Bonds, Series 2016A for the purpose of refunding the Series 2007 General Improvement Bonds in the amount of \$2,290,000, the Series 2007 Combination Tax and Utility System Certificates of Obligations in the amount of \$1,005,000 and the Series 2015 Tax Notes in the amount of \$3,955,000. The City will reduce its total debt service payments over the next 10 years by approximately \$684,000. The reacquisition price exceeded the net carrying amount of the old debt by \$219,140. The interest rate for these bonds range from 1.7% to 3.5%.

City of Corpus Christi

REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POST EMPLOYMENT BENEFITS PLANS - ANALYSIS OF FUNDING PROGRESS  
YEAR ENDED SEPTEMBER 30, 2016

Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Percentage of Unfunded Actuarial Accrued Liability to Covered Payroll Ratio
<b>Other Post Employment Benefits Plan - Citicare</b>						
8/1/2011	-	1,224,232	0.0%	1,224,232	61,862,815	2.0%
8/1/2013	-	3,800,918	0.0%	3,800,918	60,938,657	6.2%
10/1/2015	-	2,283,060	0.0%	2,283,060	67,782,272	3.4%
<b>Other Post Employment Benefits Plan - Public Safety</b>						
8/1/2011	-	5,139,857	0.0%	5,139,857	26,515,429	19.4%
8/1/2013	-	4,461,663	0.0%	4,461,663	28,335,830	15.7%
10/1/2015	-	5,499,833	0.0%	5,499,833	30,528,376	18.0%
<b>Other Post Employment Benefits Plan - Fire</b>						
8/1/2011	-	6,351,600	0.0%	6,351,600	20,862,937	30.4%
8/1/2013	-	3,558,944	0.0%	3,558,944	23,486,591	15.2%
10/1/2015	-	3,144,261	0.0%	3,144,261	18,725,546	16.8%

OTHER POST EMPLOYMENT BENEFITS PLANS ANNUAL REQUIRED CONTRIBUTIONS

	(1) Annual Required Contribution (ARC)	(2) Actual Contribution	Percentage of of ARC Contributed (2) / (1)
<b>Citicare</b>			
8/1/2011	94,775	(79,992)	-84.4%
8/1/2013	350,161	117,308	33.5%
10/1/2015	214,613	26,540	12.4%
<b>Public Safety</b>			
8/1/2011	295,160	445,823	151.0%
8/1/2013	296,175	437,319	147.7%
10/1/2015	317,886	255,289	80.3%
<b>Fire</b>			
8/1/2011	355,425	358,718	100.9%
8/1/2013	229,235	(142,356)	-62.1%
10/1/2015	181,369	1,032,823	569.5%

City of Corpus Christi

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**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITIES AND RELATED  
RATIOS (1)  
TEXAS MUNICIPAL RETIREMENT SYSTEM**

	2015	2016
<b>Total Pension Liabilities</b>		
Service cost	\$ 14,552,695	\$ 16,900,733
Interest	54,768,864	56,277,242
Changes of benefit terms	-	-
Difference between expected and actual experience	(5,660,997)	(1,821,888)
Changes of assumptions	-	1,101,027
Benefit payments	(43,536,263)	(43,036,410)
<b>Net Change in Total Pension Liabilities</b>	<b>20,124,299</b>	<b>29,420,704</b>
<b>Total Pension Liabilities - Beginning</b>	<b>796,904,133</b>	<b>817,028,432</b>
<b>Total Pension Liabilities - Ending (a)</b>	<b>\$ 817,028,432</b>	<b>\$ 846,449,136</b>
<b>Plan Fiduciary Net Positions</b>		
Contributions - Employer	\$ 17,786,102	\$ 20,275,926
Contributions - Employee	6,905,864	7,392,596
Net investment income	35,519,832	940,244
Benefit payments	(43,536,263)	(43,036,410)
Administrative expense	(370,905)	(572,772)
Other	(30,495)	(28,290)
<b>Net Change in Plan Fiduciary Net Positions</b>	<b>\$ 16,274,135</b>	<b>\$ (15,028,706)</b>
<b>Plan Fiduciary Net Positions - Beginning</b>	<b>621,013,854</b>	<b>637,287,989</b>
<b>Plan Fiduciary Net Positions - Ending (b)</b>	<b>\$ 637,287,989</b>	<b>\$ 622,259,283</b>
<b>Net Pension Liabilities - Ending (a) - (b)</b>	<b>\$ 179,740,443</b>	<b>\$ 224,189,853</b>
<b>Plan Fiduciary Net Positions as a Percentage of Total Pension Liabilities</b>	<b>78%</b>	<b>74%</b>
<b>Covered Employee Payroll</b>	<b>115,045,985</b>	<b>123,183,185</b>
<b>Net Pension Liabilities as a Percentage of Covered Employee Payroll</b>	<b>156%</b>	<b>182%</b>

(1) Measurement date is December 31, nine months prior to the fiscal year end. This schedule is presented to fulfill the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only available information is shown. Amounts recognized in the fiscal year represent changes between the current and prior measurement dates.

City of Corpus Christi

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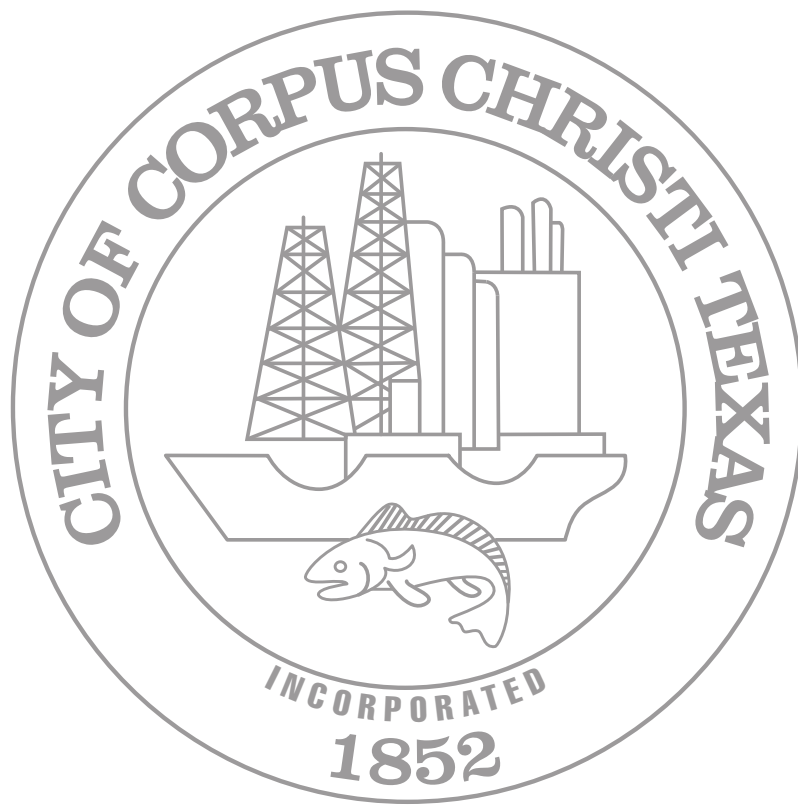
**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITIES AND RELATED  
RATIOS (1)  
FIRE FIGHTERS' RETIREMENT SYSTEM**

	2015		2016	
<b>Total Pension Liabilities</b>				
Service cost	\$ 4,144,217		\$ 4,318,568	
Interest	15,650,548		16,375,781	
Changes of benefit terms	-		2,725,939	
Difference between expected and actual experience	-		-	
Changes of assumptions	313,566		-	
Benefit payments	(11,612,717)		(11,091,486)	
<b>Net Change in Total Pension Liabilities</b>	8,495,614		12,328,802	
<b>Total Pension Liabilities - Beginning</b>	197,293,990	(2)	205,789,604	(3)
<b>Total Pension Liabilities - Ending (a)</b>	\$ 205,789,604		\$ 218,118,406	
 <b>Plan Fiduciary Net Positions</b>				
Contributions - Employer	\$ 6,007,048		\$ 6,361,276	
Contributions - Employee	3,526,756		3,896,613	
Net investment income	6,949,478		312,710	
Benefit payments	(11,612,717)		(11,091,486)	
Administrative expense	(215,379)		(279,729)	
Other	-		-	
<b>Net Change in Plan Fiduciary Net Positions</b>	\$ 4,655,186		\$ (800,616)	
<b>Plan Fiduciary Net Positions - Beginning</b>	126,159,233		130,814,419	
<b>Plan Fiduciary Net Positions - Ending (b)</b>	\$ 130,814,419		\$ 130,013,803	
 <b>Net Pension Liabilities - Ending (a) - (b)</b>	\$ 74,975,185		\$ 88,104,603	
 <b>Plan Fiduciary Net Positions as a Percentage of Total Pension Liabilities</b>	64%		60%	
 <b>Covered Employee Payroll</b>	29,484,531		30,612,492	
 <b>Net Pension Liabilities as a Percentage of Covered Employee Payroll</b>	254%		288%	

(1) Measurement date is December 31, nine months prior to the fiscal year end. This schedule is presented to fulfill the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only available information is shown. Amounts recognized in the fiscal year represent changes between the current and prior measurement dates.

(2) Determined from the total pension liability as of December 31, 2014, but based on the actuarial assumptions for the December 31, 2012, actuarial valuation, using the roll back procedure allowed for the initial year of implementing GASB 68.

(3) Determined from the beginning of year total pension liability based on a special study based on the December 31, 2014, actuarial valuation, using the roll forward procedure allowed by GASB 68.



City of Corpus Christi

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**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
TEXAS MUNICIPAL RETIREMENT SYSTEM**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Actuarially determined contribution	\$ 14,035,058	\$ 15,448,938	\$ 21,009,512	\$ 24,362,494
Contributions in relation to actuarially determined contribution	<u>14,035,058</u>	<u>15,448,938</u>	<u>17,100,193</u>	<u>18,330,551</u>
Contribution deficiency	-	-	3,909,319	6,031,943
Covered employee payroll	96,443,164	100,314,248	108,555,179	114,395,501
Contributions as a percentage of covered employee payroll	14.55%	15.40%	15.75%	16.02%

**Notes to Schedule**

Valuation date:

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

Methods and assumptions used to determine contribution rate for 2016:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuation method	10 year smoothed; 15% soft corridor
Inflation	2.5%
Salary increases	3.5% to 10.5% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB
Updated service credits and Cost of Living Adjustments	For calendar year 2012-2016, the City adopted an ordinance to change the "annually repeating" feature of the City's plan regarding updated service credits and 70% CPI increases to annuitants to "ad hoc" (one time only basis). However, these changes are considered to be substantively automatic so the full rate contribution has been calculated assuming that they will occur.

\* FY2014 was a 14 month year

## City of Corpus Christi

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	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014 *</u>	<u>2015</u>	<u>2016</u>
\$	25,218,616	\$ 22,769,666	\$ 22,665,524	\$ 27,872,623	\$ 24,928,854	\$ 26,260,333
	<u>16,832,574</u>	<u>15,541,644</u>	<u>16,101,720</u>	<u>20,302,711</u>	<u>19,083,912</u>	<u>22,672,210</u>
	8,386,042	7,228,022	6,563,804	7,569,912	5,844,942	3,588,123
	110,562,068	108,260,052	107,828,105	135,847,965	117,949,385	126,809,960
	15.22%	14.36%	14.93%	14.95%	16.18%	17.88%



City of Corpus Christi

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**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
FIRE FIGHTERS' RETIREMENT SYSTEM**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Required contributions	\$ 3,040,260	\$ 3,541,183	\$ 3,964,376	\$ 4,440,572
Contributions in relation to required contributions	<u>3,040,260</u>	<u>3,541,183</u>	<u>3,964,376</u>	<u>4,440,572</u>
Contribution deficiency	-	-	-	-
Covered employee payroll	21,946,798	NA	24,268,094	NA
Contributions as a percentage of covered employee payroll	13.85%		16.34%	

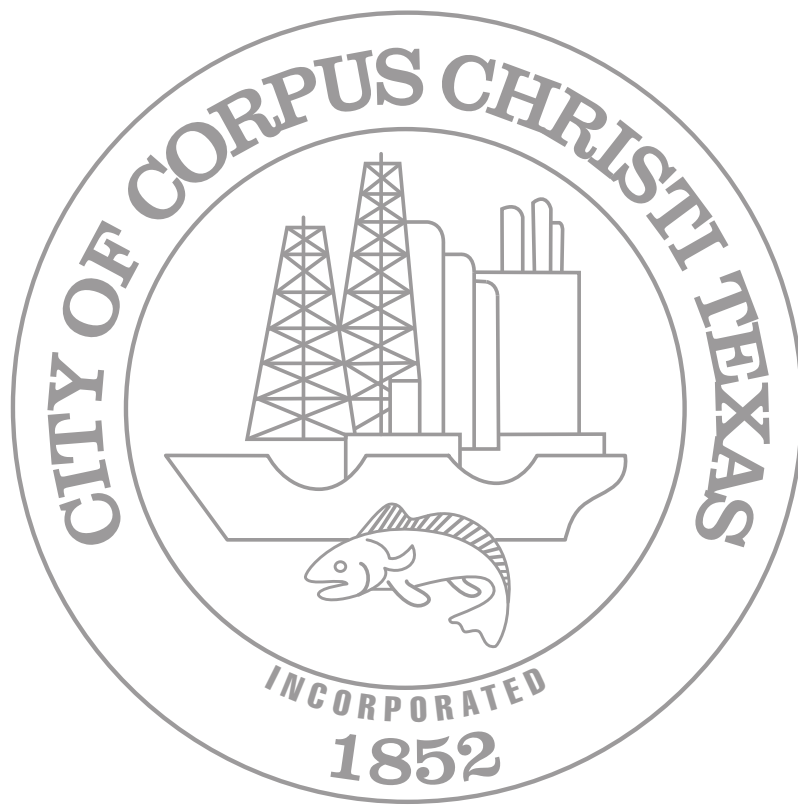
Notes

\* FY2014 was a 14 month year

City of Corpus Christi

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<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014 *</u>	<u>2015</u>	<u>2016</u>
\$ 5,158,128	\$ 5,254,970	\$ 5,640,851	\$ 7,009,621	\$ 6,266,444	\$ 6,695,120
5,158,128	5,254,970	5,640,851	7,009,621	6,266,444	6,695,120
-	-	-	-	-	-
27,723,869	NA	29,459,098	NA	30,156,126	33,713,950
18.61%		19.15%		20.78%	19.86%



***Combining and Individual Fund  
Financial Statements and Schedules***



***Governmental Funds***

***General Fund** – Used to account for resources traditionally associated with government and which are not required to be accounted for in another fund.*

*General Fund*





City of Corpus Christi

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Exhibit 6-A

**GENERAL FUND  
BALANCE SHEET  
SEPTEMBER 30, 2016**

<b>ASSETS</b>	
Cash, cash equivalents and investments	\$ 53,145,020
Accounts	6,611,022
Property leases	6,864
Taxes	3,391,697
Demolition liens	3,556,411
Employees	35,192
Intergovernmental	10,271,364
Miscellaneous	1,575,261
Allowance for uncollectibles	(5,651,545)
Net receivables	<u>19,796,266</u>
Prepaid items	10,566
Advances to other funds	<u>989,606</u>
Total assets	<u><u>\$ 73,941,458</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 2,872,605
Accrued liabilities	10,379,978
Contractor interest and retainage payable	4,585,953
Deposits	377,706
Liability to claimants - escheat property	96,832
Due to other governmental agencies	416,386
Unearned revenues	
Other	592,440
Total liabilities	<u>19,321,900</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property taxes	<u>1,715,074</u>
<b>FUND BALANCES</b>	
Nonspendable	
Prepaid items	10,566
Advances to other funds	989,606
Total nonspendable	<u>1,000,172</u>
Restricted	
Vital statistic record retention	345,278
Judicial/Court improvements	69,554
Fire contribution trust	5,585
PEG equipment and facilities	19,768
Total restricted	<u>440,185</u>
Committed	
Government access equipment	11,959
Radio system capital replacement	50,970
Total committed	<u>62,929</u>
Assigned	
Assigned City Mgr. Severance	168,547
Subsequent year's expenditures	3,908,819
Arts and Cultural Commission	2,019
Total assigned	<u>4,079,385</u>
Unassigned	<u>47,321,813</u>
Total fund balances	<u><u>52,904,484</u></u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 73,941,458</u></u>

City of Corpus Christi

**GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET  
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>
	<u>Original</u>	<u>Final</u>		
Taxes				
General property taxes				
Ad valorem taxes - current	\$ 64,800,000	\$ 64,800,000	\$ 64,125,164	\$ --
Ad valorem taxes - delinquent	950,001	950,001	1,165,559	--
Penalties and interest	699,999	699,999	896,655	--
Industrial District - in lieu of taxes	9,900,000	8,150,000	8,116,784	--
Other Payment in lieu of taxes	56,000	56,000	98,766	--
Special Inventory Tax Escrow Refund	75,000	75,000	49,026	--
Housing Authority - in lieu of taxes	29,000	29,000	26,225	--
Total general property taxes	<u>76,510,000</u>	<u>74,760,000</u>	<u>74,478,179</u>	<u>--</u>
City sales tax	59,590,000	53,500,368	53,242,181	--
Liquor drink tax	1,435,513	1,435,513	1,422,106	--
Bingo tax	360,855	360,855	386,690	--
Business fees				
Electric franchise	9,795,156	9,795,156	9,910,543	--
Electric franchise - Nueces Co-op	85,000	85,000	91,688	--
Telecommunications fees	3,552,500	3,552,500	3,662,907	--
CATV franchise	3,640,000	3,640,000	3,681,419	--
Taxicab franchise	52,000	52,000	46,515	--
AT&T right of way lease fee	1,300	1,300	1,300	--
Total business fees	<u>17,125,956</u>	<u>17,125,956</u>	<u>17,394,372</u>	<u>--</u>
Total taxes and business fees	<u>155,022,324</u>	<u>147,182,692</u>	<u>146,923,528</u>	<u>--</u>
Licenses and permits				
Amusement licenses	18,500	18,500	15,161	--
Pipeline - license fee	62,340	62,340	58,151	--
Auto wrecker permits	18,000	18,000	25,046	--
Taxi driver permits	6,300	6,300	9,830	--
Metal recycling permits	12	12	3,511	--
Other business licenses	20,000	20,000	16,452	--
Revocable easement fees	--	--	65,662	--

(Continued)

City of Corpus Christi

Exhibit 6-B

<u>Actual Budget Basis</u>	<u>Variance with Final Budget</u>
\$ 64,125,164	\$ (674,836)
1,165,559	215,558
896,655	196,656
8,116,784	(33,216)
98,766	42,766
49,026	(25,974)
26,225	(2,775)
<u>74,478,179</u>	<u>(281,821)</u>
53,242,181	(258,187)
<u>1,422,106</u>	<u>(13,407)</u>
<u>386,690</u>	<u>25,835</u>
9,910,543	115,387
91,688	6,688
3,662,907	110,407
3,681,419	41,419
46,515	(5,485)
1,300	--
<u>17,394,372</u>	<u>268,416</u>
<u>146,923,528</u>	<u>(259,164)</u>
15,161	(3,339)
58,151	(4,189)
25,046	7,046
9,830	3,530
3,511	3,499
16,452	(3,548)
65,662	65,662

City of Corpus Christi

**GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (BUDGET BASIS), COMPARED TO BUDGET  
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>
	<u>Original</u>	<u>Final</u>		
<b>Licenses and permits (continued)</b>				
Vacant building inspection fees	--	--	300	--
Special event permits	996	996	2,350	--
Beach parking permits	750,000	750,000	858,781	--
Fire prevention permits	200,000	200,000	224,055	--
Pet licenses	72,000	72,000	80,641	--
Food service permits	675,000	675,000	648,391	--
Ambulance permits	2,500	2,500	2,855	--
Total licenses and permits	<u>1,825,648</u>	<u>1,825,648</u>	<u>2,011,186</u>	<u>--</u>
<b>Grants</b>				
Federal Emergency Management Assistance	--	--	221,221	--
EEOC contribution	11,600	11,600	77,400	--
HUD Intrim Agreemnt Reim/Grnts	103,250	103,250	95,696	--
Drug test reimbursements	20,000	20,000	7,710	--
Sexual Assault Exam	130,000	130,000	154,168	--
General Land Office - beach cleaning	60,000	60,000	62,776	--
Total grants	<u>324,850</u>	<u>324,850</u>	<u>618,971</u>	<u>--</u>
<b>Charges for services</b>				
General governmental services				
Attorney fees - demolition & paving liens	50,000	50,000	91,605	--
Sale of City publications	324	324	416	--
Candidate filing fees	1,200	1,200	1,700	--
Total general governmental services	<u>51,524</u>	<u>51,524</u>	<u>93,721</u>	<u>--</u>
<b>Police</b>				
Police towing and storage charges	1,485,000	1,485,000	1,561,620	--
Police impound certified mail recovery	75,000	75,000	109,950	--
Police accident reports	41,800	41,800	64,350	--
Proceeds from auction	925,000	925,000	876,003	--
Proceeds from auction - online	14,400	14,400	6,530	--
Police property room money	--	5,573	12,662	--
Parking meter collections	291,000	291,000	182,770	--
Police open record request	26,400	26,400	25,916	--
Police subpoenas	3,600	3,600	3,709	--
Fingerprinting fees	6,000	6,000	6,360	--
Customs/FBI	140,000	140,000	86,558	--

(Continued)

City of Corpus Christi

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**Exhibit 6-B**

<b>Actual Budget Basis</b>	<b>Variance with Final Budget</b>
300	300
2,350	1,354
858,781	108,781
224,055	24,055
80,641	8,641
648,391	(26,609)
2,855	355
<u>2,011,186</u>	<u>185,538</u>
221,221	221,221
77,400	65,800
95,696	(7,554)
7,710	(12,290)
154,168	24,168
62,776	2,776
<u>618,971</u>	<u>294,121</u>
91,605	41,605
416	92
1,700	500
<u>93,721</u>	<u>42,197</u>
1,561,620	76,620
109,950	34,950
64,350	22,550
876,003	(48,997)
6,530	(7,870)
12,662	7,089
182,770	(108,230)
25,916	(484)
3,709	109
6,360	360
86,558	(53,442)

City of Corpus Christi

**GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (BUDGET BASIS), COMPARED TO BUDGET  
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>
	<u>Original</u>	<u>Final</u>		
<b>Police (continued)</b>				
Police Security Services	75,000	75,000	105,991	--
DWI Videotaping	1,500	1,500	1,635	--
Alarm system permits and services	504,000	504,000	656,100	--
800 MHz radio	174,260	174,260	197,004	--
9-1-1 wireless service fees	1,620,000	1,620,000	1,594,791	--
9-1-1 wireline service fees	1,104,000	1,104,000	1,322,025	--
Police C.A.D. calls	2,620	2,620	1,827	--
Restitution	1,600	1,600	2,581	--
CCISD-Crossing guards	25,000	25,000	26,758	--
School crossing guard program	68,171	68,171	63,918	--
Nueces county - Metrocom	1,212,000	1,212,000	1,134,238	--
Pound fees & handling charges	81,492	81,492	56,473	--
Animal trap fees	1,200	1,200	650	--
Microchipping fees	7,000	7,000	4,725	--
Deceased Animal Pick Up	7,500	7,500	8,060	--
S/N Kennel Cough	--	--	3,876	--
Adoption fees	--	--	1,224	--
Animal Control Adoption	45,000	45,000	37,265	--
Total police	<u>7,938,543</u>	<u>7,944,116</u>	<u>8,155,569</u>	<u>--</u>
<b>Fire</b>				
Hazmat response calls	10,000	10,000	500	--
US Dept. of Homeland Security	65,000	65,000	--	--
Honor Guard	500	500	807	--
Fire service - outside city limits	--	--	300	--
Emergency management alert system fees	--	--	6,061	--
Pipeline reporting administrative fees	45,000	45,000	52,000	--
Total fire	<u>120,500</u>	<u>120,500</u>	<u>59,668</u>	<u>--</u>
<b>Ambulance</b>				
Emergency calls	6,100,000	6,100,000	5,487,012	--
Nueces Co OCL charges	20,000	20,000	31,048	--
Total Ambulance	<u>6,120,000</u>	<u>6,120,000</u>	<u>5,518,060</u>	<u>--</u>
<b>Streets</b>				
State of Texas - expressway lighting	144,000	144,000	162,605	--
Port of CC-Bridge Lighting	84,575	84,575	11,031	--
Total streets	<u>228,575</u>	<u>228,575</u>	<u>173,636</u>	<u>--</u>
<b>Solid waste services</b>				
Residential refuse collection fees	16,625,700	16,625,700	17,233,484	--
Commercial and industrial refuse collection	1,816,850	1,816,850	1,872,373	--
Municipal solid waste system service charge	3,603,250	3,603,250	3,632,031	--
Refuse disposal charges	8,675,486	8,675,486	8,717,745	--
Disposal charges - landfill project	3,375,350	3,375,350	3,320,085	--
Refuse collection permits	20,300	20,300	10,072	--
Special debris pickup	400,000	400,000	243,630	--
SW-Mulch	27,775	27,775	15,761	--
Brush fees	70,000	70,000	72,324	--
Recycling	950,000	950,000	873,574	--
Recycling collection fees	1,000,000	1,000,000	1,021,052	--
Recycling Bank fees	753,500	753,500	755,203	--
Recycling Bank Incentive fees	254,000	254,000	251,385	--
Unsecured load charge	45,675	45,675	30,790	--
Total solid waste services	<u>37,617,886</u>	<u>37,617,886</u>	<u>38,049,509</u>	<u>--</u>

(Continued)

City of Corpus Christi

Exhibit 6-B

<b>Actual Budget Basis</b>	<b>Variance with Final Budget</b>
105,991	30,991
1,635	135
656,100	152,100
197,004	22,744
1,594,791	(25,209)
1,322,025	218,025
1,827	(793)
2,581	981
26,758	1,758
63,918	(4,253)
1,134,238	(77,762)
56,473	(25,019)
650	(550)
4,725	(2,275)
8,060	560
3,876	3,876
1,224	1,224
37,265	(7,735)
<u>8,155,569</u>	<u>211,453</u>
500	(9,500)
--	(65,000)
807	307
300	300
6,061	6,061
52,000	7,000
<u>59,668</u>	<u>(60,832)</u>
5,487,012	(612,988)
31,048	11,048
<u>5,518,060</u>	<u>(601,940)</u>
162,605	18,605
11,031	(73,544)
<u>173,636</u>	<u>(54,939)</u>
17,233,484	607,784
1,872,373	55,523
3,632,031	28,781
8,717,745	42,259
3,320,085	(55,265)
10,072	(10,228)
243,630	(156,370)
15,761	(12,014)
72,324	2,324
873,574	(76,426)
1,021,052	21,052
755,203	1,703
251,385	(2,615)
30,790	(14,885)
<u>38,049,509</u>	<u>431,623</u>



City of Corpus Christi

**GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (BUDGET BASIS), COMPARED TO BUDGET  
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>
	<u>Original</u>	<u>Final</u>		
Health services				
Vital records office sales	427,000	427,000	450,654	--
Laboratory services	--	22,500	20,195	--
Nueces County - health administration	205,408	205,408	169,558	--
Swimming pool inspection fees	45,800	45,800	77,923	--
Private Vaccine Program Income	200,000	120,000	74,623	--
Medicaid WHS Program Income	200,000	5,000	314	--
TB/PC Fees	--	35,000	41,475	--
Total health services	<u>1,078,208</u>	<u>860,708</u>	<u>834,742</u>	<u>--</u>
Recreation services				
Swimming pools	160,818	160,818	181,405	--
Swimming instruction fees	84,376	84,376	96,971	--
H.E. Butt tennis center	35,339	35,339	26,648	--
Al Kruse tennis center	20,297	20,297	17,149	--
Athletic events	149,585	149,585	148,596	--
Athletic instruction fees	35,765	35,765	50,871	--
Facilities rentals	45,640	45,640	56,075	--
Latchkey program	2,463,400	2,463,400	2,545,513	--
Buc days/Bayfest	27,000	27,000	54,648	--
Heritage Park revenues	1,640	1,640	705	--
Pavilion Rentals	1,000	1,000	243	--
Tourist district rentals	16,296	16,296	14,685	--
Camping Permit Fees	2,500	2,500	4,509	--
Senior Center rentals	32,000	32,000	28,624	--
Class instruction fees	62,000	62,000	14,967	--
Recreation instruction fees	50,005	50,005	32,172	--
Recreation center rentals	8,505	8,505	10,295	--
Other recreation services	15,400	15,400	36,728	--
Total recreation services	<u>3,211,566</u>	<u>3,211,566</u>	<u>3,320,804</u>	<u>--</u>
(Continued)				
Libraries				
Fines	66,850	66,850	62,298	--
Lost book charges	5,604	5,604	6,709	--
Copy machine sales	47,236	47,236	46,341	--
Other library revenue	40,165	40,165	11,826	--
Interlibrary fees	427	427	565	--
Library book sales	3,315	3,315	5,238	--
Total libraries	<u>163,597</u>	<u>163,597</u>	<u>132,977</u>	<u>--</u>
Museums				
Admissions	216,142	216,142	257,913	--
Museum gift shop sales	97,402	97,402	120,187	--
Special program fees	--	--	186,838	--
McGregor reproduction fees	12,887	12,887	3,000	--
Facility rental	46,527	46,527	49,333	--
Education group programs	43,854	43,854	80,051	--
School District - museum educational progr	22,000	22,000	22,000	--
Parties and recitals	12,595	12,595	11,829	--
Museum - other revenue	--	--	76,689	--
Total museums	<u>451,407</u>	<u>451,407</u>	<u>807,840</u>	<u>--</u>
Total charges for services	<u>56,981,806</u>	<u>56,769,879</u>	<u>57,146,526</u>	<u>--</u>

(Continued)

City of Corpus Christi

Exhibit 6-B

<b>Actual Budget Basis</b>	<b>Variance with Final Budget</b>
450,654	23,654
20,195	(2,305)
169,558	(35,850)
77,923	32,123
74,623	(45,377)
314	(4,686)
41,475	6,475
<u>834,742</u>	<u>(25,966)</u>
181,405	20,587
96,971	12,595
26,648	(8,691)
17,149	(3,148)
148,596	(989)
50,871	15,106
56,075	10,435
2,545,513	82,113
54,648	27,648
705	(935)
243	(757)
14,685	(1,611)
4,509	2,009
28,624	(3,376)
14,967	(47,033)
32,172	(17,833)
10,295	1,790
36,728	21,328
<u>3,320,804</u>	<u>109,238</u>
62,298	(4,552)
6,709	1,105
46,341	(895)
11,826	(28,339)
565	138
5,238	1,923
<u>132,977</u>	<u>(30,620)</u>
257,913	41,771
120,187	22,785
186,838	186,838
3,000	(9,887)
49,333	2,806
80,051	36,197
22,000	--
11,829	(766)
76,689	76,689
<u>807,840</u>	<u>356,433</u>
<u>57,146,526</u>	<u>376,647</u>

City of Corpus Christi

**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (BUDGET BASIS), COMPARED TO BUDGET**  
**YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>
	<u>Original</u>	<u>Final</u>		
Fines and forfeitures				
Moving vehicle fines	2,793,086	2,793,086	921,247	--
School Crssg Gd Pgm-Cvl Citation	36,000	36,000	--	--
Parking fines	77,046	38,872	38,872	--
Civil parking citations	300,000	300,000	227,806	--
General fines	733,302	733,302	1,764,591	--
Officers fees	162,113	162,113	167,212	--
Uniform Traffic Act fines	74,947	50,353	50,353	--
Warrant fees	112,624	112,624	73,566	--
Municipal Court				
State fee discount	247,803	150,203	150,203	--
Time Pay Fee - Court	18,007	18,007	13,561	--
Time Pay Fee - City	72,027	72,027	54,367	--
644.102 Comm Vehicle Enforce	27,600	27,600	32,806	--
Miscellaneous revenue	54,446	54,446	5,905	--
Juvenile expungement fee	150	150	(63)	--
Failure to appear fines	198,157	198,157	5,478	--
Animal control fines	16,033	16,033	10,723	--
Other court fines	201,879	201,879	842,685	--
Total fines and forfeitures	<u>5,125,220</u>	<u>4,964,852</u>	<u>4,359,312</u>	<u>--</u>
Earnings on investments	<u>107,897</u>	<u>107,897</u>	<u>402,326</u>	<u>--</u>
Miscellaneous				
Rental of general property	310,000	310,000	292,638	--
Recovery on damage claims	20,000	28,594	9,796	--
Contributions and donations	900	900	17,422	--
Automated teller machines	1,200	1,200	1,200	--
Late fees on returned check	--	--	210	--
Radio system participation	9,500	9,500	23,045	--
Graffiti control	3,000	3,000	1,086	--
Sale of city property	--	--	47,777	--
Copy sales	3,000	3,000	4,141	--
Administrative processing fee	12,000	12,000	(54)	--
Demolition and weed liens	161,600	161,600	247,949	--
Purchase discounts	220,000	220,000	205,246	--
Vending machine sales	35,945	35,945	29,521	--
Late Fees on delinquent	1,800	1,800	2,520	--
Naming rights for convention center	185,000	185,000	185,000	--
Miscellaneous	98,824	172,441	379,616	--
Total miscellaneous revenue	<u>1,062,769</u>	<u>1,144,980</u>	<u>1,447,113</u>	<u>--</u>
Reimbursements				
Interdepartmental	3,135,752	3,135,752	--	3,157,718
Finance cost recovery - CIP	1,178,736	1,178,736	--	1,178,736
Fire hydrant maintenance	327,472	327,472	--	327,472
800 MHz radio - interdepartmental	332,436	332,436	--	332,388
Total reimbursements revenue	<u>4,974,396</u>	<u>4,974,396</u>	<u>--</u>	<u>4,996,314</u>
Total revenues	<u>225,424,910</u>	<u>217,295,194</u>	<u>212,908,962</u>	<u>4,996,314</u>

(Continued)

City of Corpus Christi

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**Exhibit 6-B**

<b>Actual Budget Basis</b>	<b>Variance with Final Budget</b>
921,247	(1,871,839)
--	(36,000)
38,872	--
227,806	(72,194)
1,764,591	1,031,289
167,212	5,099
50,353	--
73,566	(39,058)
150,203	--
13,561	(4,446)
54,367	(17,660)
32,806	5,206
5,905	(48,541)
(63)	(213)
5,478	(192,679)
10,723	(5,310)
<u>842,685</u>	<u>640,806</u>
<u>4,359,312</u>	<u>(605,540)</u>
<u>402,326</u>	<u>294,429</u>
292,638	(17,362)
9,796	(18,798)
17,422	16,522
1,200	--
210	210
23,045	13,545
1,086	(1,914)
47,777	47,777
4,141	1,141
(54)	(12,054)
247,949	86,349
205,246	(14,754)
29,521	(6,424)
2,520	720
185,000	--
<u>379,616</u>	<u>207,175</u>
<u>1,447,113</u>	<u>302,133</u>
3,157,718	21,966
1,178,736	--
327,472	--
<u>332,388</u>	<u>(48)</u>
<u>4,996,314</u>	<u>21,918</u>
<u>217,905,276</u>	<u>610,082</u>

City of Corpus Christi

**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (BUDGET BASIS), COMPARED TO BUDGET**  
**YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources				
Capital leases	--	--	6,882,406	(6,882,406)
Transfers in				
Administrative charges				
Federal grants	80,000	80,000	100,164	--
Visitor facility	130,716	130,716	130,716	--
Reinvestment Zone #2	28,578	28,578	28,578	--
Reinvestment Zone #3	2,436	2,436	2,436	--
CC Business & Job Development Corp.	86,270	86,270	86,270	--
Gas division	771,289	771,289	771,289	--
Wastewater division	1,475,624	1,475,624	1,475,624	--
Water division	2,890,925	2,890,925	2,890,925	--
Airport	253,616	253,616	253,616	--
Golf	4,312	4,312	4,312	--
Development Services	334,753	334,753	334,753	--
Marina	52,771	52,771	52,771	--
Other				
Liability & Employee Benefits Fund	529,452	716,377	716,377	--
CC Business & Job Development Corp.	--	13,000	13,000	--
Development Services	--	700,000	700,000	--
Fleet Maintenance	--	170,680	170,680	--
Information Technology	--	154,950	154,950	--
Federal grants	90,001	307,501	44,529	--
Total transfers in	<u>6,730,743</u>	<u>8,173,798</u>	<u>7,930,990</u>	<u>--</u>
Transfers out				
Debt Service Fund	(237,840)	(237,840)	(3,433,652)	3,195,812
For Community Service	(156,076)	(156,076)	(147,246)	--
Police Grants Cash Match	(62,000)	(62,000)	(49,551)	--
Street Fund	(14,130,933)	(15,324,317)	(15,324,317)	--
Visitor's Facility Fund	(185,000)	(185,000)	(185,000)	--
For capital outlay	(1,039,000)	(1,039,000)	(1,037,802)	--
For capital replacement	--	--	(909,706)	909,706
Medicaid 1115 Waiver Fund	--	--	(962,018)	--
Development Services Fund	(500,000)	(500,000)	--	--
Total transfers out	<u>(16,310,849)</u>	<u>(17,504,233)</u>	<u>(22,049,292)</u>	<u>4,105,518</u>
Total other sources	<u>(9,580,106)</u>	<u>(9,330,435)</u>	<u>(7,235,896)</u>	<u>(2,776,888)</u>
Total revenues and other sources	<u>\$ 215,844,804</u>	<u>\$ 207,964,759</u>	<u>\$ 205,673,066</u>	<u>\$ 2,219,426</u>

City of Corpus Christi

Exhibit 6-B

<u>Actual Budget Basis</u>	<u>Variance with Final Budget</u>
--	--
100,164	20,164
130,716	--
28,578	--
2,436	--
86,270	--
771,289	--
1,475,624	--
2,890,925	--
253,616	--
4,312	--
334,753	--
52,771	--
716,377	--
13,000	--
700,000	--
170,680	--
154,950	--
44,529	(262,972)
7,930,990	(242,808)
(237,840)	--
(147,246)	8,830
(49,551)	12,449
(15,324,317)	--
(185,000)	--
(1,037,802)	1,198
--	--
(962,018)	(962,018)
--	500,000
(17,943,774)	(439,541)
(10,012,784)	(682,349)
\$ 207,892,492	\$ (72,267)

City of Corpus Christi

GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED SEPTEMBER 30, 2016

	Actual GAAP Expenditures					
	Personal Services	Materials & Supplies	Contractual Services	Other Charges	Capital Outlays	Reimbursements
General government						
Control						
City Council and City Secretary	\$ 636,150	\$ 17,113	\$ 96,230	\$ 131,681	\$ --	\$ --
Group Managers	443,075	1,532	78,703	49,922	--	--
City Auditor	364,412	9,124	9,733	64,353	--	--
City Manager's Office	651,101	4,649	11,610	56,683	--	--
Management and budget office	491,607	2,261	5,273	65,652	--	--
Public Information	392,591	14,637	316,597	35,074	--	--
Capital budgeting	152,005	356	677	16,656	--	(589,368)
Total general government - control	3,130,941	49,672	518,823	420,021	--	(589,368)
Staff agencies						
Director of finance	316,207	408	187,782	46,776	--	--
Accounting	1,822,372	33,644	617,418	427,623	16,240	(589,368)
Central cashiering	465,418	11,296	8,533	160,972	--	--
Cash management	291,555	7,276	9,230	59,840	--	--
City Attorney	2,177,043	17,864	144,187	229,826	--	--
Economic development	--	--	300,667	--	--	--
Economic development incentives	--	--	--	1,850,079	--	--
Housing & Community Development	96,476	5,343	3,791	171,547	--	(21,520)
Downtown Management District	--	--	266,757	--	--	--
Planning	--	190	51,043	--	--	--
NCAD/NC-Administration	--	--	1,363,685	--	--	--
Human resources	1,025,572	13,702	66,804	223,348	--	--
Training	170,481	5,959	199,803	21,192	--	(447)
ADA Compliance	29,592	468	28,047	7,536	--	--
Human relations	240,451	1,450	11,872	45,481	--	--
Fair housing	41,646	318	14,144	11,407	--	--
Total staff agencies	6,676,813	97,918	3,273,763	3,255,627	16,240	(611,335)
Other expenditures						
Uncollectible accounts	--	--	--	239,468	--	--
Major memberships	--	--	109,570	--	--	--
Purchasing/messenger service allocation	--	--	--	484,716	--	--
Reserve appropriations	--	--	--	--	--	--
Reserve for accrued pay	--	--	--	--	--	--
Total other expenditures	--	--	109,570	724,184	--	--
Total general government	9,807,754	147,590	3,902,156	4,399,832	16,240	(1,200,703)

(Continued)

City of Corpus Christi

Exhibit 6-C

Total Expenditures	Adjustments Budget Basis	Actual Budget Basis	Budget		Variance with Final Budget
			Original	Final	
\$ 881,174	\$ --	\$ 881,174	\$ 911,511	\$ 960,206	\$ 79,032
573,232	--	573,232	921,884	931,249	358,017
447,622	--	447,622	450,051	466,144	18,522
724,043	--	724,043	714,388	719,172	(4,871)
564,793	--	564,793	743,317	736,417	171,624
758,899	--	758,899	877,035	1,067,367	308,468
(419,674)	589,368	169,694	180,912	180,912	11,218
3,530,089	589,368	4,119,457	4,799,098	5,061,467	942,010
551,173	--	551,173	380,593	565,593	14,420
2,327,929	589,368	2,917,297	2,935,017	3,013,763	96,466
646,219	--	646,219	654,233	659,363	13,144
367,901	--	367,901	371,504	371,504	3,603
2,568,920	--	2,568,920	2,815,599	2,855,145	286,225
300,667	--	300,667	282,000	282,000	(18,667)
1,850,079	--	1,850,079	2,100,000	2,100,000	249,921
255,637	21,520	277,157	316,962	319,786	42,629
266,757	--	266,757	300,000	300,837	34,080
51,233	--	51,233	604,000	844,383	793,150
1,363,685	--	1,363,685	1,316,000	1,401,472	37,787
1,329,426	--	1,329,426	1,410,817	1,411,768	82,342
396,988	447	397,435	553,867	600,612	203,177
65,643	--	65,643	102,841	102,841	37,198
299,254	--	299,254	313,418	313,513	14,259
67,515	--	67,515	74,100	74,210	6,695
12,709,026	611,335	13,320,361	14,530,951	15,216,790	1,896,429
239,468	--	239,468	500,000	500,000	260,532
109,570	--	109,570	100,000	110,000	430
484,716	--	484,716	484,716	484,716	--
--	--	--	1,896,068	1,346,422	1,346,422
--	--	--	2,000,000	--	--
833,754	--	833,754	4,980,784	2,441,138	1,607,384
17,072,869	1,200,703	18,273,572	24,310,833	22,719,395	4,445,823



City of Corpus Christi

**GENERAL FUND  
SCHEDULE OF EXPENDITURES (BUDGET BASIS), COMPARED TO BUDGET  
YEAR ENDED SEPTEMBER 30, 2016**

	Actual GAAP Expenditures					
	Personal Services	Materials & Supplies	Contractual Services	Other Charges	Capital Outlays	Reimbursements
Police and municipal court						
Police						
Administration	2,671,263	75,504	346,258	374,268	--	--
Police training	1,403,072	58,712	31,339	174,467	--	--
Criminal investigation	6,356,206	166,755	8,102	538,001	31,956	--
Narcotics/Vice Investigations	2,990,160	96,690	122,033	277,453	--	--
Uniformed division	31,088,076	723,279	376,758	6,810,511	15,000	--
Forensics services division	1,351,582	41,461	29,131	96,408	--	--
School crossing guards	--	310	165,899	17,580	--	--
Parking control	261,333	8,775	165,530	72,474	--	--
MetroCom	4,155,477	17,009	453,872	174,311	--	--
Police computer support	73,999	1,293	697,451	157,440	--	(778,622)
9-1-1 call delivery wireline	54,380	36,524	271,415	128,616	--	--
9-1-1 call delivery wireless	--	12,096	231,243	13,278	--	--
Building maintenance and operations	28,928	56,280	777,468	188,244	--	--
Vehicle pound operation	386,254	11,723	1,169,405	39,083	--	--
Central information	1,289,383	33,792	9,103	137,037	--	--
Criminal intelligence unit	1,470,243	28,979	10,888	76,368	--	--
Beach safety	156,626	--	--	--	--	--
Police Special Events	151,332	--	--	--	--	--
Animal Control	1,433,380	305,297	185,753	676,428	322,742	--
Low Cost Spay Neuter Clinic	210,499	53,332	10,234	12,720	--	--
Code enforcement	1,057,950	58,866	343,956	439,137	53,218	--
Total police	56,590,143	1,786,677	5,405,838	10,403,824	422,916	(778,622)
Municipal court						
Administration	1,202,736	11,040	199,428	586,121	--	--
Municipal juvenile court	1,026,874	5,979	20,034	59,933	--	--
Detention facility	1,386,244	13,800	97,156	112,788	--	--
City marshals	297,792	12,847	63,504	58,794	--	--
Total municipal court	3,913,646	43,666	380,122	817,636	--	--
Total police and municipal court	60,503,789	1,830,343	5,785,960	11,221,460	422,916	(778,622)
Fire and Ambulance						
Administration and training	609,916	11,893	147,785	213,687	--	--
Fire Safety Education	--	--	6,139	--	--	--
Fire academy training	2,590,736	69,421	73,109	50,275	--	--
Communications	89,151	20,681	48,265	100,272	--	--
Apparatus and shop	332,962	197,615	360,873	25,826	--	--
Stations	38,646,343	627,449	1,081,471	2,396,939	1,798,750	(327,472)
Fire prevention	1,754,941	19,409	14,036	180,677	--	--
Honor Guard	--	--	--	431	--	--
Life guarding and first response	194,990	17,371	16,170	66,217	66,357	--
Fire support services	781,468	40,895	4,571	44,436	--	--
City ambulance operations	182,085	620,325	475,182	50,167	623,260	--
Total fire and ambulance	45,182,592	1,625,059	2,227,601	3,128,927	2,488,367	(327,472)

(Continued)

City of Corpus Christi

Exhibit 6-C  
(Continued)

Total Expenditures	Adjustments Budget Basis	Actual Budget Basis	Budget		Variance with Final Budget
			Original	Final	
3,467,293	--	3,467,293	3,841,209	3,851,209	383,916
1,667,590	--	1,667,590	2,221,557	1,901,557	233,967
7,101,020	--	7,101,020	6,946,809	7,246,809	145,789
3,486,336	--	3,486,336	3,546,741	3,560,190	73,854
39,013,624	909,706	39,923,330	38,456,537	39,085,575	(837,755)
1,518,582	--	1,518,582	1,492,298	1,485,298	(33,284)
183,789	--	183,789	175,516	175,516	(8,273)
508,112	--	508,112	619,742	594,742	86,630
4,800,669	--	4,800,669	5,238,676	5,193,676	393,007
151,561	778,622	930,183	858,106	928,106	(2,077)
490,935	--	490,935	499,090	504,090	13,155
256,617	--	256,617	236,700	266,700	10,083
1,050,920	--	1,050,920	1,252,606	1,243,280	192,360
1,606,465	--	1,606,465	1,352,698	1,488,698	(117,767)
1,469,315	--	1,469,315	1,679,808	1,614,708	145,393
1,586,478	--	1,586,478	1,228,439	1,606,952	20,474
156,626	--	156,626	156,626	156,626	--
151,332	--	151,332	151,332	151,332	--
2,923,600	(307,639)	2,615,961	2,682,699	2,791,108	175,147
286,785	--	286,785	292,798	328,062	41,277
1,953,127	--	1,953,127	1,982,368	2,052,798	99,671
73,830,776	1,380,689	75,211,465	74,912,355	76,227,032	1,015,567
1,999,325	--	1,999,325	2,145,885	2,535,176	535,851
1,112,820	--	1,112,820	1,118,028	1,118,697	5,877
1,609,988	--	1,609,988	1,533,263	1,533,863	(76,125)
432,937	--	432,937	611,209	613,369	180,432
5,155,070	--	5,155,070	5,408,385	5,801,105	646,035
78,985,846	1,380,689	80,366,535	80,320,740	82,028,137	1,661,602
983,281	--	983,281	985,456	1,010,919	27,638
6,139	--	6,139	6,120	6,120	(19)
2,783,541	--	2,783,541	2,682,666	3,023,857	240,316
258,369	--	258,369	266,772	282,700	24,331
917,276	--	917,276	1,155,438	964,235	46,959
44,223,480	(859,352)	43,364,128	41,446,729	42,970,451	(393,677)
1,969,063	--	1,969,063	1,713,487	1,918,217	(50,846)
431	--	431	4,080	431	--
361,105	--	361,105	415,011	399,208	38,103
871,370	--	871,370	874,198	868,991	(2,379)
1,951,019	(358,518)	1,592,501	1,838,206	1,769,707	177,206
54,325,074	(1,217,870)	53,107,204	51,388,163	53,214,836	107,632

City of Corpus Christi

GENERAL FUND  
SCHEDULE OF EXPENDITURES (BUDGET BASIS), COMPARED TO BUDGET  
YEAR ENDED SEPTEMBER 30, 2016

	Actual GAAP Expenditures					
	Personal Services	Materials & Supplies	Contractual Services	Other Charges	Capital Outlays	Reimbursements
Emergency management	98,210	33,448	29,311	170,455	--	--
Streets						
Street lighting	--	9,868	3,649,644	--	--	--
Harbor Bridge Lighting	--	--	106,624	--	--	--
Total streets	--	9,868	3,756,268	--	--	--
Solid Waste						
Solid waste office	720,461	36,109	398,999	278,939	--	--
J.C. Elliot Transfer Station	1,567,112	307,284	506,185	345,348	301,859	(469,200)
Refuse collection	3,735,153	617,752	1,352,019	825,144	3,634,514	--
Refuse disposal	68,234	5,147	91,360	26,093	--	--
Brush collection	1,628,652	196,928	522,267	352,272	--	--
Elliot Closure/Postclosure exp	--	--	126,418	--	--	--
Graffiti Clean-up Project	235,896	11,473	1,765	14,004	--	--
Cefe Valenzuela landfill operation	756,595	78,072	4,969,092	248,762	--	--
Total solid waste	8,712,103	1,252,765	7,968,105	2,090,562	3,936,373	(469,200)
Health						
Administration and special programs	622,981	7,239	97,922	139,794	314,837	--
T.B. Clinic - Health Department	57,205	3,480	16,199	4,366	--	--
Immunization	168,453	56,057	8,234	32,051	--	--
Vital statistics	108,508	13,158	9,088	18,345	--	--
Nursing	89,428	3,823	12,077	30,332	--	--
Environmental health	341,013	8,771	16,474	84,274	--	--
STD clinic	109,282	(215)	415	5,840	--	--
Laboratory	174,102	9,798	5,085	8,364	11,131	--
Mental health	--	--	49,500	--	--	--
Health office building	1,056	566	132,622	203,016	--	--
Regional Hlth Awareness Bd	14,201	1,985	5,043	20	--	--
Total health	1,686,229	104,662	352,659	526,402	325,968	--
Parks and recreation						
Director of parks and recreation	787,628	3,562	286,762	179,130	--	--
Park operation	2,116,800	285,167	832,183	1,010,773	36,660	(264,000)
Park construction	243,562	211,695	13,481	97,895	42,346	--
Program services admin	314,433	6,570	68,836	225,639	--	--
Senior community services	655,688	28,976	223,940	435,733	--	--
P&R priority maint response	71,857	34,724	3	--	--	--
Beach & Park Code Compliance	141,946	5,619	1,908	--	--	--
Athletics	250,493	39,229	160,890	175,894	--	--
Aquatics	540,694	163,330	112,219	183,101	--	--
Recreation centers	111,675	31,979	111,398	32,448	--	--
Multicultural center	102,619	5,866	40,945	21,970	--	(131,229)
Latchkey program	1,847,650	149,251	106,261	299,952	--	--
Beach maintenance/safety	--	211	--	4,932	--	--
Beach parking permits	82,140	12,221	56,421	35,658	--	--
Beach maintenance and operations	501,686	164,936	515,448	170,627	266,332	(1,825,088)
Oso Bay Learning Center	225,768	73,775	84,364	3,302	--	--
Tennis center operations	27,259	26,011	178,958	65,723	--	--
Corpus Christi Independent School District	--	--	141,365	--	--	--
Public Art Maintenance	--	8,635	25,140	--	--	--
Tourist district	422,706	73,962	315,267	143,710	38,758	--
Natatorium	--	281	150,192	--	--	--
Total parks and recreation	8,444,604	1,326,000	3,425,981	3,086,487	384,096	(2,220,317)
Libraries						
Central	728,340	607,980	229,833	283,389	--	--
Anita & W.T. Neyland Branch	302,373	20,739	51,124	87,121	--	--
Ben McDonald Branch	295,413	16,747	76,754	110,664	--	--
Owen Hopkins Branch	270,790	18,031	34,468	72,134	--	--
Janet F. Harte Branch	221,259	18,870	48,387	99,310	--	--
Dr. Clotilde P. Garcia Branch	275,580	9,094	71,291	91,264	--	--
Total libraries	2,093,755	691,461	511,857	743,882	--	--

(Continued)

City of Corpus Christi

Exhibit 6-C  
(Continued)

Total Expenditures	Adjustments Budget Basis	Actual Budget Basis	Budget		Variance with Final Budget
			Original	Final	
331,424	--	331,424	499,066	481,120	149,696
3,659,512	--	3,659,512	3,793,089	3,822,653	163,141
106,624	--	106,624	135,200	110,800	4,176
3,766,136	--	3,766,136	3,928,289	3,933,453	167,317
1,434,508	6,258	1,440,766	1,528,424	1,794,259	353,493
2,558,588	987,932	3,546,520	3,284,229	3,567,060	20,540
10,164,582	(1,409,740)	8,754,842	9,671,738	9,104,632	349,790
190,834	710,130	900,964	946,017	955,742	54,778
2,700,119	654,841	3,354,960	2,901,301	3,345,576	(9,384)
126,418	--	126,418	243,000	261,693	135,275
263,138	--	263,138	268,947	269,883	6,745
6,052,521	2,190,131	8,242,652	9,348,568	9,422,057	1,179,405
23,490,708	3,139,552	26,630,260	28,192,224	28,720,902	2,090,642
1,182,773	(285,278)	897,495	979,972	1,198,963	301,468
81,250	--	81,250	64,505	158,052	76,802
264,795	--	264,795	567,593	266,823	2,028
149,099	--	149,099	151,093	151,960	2,861
135,660	--	135,660	268,023	309,120	173,460
450,532	--	450,532	502,239	517,196	66,664
115,322	--	115,322	134,832	134,832	19,510
208,480	--	208,480	210,525	233,925	25,445
49,500	--	49,500	54,000	54,000	4,500
337,260	--	337,260	374,572	378,562	41,302
21,249	--	21,249	90,276	90,276	69,027
2,995,920	(285,278)	2,710,642	3,397,630	3,493,709	783,067
1,257,082	--	1,257,082	1,034,977	1,249,805	(7,277)
4,017,583	380,925	4,398,508	4,762,835	4,988,105	589,597
608,979	--	608,979	663,054	736,399	127,420
615,478	--	615,478	617,891	666,551	51,073
1,344,337	--	1,344,337	1,431,928	1,445,356	101,019
106,584	--	106,584	195,624	231,116	124,532
149,473	--	149,473	168,419	168,575	19,102
626,506	--	626,506	704,891	694,891	68,385
999,344	--	999,344	1,015,656	1,028,546	29,202
287,500	--	287,500	323,892	328,989	41,489
40,171	131,229	171,400	175,665	175,940	4,540
2,403,114	--	2,403,114	2,539,873	2,491,888	88,774
5,143	--	5,143	8,882	8,882	3,739
186,440	--	186,440	205,983	218,103	31,663
(206,059)	1,825,088	1,619,029	1,751,489	1,860,320	241,291
387,209	--	387,209	434,844	444,788	57,579
297,951	--	297,951	292,522	300,175	2,224
141,365	--	141,365	50,000	141,365	--
33,775	--	33,775	22,100	45,390	11,615
994,403	--	994,403	1,172,370	1,267,980	273,577
150,473	--	150,473	150,532	150,532	59
14,446,851	2,337,242	16,784,093	17,723,427	18,643,696	1,859,603
1,849,542	--	1,849,542	1,783,789	1,915,977	66,435
461,357	--	461,357	491,292	491,709	30,352
499,578	--	499,578	502,157	513,863	14,285
395,423	--	395,423	428,633	401,660	6,237
387,826	--	387,826	435,534	409,975	22,149
447,229	--	447,229	458,811	451,424	4,195
4,040,955	--	4,040,955	4,100,216	4,184,608	143,653

City of Corpus Christi

**GENERAL FUND  
SCHEDULE OF EXPENDITURES (BUDGET BASIS), COMPARED TO BUDGET  
YEAR ENDED SEPTEMBER 30, 2016**

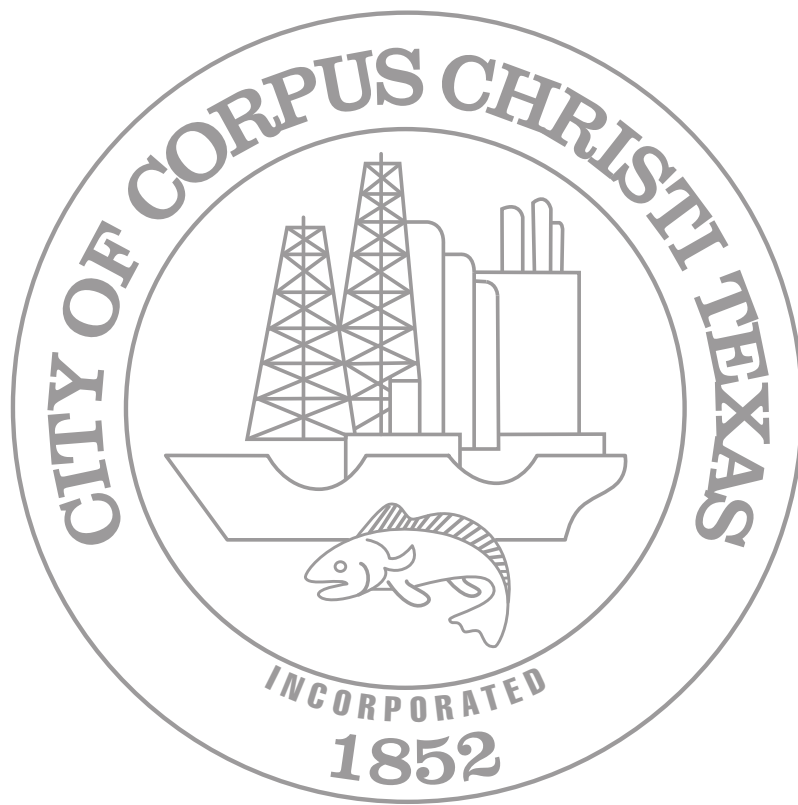
	<u>Actual GAAP Expenditures</u>					
	<u>Personal Services</u>	<u>Materials &amp; Supplies</u>	<u>Contractual Services</u>	<u>Other Charges</u>	<u>Capital Outlays</u>	<u>Reimbursements</u>
Museums						
Museum of Science and History	--	1,058	481,556	1,152,422	--	--
Total museums	<u>--</u>	<u>1,058</u>	<u>481,556</u>	<u>1,152,422</u>	<u>--</u>	<u>--</u>
Debt service						
Principal retired	--	--	--	4,089,708	--	--
Interest	<u>--</u>	<u>--</u>	<u>--</u>	<u>245,904</u>	<u>--</u>	<u>--</u>
Total debt service	<u>--</u>	<u>--</u>	<u>--</u>	<u>4,335,612</u>	<u>--</u>	<u>--</u>
Total expenditures	<u>136,529,036</u>	<u>\$ 7,022,254</u>	<u>\$ 28,441,454</u>	<u>\$ 30,856,041</u>	<u>\$ 7,573,960</u>	<u>\$ (4,996,314)</u>

City of Corpus Christi

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Exhibit 6-C  
(Continued)

Total Expenditures	Adjustments Budget Basis	Actual Budget Basis	Budget		Variance with Final Budget
			Original	Final	
1,635,036	--	1,635,036	1,329,215	1,329,215	(305,821)
1,635,036	--	1,635,036	1,329,215	1,329,215	(305,821)
4,089,708	(4,089,708)	--	--	--	--
245,904	(245,904)	--	--	--	--
4,335,612	(4,335,612)	--	--	--	--
<u>\$ 205,426,431</u>	<u>\$ 2,219,426</u>	<u>\$ 207,645,857</u>	<u>\$ 215,189,803</u>	<u>\$ 218,749,071</u>	<u>\$ 11,103,214</u>



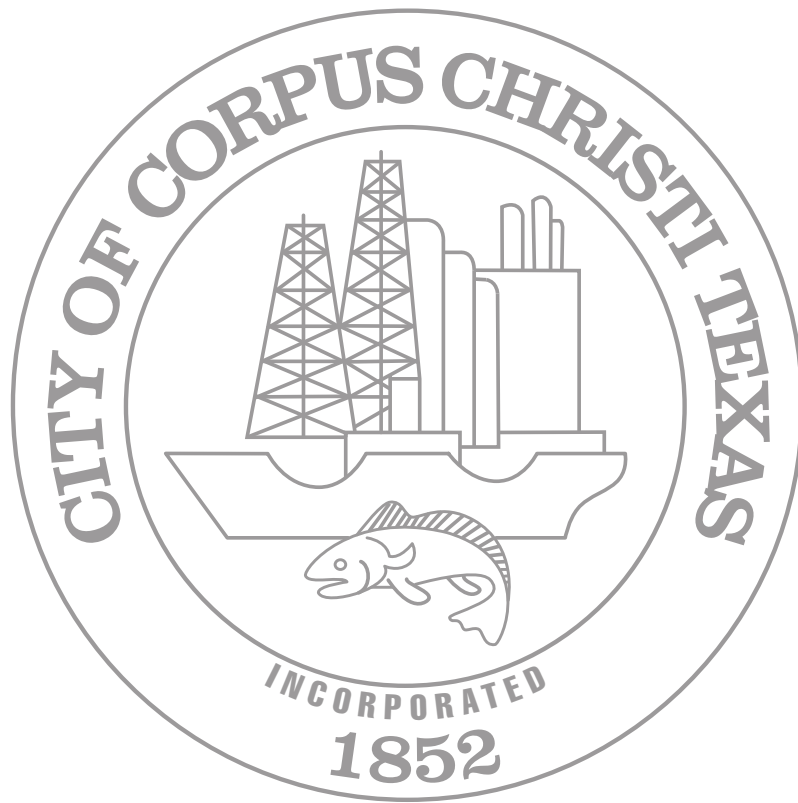
*Debt Service Fund*





***Debt Service Fund*** – Also known as the *Interest and Sinking Fund*. Was established to account for funds needed to make principal and interest payments on outstanding bonds when due.





City of Corpus Christi

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**Exhibit 7-A**

**DEBT SERVICE FUND  
BALANCE SHEET  
SEPTEMBER 30, 2016**

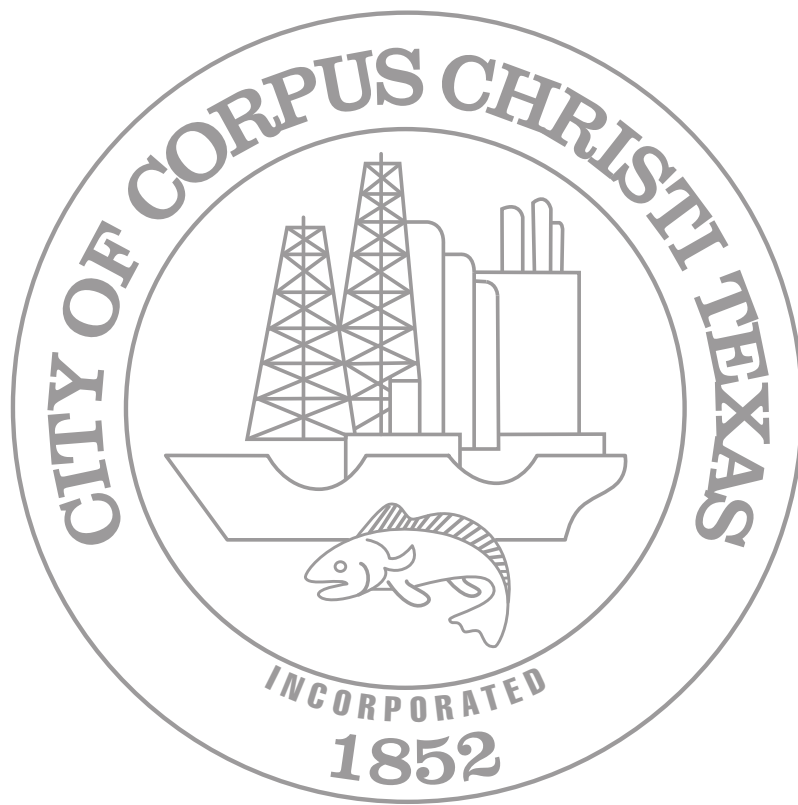
<b>ASSETS</b>	
Cash, cash equivalents and investments	\$ 12,767,314
Receivables	
Taxes	2,065,392
Allowance for uncollectibles	<u>(871,270)</u>
Net receivables	<u>1,194,122</u>
Total assets	<u><u>\$ 13,961,436</u></u>
<b>LIABILITIES</b>	
Total liabilities	<u>\$ --</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property taxes	<u>1,044,403</u>
<b>FUND BALANCE</b>	
Restricted	
Debt service	<u>12,917,033</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 13,961,436</u></u>

City of Corpus Christi

Exhibit 7-B

**DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2016**

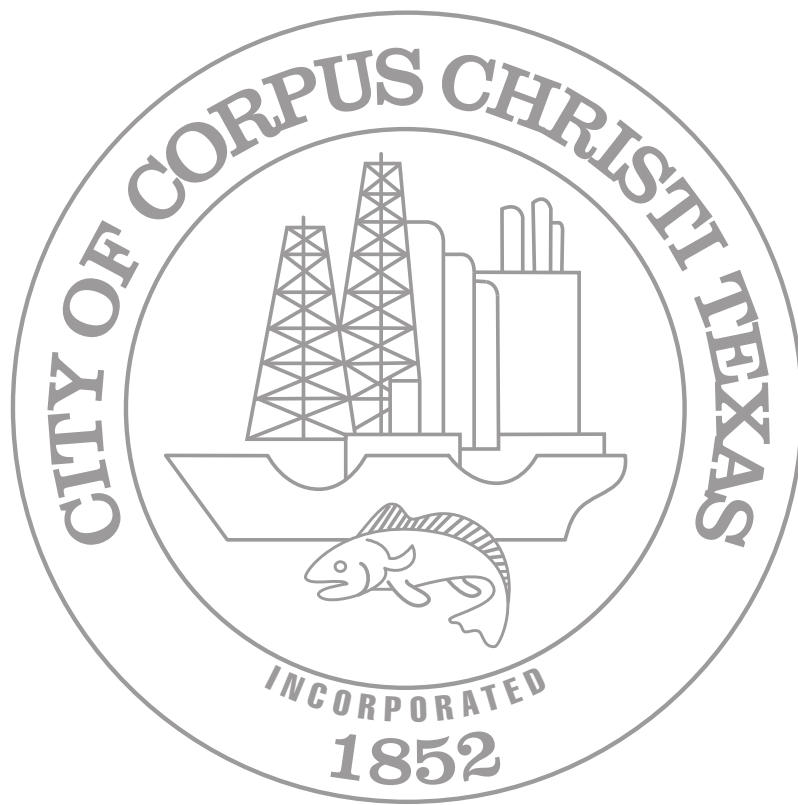
	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Ad valorem taxes	\$ 40,155,000	\$ 40,154,999	\$ 40,196,519	\$ 41,520
Earnings on investments	36,612	36,613	155,688	119,075
Payments from Texas State Aquarium	330,613	330,613	330,613	--
Total revenues	<u>40,522,225</u>	<u>40,522,225</u>	<u>40,682,820</u>	<u>160,595</u>
<b>Expenditures</b>				
Debt service				
Principal retirement	26,975,000	26,975,000	26,091,488	883,512
Interest	19,421,610	19,351,610	18,434,467	917,143
Bond issue cost	--	--	16,714	(16,714)
Paying agent fees	45,000	45,000	819,243	(774,243)
Total expenditures	<u>46,441,610</u>	<u>46,371,610</u>	<u>45,361,912</u>	<u>1,009,698</u>
Deficiency of revenues under expenditures	(5,919,385)	(5,849,385)	(4,679,092)	1,170,293
<b>Other financing sources</b>				
Refunding bonds issued	--	--	77,145,000	77,145,000
Premium on refunding bonds sold	--	--	11,898,979	11,898,979
Payment to escrow agent for refunded bonds	--	--	(88,191,024)	(88,191,024)
Transfers in from				
General fund	7,018,763	7,018,764	3,433,652	(3,585,112)
Airport fund	--	--	49,232	49,232
Hotel occupancy tax fund	--	--	2,136,500	2,136,500
Visitors facilities fund	--	--	184,803	184,803
Facilities maintenance fund	--	--	231,449	231,449
Transfers out to Marina fund	--	(70,000)	(70,000)	--
Total other financing sources	<u>7,018,763</u>	<u>6,948,764</u>	<u>6,818,591</u>	<u>(130,173)</u>
Net change in fund balance	1,099,378	1,099,379	2,139,499	1,040,120
Fund balance at beginning of year	<u>8,853,991</u>	<u>10,777,534</u>	<u>10,777,534</u>	<u>--</u>
Fund balance at end of year	<u>\$ 9,953,369</u>	<u>\$ 11,876,913</u>	<u>\$ 12,917,033</u>	<u>\$ 1,040,120</u>



***Non-major Governmental Funds***







City of Corpus Christi

Exhibit 8-A

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2016**

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Debt Service Fund Corpus Christi Business and Job Development Corporation</u>	<u>Total</u>
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 121,040,297	\$ 50,261,108	\$ 6,193,474	\$ 177,494,879
Receivables, net of allowance for uncollectibles	23,522,556	533,384	--	24,055,940
Inventories	441,217	--	--	441,217
Prepaid items	237,005	--	--	237,005
Total assets	<u>\$ 145,241,075</u>	<u>\$ 50,794,492</u>	<u>\$ 6,193,474</u>	<u>\$ 202,229,041</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 5,540,950	\$ 804,832	\$ --	\$ 6,345,782
Accrued liabilities	321,926	--	--	321,926
Deposits	2,165,809	--	--	2,165,809
Due to other governmental agencies	408,731	--	--	408,731
Advance from other funds	--	250,000	--	250,000
Unearned revenues	3,285,635	72,845	--	3,358,480
Total liabilities	<u>11,723,051</u>	<u>1,127,677</u>	<u>--</u>	<u>12,850,728</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Contributions and donations	--	90,000	--	90,000
Total deferred inflows of resources	<u>--</u>	<u>90,000</u>	<u>--</u>	<u>90,000</u>
<b>FUND BALANCES</b>				
Nonspendable				
Inventory	441,217	--	--	441,217
Prepaid items	237,005	--	--	237,005
Total nonspendable	<u>678,222</u>	<u>--</u>	<u>--</u>	<u>678,222</u>
Restricted				
Tourism (HOT)	6,711,381	--	--	6,711,381
Public education governmental cable tv	1,541,975	--	--	1,541,975
Traffic safety programs	727,400	--	--	727,400
Law enforcement	34,103	--	--	34,103
Fire and ambulance	51,793	--	--	51,793
CDBG projects	466,626	--	--	466,626
Libraries	28	--	--	28
Parks and recreation	5,855,318	--	--	5,855,318
Infrastructure	1,705,972	--	--	1,705,972
Municipal Court building security	99,017	--	--	99,017
Municipal Court technology	176,232	--	--	176,232
Juvenile Court case manager	364,560	--	--	364,560
Loans	13,577,619	--	--	13,577,619

(Continued)

City of Corpus Christi

NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2016

Exhibit 8-A  
(Continued)

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund Corpus Christi Business and Job Development Corporation	Total
Crime control and prevention	4,884,816	--	--	4,884,816
Seawall improvement	22,606,542	17,184,325	1,346,896	41,137,763
Arena facility	19,828,465	98,755	2,925,075	22,852,295
Economic development	9,140,796	--	1,921,503	11,062,299
North Padre Island development	910,000	2,008,188	--	2,918,188
Downtown development	3,092,132	--	--	3,092,132
Debt service	6,082,624	--	--	6,082,624
Capital projects	--	29,829,639	--	29,829,639
Total restricted	<u>97,861,118</u>	<u>49,120,907</u>	<u>6,193,474</u>	<u>153,175,499</u>
Committed				
Parking improvements	131,314	--	--	131,314
Streets	25,462,688	--	--	25,462,688
Obesity prevention - Health	782,791	--	--	782,791
Sister City programs	9	--	--	9
Park projects	3,318	--	--	3,318
Development projects	514,634	--	--	514,634
Local Emergency Planning Committee	47,787	--	--	47,787
Capital projects	--	660,509	--	660,509
Total committed	<u>26,942,541</u>	<u>660,509</u>	<u>--</u>	<u>27,603,050</u>
Assigned				
Visitors facilities	3,034,303	--	--	3,034,303
Development Services	4,805,735	--	--	4,805,735
Housing	127,330	--	--	127,330
Industrial development	68,775	--	--	68,775
Capital projects	--	42,758	--	42,758
Total assigned	<u>8,036,143</u>	<u>42,758</u>	<u>--</u>	<u>8,078,901</u>
Unassigned	--	(247,359)	--	(247,359)
Total fund balances	<u>133,518,024</u>	<u>49,576,815</u>	<u>6,193,474</u>	<u>189,288,313</u>
Total liabilities, deferred inflows of resources, and fund bal:	<u>\$ 145,241,075</u>	<u>\$ 50,794,492</u>	<u>\$ 6,193,474</u>	<u>\$ 202,229,041</u>

City of Corpus Christi

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED SEPTEMBER 30, 2016**

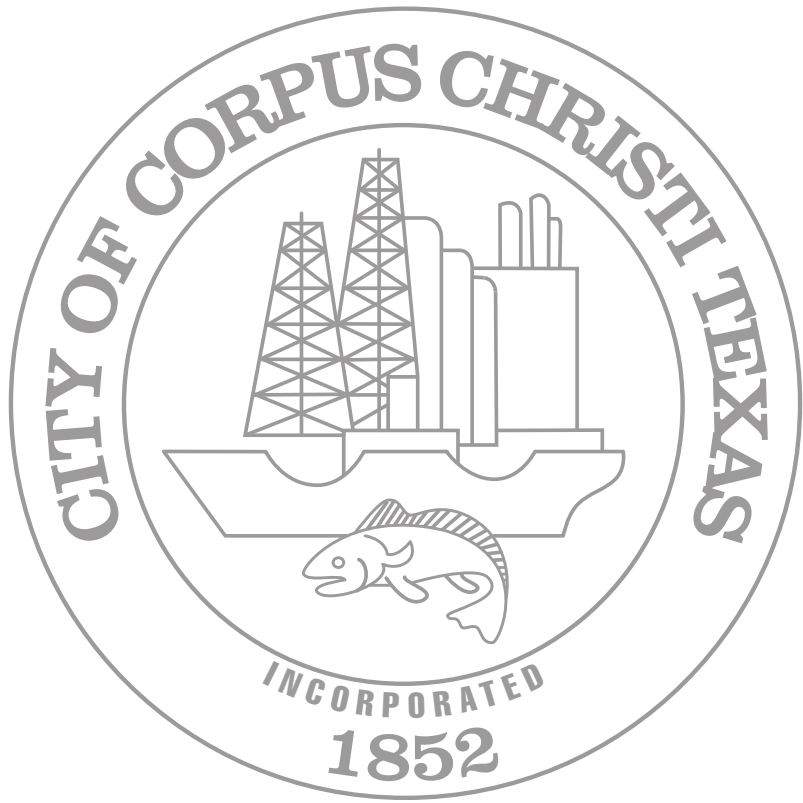
	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Debt Service Fund Corpus Christi Business and Job Development Corporation</b>	<b>Eliminations</b>
<b>Revenues</b>				
Taxes and business fees	\$ 50,147,635	\$ --	\$ --	\$ --
Licenses and permits	6,311,772	--	--	--
Intergovernmental	2,761,017	--	--	--
Grants	10,877,522	--	--	--
Charges for services	17,707,145	--	--	--
Fines and forfeitures	2,188,535	--	--	--
Contributions and donations	1,458,733	767,052	--	--
Earnings on investments	429,980	272,825	36,025	--
Interest on loans	50,887	--	--	--
Sale of city property	7,289	--	--	--
Miscellaneous	1,398,800	--	--	--
Total revenues	<u>93,339,315</u>	<u>1,039,877</u>	<u>36,025</u>	<u>--</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	5,458,967	1,547,263	--	--
Police and municipal court	11,227,679	--	--	--
Fire and ambulance	184,755	--	--	--
Emergency management	279,287	--	--	--
Streets	24,878,633	--	--	--
Health	3,137,431	--	--	--
Parks and recreation	4,320,990	--	--	--
Libraries	6,000	--	--	--
Community enrichment	2,619,871	--	--	--
Community development	6,426,611	--	--	--
Convention and visitors activities	14,091,247	--	--	--
Capital projects	4,395,146	17,691,586	--	--
<b>Debt service</b>				
Principal retirement	1,566,618	--	6,010,000	--
Interest	434,722	--	2,471,969	--
Bond issuance cost	--	93,646	--	--
Refund of bond issuance cost	--	(883)	--	--
Paying agent fees	28,635	--	2,000	--
Total expenditures	<u>79,056,592</u>	<u>19,331,612</u>	<u>8,483,969</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	14,282,723	(18,291,735)	(8,447,944)	--
<b>Other financing sources (uses)</b>				
Proceeds from the issuance of capital leases	929,184	--	--	--
Certificates of obligation bonds issued	--	12,020,000	--	--
Premium on bonds sold	--	107,857	--	--
Transfers in	16,765,072	270,000	8,487,966	(8,757,966)
Transfers out	(12,569,716)	(2,937,147)	--	8,757,966
Total other financing sources (uses)	<u>5,124,540</u>	<u>9,460,710</u>	<u>8,487,966</u>	<u>--</u>
Net change in fund balances	19,407,263	(8,831,025)	40,022	--
Fund balances at beginning of year, restated (Footnote 21)	<u>114,110,761</u>	<u>58,407,840</u>	<u>6,153,452</u>	<u>--</u>
Fund balances at end of year	<u>\$ 133,518,024</u>	<u>\$ 49,576,815</u>	<u>\$ 6,193,474</u>	<u>\$ --</u>

City of Corpus Christi

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**Exhibit 8-B**

<b>Total</b>	
\$	50,147,635
	6,311,772
	2,761,017
	10,877,522
	17,707,145
	2,188,535
	2,225,785
	738,830
	50,887
	7,289
	<u>1,398,800</u>
	94,415,217
	7,006,230
	11,227,679
	184,755
	279,287
	24,878,633
	3,137,431
	4,320,990
	6,000
	2,619,871
	6,426,611
	14,091,247
	22,086,732
	7,576,618
	2,906,691
	93,646
	(883)
	<u>30,635</u>
	<u>106,872,173</u>
	(12,456,956)
	929,184
	12,020,000
	107,857
	16,765,072
	<u>(6,748,897)</u>
	<u>23,073,216</u>
	10,616,260
	<u>178,672,053</u>
\$	<u><u>189,288,313</u></u>



*Special Revenue Funds*





## ***Special Revenue Funds***

***Special Revenue Funds*** are used to account for resources allocated to specific purposes. A special revenue fund continues in existence as long as governmental resources are allocated to its specific purpose.

***Visitors Facilities Fund*** – This fund records revenues and expenditures related to the Convention Center, Arena, and other tourist-related activities.

***Hotel Occupancy Tax Fund*** – This fund accounts for revenues and expenditures of the hotel/motel occupancy taxes.

***State Hotel Occupancy Tax for Beaches Fund*** – This fund accounts for revenues and expenditures of the portion of state hotel/motel occupancy taxes allocated to the City for the purpose of cleaning, maintenance and erosion control of public beaches and bay shores.

***Public Education and Governmental Cable TV Fund (PEG)*** – This fund accounts for cable franchise revenues and PEG facilities and equipment expenditures. The fund is a result of the cable franchise converting from a local franchise to state franchise in 2012. The funds are restricted by both state and federal law for PEG facilities and equipment.

***Development Services Fund*** – This fund records revenues and expenditures related to the administration of building and development codes and facilitation of development of the City.

***Red Light Photo Enforcement Fund*** – This fund records revenues and expenditures related to red light camera violations.

***Parking Improvement Fund*** – This fund records a portion of Parking Meter revenue committed to be used for parking improvements.

***Street Maintenance Fund*** – This fund records Street Maintenance Fees and other Streets revenue committed for use to manage, maintain, and develop the street system.

***Residential/Local Street Fund*** – This fund records revenues committed to reconstruction of residential and local streets and related expenses.

***Federal/State Grants Fund*** – This fund accounts for grant programs.

***Municipal Court Fees Fund*** – This fund records revenues and expenditures related to fees designated for Municipal Court Building Security, Technology, and Juvenile Case Managers.

***Community Enrichment Fund*** – This fund records revenues and expenditures for community enrichment programs and activities not in the General Fund.

***Infrastructure Fund*** – This fund records revenues and expenditures related to developers' participation in the enhancement of streets and roads in neighborhood subdivisions.

***Local Emergency Planning Committee*** – This fund was established by Interlocal Agreement between the County of Nueces, City of Corpus Christi, and the Port of Corpus Christi Authority for the purposes of implementing the federally mandated plan and required training under the Community Right-To-Know Act.

***Health Medicaid Waiver Fund*** – This fund accounts for revenues passed from the Federal government through the State to fund educational and self-management health programs in order to prevent chronic diseases, with the overall goal of reducing medical costs. It is administered by the City Health Department.

***Corpus Christi Community Improvement Corporation*** – This fund accounts for revenues and expenditures of the Corpus Christi Community Improvement Corporation.

***Corpus Christi Housing Finance Corporation*** – This fund accounts for revenues and expenditures of the Corpus Christi Housing Finance Corporation.

***Corpus Christi Industrial Development Corporation*** – This fund accounts for revenues and expenditures of the Corpus Christi Industrial Development Corporation.

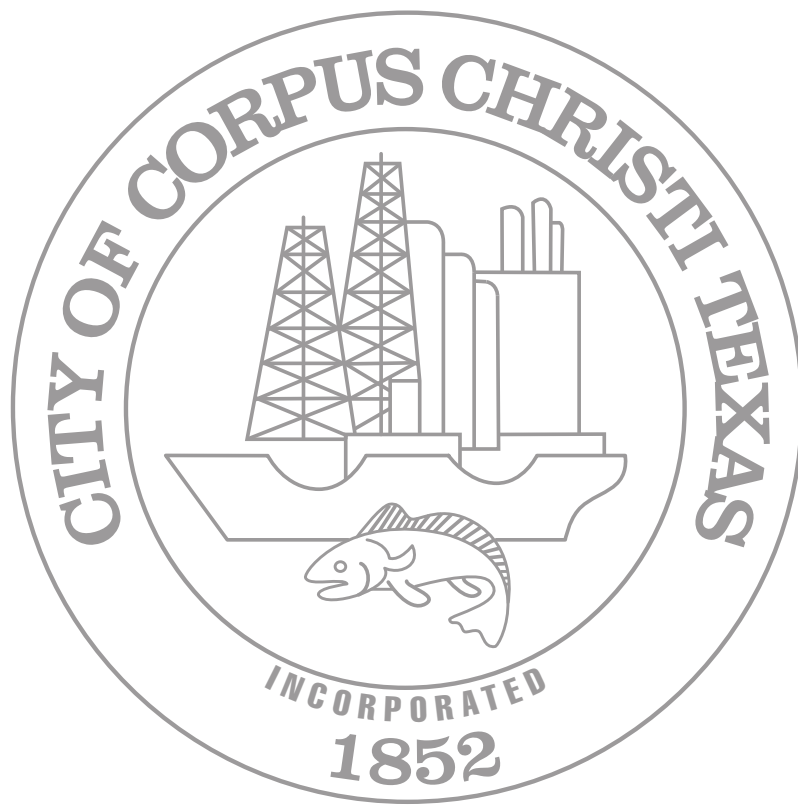
***Coastal Bend Health Facilities Development Corporation*** – This fund accounts for revenues and expenditures of the Corpus Christi Health Facilities Development Corporation which is a public non-profit corporation created by State law to facilitate financing and development of health and health-related facilities.

***Corpus Christi Crime Control and Prevention District*** – This fund is a public non-profit corporation created under State law to provide for funding of public safety programs.

***Corpus Christi Business and Job Development Corporation*** – This fund is a public non-profit corporation created under Section 4A of the Development Corporation Act of the State of Texas, to provide funding of voter approved capital improvement programs for the seawall, the arena, and the baseball stadium; for the promotion and development of new and expanded business enterprises; and for assisting qualified citizens with affordable housing.

***North Padre Island Development Corporation*** – This fund accounts for the facilitation of development of land within the boundaries of the Tax Increment Zone No. 2. The fund is utilized for Packery Channel development and improvement projects within the Zone.

*Reinvestment Zone # 3, City of Corpus Christi, Texas – This fund accounts for the facilitation of development of land within the boundaries of the Tax Increment Zone No. 3. The fund is utilized for downtown development and improvement projects within the Zone.*



City of Corpus Christi

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**SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2016**

	<b>Visitors Facilities</b>	<b>Hotel Occupancy Tax</b>	<b>State Hotel Occupancy Tax for Beaches</b>	<b>Public Education and Governmental Cable TV</b>	<b>Development Services</b>
<b>ASSETS</b>					
Cash, cash equivalents and investments	\$ 4,717,915	\$ 5,723,123	\$ 1,541,441	\$ 1,369,910	\$ 4,865,975
Receivables					
Accounts	2,439,628	1,653,653	--	176,349	--
Mortgages and loans	--	--	--	--	--
Demolition liens	--	--	--	--	--
Special assessments	--	--	--	--	--
Intergovernmental	--	--	1,173,259	--	--
Miscellaneous	--	--	--	--	--
Allowance for uncollectibles	(251,902)	--	--	--	--
Net receivables	2,187,726	1,653,653	1,173,259	176,349	--
Due from other funds	--	--	--	--	--
Inventories	76,990	--	--	--	--
Prepaid items	192,518	--	--	--	--
Total assets	\$ 7,175,149	\$ 7,376,776	\$ 2,714,700	\$ 1,546,259	\$ 4,865,975
<b>LIABILITIES</b>					
Accounts payable	\$ 977,309	\$ 665,395	\$ 6,064	\$ 4,284	\$ 51,057
Accrued liabilities	321,926	--	--	--	--
Deposits	1,160	--	--	--	9,183
Due to other funds	--	--	--	--	--
Due to other governmental agencies	--	--	--	--	--
Other	--	--	--	--	--
Unearned revenues					
Demolition liens and other	--	--	--	--	--
Asset seizure and forfeiture	--	--	--	--	--
Grants	--	--	--	--	--
Other	2,570,943	--	--	--	--
Total unearned revenues	2,570,943	--	--	--	--
Total liabilities	3,871,338	665,395	6,064	4,284	60,240

(Continued)

City of Corpus Christi

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Exhibit 9-A

Redlight Photo Enforcement	Parking Improvement	Street Maintenance	Residential Local Streets	Federal/ State Grants	Municipal Court Fees	Community Enrichment	Infrastructure
\$ 1,479,156	\$ 170,566	\$ 24,461,332	\$ 2,654,455	\$ 479,024	\$ 639,809	\$ 3,289,024	\$ 3,444,751
--	--	1,232,414	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	769,629	--	--	--
--	--	--	--	4,588	--	--	--
--	--	--	--	1,307,425	--	--	--
--	--	--	--	--	--	--	--
--	--	(74,594)	--	(704,823)	--	--	--
--	--	1,157,820	--	1,376,819	--	--	--
--	--	--	--	19,342	--	--	--
--	--	364,227	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>\$ 1,479,156</u>	<u>\$ 170,566</u>	<u>\$ 25,983,379</u>	<u>\$ 2,654,455</u>	<u>\$ 1,875,185</u>	<u>\$ 639,809</u>	<u>\$ 3,289,024</u>	<u>\$ 3,444,751</u>
\$ 414,852	\$ 39,252	\$ 2,810,919	\$ --	\$ 326,437	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--
--	--	--	--	231,212	--	--	1,738,779
--	--	--	--	--	--	--	--
336,904	--	--	--	71,827	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	69,882	--	--	--
--	--	--	--	34,109	--	--	--
--	--	--	--	213,549	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	317,540	--	--	--
751,756	39,252	2,810,919	--	947,016	--	--	1,738,779



City of Corpus Christi

**SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2016**

<b>FUND BALANCES</b>	<b>Visitors Facilities</b>	<b>Hotel Occupancy Tax</b>	<b>State Hotel Occupancy Tax for Beaches</b>	<b>Public Education and Governmental Cable TV</b>	<b>Development Services</b>
Nonspendable					
Inventory	76,990	--	--	--	--
Prepaid items	192,518	--	--	--	--
Total nonspendable	269,508	--	--	--	--
Restricted					
Tourism (HOT)	--	6,711,381	--	--	--
Public education governmental cable tv	--	--	--	1,541,975	--
Traffic safety programs	--	--	--	--	--
Law enforcement	--	--	--	--	--
Fire and ambulance	--	--	--	--	--
CDBG projects	--	--	--	--	--
Health	--	--	--	--	--
Libraries	--	--	--	--	--
Community enrichment	--	--	--	--	--
Parks and recreation	--	--	2,708,636	--	--
Infrastructure	--	--	--	--	--
Municipal Court building security	--	--	--	--	--
Municipal Court technology	--	--	--	--	--
Juvenile Court case manager	--	--	--	--	--
Loans	--	--	--	--	--
Crime control and prevention	--	--	--	--	--
Seawall improvement	--	--	--	--	--
Arena facility	--	--	--	--	--
Economic development	--	--	--	--	--
North Padre Island development	--	--	--	--	--
Downtown development	--	--	--	--	--
Debt service	--	--	--	--	--
Total restricted	--	6,711,381	2,708,636	1,541,975	--
Committed					
Parking improvements	--	--	--	--	--
Streets	--	--	--	--	--
Obesity prevention - Health	--	--	--	--	--
Sister City programs	--	--	--	--	--
Park projects	--	--	--	--	--
Development projects	--	--	--	--	--
Local Emergency Planning Committee	--	--	--	--	--
Total committed	--	--	--	--	--
Assigned					
Visitors facilities	3,034,303	--	--	--	--
Development Services	--	--	--	--	4,805,735
Housing	--	--	--	--	--
Industrial development	--	--	--	--	--
Total assigned	3,034,303	--	--	--	4,805,735
Total fund balances	3,303,811	6,711,381	2,708,636	1,541,975	4,805,735
Total liabilities, deferred inflows of resources, and fund balance	\$ 7,175,149	\$ 7,376,776	\$ 2,714,700	\$ 1,546,259	\$ 4,865,975

City of Corpus Christi

Exhibit 9-A  
(Continued)

<u>Redlight Photo Enforcement</u>	<u>Parking Improvement</u>	<u>Street Maintenance</u>	<u>Residential Local Streets</u>	<u>Federal/ State Grants</u>	<u>Municipal Court Fees</u>	<u>Community Enrichment</u>	<u>Infrastructure</u>
--	--	364,227	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	364,227	--	--	--	--	--
--	--	--	--	--	--	--	--
727,400	--	--	--	--	--	--	--
--	--	--	--	34,103	--	--	--
--	--	--	--	51,793	--	--	--
--	--	--	--	466,626	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	28	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	375,619	--	2,771,063	--
--	--	--	--	--	--	--	1,705,972
--	--	--	--	--	99,017	--	--
--	--	--	--	--	176,232	--	--
--	--	--	--	--	364,560	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
727,400	--	--	--	928,169	639,809	2,771,063	1,705,972
--	131,314	--	--	--	--	--	--
--	--	22,808,233	2,654,455	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	9	--
--	--	--	--	--	--	3,318	--
--	--	--	--	--	--	514,634	--
--	--	--	--	--	--	--	--
--	131,314	22,808,233	2,654,455	--	--	517,961	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
727,400	131,314	23,172,460	2,654,455	928,169	639,809	3,289,024	1,705,972
<u>\$ 1,479,156</u>	<u>\$ 170,566</u>	<u>\$ 25,983,379</u>	<u>\$ 2,654,455</u>	<u>\$ 1,875,185</u>	<u>\$ 639,809</u>	<u>\$ 3,289,024</u>	<u>\$ 3,444,751</u>

City of Corpus Christi

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**SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2016**

	<b>Local Emergency Planning Committee</b>	<b>Health Medicaid Waiver</b>	<b>Corpus Christi Community Improvement Corporation</b>	<b>Corpus Christi Housing Finance Corporation</b>	<b>Corpus Christi Industrial Development Corporation</b>
<b>ASSETS</b>					
Cash, cash equivalents and investments	\$ 80,512	\$ 794,033	\$ 2,983,923	\$ 127,330	\$ 68,775
Receivables					
Accounts	--	--	--	397,152	--
Taxes	--	--	--	--	--
Mortgages and loans	--	--	13,066,566	--	--
Demolition liens	--	--	--	--	--
Special assessments	--	--	--	--	--
Intergovernmental	--	--	--	--	--
Miscellaneous	--	--	--	--	--
Allowance for uncollectibles	--	--	(2,293,778)	--	--
Net receivables	--	--	10,772,788	397,152	--
Due from other funds	--	--	--	--	--
Inventories	--	--	--	--	--
Prepaid items	--	--	--	--	--
Total assets	\$ 80,512	\$ 794,033	\$ 13,756,711	\$ 524,482	\$ 68,775
<b>LIABILITIES</b>					
Accounts payable	\$ 7,000	\$ 11,242	\$ --	\$ --	\$ --
Accrued liabilities	--	--	--	--	--
Deposits	25,725	--	159,750	--	--
Due to other funds	--	--	19,342	--	--
Due to other governmental agencies	--	--	--	--	--
Unearned revenues					
Demolition liens and other	--	--	--	--	--
Asset seizure and forfeitures	--	--	--	--	--
Grants	--	--	--	--	--
Other	--	--	--	397,152	--
Total unearned revenues	--	--	--	397,152	--
Total liabilities	32,725	11,242	179,092	397,152	--

(Continued)

City of Corpus Christi

Exhibit 9-A  
(Continued)

Coastal Bend Health Facilities Development Corporation	Corpus Christi Crime Control and Prevention District	Corpus Christi Business and Job Development Corporation	North Padre Island Development Corporation	Reinvestment Zone #3	Eliminations	Total
\$ 3,719	\$ 3,768,568	\$ 48,257,907	\$ 6,955,860	\$ 3,163,189	\$ --	\$ 121,040,297
--	--	--	--	--	--	5,899,196
--	--	--	36,764	885	--	37,649
--	--	--	--	--	--	13,066,566
--	--	--	--	--	--	769,629
--	--	--	--	--	--	4,588
--	1,136,566	3,447,786	--	--	--	7,065,036
--	4,989	--	--	--	--	4,989
--	--	--	--	--	--	(3,325,097)
--	1,141,555	3,447,786	36,764	885	--	23,522,556
--	--	--	--	--	(19,342)	--
--	--	--	--	--	--	441,217
--	--	44,487	--	--	--	237,005
<u>\$ 3,719</u>	<u>\$ 4,910,123</u>	<u>\$ 51,750,180</u>	<u>\$ 6,992,624</u>	<u>\$ 3,164,074</u>	<u>\$ (19,342)</u>	<u>\$ 145,241,075</u>
\$ --	\$ 25,307	\$ 129,890	\$ --	\$ 71,942	\$ --	\$ 5,540,950
--	--	--	--	--	--	321,926
--	--	--	--	--	--	2,165,809
--	--	--	--	--	(19,342)	-
--	--	--	--	--	--	408,731
--	--	--	--	--	--	69,882
--	--	--	--	--	--	34,109
--	--	--	--	--	--	213,549
--	--	--	--	--	--	2,968,095
--	--	--	--	--	--	3,285,635
--	25,307	129,890	--	71,942	(19,342)	11,723,051

City of Corpus Christi

**SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2016**

FUND BALANCES	<u>Local Emergency Planning Committee</u>	<u>Health Medicaid Waiver</u>	<u>Corpus Christi Community Improvement Corporation</u>	<u>Corpus Christi Housing Finance Corporation</u>	<u>Corpus Christi Industrial Development Corporation</u>
Nonspendable					
Inventory	--	--	--	--	--
Prepaid items	--	--	--	--	--
Total nonspendable	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Restricted					
Tourism (HOT)	--	--	--	--	--
Public education governmental cable tv	--	--	--	--	--
Traffic safety programs	--	--	--	--	--
Law enforcement	--	--	--	--	--
Fire and ambulance	--	--	--	--	--
CDBG projects	--	--	--	--	--
Health	--	--	--	--	--
Libraries	--	--	--	--	--
Parks and recreation	--	--	--	--	--
Infrastructure	--	--	--	--	--
Municipal Court building security	--	--	--	--	--
Municipal Court technology	--	--	--	--	--
Juvenile Court case manager	--	--	--	--	--
Loans	--	--	13,577,619	--	--
Crime control and prevention	--	--	--	--	--
Seawall improvement	--	--	--	--	--
Arena facility	--	--	--	--	--
Economic development	--	--	--	--	--
North Padre Island development	--	--	--	--	--
Downtown development	--	--	--	--	--
Debt service	--	--	--	--	--
Total restricted	<u>--</u>	<u>--</u>	<u>13,577,619</u>	<u>--</u>	<u>--</u>
Committed					
Parking improvements	--	--	--	--	--
Streets	--	--	--	--	--
Obesity prevention - Health	--	782,791	--	--	--
Sister City programs	--	--	--	--	--
Park projects	--	--	--	--	--
Development projects	--	--	--	--	--
Local Emergency Planning Committee	47,787	--	--	--	--
Total committed	<u>47,787</u>	<u>782,791</u>	<u>--</u>	<u>--</u>	<u>--</u>
Assigned					
Visitors facilities	--	--	--	--	--
Development Services	--	--	--	--	--
Housing	--	--	--	127,330	--
Industrial development	--	--	--	--	68,775
Total assigned	<u>--</u>	<u>--</u>	<u>--</u>	<u>127,330</u>	<u>68,775</u>
Total fund balances	<u>47,787</u>	<u>782,791</u>	<u>13,577,619</u>	<u>127,330</u>	<u>68,775</u>
Total liabilities, deferred inflows of resources, and fund be	<u>\$ 80,512</u>	<u>\$ 794,033</u>	<u>\$ 13,756,711</u>	<u>\$ 524,482</u>	<u>\$ 68,775</u>

City of Corpus Christi

Exhibit 9-A  
(Continued)

Coastal Bend Health Facilities Development Corporation	Corpus Christi Crime Control and Prevention District	Corpus Christi Business and Job Development Corporation	North Padre Island Development Corporation	Reinvestment Zone #3	Eliminations	Total
--	--	--	--	--	--	441,217
--	--	44,487	--	--	--	237,005
--	--	44,487	--	--	--	678,222
--	--	--	--	--	--	6,711,381
--	--	--	--	--	--	1,541,975
--	--	--	--	--	--	727,400
--	--	--	--	--	--	34,103
--	--	--	--	--	--	51,793
--	--	--	--	--	--	466,626
3,719	--	--	--	--	--	3,719
--	--	--	--	--	--	28
--	--	--	--	--	--	5,855,318
--	--	--	--	--	--	1,705,972
--	--	--	--	--	--	99,017
--	--	--	--	--	--	176,232
--	--	--	--	--	--	364,560
--	--	--	--	--	--	13,577,619
--	4,884,816	--	--	--	--	4,884,816
--	--	22,606,542	--	--	--	22,606,542
--	--	19,828,465	--	--	--	19,828,465
--	--	9,140,796	--	--	--	9,140,796
--	--	--	910,000	--	--	910,000
--	--	--	--	3,092,132	--	3,092,132
--	--	--	6,082,624	--	--	6,082,624
3,719	4,884,816	51,575,803	6,992,624	3,092,132	--	97,861,118
--	--	--	--	--	--	131,314
--	--	--	--	--	--	25,462,688
--	--	--	--	--	--	782,791
--	--	--	--	--	--	9
--	--	--	--	--	--	3,318
--	--	--	--	--	--	514,634
--	--	--	--	--	--	47,787
--	--	--	--	--	--	26,942,541
--	--	--	--	--	--	3,034,303
--	--	--	--	--	--	4,805,735
--	--	--	--	--	--	127,330
--	--	--	--	--	--	68,775
--	--	--	--	--	--	8,036,143
3,719	4,884,816	51,620,290	6,992,624	3,092,132	--	133,518,024
\$ 3,719	\$ 4,910,123	\$ 51,750,180	\$ 6,992,624	\$ 3,164,074	\$ (19,342)	\$ 145,241,075

City of Corpus Christi

**SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**YEAR ENDED SEPTEMBER 30, 2016**

	Visitors Facilities	Hotel Occupancy Tax	State Hotel Occupancy Tax for Beaches	Public Education and Governmental Cable TV	Development Services	Redlight Photo Enforcement
<b>Revenues</b>						
Taxes and business fees	--	14,769,247	2,867,070	736,284	--	--
Licenses and permits	--	--	--	--	6,253,984	--
Intergovernmental	--	--	--	--	--	--
Grants	--	--	--	--	--	--
Charges for services	4,282,776	--	--	--	--	--
Fines and forfeitures	--	--	--	--	--	1,852,580
Contributions and donations	150,000	--	--	--	--	--
Earnings on investments	6,000	16,183	3,083	7,788	22,088	4,900
Interest on loans	-	-	-	-	-	-
Sale of City property	--	--	--	--	--	--
Miscellaneous	--	--	--	--	7,569	--
Total revenues	<u>4,438,776</u>	<u>14,785,430</u>	<u>2,870,153</u>	<u>744,072</u>	<u>6,283,641</u>	<u>1,857,480</u>
<b>Expenditures</b>						
<b>Current</b>						
General government	--	--	--	128,352	5,244,432	--
Police and municipal court	--	--	--	--	--	1,783,829
Fire and ambulance	--	--	--	--	--	--
Emergency management	--	--	--	--	--	--
Streets	--	--	--	--	--	--
Health	--	--	--	--	--	--
Parks and recreation	--	1,825,088	161,517	--	--	--
Libraries	--	--	--	--	--	--
Community enrichment	--	920,745	--	--	--	--
Community development	--	--	--	--	--	--
Convention and visitors activities	4,988,380	9,102,867	--	--	--	--
Capital projects	96,990	180,355	--	840,046	217,888	99,774
Debt service						
Principal retirement	--	--	--	--	--	--
Interest	--	--	--	--	--	--
Paying agent fees	-	-	-	-	-	-
Interest on interfund borrowings	-	-	-	-	-	-
Total expenditures	<u>5,085,370</u>	<u>12,029,055</u>	<u>161,517</u>	<u>968,398</u>	<u>5,462,320</u>	<u>1,883,603</u>
Excess (deficiency) of revenues over (under) expenditures	(646,594)	2,756,375	2,708,636	(224,326)	821,321	(26,123)
<b>Other financing sources (uses)</b>						
Capital leases	--	--	--	--	--	--
Transfers in	1,634,026	--	--	--	20,849	714
Transfers out	(315,519)	(2,150,084)	--	--	(1,084,753)	--
Total other financing sources (uses)	<u>1,318,507</u>	<u>(2,150,084)</u>	<u>--</u>	<u>--</u>	<u>(1,063,904)</u>	<u>714</u>
Net change in fund balance	671,913	606,291	2,708,636	(224,326)	(242,583)	(25,409)
Fund balances at beginning of year, restated (Footnote 21)	<u>2,631,898</u>	<u>6,105,090</u>	<u>--</u>	<u>1,766,301</u>	<u>5,048,318</u>	<u>752,809</u>
Fund balances at end of year	<u>3,303,811</u>	<u>6,711,381</u>	<u>2,708,636</u>	<u>1,541,975</u>	<u>4,805,735</u>	<u>727,400</u>

(Continued)

City of Corpus Christi

Exhibit 9-B

Parking Improvement	Street Maintenance	Residential Local Streets	Federal/ State Grants	Municipal Court Fees	Community Enrichment	Infrastructure
--	450,883	450,883	--	--	--	--
--	57,788	--	--	--	--	--
--	2,761,017	--	--	--	--	--
--	--	--	9,380,457	--	--	--
117,517	13,078,891	--	181,254	--	--	--
--	--	--	--	335,955	--	--
--	--	--	--	--	836,378	345,239
1,084	88,975	8,564	996	2,718	22,615	9,527
--	--	--	--	--	--	--
--	6,032	--	--	--	212	--
--	7,626	--	134,678	--	--	--
118,601	16,451,212	459,447	9,697,385	338,673	859,205	354,766
--	--	--	--	--	--	--
--	--	--	1,946,439	289,616	--	--
--	--	--	184,755	--	--	--
--	--	--	138,576	--	--	--
229,074	24,649,559	--	--	--	--	--
--	--	--	1,752,302	--	--	--
--	--	--	2,172,523	--	161,862	--
--	--	--	6,000	--	--	--
--	--	--	1,666,169	--	--	--
--	--	--	1,603,945	--	--	--
--	--	--	--	--	--	--
--	975,753	--	59,133	--	996,381	345,240
--	656,618	--	--	--	--	--
--	40,072	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
229,074	26,322,002	--	9,529,842	289,616	1,158,243	345,240
(110,473)	(9,870,790)	459,447	167,543	49,057	(299,038)	9,526
--	929,184	--	--	--	--	--
--	14,192,154	1,193,384	196,798	397	13,584	--
--	--	--	(414,694)	--	--	--
--	15,121,338	1,193,384	(217,896)	397	13,584	--
(110,473)	5,250,548	1,652,831	(50,353)	49,454	(285,454)	9,526
241,787	17,921,912	1,001,624	978,522	590,355	3,574,478	1,696,446
131,314	23,172,460	2,654,455	928,169	639,809	3,289,024	1,705,972



City of Corpus Christi

**SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**YEAR ENDED SEPTEMBER 30, 2016**

	Local Emergency Planning Committee	Health Medicaid Waiver	Corpus Christi Community Improvement Corporation	Corpus Christi Housing Finance Corporation	Corpus Christi Industrial Development Corporation	Coastal Bend Health Facilities Development Corporation
<b>Revenues</b>						
Taxes and business fees	--	--	--	--	--	--
Licenses and permits	--	--	--	--	--	--
Intergovernmental	--	--	--	--	--	--
Grants	--	--	1,497,065	--	--	--
Charges for services	--	--	--	42,037	--	--
Fines and forfeitures	--	--	--	--	--	--
Contributions and donations	127,116	--	--	--	--	--
Earnings on investments	536	3,564	288	3	--	--
Interest on loans	--	--	50,887	--	--	--
Sale of City property	--	--	--	--	--	--
Miscellaneous	--	1,202,338	46,589	--	--	--
Total revenue	<u>127,652</u>	<u>1,205,902</u>	<u>1,594,829</u>	<u>42,040</u>	<u>--</u>	<u>--</u>
<b>Expenditures</b>						
Current						
General government	--	--	--	--	--	--
Police and municipal court	--	--	--	--	--	--
Fire and ambulance	--	--	--	--	--	--
Emergency management	140,711	--	--	--	--	--
Streets	--	--	--	--	--	--
Health	--	1,385,129	--	--	--	--
Parks and recreation	--	--	--	--	--	--
Libraries	--	--	--	--	--	--
Community enrichment	--	--	--	--	--	--
Community development	--	--	2,104,017	1,710	--	--
Convention and visitors activities	--	--	--	--	--	--
Capital projects	--	--	--	--	--	--
Debt service	--	--	--	--	--	--
Principal retirement	--	--	--	--	--	--
Interest	--	--	--	--	--	--
Paying agent fees	--	--	--	--	--	--
Total expenditures	<u>140,711</u>	<u>1,385,129</u>	<u>2,104,017</u>	<u>1,710</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(13,059)	(179,227)	(509,188)	40,330	--	--
<b>Other financing sources (uses)</b>						
Capital leases	--	--	--	--	--	--
Transfers in	132	962,018	--	--	--	--
Transfers out	--	--	--	--	--	--
Total other financing sources (uses)	<u>132</u>	<u>962,018</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(12,927)	782,791	(509,188)	40,330	--	--
Fund balances at beginning of year, restated (Footnote 21)	<u>60,714</u>	<u>--</u>	<u>14,086,807</u>	<u>87,000</u>	<u>68,775</u>	<u>3,719</u>
Fund balances at end of year	<u><u>47,787</u></u>	<u><u>782,791</u></u>	<u><u>13,577,619</u></u>	<u><u>127,330</u></u>	<u><u>68,775</u></u>	<u><u>3,719</u></u>

City of Corpus Christi

Exhibit 9-B  
(Continued)

Corpus Christi Crime Control and Prevention District	Corpus Christi Business and Job Development Corporation	North Padre Island Development Corporation	Reinvestment Zone #3	Eliminations	Total
6,601,264	19,965,816	3,405,002	901,186	--	50,147,635
--	--	--	--	--	6,311,772
--	--	--	--	--	2,761,017
--	--	--	--	--	10,877,522
4,670	--	--	--	--	17,707,145
--	--	--	--	--	2,188,535
--	--	--	--	--	1,458,733
20,083	197,469	511	13,005	--	429,980
--	--	--	--	--	50,887
1,045	--	--	--	--	7,289
--	--	--	--	--	1,398,800
<u>6,627,062</u>	<u>20,163,285</u>	<u>3,405,513</u>	<u>914,191</u>	<u>--</u>	<u>93,339,315</u>
--	86,183	--	--	--	5,458,967
7,207,795	--	--	--	--	11,227,679
--	--	--	--	--	184,755
--	--	--	--	--	279,287
--	--	--	--	--	24,878,633
--	--	--	--	--	3,137,431
--	--	--	--	--	4,320,990
--	--	--	--	--	6,000
--	--	32,957	--	--	2,619,871
--	2,643,747	--	73,192	--	6,426,611
--	--	--	--	--	14,091,247
583,586	--	--	--	--	4,395,146
--	--	910,000	--	--	1,566,618
--	--	394,650	--	--	434,722
--	--	28,635	--	--	28,635
<u>7,791,381</u>	<u>2,729,930</u>	<u>1,366,242</u>	<u>73,192</u>	<u>--</u>	<u>79,056,592</u>
(1,164,319)	17,433,355	2,039,271	840,999	--	14,282,723
--	--	--	--	--	929,184
4,587	--	--	--	(1,453,571)	16,765,072
--	(10,027,223)	(28,578)	(2,436)	1,453,571	(12,569,716)
<u>4,587</u>	<u>(10,027,223)</u>	<u>(28,578)</u>	<u>(2,436)</u>	<u>--</u>	<u>5,124,540</u>
(1,159,732)	7,406,132	2,010,693	838,563	--	19,407,263
<u>6,044,548</u>	<u>44,214,158</u>	<u>4,981,931</u>	<u>2,253,569</u>	<u>--</u>	<u>114,110,761</u>
<u>4,884,816</u>	<u>51,620,290</u>	<u>6,992,624</u>	<u>3,092,132</u>	<u>--</u>	<u>133,518,024</u>

City of Corpus Christi

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Exhibit 10-A

**VISITORS FACILITIES FUND  
BALANCE SHEET  
SEPTEMBER 30, 2016**

**ASSETS**

Cash, cash equivalents and investments	\$ 4,717,915
Receivables	
Accounts	2,439,628
Allowance for uncollectibles	(251,902)
Net receivables	<u>2,187,726</u>
Inventories	76,990
Prepaid Items	<u>192,518</u>
Total assets	<u>\$ 7,175,149</u>

**LIABILITIES**

Accounts payable	\$ 977,309
Accrued liabilities	321,926
Deposits	<u>1,160</u>
Total liabilities	<u>3,871,338</u>

**FUND BALANCES**

Nonspendable	
Inventory	76,990
Prepaid items	192,518
Total nonspendable	<u>269,508</u>
Assigned	
Visitors facilities	<u>3,034,303</u>
Total fund balance	<u>3,303,811</u>
Total liabilities and fund balance	<u>\$ 7,175,149</u>

City of Corpus Christi

Exhibit 10-B

VISITORS FACILITIES FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 COMPARED TO BUDGET  
 YEAR ENDED SEPTEMBER 30, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Arena	\$ 2,735,882	\$ 2,735,882	\$ 1,999,076	\$ (736,806)
Convention center services	2,371,462	2,371,462	2,164,077	(207,385)
Bayfront rentals, events & contract	113,500	113,500	119,623	6,123
Total charges for services	5,220,844	5,220,844	4,282,776	(938,068)
Contributions and donations	--	--	150,000	150,000
Earnings on investments	--	--	6,000	6,000
Total revenues	5,220,844	5,220,844	4,438,776	(782,068)
<b>Expenditures</b>				
Current				
Arena	3,351,869	3,351,869	2,725,215	626,654
Arena maintenance/improvements	409,561	422,298	55,563	366,735
Arena marketing/co-promotion	600,000	600,000	330,000	270,000
Auditorium/convention center	1,436,379	1,436,379	1,055,719	380,660
Bayfront Arts and Science Park	898,373	927,973	709,222	218,751
Cultural facility maintenance	116,267	135,454	90,785	44,669
Uncollectible accounts	--	--	21,876	(21,876)
Other	4,920	4,920	--	4,920
Capital projects	--	185,500	96,990	88,510
Total expenditures	6,817,369	7,064,393	5,085,370	1,979,023
Deficiency of revenues under expenditures	(1,596,525)	(1,843,549)	(646,594)	1,196,955
<b>Other financing sources (uses)</b>				
Transfers in	1,217,487	1,403,026	1,634,026	231,000
Transfers out	(315,519)	(315,519)	(315,519)	--
Total other financing sources	901,968	1,087,507	1,318,507	231,000
Net change in fund balance	(694,557)	(756,042)	671,913	1,427,955
Fund balance beginning of year	1,096,092	2,631,898	2,631,898	--
Fund balance end of year	\$ 401,535	\$ 1,875,856	\$ 3,303,811	\$ 1,427,955

City of Corpus Christi

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Exhibit 11-A

**HOTEL OCCUPANCY TAX FUND  
BALANCE SHEET  
SEPTEMBER 30, 2016**

<b>ASSETS</b>	
Cash, cash equivalents and investments	\$ 5,723,123
Receivables	
Accounts	<u>1,653,653</u>
Total assets	<u>\$ 7,376,776</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 665,395
Total liabilities	<u>665,395</u>
<b>FUND BALANCES</b>	
Restricted	
Tourism (HOT)	<u>6,711,381</u>
Total liabilities and fund balance	<u>\$ 7,376,776</u>

City of Corpus Christi

Exhibit 11-B

**HOTEL OCCUPANCY TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**COMPARED TO BUDGET**  
**YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Hotel occupancy tax	\$ 11,877,285	\$ 11,877,285	\$ 11,532,788	\$ (344,497)
Hotel occupancy tax-Convention expansion	3,393,412	3,393,412	3,236,459	(156,953)
Total hotel occupancy taxes	15,270,697	15,270,697	14,769,247	(501,450)
Earnings on investments	6,900	6,900	16,183	9,283
Total revenues	15,277,597	15,277,597	14,785,430	(492,167)
<b>Expenditures</b>				
Current				
Parks and recreation				
Beach cleaning	1,825,088	1,825,088	1,825,088	--
Community enrichment				
Art Museum of South Texas	340,000	340,000	340,000	--
Multicultural services support	131,230	131,230	131,230	--
Arts grants and projects	200,000	289,475	203,587	85,888
Harbor Playhouse	13,335	13,335	7,964	5,371
Tourist area amenities	200,000	200,000	12,741	187,259
Museum Marketing	25,000	38,037	30,223	7,814
Baseball stadium	175,000	175,000	175,000	--
Botanical Gardens	20,000	20,000	20,000	--
Convention and visitors activities				
Convention center/auditorium	3,000,000	3,000,000	3,000,000	--
Convention center maintenance	4,607,308	4,954,663	953,699	4,000,964
Convention and Visitors Bureau-convention promotion	4,960,000	4,960,000	4,905,114	54,886
Convention events	260,000	260,000	244,054	15,946
Miscellaneous	22,000	14,500	--	14,500
Reserve appropriation	400,000	400,000	--	400,000
Capital projects	--	180,355	180,355	--
Total expenditures	16,178,961	16,801,683	12,029,055	4,772,628
Excess of revenues over expenditures	(901,364)	(1,524,086)	2,756,375	4,280,461
<b>Other financing sources (uses)</b>				
Transfers out	(2,136,500)	(2,136,500)	(2,150,084)	(13,584)
Net change in fund balance	(3,037,864)	(3,660,586)	606,291	4,266,877
Fund balance at beginning of year	5,511,877	6,105,090	6,105,090	--
Fund balance at end of year	\$ 2,474,013	\$ 2,444,504	\$ 6,711,381	\$ 4,266,877

City of Corpus Christi

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Exhibit 12-A

STATE HOTEL OCCUPANCY TAX FOR BEACHES FUND  
BALANCE SHEET  
SEPTEMBER 30, 2016

<b>ASSETS</b>	
Cash, cash equivalents and investments	\$ 1,541,441
Receivables	
Intergovernmental	<u>1,173,259</u>
Total assets	<u>\$ 2,714,700</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 6,064
Total liabilities	<u>6,064</u>
<b>FUND BALANCE</b>	
Restricted	
Parks and recreation	<u>2,708,636</u>
Total liabilities and fund balance	<u>\$ 2,714,700</u>

City of Corpus Christi

Exhibit 12-B

STATE HOTEL OCCUPANCY TAX FOR BEACHES FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 COMPARED TO BUDGET  
 YEAR ENDED SEPTEMBER 30, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Hotel occupancy tax	\$ 2,900,000	\$ 2,900,000	\$ 2,867,070	\$ (32,930)
Earnings on investments	--	--	3,083	3,083
Total revenues	<u>2,900,000</u>	<u>2,900,000</u>	<u>2,870,153</u>	<u>(29,847)</u>
<b>Expenditures</b>				
Current				
Parks and recreation				
Beach code compliance	--	123,320	10,521	112,799
Beach maintenance and operations	--	485,262	150,996	334,266
Reserve appropriation	--	2,291,418	--	2,291,418
Total expenditures	<u>--</u>	<u>2,900,000</u>	<u>161,517</u>	<u>2,738,483</u>
Net change in fund balance	2,900,000	--	2,708,636	2,708,636
Fund balance at beginning of year	--	--	--	--
Fund balance at end of year	<u>\$ 2,900,000</u>	<u>\$ --</u>	<u>\$ 2,708,636</u>	<u>\$ 2,708,636</u>



City of Corpus Christi

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Exhibit 13-A

**PUBLIC EDUCATION AND GOVERNMENTAL CABLE TV FUND  
BALANCE SHEET  
SEPTEMBER 30, 2016**

**ASSETS**

Cash, cash equivalents and investments	\$	1,369,910
Receivables		
Accounts		<u>176,349</u>
Total assets	\$	<u><u>1,546,259</u></u>

**LIABILITIES**

Liabilities		
Accounts payable	\$	4,284

**FUND BALANCE**

Restricted		
Public education governmental cable tv programs		<u>1,541,975</u>
Total liabilities and fund balance	\$	<u><u>1,546,259</u></u>

City of Corpus Christi

Exhibit 13-B

**PUBLIC EDUCATION AND GOVERNMENTAL CABLE TV FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
COMPARED TO BUDGET  
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes and business fees	\$ 650,000	\$ 650,000	\$ 736,284	\$ 86,284
Earnings on investments	--	--	7,788	7,788
Total revenues	<u>650,000</u>	<u>650,000</u>	<u>744,072</u>	<u>94,072</u>
<b>Expenditures</b>				
Current				
General government	--	320,000	128,352	191,648
Capital projects	650,000	1,373,964	840,046	533,918
Total expenditures	<u>650,000</u>	<u>1,693,964</u>	<u>968,398</u>	<u>725,566</u>
Net change in fund balance	--	(1,043,964)	(224,326)	819,638
Fund balance at beginning of year	--	1,766,301	1,766,301	--
Fund balance at end of year	<u>\$ --</u>	<u>\$ 722,337</u>	<u>\$ 1,541,975</u>	<u>\$ 819,638</u>

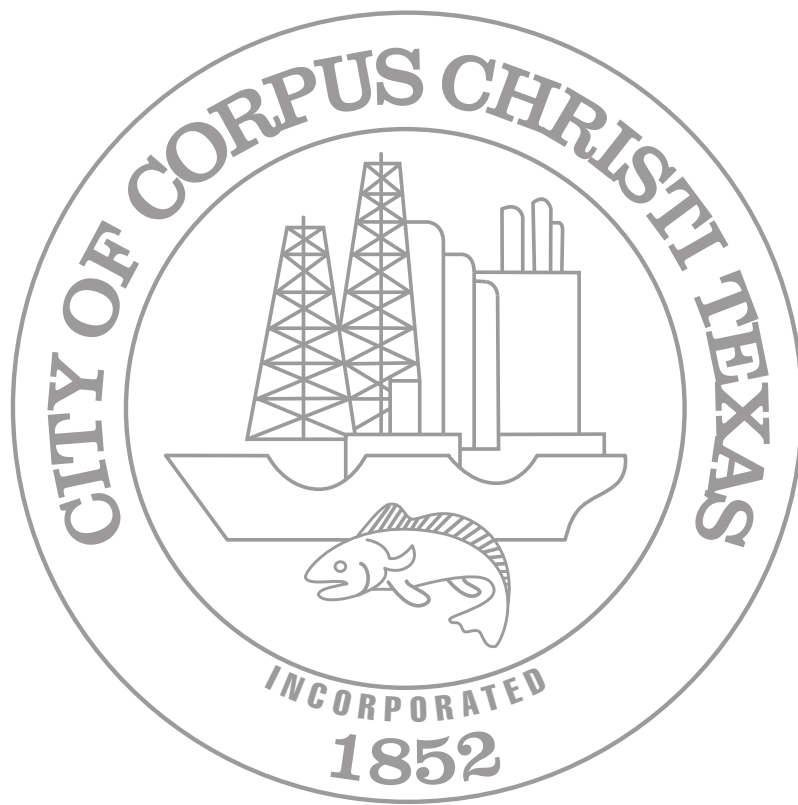
City of Corpus Christi

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Exhibit 14-A

**DEVELOPMENT SERVICES  
BALANCE SHEET  
SEPTEMBER 30, 2016**

<b>ASSETS</b>	
Cash, cash equivalents and investments	\$ 4,865,975
Total assets	<u>\$ 4,865,975</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 51,057
Deposits	<u>9,183</u>
Total liabilities	60,240
<b>FUND BALANCE</b>	
Assigned Development services	<u>4,805,735</u>
Total liabilities and fund balance	<u>\$ 60,240</u>



City of Corpus Christi

DEVELOPMENT SERVICES  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 COMPARED TO BUDGET  
 YEAR ENDED SEPTEMBER 30, 2016

	Budget		Actual	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget
	Original	Final				
<b>Revenues</b>						
Licenses and permits						
Beer and liquor licenses	\$ 79,984	\$ 79,984	\$ 134,115	--	\$ 134,115	\$ 54,131
Electricians licenses and exam fees	37,000	37,000	40,430	--	40,430	3,430
House mover licenses	266	266	266	--	266	--
Building permits	3,100,000	3,100,000	3,347,914	--	3,347,914	247,914
Electrical permits	167,296	167,296	333,083	--	333,083	165,787
Plumbing permits	340,991	340,991	294,681	--	294,681	(46,310)
Mechanical permits	113,000	113,000	220,344	--	220,344	107,344
Certificate of occupancy fee	35,000	35,000	34,826	--	34,826	(174)
Plan review fee	1,250,000	1,250,000	1,343,101	--	1,343,101	93,101
Mechanical registration fees	22,000	22,000	24,295	--	24,295	2,295
Lawn irrigator registration	3,800	3,800	4,185	--	4,185	385
Backflow prev. assembly tester	11,941	11,941	11,475	--	11,475	(466)
Driveway permit fee	21,500	21,500	10,076	--	10,076	(11,424)
Street cut permits	--	--	10,309	--	10,309	10,309
Street easement closure fees	13,000	13,000	12,502	--	12,502	(498)
Easement Closure FMV fee	--	--	3,430	--	3,430	3,430
Backflow prev device filling fee	50,000	50,000	130,300	--	130,300	80,300
Research and survey fee	5,000	5,000	6,617	--	6,617	1,617
Deferment Agreement fee	10,000	10,000	15,416	--	15,416	5,416
Construction documents fee	372	372	6	--	6	(366)
Billboard fee	8,500	8,500	28,981	--	28,981	20,481
Forfeited House Mover Deposit	--	--	1,000	--	1,000	1,000
House moving route permits	900	900	732	--	732	(168)
Oversize load permits	8,000	8,000	76,736	--	76,736	68,736
Total licenses and permits	5,278,550	5,278,550	6,084,820	--	6,084,820	806,270
Earnings on investments	9,617	9,617	22,088	--	22,088	12,471
Interdepartmental	1,034,172	1,034,172	--	1,034,164	1,034,164	(8)
Miscellaneous	--	--	7,569	--	7,569	7,569
General governmental services						
Zoning fees	140,000	140,000	89,884	--	89,884	(50,116)
Platting fees	55,950	55,950	70,454	--	70,454	14,504
Board of Adjustment appeal fees	2,550	2,550	8,698	--	8,698	6,148
GIS Sales	100	100	128	--	128	28
Total general governmental services	198,600	198,600	169,164	--	169,164	(29,436)
Total revenues	6,520,939	6,520,939	6,283,641	1,034,164	7,317,805	796,866

(Continued)

City of Corpus Christi

Exhibit 14-B

	<b>Budget</b>		<b>Actual</b>	<b>Adjustments Budget Basis</b>	<b>Actual Budget Basis</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>				
<b>Expenditures</b>						
Current						
Development Services administration	2,000,391	3,613,131	2,166,578	118,226	2,284,804	(1,328,327)
Special services	1,903,701	2,172,328	1,104,226	578,925	1,683,151	(489,177)
Reserve appropriations	57,101	57,101	--	--	--	(57,101)
Inspections	2,545,003	2,479,036	1,973,628	337,013	2,310,641	(168,395)
Capital projects	--	247,889	217,888	--	217,888	(30,001)
Total expenditures	<u>6,506,196</u>	<u>8,569,485</u>	<u>5,462,320</u>	<u>1,034,164</u>	<u>6,496,484</u>	<u>(2,073,001)</u>
Excess (deficiency) of revenues over (under) expenditures	14,743	(2,048,546)	821,321	--	821,321	2,869,867
<b>Other financing sources</b>						
Transfers in						
General Fund	500,000	520,849	20,849	--	20,849	(500,000)
Transfers out						
Administrative Service Charge	(334,753)	(334,753)	(334,753)	--	(334,753)	--
Transfer to General Fund	--	(700,000)	(700,000)	--	(700,000)	--
Transfers for capital replacement	(50,000)	(50,000)	(50,000)	--	(50,000)	--
Total other financing sources	<u>115,247</u>	<u>(563,904)</u>	<u>(1,063,904)</u>	<u>--</u>	<u>(1,063,904)</u>	<u>(500,000)</u>
Net change in fund balance	129,990	(2,612,450)	(242,583)	--	(242,583)	2,369,867
Fund balance at beginning of year	<u>3,318,332</u>	<u>5,048,318</u>	<u>5,048,318</u>	<u>--</u>	<u>5,048,318</u>	<u>--</u>
Fund balance at end of year	<u>\$ 3,448,322</u>	<u>\$ 2,435,868</u>	<u>\$ 4,805,735</u>	<u>\$ --</u>	<u>\$ 4,805,735</u>	<u>\$ 2,369,867</u>

City of Corpus Christi

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**REDLIGHT PHOTO ENFORCEMENT FUND  
BALANCE SHEET  
SEPTEMBER 30, 2016**

**Exhibit 15-A**

<b>ASSETS</b>	
Cash, cash equivalents and investments	\$ 1,479,156
Total assets	<u>\$ 1,479,156</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 414,852
Due to other governmental agencies	<u>336,904</u>
Total liabilities	751,756
<b>FUND BALANCE</b>	
Restricted	
Traffic safety programs	<u>727,400</u>
Total liabilities and fund balance	<u>\$ 1,479,156</u>

City of Corpus Christi

Exhibit 15-B

**REDLIGHT PHOTO ENFORCEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**COMPARED TO BUDGET**  
**YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and forfeitures	\$ 1,823,688	\$ 1,823,688	\$ 1,852,580	\$ 28,892
Earnings on investments	--	--	4,900	4,900
Total revenues	<u>1,823,688</u>	<u>1,823,688</u>	<u>1,857,480</u>	<u>33,792</u>
<b>Expenditures</b>				
Current				
Police and municipal court	1,896,185	1,860,559	1,783,829	76,730
Capital projects	--	85,439	99,774	(14,335)
Total expenditures	<u>1,896,185</u>	<u>1,945,998</u>	<u>1,883,603</u>	<u>62,395</u>
Net change in fund balance	(72,497)	(122,310)	(26,123)	96,187
<b>Other financing sources</b>				
Transfers in	--	714	714	--
Excess of revenues over expenditures	(72,497)	(121,596)	(25,409)	96,187
Fund balance at beginning of year	<u>400,993</u>	<u>752,809</u>	<u>752,809</u>	<u>--</u>
Fund balance at end of year	<u>\$ 328,496</u>	<u>\$ 631,213</u>	<u>\$ 727,400</u>	<u>\$ 96,187</u>



City of Corpus Christi

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Exhibit 16-A

**PARKING IMPROVEMENT FUND  
BALANCE SHEET  
SEPTEMBER 30, 2016**

<b>ASSETS</b>	
Cash, cash equivalents and investments	\$ 170,566
Total assets	<u>\$ 170,566</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 39,252
Total liabilities	<u>39,252</u>
<b>FUND BALANCE</b>	
Committed Parking improvements	<u>131,314</u>
Total liabilities and fund balance	<u>\$ 170,566</u>

City of Corpus Christi

Exhibit 16-B

**PARKING IMPROVEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**COMPARED TO BUDGET**  
**YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for services	\$ 101,011	\$ 101,011	\$ 117,517	\$ 16,506
Earnings on investments	--	--	1,084	1,084
Total revenues	<u>101,011</u>	<u>101,011</u>	<u>118,601</u>	<u>17,590</u>
<b>Expenditures</b>				
Streets	<u>101,011</u>	<u>200,568</u>	<u>229,074</u>	<u>(28,506)</u>
Total expenditures	<u>101,011</u>	<u>200,568</u>	<u>229,074</u>	<u>(28,506)</u>
Net change in fund balance	--	(99,557)	(110,473)	(10,916)
Fund balance at beginning of year	<u>233,814</u>	<u>241,787</u>	<u>241,787</u>	<u>--</u>
Fund balance at end of year	<u>\$ 233,814</u>	<u>\$ 142,230</u>	<u>\$ 131,314</u>	<u>\$ (10,916)</u>

City of Corpus Christi

Exhibit 17-A

**STREET MAINTENANCE FUND  
BALANCE SHEET  
SEPTEMBER 30, 2016**

**ASSETS**

Cash, cash equivalents and investments	\$	24,461,332
Receivables		
Accounts		1,232,414
Allowance for uncollectibles		<u>(74,594)</u>
Net receivables		1,157,820
Inventories		<u>364,227</u>
Total assets	\$	<u><u>25,983,379</u></u>

**LIABILITIES**

Accounts payable	\$	2,810,919
Total liabilities		<u>2,810,919</u>

**FUND BALANCE**

Nonspendable		
Inventory		364,227
Committed		
Streets		<u>22,808,233</u>
Total fund balance		<u>23,172,460</u>
Total liabilities and fund balance	\$	<u><u>25,983,379</u></u>

City of Corpus Christi

Exhibit 17-B

**STREET MAINTENANCE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
COMPARED TO BUDGET  
YEAR ENDED SEPTEMBER 30, 2016**

	Budget		Actual	Adjustments	Actual	Variance with
	Original	Final		Budget Basis		
<b>Revenues</b>						
Industrial District - In-Lieu	\$ 550,000	\$ 550,000	\$ 450,883	\$ --	\$ 450,883	\$ (99,117)
Licenses and permits	44,400	44,400	57,788	--	57,788	13,388
Intergovernmental	2,688,486	2,688,486	2,761,017	--	2,761,017	72,531
Charges for services	12,203,768	12,203,768	13,078,891	--	13,078,891	875,123
Earnings on investments	26,006	26,006	88,975	--	88,975	62,969
Sale of City property	--	--	6,032	--	6,032	6,032
Interdepartmental	529,404	529,404	--	529,404	529,404	--
Miscellaneous	3,000	3,000	7,626	--	7,626	4,626
Total revenues	16,045,064	16,045,064	16,451,212	529,404	16,980,616	935,552
<b>Expenditures</b>						
Current						
Traffic engineering	754,432	764,432	743,402	2,060	745,462	(18,970)
Traffic signals	2,143,809	2,378,535	1,446,548	49,208	1,495,756	(882,779)
Signs & markings	880,764	1,142,663	882,237	--	882,237	(260,426)
Residential traffic management	25,000	10,000	--	--	--	(10,000)
Street administration	907,403	975,208	337,210	529,404	866,614	(108,594)
Street planning	482,121	749,246	586,134	--	586,134	(163,112)
Street preventative maintenance	15,350,625	27,965,750	10,311,545	--	10,311,545	(17,654,205)
Base restoration	1,986,735	2,603,679	2,446,937	89,116	2,536,053	(67,626)
Surface preservation	9,735,689	10,950,757	7,817,068	556,306	8,373,374	(2,577,383)
Reserve appropriation	5,447	5,447	--	--	--	(5,447)
Uncollectible accounts	50,953	50,953	78,478	--	78,478	27,525
Capital projects	--	--	975,753	(929,184)	46,569	46,569
Debt service						
Principal retirement	--	--	656,618	(656,618)	--	--
Interest	--	--	40,072	(40,072)	--	--
Total expenditures	32,322,978	47,596,670	26,322,002	(399,780)	25,922,222	(21,674,448)
Excess (deficiency) of revenues over (under) expenditures	(16,277,914)	(31,551,606)	(9,870,790)	929,184	(8,941,606)	22,610,000
<b>Other financing sources</b>						
Capital leases	--	--	929,184	(929,184)	--	--
Transfers in	14,130,933	14,192,154	14,192,154	--	14,192,154	--
Total other financing sources	14,130,933	14,192,154	15,121,338	(929,184)	14,192,154	--
Net change in fund balance	(2,146,981)	(17,359,452)	5,250,548	--	5,250,548	22,610,000
Fund balance at beginning of year	2,512,050	17,921,912	17,921,912	--	17,921,912	--
Fund balance at end of year	\$ 365,069	\$ 562,460	\$ 23,172,460	\$ --	\$ 23,172,460	\$ 22,610,000

City of Corpus Christi

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Exhibit 18-A

**RESIDENTIAL/LOCAL STREET FUND  
BALANCE SHEET  
SEPTEMBER 30, 2016**

<b>ASSETS</b>	
Cash, cash equivalents and investments	\$ 2,654,455
Total assets	<u>\$ 2,654,455</u>
<b>LIABILITIES</b>	
Liabilities	\$ --
<b>FUND BALANCE</b>	
Committed	
Residential/Local Streets	2,654,455
Total fund balance	<u>2,654,455</u>
Total liabilities and fund balance	<u>\$ 2,654,455</u>

City of Corpus Christi

Exhibit 18-B

**RESIDENTIAL/LOCAL STREET FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**COMPARED TO BUDGET**  
**YEAR ENDED SEPTEMBER 30, 2016**

	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Industrial District - in lieu of taxes	\$ 550,000	\$ 550,000	\$ 450,883	\$ (99,117)
Earnings on investments	--	--	8,564	8,564
Total revenues	550,000	550,000	459,447	(90,553)
<b>Expenditures</b>				
Capital projects	--	6,459	--	(6,459)
Total expenditures	--	6,459	--	(6,459)
Excess (deficiency) of revenues over (under) expenditures	550,000	543,541	459,447	(84,094)
<b>Other financing sources</b>				
Transfers in	1,000,000	1,193,384	1,193,384	--
Total other financing sources	1,000,000	1,193,384	1,193,384	--
Net change in fund balance	1,550,000	1,736,925	1,652,831	(84,094)
Fund balance at beginning of year	1,000,000	1,001,624	1,001,624	--
Fund balance at end of year	<u>\$ 2,550,000</u>	<u>\$ 2,738,549</u>	<u>\$ 2,654,455</u>	<u>\$ (84,094)</u>

City of Corpus Christi

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Exhibit 19-A

**FEDERAL/STATE GRANTS FUND  
BALANCE SHEET  
SEPTEMBER 30, 2016**

**ASSETS**

Cash, cash equivalents and investments		\$	479,024
Receivables			
Demolition liens			769,629
Special assessments			4,588
Intergovernmental			1,307,425
Allowance for uncollectibles			(704,823)
Net receivables			<u>1,376,819</u>
Due from other funds			<u>19,342</u>
Total assets		\$	<u><u>1,875,185</u></u>

**LIABILITIES**

Accounts payable		\$	326,437
Deposits			231,212
Due to other governmental agencies			71,827
Unearned revenues			
Demolition liens and other			69,882
Asset seizure and forfeitures			34,109
Grants			213,549
Total unearned revenues			<u>317,540</u>
Total liabilities			<u><u>947,016</u></u>

**FUND BALANCE**

Restricted			
CDBG			466,626
Fire and ambulance			51,793
Law enforcement			34,103
Libraries			28
Parks and recreation			375,619
Total fund balance			<u><u>928,169</u></u>
Total liabilities, deferred inflows of resources, and fund balances		\$	<u><u>1,875,185</u></u>

City of Corpus Christi

Exhibit 19-B

FEDERAL/STATE GRANTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 COMPARED TO BUDGET  
 FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
<b>Revenues</b>				
Grants				
State of Texas	\$ 4,626,854	\$ 53,899,980	\$ 976,393	\$ 54,876,373
Federal Government	22,466,410	68,109,975	7,576,767	75,686,742
Drug forfeitures				
State	565,208	2,491,740	299,025	2,790,765
Federal	384,968	3,479,171	102,004	3,581,175
Local grants and contributions	426,268	3,116,790	426,268	3,543,058
Total grants	<u>28,469,708</u>	<u>131,097,656</u>	<u>9,380,457</u>	<u>140,478,113</u>
Charges for services	--	5,140,607	181,254	5,321,861
Earnings on investments	995	188,681	996	189,677
Miscellaneous	134,678	1,279,394	134,678	1,414,072
Total revenue	<u>28,605,381</u>	<u>137,706,338</u>	<u>9,697,385</u>	<u>147,403,723</u>
<b>Expenditures</b>				
Current				
Police and municipal court	3,645,674	22,446,782	1,946,439	24,393,221
Fire and ambulance	445,678	11,260,121	184,755	11,444,876
Emergency management	277,151	69,534	138,576	208,110
Streets	--	7,560,375	--	7,560,375
Health	3,735,387	16,327,723	1,752,302	18,080,025
Parks and recreation	3,857,973	19,612,267	2,172,523	21,784,790
Libraries	6,000	3,043,501	6,000	3,049,501
Community enrichment	8,998,592	21,625,894	1,666,169	23,292,063
Community development	7,285,731	20,651,346	1,603,945	22,255,291
Museums	--	266,127	--	266,127
Capital projects	135,829	13,447,552	59,133	13,506,685
Total expenditures	<u>28,388,015</u>	<u>136,311,222</u>	<u>9,529,842</u>	<u>145,841,064</u>
Excess (deficiency) of revenues over (under) expenditures	217,366	1,395,116	167,543	1,562,659
<b>Other financing sources (uses)</b>				
Transfers in				
Corpus Christi Community Improvement Corporation	--	67,106	--	67,106
General fund	197,328	2,040,610	196,798	2,237,408
Total transfers in	<u>197,328</u>	<u>2,107,716</u>	<u>196,798</u>	<u>2,304,514</u>
Transfers out				
Police Capital Projects Fund	(270,000)	(570,000)	(270,000)	(840,000)
General fund	(144,694)	(1,954,310)	(144,694)	(2,099,004)
Total transfers out	<u>(414,694)</u>	<u>(2,524,310)</u>	<u>(414,694)</u>	<u>(2,939,004)</u>
Total other financing sources (uses)	<u>(217,366)</u>	<u>(416,594)</u>	<u>(217,896)</u>	<u>(634,490)</u>
Net change in fund balance	<u>\$ --</u>	<u>\$ 978,522</u>	(50,353)	<u>\$ 928,169</u>
Fund balance at beginning of year			978,522	
Fund balance at end of year			<u>\$ 928,169</u>	



City of Corpus Christi

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Exhibit 20-A

**MUNICIPAL COURT FEES FUND  
BALANCE SHEET  
SEPTEMBER 30, 2016**

<b>ASSETS</b>		
Cash, cash equivalents and investments		\$ 639,809
Total assets		<u>\$ 639,809</u>
<b>LIABILITIES</b>		
Liabilities		\$ --
<b>FUND BALANCE</b>		
Restricted		
Municipal Court building security		99,017
Municipal Court technology		176,232
Juvenile Court case manager		364,560
Total fund balance		<u>639,809</u>
Total liabilities and fund balance		<u>\$ 639,809</u>

City of Corpus Christi

Exhibit 20-B

**MUNICIPAL COURT FEES FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
COMPARED TO BUDGET  
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Municipal Court building security fee	\$ 82,600	\$ 82,600	\$ 80,333	\$ (2,267)
Municipal Court technology fee	108,475	108,475	106,624	(1,851)
Juvenile Court case manager fee	146,800	146,800	148,998	2,198
Earnings on investments	--	--	2,718	2,718
Total revenues	<u>337,875</u>	<u>337,875</u>	<u>338,673</u>	<u>798</u>
<b>Expenditures</b>				
Current				
Municipal Court building security	94,000	94,000	87,999	(6,001)
Municipal Court technology	212,720	212,720	50,778	(161,942)
Juvenile Court case managers	162,975	167,919	150,839	(17,080)
Total expenditures	<u>469,695</u>	<u>474,639</u>	<u>289,616</u>	<u>(185,023)</u>
Excess (deficiency) of revenues over (under) expenditures	(131,820)	(136,764)	49,057	185,821
<b>Other financing sources</b>				
Transfers in	<u>49,349</u>	<u>49,746</u>	<u>397</u>	<u>(49,349)</u>
Net change in fund balance	(82,471)	(87,018)	49,454	136,472
Fund balance at beginning of year	<u>506,549</u>	<u>590,355</u>	<u>590,355</u>	<u>--</u>
Fund balance at end of year	<u>\$ 424,078</u>	<u>\$ 503,337</u>	<u>\$ 639,809</u>	<u>\$ 136,472</u>

City of Corpus Christi

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Exhibit 21-A

**COMMUNITY ENRICHMENT FUND  
BALANCE SHEET  
SEPTEMBER 30, 2016**

<b>ASSETS</b>		
Cash, cash equivalents and investments		<u>\$ 3,289,024</u>
Total assets		<u><u>\$ 3,289,024</u></u>
<b>LIABILITIES</b>		
Total liabilities		\$ -
<b>FUND BALANCE</b>		
Restricted		
Parks and recreation		2,771,063
Committed		
Sister City programs		9
Park projects		3,318
Development projects		514,634
Total committed		<u>517,961</u>
Total fund balance		<u><u>3,289,024</u></u>
Total liabilities and fund balance		<u><u>\$ 3,289,024</u></u>

City of Corpus Christi

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Exhibit 21-B

COMMUNITY ENRICHMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED SEPTEMBER 30, 2016

<b>Revenues</b>	
Contributions and donations	\$ 836,378
Earnings on investments	22,615
Sale of City property	212
Total revenues	<u>859,205</u>
<b>Expenditures</b>	
Current	
Parks and recreation	161,862
Capital projects	996,381
Total expenditures	<u>1,158,243</u>
Excess (deficiency) of revenues over (under) expenditures	(299,038)
<b>Other financing sources</b>	
Transfers in	<u>13,584</u>
Net change in fund balance	(285,454)
Fund balance at beginning of year	<u>3,574,478</u>
Fund balance at end of year	<u><u>\$ 3,289,024</u></u>

City of Corpus Christi

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Exhibit 22-A

**INFRASTRUCTURE FUND  
BALANCE SHEET  
SEPTEMBER 30, 2016**

<b>ASSETS</b>	
Cash, cash equivalents and investments	<u>\$ 3,444,751</u>
Total assets	<u><u>\$ 3,444,751</u></u>
<b>LIABILITIES</b>	
Deposits	<u>\$ 1,738,779</u>
Total liabilities	<u>1,738,779</u>
<b>FUND BALANCE</b>	
Restricted Infrastructure	<u>1,705,972</u>
Total liabilities and fund balance	<u><u>\$ 3,444,751</u></u>

City of Corpus Christi

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Exhibit 22-B

**INFRASTRUCTURE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**YEAR ENDED SEPTEMBER 30, 2016**

<b>Revenues</b>	
Contributions and donations	\$ 345,239
Earnings on investments	9,527
Total revenues	<u>354,766</u>
<b>Expenditures</b>	
Capital projects	<u>345,240</u>
Net change in fund balance	9,526
Fund balance at beginning of year	<u>1,696,446</u>
Fund balance at end of year	<u><u>\$ 1,705,972</u></u>

City of Corpus Christi

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Exhibit 23-A

**LOCAL EMERGENCY PLANNING COMMITTEE  
BALANCE SHEET  
SEPTEMBER 30, 2016**

<b>ASSETS</b>	
Cash, cash equivalents and investments	<u>\$ 80,512</u>
Total assets	<u><u>\$ 80,512</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 7,000
Deposits	<u>25,725</u>
Total liabilities	32,725
<b>FUND BALANCE</b>	
Committed	
Local Emergency Planning Committee	<u>47,787</u>
Total liabilities and fund balance	<u><u>\$ 80,512</u></u>

City of Corpus Christi

Exhibit 23-B

LOCAL EMERGENCY PLANNING COMMITTEE  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 COMPARED TO BUDGET  
 YEAR ENDED SEPTEMBER 30, 2016

	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Contributions and donations	\$ 98,500	\$ 98,500	\$ 127,116	\$ 28,616
Earnings on investments	--	--	536	536
Total revenues	<u>98,500</u>	<u>98,500</u>	<u>127,652</u>	<u>29,152</u>
<b>Expenditures</b>				
Current				
Emergency management	<u>116,175</u>	<u>164,179</u>	<u>140,711</u>	<u>23,468</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,675)</u>	<u>(65,679)</u>	<u>(13,059)</u>	<u>52,620</u>
<b>Other financing sources</b>				
Transfers in	<u>--</u>	<u>132</u>	<u>132</u>	<u>--</u>
Total other financing sources	<u>--</u>	<u>132</u>	<u>132</u>	<u>--</u>
Net change in fund balance	(17,675)	(65,547)	(12,927)	52,620
Fund balance at beginning of year	<u>51,667</u>	<u>60,714</u>	<u>60,714</u>	<u>--</u>
Fund balance at end of year	<u>\$ 33,992</u>	<u>\$ (4,833)</u>	<u>\$ 47,787</u>	<u>\$ 52,620</u>



City of Corpus Christi

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Exhibit 24-A

**HEALTH MEDICAID WAIVER FUND  
BALANCE SHEET  
SEPTEMBER 30, 2016**

<b>ASSETS</b>	
Cash, cash equivalents and investments	<u>\$ 794,033</u>
Total assets	<u><u>\$ 794,033</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 11,242
<b>FUND BALANCE</b>	
Committed Medicaid 1115 Waiver	<u>782,791</u>
Total liabilities and fund balance	<u><u>\$ 794,033</u></u>

City of Corpus Christi

Exhibit 24-B

**HEALTH MEDICAID WAIVER FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
COMPARED TO BUDGET  
YEAR ENDED SEPTEMBER 30, 2016**

	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Medicaid 1115 Transfer	\$ 1,204,158	\$ 1,204,158	\$ 1,202,338	\$ (1,820)
Earnings on investments	--	--	3,564	3,564
Total revenues	<u>1,204,158</u>	<u>1,204,158</u>	<u>1,205,902</u>	<u>1,744</u>
<b>Expenditures</b>				
Current				
Obesity Prevention - Health	<u>2,210,208</u>	<u>2,210,208</u>	<u>1,385,129</u>	<u>(825,079)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,006,050)</u>	<u>(1,006,050)</u>	<u>(179,227)</u>	<u>826,823</u>
<b>Other financing sources</b>				
Transfers in	1,006,050	1,006,050	962,018	(44,032)
Net change in fund balance	--	--	782,791	782,791
Fund balance at beginning of year	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 782,791</u>	<u>\$ 782,791</u>

City of Corpus Christi

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Exhibit 25-A

**CORPUS CHRISTI COMMUNITY IMPROVEMENT CORPORATION  
BALANCE SHEET  
SEPTEMBER 30, 2016**

**ASSETS**

Cash, cash equivalents and investments	\$ 2,983,923
Receivables	
Mortgages and loans	13,066,566
Allowance for uncollectibles	<u>(2,293,778)</u>
Net receivables	<u>10,772,788</u>
Total assets	<u><u>\$ 13,756,711</u></u>

**LIABILITIES**

Deposits	\$ 159,750
Due to other funds	<u>19,342</u>
Total liabilities	179,092

**FUND BALANCE**

Restricted	
Loans	<u>13,577,619</u>
Total liabilities and fund balance	<u><u>\$ 13,756,711</u></u>

City of Corpus Christi

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Exhibit 25-B

**CORPUS CHRISTI COMMUNITY IMPROVEMENT CORPORATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED SEPTEMBER 30, 2016**

<b>Revenues</b>	
Federal Government	\$ 1,497,065
Earnings on investments	288
Interest on loans	50,887
Miscellaneous	46,589
Total revenues	<u>1,594,829</u>
<b>Expenditures</b>	
Current	
Community development	
Grants	1,507,939
Administration costs	63,515
Forgiven and uncollectible loans	532,563
Total expenditures	<u>2,104,017</u>
Net change in fund balance	(509,188)
Fund balance at beginning of year	<u>14,086,807</u>
Fund balance at end of year	<u><u>\$ 13,577,619</u></u>

City of Corpus Christi

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Exhibit 26-A

**CORPUS CHRISTI HOUSING FINANCE CORPORATION  
SCHEDULE OF NET POSITION  
SEPTEMBER 30, 2016**

	<b>Governmental Funds</b>	<b>Adjustments</b>	<b>Schedule of Net Position</b>
<b>ASSETS</b>			
Cash, cash equivalents and investments	\$ 127,330	\$ --	\$ 127,330
Receivables			
Accounts	397,152	--	397,152
Capital assets, net of accumulated depreciation	--	795,445	795,445
Total assets	\$ 524,482	795,445	1,319,927
<b>LIABILITIES</b>			
Unearned revenues			
Other	\$ 397,152	--	397,152
Total liabilities	397,152	--	397,152
<b>FUND BALANCE</b>			
Assigned			
Housing	127,330	(127,330)	--
Total liabilities and fund balance	\$ 524,482		
<b>NET POSITION</b>			
Investment in capital assets		795,445	795,445
Unrestricted		127,330	127,330
Total net position		\$ 922,775	\$ 922,775

City of Corpus Christi

Exhibit 26-B

**CORPUS CHRISTI HOUSING FINANCE CORPORATION  
SCHEDULE OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2016**

	<b>Governmental Funds</b>	<b>Adjustments</b>	<b>Schedule of Activities</b>
<b>Expenditures/expenses</b>			
Community development	\$ 1,710	\$ 27,508	\$ 29,218
Total expenditures/expenses	<u>1,710</u>	<u>27,508</u>	<u>29,218</u>
<b>Program revenue</b>			
Charges for services	42,037	--	42,037
Net program revenue (expense)	<u>40,327</u>	<u>(27,508)</u>	<u>12,819</u>
<b>General revenue</b>			
Earnings on investments	<u>3</u>	<u>--</u>	<u>3</u>
Change in fund balance/net position	40,330	(27,508)	12,822
Fund balance/net position beginning of year	<u>87,000</u>	<u>822,953</u>	<u>909,953</u>
Fund balance/net position end of year	<u>\$ 127,330</u>	<u>\$ 795,445</u>	<u>\$ 922,775</u>

City of Corpus Christi

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Exhibit 26-C

**CORPUS CHRISTI HOUSING FINANCE CORPORATION  
BALANCE SHEET  
SEPTEMBER 30, 2016**

**ASSETS**

Cash, cash equivalents and investments	\$	127,330
Receivables		
Accounts		<u>397,152</u>
Total assets	\$	<u><u>524,482</u></u>

**LIABILITIES**

Unearned Revenue		
Other	\$	<u>397,152</u>
Total liabilities		397,152

**FUND BALANCE**

Assigned		
Housing		<u>127,330</u>
Total liabilities and fund balance	\$	<u><u>524,482</u></u>

City of Corpus Christi

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Exhibit 26-D

**CORPUS CHRISTI HOUSING FINANCE CORPORATION**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**YEAR ENDED SEPTEMBER 30, 2016**

<b>Revenues</b>	
Charges for services	\$ 42,037
Earnings on investments	<u>3</u>
Total revenues	42,040
<b>Expenditures</b>	
Current	
Community development	<u>1,710</u>
Net change in fund balance	40,330
Fund balance at beginning of year	<u>87,000</u>
Fund balance at end of year	<u><u>\$ 127,330</u></u>



City of Corpus Christi

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Exhibit 27-A

**CORPUS CHRISTI INDUSTRIAL DEVELOPMENT CORPORATION  
BALANCE SHEET  
SEPTEMBER 30, 2016**

**ASSETS**

Cash, cash equivalents and investments	\$ 68,775
Total assets	<u>\$ 68,775</u>

**LIABILITIES**

Liabilities	\$ --
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**FUND BALANCE**

Assigned	
Industrial development	<u>68,775</u>
Total liabilities and fund balance	<u>\$ 68,775</u>

City of Corpus Christi

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Exhibit 27-B

**CORPUS CHRISTI INDUSTRIAL DEVELOPMENT CORPORATION**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**YEAR ENDED SEPTEMBER 30, 2016**

<b>Revenues</b>	\$	--
Net change in fund balance		--
Fund balance at beginning of year		<u>68,775</u>
Fund balance at end of year	\$	<u><u>68,775</u></u>

City of Corpus Christi

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Exhibit 28-A

**COASTAL BEND HEALTH FACILITIES DEVELOPMENT CORPORATION**  
**BALANCE SHEET**  
**SEPTEMBER 30, 2016**

**ASSETS**

Cash, cash equivalents and investments	\$ 3,719
Total assets	<u>\$ 3,719</u>

**LIABILITIES**

Liabilities	\$ --
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**FUND BALANCE**

Restricted Health	<u>3,719</u>
Total liabilities and fund balance	<u>\$ 3,719</u>

City of Corpus Christi

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Exhibit 28-B

COASTAL BEND HEALTH FACILITIES DEVELOPMENT CORPORATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED SEPTEMBER 30, 2016

<b>Revenues</b>	\$	--
Net change in fund balance		--
Fund balances at beginning of year, restated (Footnote 21)		<u>3,719</u>
Fund balance at end of year	\$	<u><u>3,719</u></u>

City of Corpus Christi

Exhibit 29-A

**CORPUS CHRISTI CRIME CONTROL AND PREVENTION DISTRICT  
SCHEDULE OF NET POSITION  
SEPTEMBER 30, 2016**

	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Schedule of Net Position</u>
<b>ASSETS</b>			
Cash, cash equivalents and investments	\$ 3,768,568	\$ --	\$ 3,768,568
Receivables			
Intergovernmental	1,136,566	--	1,136,566
Miscellaneous	4,989	--	4,989
Net receivables	<u>1,141,555</u>	<u>--</u>	<u>1,141,555</u>
Total assets	<u>\$ 4,910,123</u>	<u>--</u>	<u>4,910,123</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to net pension liability		<u>1,877,146</u>	<u>1,877,146</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 25,307	--	25,307
Accumulated unpaid compensated absences			
Due within one year		508,567	508,567
Due in more than one year		201,376	201,376
Net pension liability		7,235,605	7,235,605
Net OPEB obligation		181,764	181,764
Total liabilities	<u>25,307</u>	<u>8,127,312</u>	<u>8,152,619</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to net pension liability	<u>--</u>	<u>135,363</u>	<u>135,363</u>
<b>FUND BALANCE</b>			
Restricted			
Crime control and prevention	4,884,816	(4,884,816)	--
Total fund balance	<u>4,884,816</u>	<u>(4,884,816)</u>	
Total liabilities and fund balance	<u>\$ 4,910,123</u>		
<b>NET POSITION</b>			
Restricted for			
Crime control and prevention		<u>(1,500,713)</u>	<u>(1,500,713)</u>
Total net position		<u>\$ (1,500,713)</u>	<u>\$ (1,500,713)</u>

City of Corpus Christi

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Exhibit 29-B

**CORPUS CHRISTI CRIME CONTROL AND PREVENTION DISTRICT  
SCHEDULE OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2016**

	<b>Governmental Funds</b>	<b>Adjustments</b>	<b>Schedule of Activities</b>
<b>Expenditures/expenses</b>			
Public safety	\$ 7,207,795	\$ 348,971	\$ 7,556,766
Capital projects	583,586	(583,586)	--
Total expenditures/expenses	7,791,381	(234,615)	7,556,766
<b>General revenue</b>			
Sales tax	6,601,264	--	6,601,264
Juvenile drug testing	4,670	--	4,670
Earnings on investments	20,083	--	20,083
Sale of City property	1,045	--	1,045
Total general revenue	6,627,062	--	6,627,062
<b>Other financing sources (uses)</b>			
Transfers in	4,587	--	4,587
Transfers out	--	(583,586)	(583,586)
Total general revenue and other financing sources (uses)	4,587	(583,586)	(578,999)
Excess (deficiency) of revenues over (under) expenditures and other financing uses	(1,159,732)	1,159,732	--
Change in net position	--	(1,508,703)	(1,508,703)
Fund balance/net position beginning of year, restated (Footnote 21)	6,044,548	(6,036,558)	7,990
Fund balance/net position end of year	\$ 4,884,816	\$ (6,385,529)	\$ (1,500,713)

City of Corpus Christi

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Exhibit 29-C

**CORPUS CHRISTI CRIME CONTROL AND PREVENTION DISTRICT  
BALANCE SHEET  
SEPTEMBER 30, 2016**

**ASSETS**

Cash, cash equivalents and investments	\$ 3,768,568
Receivables	
Intergovernmental	1,136,566
Miscellaneous	4,989
Net receivables	<u>1,141,555</u>
Total assets	<u><u>\$ 4,910,123</u></u>

**LIABILITIES**

Accounts payable	\$ 25,307
Total liabilities	<u>25,307</u>

**FUND BALANCE**

Restricted	
Crime control and prevention	<u>4,884,816</u>
Total liabilities and fund balance	<u><u>\$ 4,910,123</u></u>

City of Corpus Christi

Exhibit 29-D

**CORPUS CHRISTI CRIME CONTROL AND PREVENTION DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
COMPARED TO BUDGET  
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Sales tax	\$ 7,500,000	\$ 7,500,000	\$ 6,601,264	\$ (898,736)
Juvenile drug testing	10,000	10,000	4,670	(5,330)
Earnings on investments	3,000	3,000	20,083	17,083
Sale of City property	--	--	1,045	1,045
Total revenue	<u>7,513,000</u>	<u>7,513,000</u>	<u>6,627,062</u>	<u>(885,938)</u>
<b>Expenditures</b>				
Current				
Police officers	6,126,201	6,109,345	5,891,712	217,633
Pawn shop detail	155,761	168,469	163,199	5,270
Juvenile Curfew & Truancy Assessment Center	458,966	506,177	460,184	45,993
Crime prevention	190,711	193,356	168,500	24,856
Public safety vehicles and equipment	215,000	1,642,992	466,070	1,176,922
Juvenile City marshals	139,655	140,195	58,130	82,065
Reserve appropriation	150,000	122,723	--	122,723
Capital projects	--	--	583,586	(583,586)
Total expenditures	<u>7,436,294</u>	<u>8,883,257</u>	<u>7,791,381</u>	<u>1,091,876</u>
Excess of revenues over expenditures	76,706	(1,370,257)	(1,164,319)	205,938
<b>Other financing sources</b>				
Transfers in	--	--	4,587	--
Net change in fund balance	76,706	(1,370,257)	(1,159,732)	205,938
Fund balance at beginning of year, restated (Footnote 21)	<u>4,425,610</u>	<u>6,044,548</u>	<u>6,044,548</u>	<u>--</u>
Fund balance at end of year	<u>\$ 4,502,316</u>	<u>\$ 4,674,291</u>	<u>\$ 4,884,816</u>	<u>\$ 205,938</u>



City of Corpus Christi

Exhibit 30-A

**CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION**  
**SCHEDULE OF NET POSITION**  
**SEPTEMBER 30, 2016**

	<b>Governmental Funds</b>	<b>Adjustments</b>	<b>Schedule of Net Position</b>
<b>ASSETS</b>			
Cash, cash equivalents and investments	\$ 71,783,581	\$ --	\$ 71,783,581
Receivables			
Intergovernmental	3,447,786	--	3,447,786
Net receivables	<u>3,447,786</u>	<u>--</u>	<u>3,447,786</u>
Prepaid items	44,487	--	44,487
Total assets	<u>\$ 75,275,854</u>	<u>--</u>	<u>75,275,854</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 129,890	\$ --	\$ 129,890
Accrued interest	--	187,402	187,402
Contractor interest and retainage payable	49,121	--	49,121
Long-term debt			
Due within one year	--	6,280,000	6,280,000
Due in more than one year	--	46,848,890	46,848,890
Total liabilities	<u>179,011</u>	<u>53,316,292</u>	<u>53,495,303</u>
<b>FUND BALANCE</b>			
Nonspendable			
Prepaid items	44,487	(44,487)	--
Restricted			
Seawall improvement	41,137,763	(41,137,763)	--
Arena facility	22,852,295	(22,852,295)	--
Economic development	11,062,299	(11,062,299)	--
Total restricted	<u>75,052,357</u>	<u>(75,052,357)</u>	<u>--</u>
Total fund balance	<u>75,096,844</u>	<u>(75,096,844)</u>	<u>--</u>
Total liabilities and fund balance	<u>\$ 75,275,855</u>		
<b>NET POSITION</b>			
Restricted for			
Business and job development		<u>21,780,552</u>	<u>21,780,552</u>
Total net position		<u>\$ 21,780,552</u>	<u>\$ 21,780,552</u>

City of Corpus Christi

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Exhibit 30-B

**CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION  
SCHEDULE OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2016**

	<b>Governmental Funds</b>	<b>Adjustments</b>	<b>Schedule of Activities</b>
<b>Expenditures/expenses</b>			
General government	\$ 126,083	\$ --	\$ 126,083
Community development	2,643,747	--	2,643,747
Capital projects	597,288	(597,288)	--
Debt service			
Principal retirement	6,010,000	(6,010,000)	--
Interest	2,471,969	(1,016,990)	1,454,979
Paying agent fees	2,000	--	2,000
Total expenditures/expenses	11,851,087	(7,624,278)	4,226,809
<b>General revenues</b>			
Sales tax	19,965,816	--	19,965,816
Earnings on investments	310,699	--	310,699
<b>Other financing sources (uses)</b>			
Transfers out	(1,539,257)	(597,288)	(2,136,545)
Total general revenues and other financing sources (uses)	18,737,258	(597,288)	18,139,970
Excess (deficiency) of revenues over (under) expenditures and other financing uses	6,886,171	(6,886,171)	--
Change in net position	--	13,913,161	13,913,161
Fund balance/net position at beginning of year	68,210,673	(60,343,282)	7,867,391
Fund balance/net position end of year	\$ 75,096,844	\$ (53,316,292)	\$ 21,780,552

City of Corpus Christi

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**CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION  
BALANCE SHEET  
SEPTEMBER 30, 2016**

	<b>Special Revenue</b>		
	<b>Seawall Improvement</b>	<b>Arena Facility</b>	<b>Economic Development</b>
<b>ASSETS</b>			
Cash, cash equivalents and investments	\$ 21,457,280	\$ 18,679,203	\$ 8,121,424
Receivables			
Intergovernmental	1,149,262	1,149,262	1,149,262
Prepaid items	--	--	44,487
	<b>\$ 22,606,542</b>	<b>\$ 19,828,465</b>	<b>\$ 9,315,173</b>
Total assets			
<b>LIABILITIES</b>			
Accounts payable	\$ --	\$ --	\$ 129,890
Contractor interest and retainage payable	--	--	--
Total liabilities	--	--	129,890
<b>FUND BALANCE</b>			
Nonspendable			
Prepaid items	--	--	44,487
Restricted			
Seawall improvement	22,606,542	--	--
Arena facility	--	19,828,465	--
Economic development	--	--	9,140,796
Total fund balance	<b>22,606,542</b>	<b>19,828,465</b>	<b>9,185,283</b>
	<b>\$ 22,606,542</b>	<b>\$ 19,828,465</b>	<b>\$ 9,315,173</b>
Total liabilities and fund balance			

City of Corpus Christi

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**Exhibit 30-C**

<u>Debt Service</u>			<u>Capital Projects</u>		
<u>Seawall</u>	<u>Arena</u>	<u>Economic Development</u>	<u>Seawall</u>	<u>Arena</u>	<u>Total</u>
\$ 1,346,896	\$ 2,925,075	\$ 1,921,503	\$ 17,233,446	\$ 98,755	\$ 71,783,582
--	--	--	--	--	3,447,786
--	--	--	--	--	44,487
<u>\$ 1,346,896</u>	<u>\$ 2,925,075</u>	<u>\$ 1,921,503</u>	<u>\$ 17,233,446</u>	<u>\$ 98,755</u>	<u>\$ 75,275,855</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 129,890
--	--	--	49,121	--	49,121
--	--	--	49,121	--	179,011
--	--	--	--	--	44,487
1,346,896	--	--	17,184,325	--	41,137,763
--	2,925,075	--	--	98,755	22,852,295
--	--	1,921,503	--	--	11,062,299
<u>1,346,896</u>	<u>2,925,075</u>	<u>1,921,503</u>	<u>17,184,325</u>	<u>98,755</u>	<u>75,096,844</u>
<u>\$ 1,346,896</u>	<u>\$ 2,925,075</u>	<u>\$ 1,921,503</u>	<u>\$ 17,233,446</u>	<u>\$ 98,755</u>	<u>\$ 75,275,855</u>

City of Corpus Christi

**CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**YEAR ENDED SEPTEMBER 30, 2016**

	<b>Special Revenue</b>		
	<b>Seawall Improvement</b>	<b>Arena Facility</b>	<b>Economic Development</b>
<b>Revenues</b>			
Sales tax	\$ 6,655,272	\$ 6,655,272	\$ 6,655,272
Earnings on investments	86,781	79,125	31,563
Total revenue	<u>6,742,053</u>	<u>6,734,397</u>	<u>6,686,835</u>
<b>Expenditures</b>			
Current			
General government	--	--	86,183
Community development	3,172	201,382	2,439,193
Capital projects	--	--	--
Debt service			
Principal retirement	--	--	--
Interest	--	--	--
Paying agent fees	--	--	--
Total expenditures	<u>3,172</u>	<u>201,382</u>	<u>2,525,376</u>
Excess (deficiency) of revenues over (under) expenditures	6,738,881	6,533,015	4,161,459
<b>Other financing sources (uses)</b>			
Transfers in	--	--	--
Transfers out	(2,908,395)	(4,890,426)	(2,228,402)
Total other financing sources (uses)	<u>(2,908,395)</u>	<u>(4,890,426)</u>	<u>(2,228,402)</u>
Net change in fund balances	3,830,486	1,642,589	1,933,057
Fund balances at beginning of year, restated (Footnote 21)	<u>18,776,056</u>	<u>18,185,876</u>	<u>7,252,226</u>
Fund balances at end of year	<u>\$ 22,606,542</u>	<u>\$ 19,828,465</u>	<u>\$ 9,185,283</u>

City of Corpus Christi

Exhibit 30-D

Debt Service			Capital Project			Eliminations	Total
Seawall	Arena	Economic Development	Seawall	Arena			
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 19,965,816	
5,289	18,100	12,636	76,764	441	--	310,699	
<u>5,289</u>	<u>18,100</u>	<u>12,636</u>	<u>76,764</u>	<u>441</u>	--	<u>20,276,515</u>	
--	--	--	39,900	--	--	126,083	
--	--	--	--	--	--	2,643,747	
--	--	--	595,217	2,071	--	597,288	
1,860,000	2,155,000	1,995,000	--	--	--	6,010,000	
1,000,819	1,266,400	204,750	--	--	--	2,471,969	
1,000	500	500	--	--	--	2,000	
<u>2,861,819</u>	<u>3,421,900</u>	<u>2,200,250</u>	<u>635,117</u>	<u>2,071</u>	--	<u>11,851,087</u>	
(2,856,530)	(3,403,800)	(2,187,614)	(558,353)	(1,630)	--	8,425,428	
2,862,816	3,423,400	2,201,750	--	--	(8,487,966)	--	
--	--	--	--	--	8,487,966	(1,539,257)	
<u>2,862,816</u>	<u>3,423,400</u>	<u>2,201,750</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(1,539,257)</u>	
6,286	19,600	14,136	(558,353)	(1,630)	--	6,886,171	
<u>1,340,610</u>	<u>2,905,475</u>	<u>1,907,367</u>	<u>17,742,678</u>	<u>100,385</u>	--	<u>68,210,673</u>	
<u>\$ 1,346,896</u>	<u>\$ 2,925,075</u>	<u>\$ 1,921,503</u>	<u>\$ 17,184,325</u>	<u>\$ 98,755</u>	<u>\$ --</u>	<u>\$ 75,096,844</u>	

City of Corpus Christi

Exhibit 30-E

**CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION  
SEAWALL IMPROVEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
COMPARED TO BUDGET  
YEAR ENDED SEPTEMBER 30, 2016**

	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Sales tax	\$ 7,438,869	\$ 7,438,869	\$ 6,655,272	\$ (783,597)
Earnings on investments	50,557	50,557	86,781	36,224
Total revenue	<u>7,489,426</u>	<u>7,489,426</u>	<u>6,742,053</u>	<u>(747,373)</u>
<b>Expenditures</b>				
Current				
Community development	<u>15,000</u>	<u>15,000</u>	<u>3,172</u>	<u>11,828</u>
Excess of revenues over expenditures	7,474,426	7,474,426	6,738,881	(735,545)
<b>Other financing uses</b>				
Transfers out	<u>(2,895,395)</u>	<u>(2,908,395)</u>	<u>(2,908,395)</u>	<u>--</u>
Net change in fund balance	4,579,031	4,566,031	3,830,486	(735,545)
Fund balance at beginning of year, restated (Footnote 21)	<u>18,222,384</u>	<u>18,776,056</u>	<u>18,776,056</u>	<u>--</u>
Fund balance at end of year	<u>\$ 22,801,415</u>	<u>\$ 23,342,087</u>	<u>\$ 22,606,542</u>	<u>\$ (735,545)</u>

City of Corpus Christi

Exhibit 30-F

**CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION  
ARENA FACILITY FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
COMPARED TO BUDGET  
YEAR ENDED SEPTEMBER 30, 2016**

	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Sales tax	\$ 7,438,869	\$ 7,438,869	\$ 6,655,272	\$ (783,597)
Earnings on investments	32,765	32,765	79,125	46,360
Total revenue	<u>7,471,634</u>	<u>7,471,634</u>	<u>6,734,397</u>	<u>(737,237)</u>
<b>Expenditures</b>				
Current				
Community development	<u>215,000</u>	<u>215,000</u>	<u>201,382</u>	<u>13,618</u>
Excess of revenues over expenditures	7,256,634	7,256,634	6,533,015	(723,619)
<b>Other financing uses</b>				
Transfers out	<u>(4,713,926)</u>	<u>(4,890,426)</u>	<u>(4,890,426)</u>	<u>--</u>
Net change in fund balance	2,542,708	2,366,208	1,642,589	(723,619)
Fund balance at beginning of year, restated (Footnote 21)	<u>18,240,344</u>	<u>18,185,876</u>	<u>18,185,876</u>	<u>--</u>
Fund balance at end of year	<u>\$ 20,783,052</u>	<u>\$ 20,552,084</u>	<u>\$ 19,828,465</u>	<u>\$ (723,619)</u>



City of Corpus Christi

Exhibit 30-G

**CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION  
ECONOMIC DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
COMPARED TO BUDGET  
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Sales tax	\$ 7,438,869	\$ 7,438,869	\$ 6,655,272	\$ (783,597)
Earnings on investments	19,244	19,244	31,563	12,319
Total revenue	<u>7,458,113</u>	<u>7,458,113</u>	<u>6,686,835</u>	<u>(771,278)</u>
<b>Expenditures</b>				
Current				
General government	--	--	86,183	(86,183)
Community development	<u>5,286,457</u>	<u>15,104,478</u>	<u>2,439,193</u>	<u>12,665,285</u>
Total expenditures	<u>5,286,457</u>	<u>15,104,478</u>	<u>2,525,376</u>	<u>12,579,102</u>
Excess (deficiency) of revenues over (under) expenditures	2,171,656	(7,646,365)	4,161,459	11,807,824
<b>Other financing uses</b>				
Transfers out	<u>(2,228,402)</u>	<u>(2,228,402)</u>	<u>(2,228,402)</u>	<u>--</u>
Net change in fund balance	(56,746)	(9,874,767)	1,933,057	11,807,824
Fund balance at beginning of year, restated (Footnote 21)	<u>3,270,645</u>	<u>7,252,226</u>	<u>7,252,226</u>	<u>--</u>
Fund balance at end of year	<u>\$ 3,213,899</u>	<u>\$ (2,622,541)</u>	<u>\$ 9,185,283</u>	<u>\$ 11,807,824</u>

City of Corpus Christi

Exhibit 30-H

**CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION  
SEAWALL DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
COMPARED TO BUDGET  
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Earnings on investments	\$ --	\$ --	\$ 5,289	\$ 5,289
<b>Expenditures</b>				
Debt service				
Principal retirement	1,860,000	1,860,000	1,860,000	--
Interest	1,000,819	1,000,819	1,000,819	--
Paying agent fees	2,000	2,000	1,000	1,000
Total expenditures	<u>2,862,819</u>	<u>2,862,819</u>	<u>2,861,819</u>	<u>1,000</u>
Deficiency of revenues under expenditures	(2,862,819)	(2,862,819)	(2,856,530)	6,289
<b>Other financing sources</b>				
Transfers in	<u>2,862,816</u>	<u>2,862,816</u>	<u>2,862,816</u>	<u>--</u>
Net change in fund balance	(3)	(3)	6,286	6,289
Fund balance at beginning of year	<u>1,336,977</u>	<u>1,340,610</u>	<u>1,340,610</u>	<u>--</u>
Fund balance at end of year	<u>\$ 1,336,974</u>	<u>\$ 1,340,607</u>	<u>\$ 1,346,896</u>	<u>\$ 6,289</u>

City of Corpus Christi

Exhibit 30-I

**CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION  
ARENA DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
COMPARED TO BUDGET  
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Earnings on investments	\$ 5,912	\$ 5,912	\$ 18,100	\$ 12,188
Total revenue	5,912	5,912	18,100	12,188
<b>Expenditures</b>				
Current				
Principal retirement	2,155,000	2,155,000	2,155,000	--
Interest	1,266,400	1,266,400	1,266,400	--
Paying agent fees	2,000	2,000	500	1,500
Total expenditures	3,423,400	3,423,400	3,421,900	1,500
Deficiency of revenues under expenditures	(3,417,488)	(3,417,488)	(3,403,800)	13,688
<b>Other financing sources</b>				
Transfers in	3,423,400	3,423,400	3,423,400	--
Total other financing sources	3,423,400	3,423,400	3,423,400	--
Net change in fund balance	5,912	5,912	19,600	13,688
Fund balance at beginning of year	2,236,060	2,905,475	2,905,475	--
Fund balance at end of year	\$ 2,241,972	\$ 2,911,387	\$ 2,925,075	\$ 13,688

City of Corpus Christi

Exhibit 30-J

**CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION  
ECONOMIC DEVELOPMENT DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
COMPARED TO BUDGET  
YEAR ENDED SEPTEMBER 30, 2016**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Earnings on investments	\$ --	\$ --	\$ 12,636	\$ 12,636
Total revenue	--	--	12,636	12,636
<b>Expenditures</b>				
Current				
Debt service				
Principal retirement	1,995,000	1,995,000	1,995,000	--
Interest	204,750	204,750	204,750	--
Paying agent fees	2,000	2,000	500	1,500
Total expenditures	<u>2,201,750</u>	<u>2,201,750</u>	<u>2,200,250</u>	<u>1,500</u>
Deficiency of revenues under expenditures	(2,201,750)	(2,201,750)	(2,187,614)	14,136
<b>Other financing sources</b>				
Transfers in	2,201,750	2,201,750	2,201,750	--
Total other financing sources	<u>2,201,750</u>	<u>2,201,750</u>	<u>2,201,750</u>	<u>--</u>
Net change in fund balance	--	--	14,136	14,136
Fund balance at beginning of year	<u>1,772,757</u>	<u>1,907,367</u>	<u>1,907,367</u>	<u>--</u>
Fund balance at end of year	<u>\$ 1,772,757</u>	<u>\$ 1,907,367</u>	<u>\$ 1,921,503</u>	<u>\$ 14,136</u>

City of Corpus Christi

Exhibit 31-A

**NORTH PADRE ISLAND DEVELOPMENT CORPORATION  
SCHEDULE OF NET POSITION  
SEPTEMBER 30, 2016**

	<b>Governmental Funds</b>	<b>Adjustments</b>	<b>Schedule of Net Position</b>
<b>ASSETS</b>			
Cash, cash equivalents and investments	\$ 8,977,432	\$ --	\$ 8,977,432
Receivables			
Taxes	36,764	--	36,764
Net receivables	36,764	--	36,764
Total assets	<u>\$ 9,014,196</u>	<u>\$ --</u>	<u>\$ 9,014,196</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized costs on refunded debt	--	140,075	140,075
<b>LIABILITIES</b>			
Accounts payable	\$ 13,384	\$ --	\$ 13,384
Accrued interest	--	15,720	15,720
Long-term debt			
Due within one year	--	990,000	990,000
Due in more than one year	--	6,870,000	6,870,000
Total liabilities	<u>13,384</u>	<u>7,875,720</u>	<u>7,889,104</u>
<b>FUND BALANCE</b>			
Restricted			
North Padre Island development	2,918,188	(2,918,188)	--
Debt service	6,082,624	(6,082,624)	--
Total fund balance	<u>9,000,812</u>	<u>(9,000,812)</u>	<u>--</u>
Total liabilities and fund balance	<u>\$ 9,014,196</u>		
<b>NET POSITION</b>			
Restricted for			
North Padre Island Development Corporation		1,265,167	1,265,167
Total net position		<u>\$ 1,265,167</u>	<u>\$ 1,265,167</u>

City of Corpus Christi

Exhibit 31-B

NORTH PADRE ISLAND DEVELOPMENT CORPORATION  
SCHEDULE OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2016

	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Schedule of Activities</u>
<b>Expenditures/expenses</b>			
General government	\$ 47,270	\$ --	\$ 47,270
Community enrichment	32,957	--	32,957
Capital projects	317,641	(317,641)	--
Debt service			
Principal retirement	910,000	(910,000)	--
Interest	394,650	19,102	413,752
Paying agent fees	28,635	--	28,635
Total expenditures/expenses	<u>1,731,153</u>	<u>(1,208,539)</u>	<u>522,614</u>
<b>General revenues</b>			
Property tax	3,405,002	--	3,405,002
Earnings on investments	10,157	--	10,157
<b>Other financing uses</b>			
Transfers out	<u>(28,578)</u>	<u>(317,641)</u>	<u>(346,219)</u>
Total general revenues and other financing uses	<u>3,386,581</u>	<u>(317,641)</u>	<u>3,068,940</u>
Excess of revenues and other financing sources over expenditures and other uses	1,655,428	(1,655,428)	--
Change in net position	--	2,546,326	2,546,326
Fund balance/net position at beginning of year	<u>7,345,384</u>	<u>(8,626,543)</u>	<u>(1,281,159)</u>
Fund balance/net position end of year	<u>\$ 9,000,812</u>	<u>\$ (7,735,645)</u>	<u>\$ 1,265,167</u>

City of Corpus Christi

Exhibit 31-C

**NORTH PADRE ISLAND DEVELOPMENT CORPORATION  
BALANCE SHEET  
SEPTEMBER 30, 2016**

	<u>General</u>	<u>Capital Projects</u>	<u>Eliminations</u>	<u>Total</u>
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 6,955,860	\$ 2,021,572	--	\$ 8,977,432
Receivables				
Taxes	36,764	--	--	36,764
Total assets	<u>\$ 6,992,624</u>	<u>\$ 2,021,572</u>	<u>\$ --</u>	<u>\$ 9,014,196</u>
<b>LIABILITIES</b>				
Liabilities				
Accounts payable	\$ --	\$ 13,384	--	\$ 13,384
Total liabilities	<u>--</u>	<u>13,384</u>	<u>--</u>	<u>13,384</u>
<b>FUND BALANCE</b>				
Restricted				
North Padre Island development	910,000	2,008,188	--	2,918,188
Debt service	6,082,624	--	--	6,082,624
Total fund balance	<u>6,992,624</u>	<u>2,008,188</u>	<u>--</u>	<u>9,000,812</u>
Total liabilities and fund balances	<u>\$ 6,992,624</u>	<u>\$ 2,021,572</u>	<u>\$ --</u>	<u>\$ 9,014,196</u>

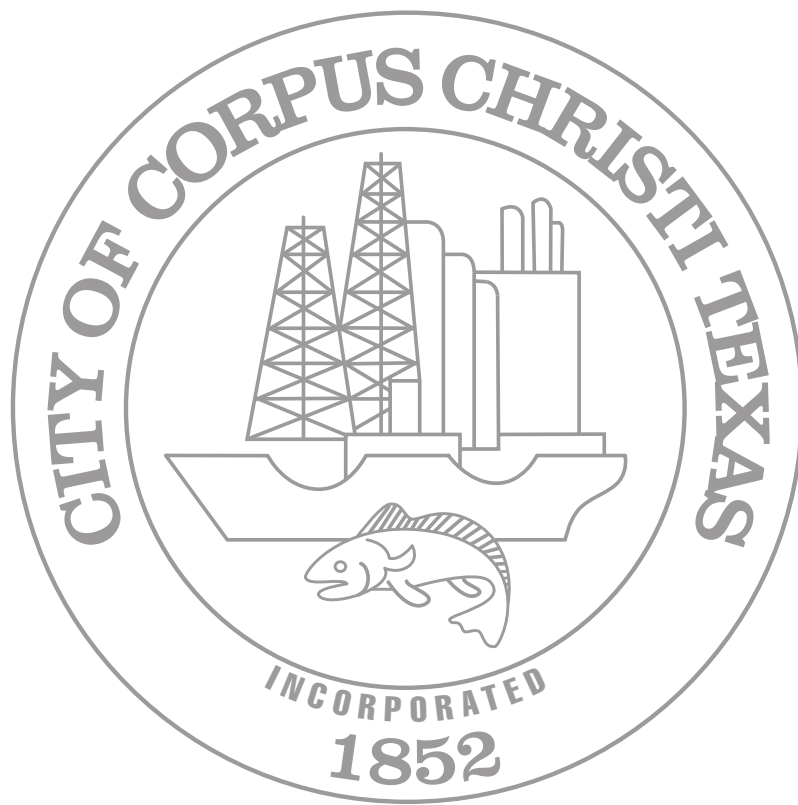
City of Corpus Christi

Exhibit 31-D

**NORTH PADRE ISLAND DEVELOPMENT CORPORATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**YEAR ENDED SEPTEMBER 30, 2016**

	<u>General</u>	<u>Capital Projects</u>	<u>Eliminations</u>	<u>Total</u>
<b>Revenues</b>				
Taxes and business fees	\$ 3,405,002	\$ --	\$ --	\$ 3,405,002
Earnings on investments	511	9,646	--	10,157
Total revenue	<u>3,405,513</u>	<u>9,646</u>	<u>--</u>	<u>3,415,159</u>
<b>Expenditures</b>				
Current				
General government	--	47,270	--	47,270
Community enrichment	32,957	--	--	32,957
Capital projects	--	317,641	--	317,641
Debt service				
Principal retirement	910,000	--	--	910,000
Interest	394,650	--	--	394,650
Paying agent fees	28,635	--	--	28,635
Total expenditures	<u>1,366,242</u>	<u>364,911</u>	<u>--</u>	<u>1,731,153</u>
Excess (deficiency) of revenues over (under) expenditures	2,039,271	(355,265)	--	1,684,006
<b>Other financing sources (uses)</b>				
Transfers out	<u>(28,578)</u>	<u>--</u>	<u>--</u>	<u>(28,578)</u>
Net change in fund balances	2,010,693	(355,265)	--	1,655,428
Fund balances at beginning of year	<u>4,981,931</u>	<u>2,363,453</u>	<u>--</u>	<u>7,345,384</u>
Fund balances at end of year	<u>\$ 6,992,624</u>	<u>\$ 2,008,188</u>	<u>\$ --</u>	<u>\$ 9,000,812</u>





City of Corpus Christi

Exhibit 31-E

**NORTH PADRE ISLAND DEVELOPMENT CORPORATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
COMPARED TO BUDGET  
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes and business fees	\$ 2,909,700	\$ 2,909,700	\$ 3,405,002	\$ 495,302
Earnings on investments	--	--	511	511
Total revenues	<u>2,909,700</u>	<u>2,909,700</u>	<u>3,405,513</u>	<u>495,813</u>
<b>Expenditures</b>				
Current				
Community enrichment	92,500	92,500	32,957	59,543
Debt service				
Principal retirement	910,000	910,000	910,000	--
Interest	394,650	394,650	394,650	--
Paying agent fees	6,192	6,192	28,635	(22,443)
Total expenditures	<u>1,403,342</u>	<u>1,403,342</u>	<u>1,366,242</u>	<u>37,100</u>
Excess of revenues over expenditures	1,506,358	1,506,358	2,039,271	532,913
<b>Other financing sources (uses)</b>				
Transfers out	<u>(28,578)</u>	<u>(28,578)</u>	<u>(28,578)</u>	<u>--</u>
Net change in fund balance	1,477,780	1,477,780	2,010,693	532,913
Fund balance at beginning of year	<u>4,889,241</u>	<u>4,981,931</u>	<u>4,981,931</u>	<u>--</u>
Fund balance at end of year	<u>\$ 6,367,021</u>	<u>\$ 6,459,711</u>	<u>\$ 6,992,624</u>	<u>\$ 532,913</u>

City of Corpus Christi

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Exhibit 32-A

**REINVESTMENT ZONE #3  
BALANCE SHEET  
SEPTEMBER 30, 2016**

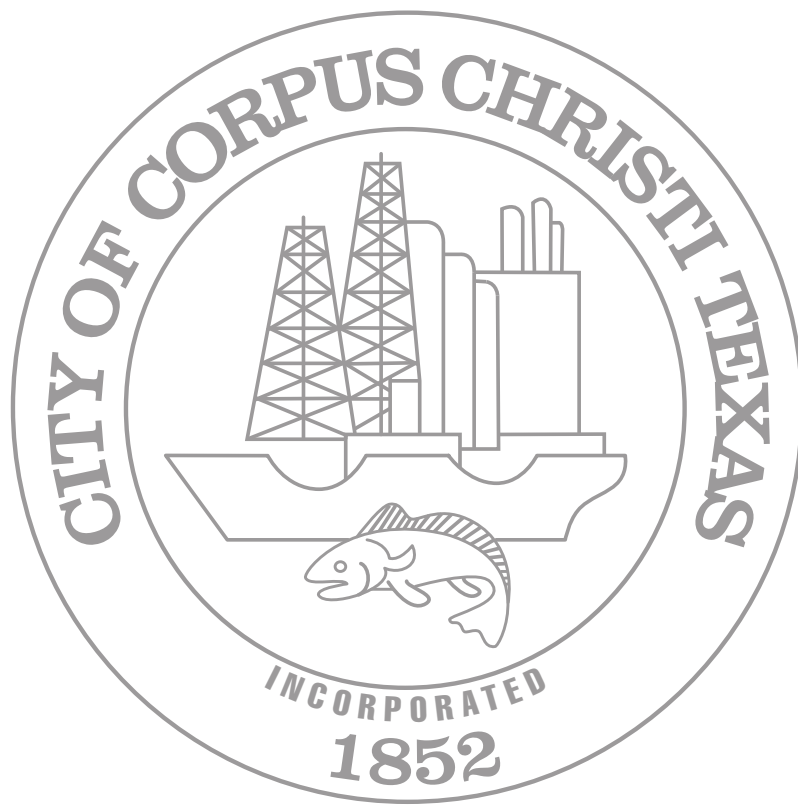
<b>ASSETS</b>	
Cash, cash equivalents and investments	\$ 3,163,189
Receivables	
Taxes	<u>885</u>
Total assets	<u><u>\$ 3,164,074</u></u>
 <b>LIABILITIES</b>	
Liabilities	
Accounts payable	\$ 71,942
 <b>FUND BALANCE</b>	
Restricted	
Downtown development	<u>3,092,132</u>
Total liabilities and fund balance	<u><u>\$ 3,164,074</u></u>

City of Corpus Christi

Exhibit 32-B

**REINVESTMENT ZONE #3  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
COMPARED TO BUDGET  
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes and business fees	\$ 730,182	\$ 730,182	\$ 901,186	\$ 171,004
Earnings on investments	--	--	13,005	13,005
Total revenues	<u>730,182</u>	<u>730,182</u>	<u>914,191</u>	<u>184,009</u>
<b>Expenditures</b>				
Current				
Downtown development	--	1,597,564	73,192	(1,524,372)
Total expenditures	<u>--</u>	<u>1,597,564</u>	<u>73,192</u>	<u>(1,524,372)</u>
<b>Other financing sources (uses)</b>				
Transfers out	<u>(2,436)</u>	<u>(2,436)</u>	<u>(2,436)</u>	<u>--</u>
Excess of revenues and other financing sources over expenditures and other uses	727,746	(869,818)	838,563	1,708,381
Fund balance at beginning of year	<u>2,296,489</u>	<u>2,253,569</u>	<u>2,253,569</u>	<u>--</u>
Fund balance at end of year	<u>\$ 3,024,235</u>	<u>\$ 1,383,751</u>	<u>\$ 3,092,132</u>	<u>\$ 1,708,381</u>



***Capital Projects Funds***



## ***Capital Projects Funds***

***Capital Projects Funds*** are used for construction projects to purchase land and to purchase equipment for various City facilities and projects. A capital projects fund continues in existence until the project is complete or the funds are exhausted.

### ***Major Fund***

***Street Capital Projects Fund*** – This fund was established for recording the improvements and widening of streets.

### ***Non-major Funds***

***Bayfront Arts/Science Bond Fund*** – This fund was established for recording the construction of additions to the Museum, construction of the Columbus Fleet Shipyard and Seaport and other improvements at the Bayfront Arts & Science Park.

***City Buildings and Facilities Fund*** – This fund was established for recording the purchase of a site, and constructing and equipping a new City Hall, and for major maintenance and enhancements to general purpose City buildings and facilities.

***Convention Facility Bond Fund*** – This fund was established for recording the construction of a community convention facility.

***Library Bond Fund*** – This fund was established for recording the construction of improvements to the Corpus Christi Public Library System.

***Park Bond Fund*** – This fund was established for recording improvements and expansion of park and recreational facilities.



***Police Building Bond Fund*** – This fund was established for recording the construction of improvements for the Police Department.

***Public Health and Safety Bond Fund*** – This fund was established for recording the construction of improvements related to health and safety projects.

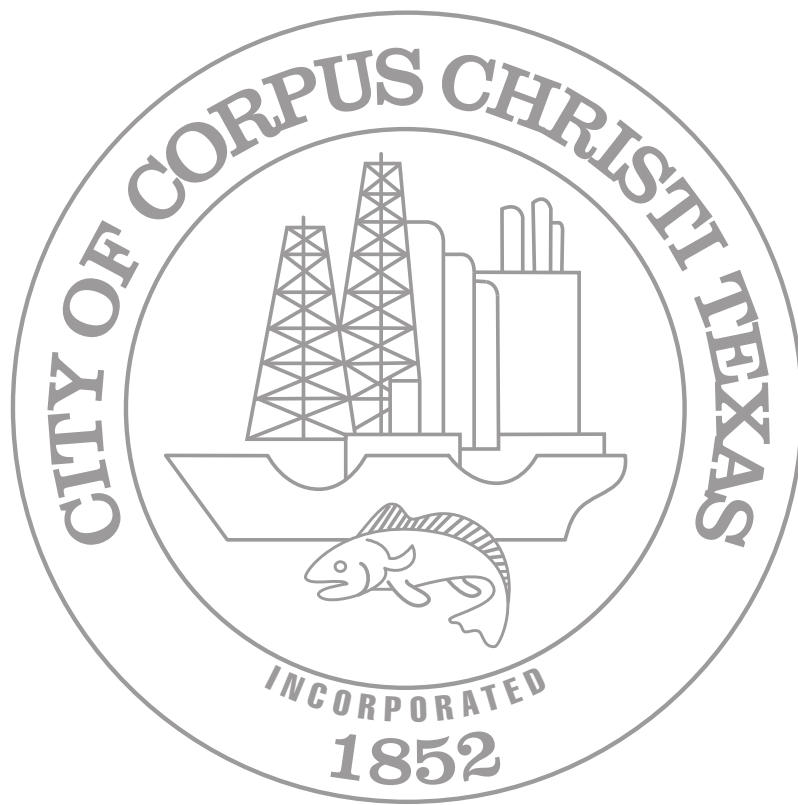
***Fire Bond Fund*** – This fund was established for recording construction and improvements to City fire stations.

***Landfill Bond Fund*** – This fund was established for recording the construction of improvements to the landfill.

***Corpus Christi Business and Job Development Corporation – Arena Bond Fund*** – This fund was established for recording the construction and improvements of the arena.

***Corpus Christi Business and Job Development Corporation – Seawall Bond Fund*** – This fund was established for recording the construction of improvements to the seawall.

***North Padre Island Development Corporation Bond Fund*** – This fund was established for recording the construction of Packery Channel.



City of Corpus Christi

Exhibit 33-A

**STREET CAPITAL PROJECTS FUND  
BALANCE SHEET  
SEPTEMBER 30, 2016**

**ASSETS**

Cash, cash equivalents and investments	\$ 163,323,090
Receivables	
Special assessments	756,071
Intergovernmental	4,662,357
Allowance for uncollectibles	(653,135)
Net receivables	<u>4,765,293</u>
Total assets	<u>\$ 168,088,383</u>

**LIABILITIES**

Liabilities	
Accounts payable	\$ 4,106,147
Deposits	29,396
Unearned revenue	
Other	25,000
Total liabilities	<u>4,160,543</u>

**DEFERRED INFLOWS OF RESOURCES**

Contributions and donations	<u>4,662,357</u>
-----------------------------	------------------

**FUND BALANCE**

Restricted	
Capital projects	155,816,175
Committed	
Capital projects	3,335,024
Assigned	
Capital projects	114,284
Total fund balance	<u>159,265,483</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 168,088,383</u>

City of Corpus Christi

Exhibit 33-B

**STREET CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
YEAR ENDED SEPTEMBER 30, 2016**

<b>Revenues</b>	
Contributions and donations	\$ 57,214
Special assessments	62,333
Interest on special assessments	15,985
Attorneys fees on special assessments	1,089
Earnings on investments	668,535
Property Rentals	18,000
Miscellaneous	39,369
Total revenues	<u>862,525</u>
<b>Expenditures</b>	
Current	
General government	1,069,554
Capital projects	21,856,339
Debt service	
Bond issuance cost	248,179
Total expenditures	<u>23,174,072</u>
Excess (deficiency) of revenues over (under) expenditures	(22,311,547)
<b>Other financing sources</b>	
Certificate of obligation bonds issued	16,430,000
Premium on bonds issued	1,968,831
Transfer in from	
Park CIP	2,937,147
Total other financing sources	<u>21,335,978</u>
Net change in fund balance	(975,569)
Fund balance at beginning of year	<u>160,241,052</u>
Fund balance at end of year	<u>\$ 159,265,483</u>

City of Corpus Christi

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**CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2016**

	<b>Bayfront Arts/Science</b>	<b>City Buildings and Facilities</b>	<b>Convention Facility</b>
<b>ASSETS</b>			
Cash, cash equivalents and investments	\$ 5,794,493	\$ 3,856,719	\$ 27,227
Receivables			
Intergovernmental	--	--	--
Total assets	\$ 5,794,493	\$ 3,856,719	\$ 27,227
<b>LIABILITIES</b>			
Liabilities			
Accounts payable	\$ --	\$ 557,714	\$ --
Advance from other funds	--	--	--
Unearned revenues			
Other	--	--	--
Total liabilities	--	557,714	--
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Contributions and donations	--	--	--
<b>FUND BALANCES</b>			
Restricted			
Seawall improvement	--	--	--
Arena facility	--	--	--
North Padre Island development	--	--	--
Capital projects	5,627,515	3,192,353	21,894
Committed			
Capital projects	166,978	63,894	5,333
Assigned			
Capital projects	--	42,758	--
Unassigned	--	--	--
Total fund balance	5,794,493	3,299,005	27,227
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,794,493	\$ 3,856,719	\$ 27,227

(Continued)

City of Corpus Christi

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Exhibit 34-A

<u>Library</u>	<u>Park</u>	<u>Police</u>	<u>Public Health &amp; Safety</u>	<u>Fire</u>	<u>Landfill</u>
\$ 79,510	\$ 15,267,726	\$ 562,980	\$ 137,731	\$ 1,904,434	\$ 3,276,515
--	533,384	--	--	--	--
<u>\$ 79,510</u>	<u>\$ 15,801,110</u>	<u>\$ 562,980</u>	<u>\$ 137,731</u>	<u>\$ 1,904,434</u>	<u>\$ 3,276,515</u>
\$ --	\$ 184,613	\$ --	\$ --	\$ --	\$ --
--	--	--	250,000	--	--
--	72,845	--	--	--	--
<u>--</u>	<u>257,458</u>	<u>--</u>	<u>250,000</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>90,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--	--
--	--	--	--	--	--
69,318	15,217,011	558,708	135,090	1,838,320	3,169,430
10,192	236,641	4,272	--	66,114	107,085
--	--	--	--	--	--
--	--	--	(247,359)	--	--
<u>79,510</u>	<u>15,453,652</u>	<u>562,980</u>	<u>(112,269)</u>	<u>1,904,434</u>	<u>3,276,515</u>
<u>\$ 79,510</u>	<u>\$ 15,801,110</u>	<u>\$ 562,980</u>	<u>\$ 137,731</u>	<u>\$ 1,904,434</u>	<u>\$ 3,276,515</u>

City of Corpus Christi

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**CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2016**

	<b>Corpus Christi Business and Job Development Corporation</b>		<b>North Padre Island Development Corporation</b>
<b>ASSETS</b>	<b>Seawall</b>	<b>Arena</b>	<b>Corporation</b>
Cash, cash equivalents and investments	\$ 17,233,446	\$ 98,755	\$ 2,021,572
Receivables			
Intergovernmental	--	--	--
Total assets	<u>\$ 17,233,446</u>	<u>\$ 98,755</u>	<u>\$ 2,021,572</u>
<b>LIABILITIES</b>			
Liabilities			
Accounts payable	\$ 49,121	\$ --	\$ 13,384
Advance from other funds	--	--	--
Unearned revenues			
Other	--	--	--
Total liabilities	<u>49,121</u>	<u>--</u>	<u>13,384</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Contributions and donations	--	--	--
<b>FUND BALANCES</b>			
Restricted			
Seawall improvement	17,184,325	--	--
Arena facility	--	98,755	--
North Padre Island development	--	--	2,008,188
Capital projects	--	--	--
Subtotal	<u>17,184,325</u>	<u>98,755</u>	<u>2,008,188</u>
Committed			
Capital projects	--	--	--
Assigned			
Capital projects	--	--	--
Unassigned	--	--	--
Total fund balance	<u>17,184,325</u>	<u>98,755</u>	<u>2,008,188</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,233,446</u>	<u>\$ 98,755</u>	<u>\$ 2,021,572</u>

City of Corpus Christi

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Exhibit 34-A  
(Continued)

<u>Eliminations</u>	<u>Total</u>
\$ --	\$ 50,261,108
--	533,384
<u>\$ --</u>	<u>\$ 50,794,492</u>
\$ --	\$ 804,832
--	250,000
--	72,845
<u>--</u>	<u>1,127,677</u>
--	90,000
--	17,184,325
--	98,755
--	2,008,188
--	29,829,639
<u>--</u>	<u>49,120,907</u>
--	660,509
--	42,758
--	(247,359)
<u>--</u>	<u>49,576,815</u>
<u>\$ --</u>	<u>\$ 50,794,492</u>



City of Corpus Christi

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**CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**YEAR ENDED SEPTEMBER 30, 2016**

	<b>Bayfront Arts/Science</b>	<b>City Buildings and Facilities</b>	<b>Convention Facility</b>	<b>Library</b>
<b>Revenues</b>				
Contributions and donations	\$ --	\$ --	\$ --	\$ --
Earnings on investments	25,219	26,280	119	349
Total revenues	25,219	26,280	119	349
<b>Expenditures</b>				
Current				
General government	(252,433)	973,401	--	--
Capital projects	144,567	3,680,873	--	--
Bond issuance cost	--	93,646	--	--
Refund of bond issuance cost	--	--	--	--
Total expenditures	(107,866)	4,747,920	--	--
Excess (deficiency) of revenues over (under) expenditures	133,085	(4,721,640)	119	349
<b>Other financing sources (uses)</b>				
Certificate of obligation bonds issued	--	2,000,000	--	--
Premium on bonds issued	--	107,857	--	--
Transfer in from				
Law Enforcement Trust Fund	--	--	--	--
Transfers out to				
Street Capital Projects Fund	--	--	--	--
Total other financing sources (uses)	--	2,107,857	--	--
Net change in fund balances	133,085	(2,613,783)	119	349
Fund balances at beginning of year	5,661,408	5,912,788	27,108	79,161
Fund balances at end of year	\$ 5,794,493	\$ 3,299,005	\$ 27,227	\$ 79,510

(Continued)

City of Corpus Christi

Exhibit 34-B

<u>Park</u>	<u>Police</u>	<u>Public Health &amp; Safety</u>	<u>Fire</u>	<u>Landfill</u>
\$ 767,052	\$ --	\$ --	\$ --	\$ --
95,378	2,475	792	8,507	26,855
<u>862,430</u>	<u>2,475</u>	<u>792</u>	<u>8,507</u>	<u>26,855</u>
466,638	3,143	25,319	1,253	242,772
5,281,306	5,908	160,793	66,532	7,436,678
--	--	--	--	--
(883)	--	--	--	--
<u>5,747,061</u>	<u>9,051</u>	<u>186,112</u>	<u>67,785</u>	<u>7,679,450</u>
(4,884,631)	(6,576)	(185,320)	(59,278)	(7,652,595)
--	--	--	--	10,020,000
--	--	--	--	--
--	--	270,000	--	--
(2,937,147)	--	--	--	--
<u>(2,937,147)</u>	<u>--</u>	<u>270,000</u>	<u>--</u>	<u>10,020,000</u>
(7,821,778)	(6,576)	84,680	(59,278)	2,367,405
<u>23,275,430</u>	<u>569,556</u>	<u>(196,949)</u>	<u>1,963,712</u>	<u>909,110</u>
<u>\$ 15,453,652</u>	<u>\$ 562,980</u>	<u>\$ (112,269)</u>	<u>\$ 1,904,434</u>	<u>\$ 3,276,515</u>

City of Corpus Christi

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**CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**YEAR ENDED SEPTEMBER 30, 2016**

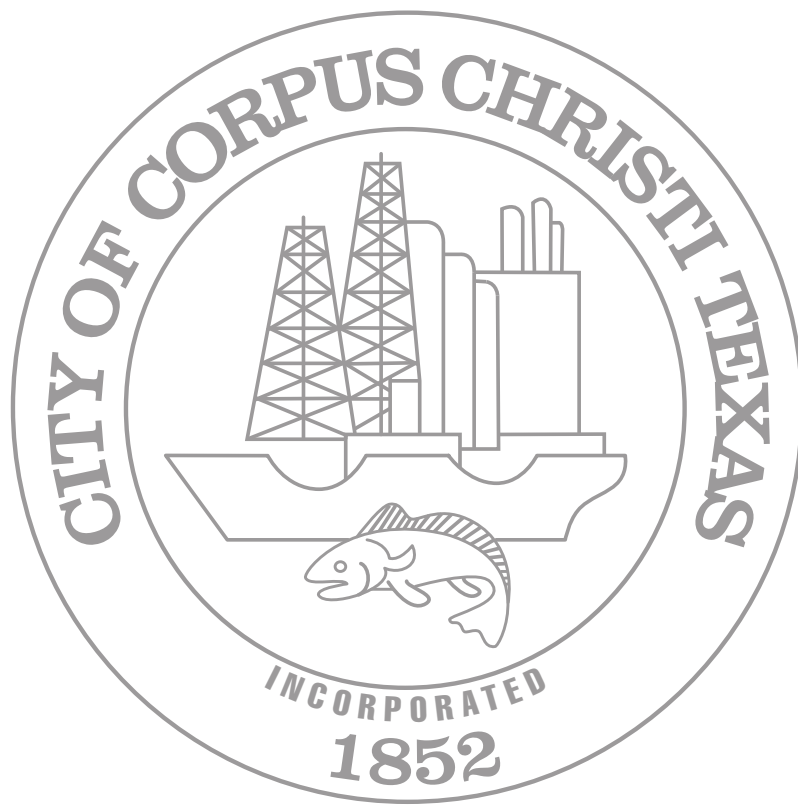
	<b>Corpus Christi Business and Job Development Corporation</b>		<b>North Padre Island Development Corporation</b>	<b>Eliminations</b>
	<b>Seawall</b>	<b>Arena</b>		
<b>Revenues</b>				
Contributions and donations	\$ --	\$ --	\$ --	\$ --
Earnings on investments	76,764	441	9,646	--
Total revenues	<u>76,764</u>	<u>441</u>	<u>9,646</u>	<u>--</u>
<b>Expenditures</b>				
Current				
General government	39,900	--	47,270	--
Capital projects	595,217	2,071	317,641	--
Debt service				
Bond issuance cost	--	--	--	--
Refund of bond issuance cost	--	--	--	--
Total expenditures	<u>635,117</u>	<u>2,071</u>	<u>364,911</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(558,353)	(1,630)	(355,265)	--
<b>Other financing sources (uses)</b>				
Certificate of obligation bonds issued	--	--	--	--
Premium on bonds issued	--	--	--	--
Transfer in from				
Law Enforcement Trust Fund	--	--	--	--
Transfers out to				
Street Capital Projects Fund	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(558,353)	(1,630)	(355,265)	--
Fund balances at beginning of year	<u>17,742,678</u>	<u>100,385</u>	<u>2,363,453</u>	<u>--</u>
Fund balances at end of year	<u>\$ 17,184,325</u>	<u>\$ 98,755</u>	<u>\$ 2,008,188</u>	<u>\$ --</u>

City of Corpus Christi

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**Exhibit 34-B  
(Continued)**

<u>Total</u>	
\$	767,052
	<u>272,825</u>
	1,039,877
	1,547,263
	17,691,586
	93,646
	<u>(883)</u>
	19,331,612
	(18,291,735)
	12,020,000
	107,857
	270,000
	<u>(2,937,147)</u>
	9,460,710
	(8,831,025)
	<u>58,407,840</u>
\$	<u><u>49,576,815</u></u>



*Proprietary Funds*

## ***Enterprise Funds***

***Enterprise Funds*** are used to account for City operations that are financed and/or operated in a manner similar to private business. Included in this category are Utility System, Airport, Golf Centers, and Marina Funds.

### ***Major Funds***

***Utility System Fund*** – This fund was established to account for the City's water system, waste water disposal system, gas system, and storm water sewer and drainage system.

### ***Non-major Funds***

***Airport Fund*** – This fund was established to account for operations of the Corpus Christi International Airport.

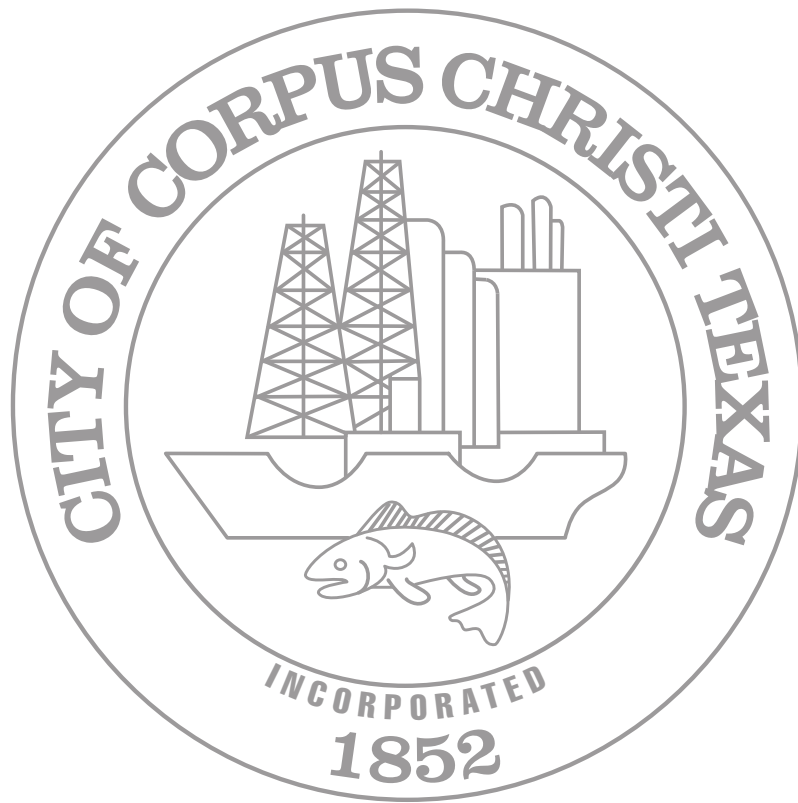
***Golf Centers Fund*** – This fund was established to account for operations of the Gabe Lozano, Sr. and the Oso Golf Centers.

***Marina Fund*** – This fund was established to account for operations of the Marina.

*Enterprise Funds*







City of Corpus Christi

UTILITY SYSTEM FUND  
COMBINING STATEMENT OF NET POSITION  
SEPTEMBER 30, 2016

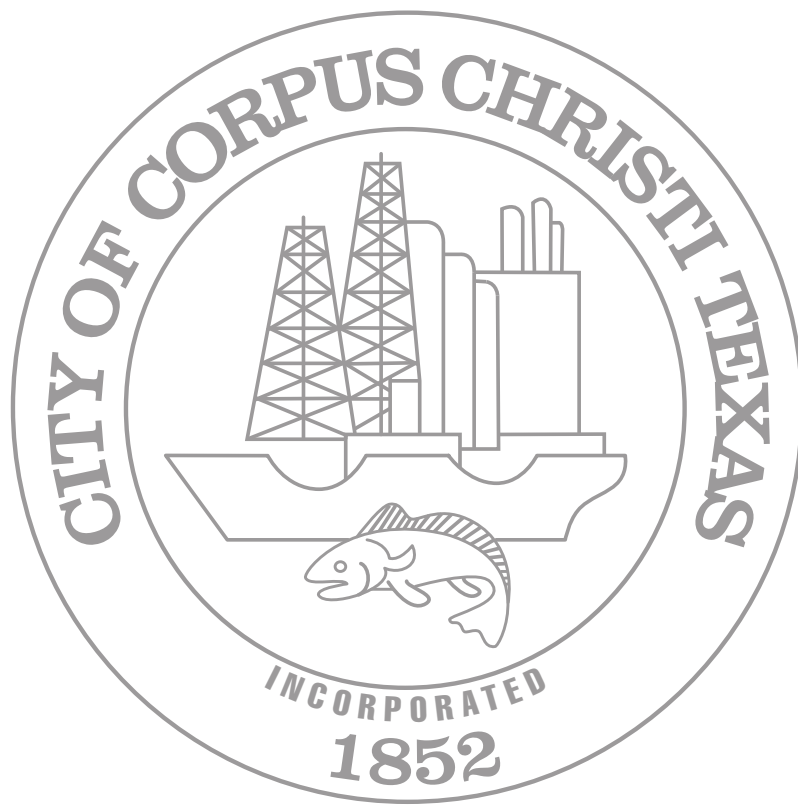
	Gas	Water	Wastewater	Eliminations	Total
<b>ASSETS</b>					
Current assets					
Cash, cash equivalents and investments	\$ 8,629,757	\$ 72,859,518	\$ 51,371,879	\$ --	\$ 132,861,154
Receivables					
Accounts	3,039,095	16,508,724	9,061,648	--	28,609,467
Property leases	--	160	3,898	--	4,058
Employees	--	55	11,739	--	11,794
Intergovernmental	--	2,597,881	--	--	2,597,881
Miscellaneous	12,400	3,364	24,525	--	40,289
Allowance for uncollectibles	(291,288)	(1,327,950)	(560,843)	--	(2,180,081)
Net receivables	2,760,207	17,782,234	8,540,967	--	29,083,408
Inventories	--	898,710	--	--	898,710
Total current assets	11,389,964	91,540,462	59,912,846	--	162,843,272
Noncurrent assets					
Restricted assets					
Cash, cash equivalents and investments	4,396,700	169,207,760	77,229,084	--	250,833,544
Capital assets					
Land	697,548	17,622,086	5,164,303	--	23,483,937
Water supply rights	--	106,807,672	--	--	106,807,672
Buildings	1,767,352	33,744,773	2,440,523	--	37,952,648
Improvements other than buildings	9,470,778	95,736,341	163,517,903	--	268,725,022
Machinery and equipment	2,808,121	15,323,379	12,618,138	--	30,749,638
Infrastructure	77,402,650	744,856,745	303,063,105	--	1,125,322,500
Total capital assets in service	92,146,449	1,014,090,996	486,803,972	--	1,593,041,417
Less accumulated depreciation	(43,946,521)	(310,290,551)	(172,753,930)	--	(526,991,002)
Net capital assets in service	48,199,928	703,800,445	314,050,042	--	1,066,050,415
Construction in progress	7,042,340	223,084,791	119,640,629	--	349,767,760
Net capital assets	55,242,268	926,885,236	433,690,671	--	1,415,818,175
Total noncurrent assets	59,638,968	1,096,092,996	510,919,755	--	1,666,651,719
Total assets	71,028,932	1,187,633,458	570,832,601	--	1,829,494,991
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Unamortized loss on refunded debt	381,522	8,238,004	3,195,255	--	11,814,781
Deferred outflows related to pension liability	2,756,057	6,060,581	3,107,790	--	11,924,428
Total deferred outflows of resources	3,137,579	14,298,585	6,303,045	--	23,739,209

(Continued)

City of Corpus Christi

Exhibit 35-A

	<u>Gas</u>	<u>Water</u>	<u>Wastewater</u>	<u>Eliminations</u>	<u>Total</u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	\$ 236,454	\$ 5,392,009	\$ 3,647,217	\$ --	\$ 9,275,680
Accrued interest	169,329	6,023,089	2,356,779	--	8,549,197
Contractor interest and retainage payable	--	--	2,382	--	2,382
Deposits	901,581	1,476,701	3,583	--	2,381,865
Liability to claimants - escheat property	--	121,825	--	--	121,825
Unearned revenue	--	--	16,204	--	16,204
Current portion of long-term liabilities					
Long-term debt	739,912	30,625,362	9,721,134	--	41,086,408
Accumulated unpaid compensated absences	466,051	969,029	500,679	--	1,935,759
Total current liabilities	<u>2,513,327</u>	<u>44,608,015</u>	<u>16,247,978</u>	<u>--</u>	<u>63,369,320</u>
Noncurrent liabilities					
Long-term liabilities, net of current portion					
Long-term debt	20,222,726	683,598,274	257,027,358	--	960,848,358
Accumulated unpaid compensated absences	219,097	128,669	--	--	347,766
Net pension liability	10,825,316	22,121,133	13,135,316	--	46,081,765
Net OPEB obligation	139,736	305,998	170,553	--	616,287
Total noncurrent liabilities	<u>31,406,875</u>	<u>706,154,074</u>	<u>270,333,227</u>	<u>--</u>	<u>1,007,894,176</u>
Total liabilities	<u>33,920,202</u>	<u>750,762,089</u>	<u>286,581,205</u>	<u>--</u>	<u>1,071,263,496</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pension liability	197,627	402,307	216,274	--	816,208
Total deferred inflows of resources	<u>197,627</u>	<u>402,307</u>	<u>216,274</u>	<u>--</u>	<u>816,208</u>
<b>NET POSITION</b>					
Net investment in capital assets	38,605,621	378,887,084	240,433,944	--	657,926,649
Restricted for					
Bond interest and redemption	417,229	6,043,994	3,364,620	--	9,825,843
Improvements to utility lines and facilities	--	3,348,450	2,742,746	--	6,091,196
Abatement of public health hazards	--	--	96,187	--	96,187
Unrestricted	1,025,832	62,488,120	43,700,670	--	107,214,622
Total net position	<u>\$ 40,048,682</u>	<u>\$ 450,767,648</u>	<u>\$ 290,338,167</u>	<u>\$ --</u>	<u>\$ 781,154,497</u>



City of Corpus Christi

Exhibit 35-B

UTILITY SYSTEM FUND  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED SEPTEMBER 30, 2016

	<u>Gas</u>	<u>Water</u>	<u>Wastewater</u>	<u>Eliminations</u>	<u>Total</u>
<b>Operating revenues</b>					
Charges for services - net	\$ 27,686,171	\$ 136,804,532	\$ 72,727,032	\$ (1,973,558)	\$ 235,244,177
<b>Operating expenses</b>					
Personal services	8,457,283	17,821,703	9,951,844	--	36,230,830
Materials and supplies	11,435,490	18,049,440	4,330,486	--	33,815,416
Contractual services	2,409,431	15,293,857	12,624,215	--	30,327,503
Other operating expenses	3,000,737	11,944,968	8,826,520	(1,973,558)	21,798,667
Uncollectible accounts	149,563	2,109,881	446,645	--	2,706,089
Depreciation	2,736,069	20,029,479	11,988,871	--	34,754,419
Total operating expenses	<u>28,188,573</u>	<u>85,249,328</u>	<u>48,168,581</u>	<u>(1,973,558)</u>	<u>159,632,924</u>
Operating income (loss)	(502,402)	51,555,204	24,558,451	--	75,611,253
<b>Nonoperating revenues (expenses)</b>					
Investment income	60,411	1,232,023	609,650	--	1,902,084
Interest expense and fiscal charges	(640,608)	(18,766,401)	(7,256,118)	--	(26,663,127)
Bond issue costs	(37,567)	(557,352)	(249,680)	--	(844,599)
Net gain (loss) on disposal of city property	(6,452)	(85,503)	(305,900)	--	(397,855)
Recovery on damage claims	--	4,838	265	--	5,103
Developer deposits	--	758,943	877,388	--	1,636,331
Reimbursements to developers	--	(176,877)	(1,033,745)	--	(1,210,622)
Contributions from other governmental agencies	56,622	710,056	541,481	--	1,308,159
Total nonoperating expenses	<u>(567,594)</u>	<u>(16,880,273)</u>	<u>(6,816,659)</u>	<u>--</u>	<u>(24,264,526)</u>
Change in net position before capital contributions and transfer	(1,069,996)	34,674,931	17,741,792	--	51,346,727
<b>Capital contributions</b>					
Contributions from other governmental agencies	--	781,346	--	--	781,346
Contributions from developers	--	2,081,474	900,163	--	2,981,637
Contributions from others	--	1,641,472	--	--	1,641,472
Total capital contributions	<u>--</u>	<u>4,504,292</u>	<u>900,163</u>	<u>--</u>	<u>5,404,455</u>
<b>Transfers in (out)</b>					
Transfers in	83,046	183,621	162,211	(101,045)	327,833
Transfers out	(771,289)	(3,476,206)	(1,775,224)	101,045	(5,921,674)
Total transfers	<u>(688,243)</u>	<u>(3,292,585)</u>	<u>(1,613,013)</u>	<u>--</u>	<u>(5,593,841)</u>
Change in net position	(1,758,239)	35,886,638	17,028,942	--	51,157,341
Net position at beginning of year	<u>41,806,921</u>	<u>414,881,010</u>	<u>273,309,225</u>	<u>--</u>	<u>729,997,156</u>
Net position at end of year	<u>\$ 40,048,682</u>	<u>\$ 450,767,648</u>	<u>\$ 290,338,167</u>	<u>\$ --</u>	<u>\$ 781,154,497</u>

City of Corpus Christi

**UTILITY SYSTEM FUND  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Gas</u>	<u>Water</u>	<u>Wastewater</u>	<u>Eliminations</u>	<u>Total</u>
<b>Cash flows from operating activities</b>					
Receipts from customers	\$ 27,208,287	\$ 131,827,119	\$ 71,669,617	\$ --	\$ 230,705,023
Receipts from interfund services provided	355,058	2,590,139	32,931	(1,973,558)	1,004,570
Payments to suppliers	(13,513,693)	(29,920,907)	(15,858,910)	--	(59,293,510)
Payments to employees	(7,452,716)	(16,053,023)	(8,998,577)	--	(32,504,316)
Internal activity - payments to other funds	(4,232,388)	(15,920,966)	(10,891,949)	1,973,558	(29,071,745)
Net cash provided by operating activities	<u>2,364,548</u>	<u>72,522,362</u>	<u>35,953,112</u>	<u>--</u>	<u>110,840,022</u>
<b>Cash flows from noncapital financing activities</b>					
Contributions from other governmental agencies	--	83,061	31,170	--	114,231
Transfers in from other funds	77,390	164,700	85,743	--	327,833
Transfers out to other funds	(771,289)	(3,394,081)	(1,756,304)	--	(5,921,674)
Net cash provided by (used for) noncapital financing activities	<u>(693,899)</u>	<u>(3,146,320)</u>	<u>(1,639,391)</u>	<u>--</u>	<u>(5,479,610)</u>
<b>Cash flows from capital and related financing activities</b>					
Acquisition of capital assets	(2,104,369)	(36,350,950)	(20,425,816)	--	(58,881,135)
Proceeds from sale/disposal of city property	1,563	15,555	5,721	--	22,839
Developers deposits	--	758,944	877,388	--	1,636,332
Capital contributions	--	563,926	--	--	563,926
Reimbursements to developers	--	(97,129)	(882,295)	--	(979,424)
Contributions from other governmental agencies	--	293,331	--	--	293,331
Principal paid on long-term debt	(700,654)	(29,665,172)	(9,300,024)	--	(39,665,850)
Interest expense and fiscal charges	(922,996)	(31,544,306)	(12,365,025)	--	(44,832,327)
Recovery on damage claims	--	4,838	265	--	5,103
Net cash provided by capital and related financing activities	<u>(3,726,456)</u>	<u>(96,020,963)</u>	<u>(42,089,786)</u>	<u>--</u>	<u>(141,837,205)</u>
<b>Cash flows from investing activities</b>					
Investment income	60,410	1,232,093	609,650	--	1,902,153
Net decrease in cash, cash equivalents and investments	<u>(1,995,397)</u>	<u>(25,412,828)</u>	<u>(7,166,415)</u>	<u>--</u>	<u>(34,574,640)</u>
Cash, cash equivalents and investments at beginning of year, including restricted accounts	<u>15,021,854</u>	<u>267,480,106</u>	<u>135,767,378</u>	<u>--</u>	<u>418,269,338</u>
Cash, cash equivalents and investments at end of year, including restricted accounts	<u>\$ 13,026,457</u>	<u>\$ 242,067,278</u>	<u>\$ 128,600,963</u>	<u>\$ --</u>	<u>\$ 383,694,698</u>

(Continued)

City of Corpus Christi

Exhibit 35-C

	<u>Gas</u>	<u>Water</u>	<u>Wastewater</u>	<u>Eliminations</u>	<u>Total</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>					
Operating income (loss)	\$ (502,402)	\$ 51,555,204	\$ 24,558,451	\$ --	\$ 75,611,253
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	2,736,069	20,029,479	11,988,871	--	34,754,419
Provision for uncollectible accounts	149,563	2,109,881	446,645	--	2,706,089
Operating costs paid from bond proceeds	33	495	222	--	750
Changes in assets and liabilities					
Receivables	(261,036)	(2,551,797)	(1,024,071)	--	(3,836,904)
Inventory	--	(210,892)	--	--	(210,892)
Deferred outflows of resources	(1,733,886)	(3,969,655)	(1,992,076)	--	(7,695,617)
Accounts payable	(69,676)	939,051	(143,506)	--	725,869
Accrued expenses	(170,746)	(380,605)	(196,716)	--	(748,067)
Accumulated unpaid compensated absences	(47,125)	65,785	(80,788)	--	(62,128)
Net pension liability	2,118,480	4,685,279	2,388,894	--	9,192,653
Net OPEB obligation	11,859	21,221	13,008	--	46,088
Deposits	138,211	242,005	(414)	--	379,802
Liability to claimants - escheat property	--	(2,483)	--	--	(2,483)
Deferred inflows of resources	(4,796)	(10,606)	(5,408)	--	(20,810)
Net cash provided by operating activities	<u>2,364,548</u>	<u>72,522,362</u>	<u>35,953,112</u>	<u>--</u>	<u>110,840,022</u>
<b>Noncash investing, capital and financing activities</b>					
Contribution of capital assets	\$ --	\$ 2,081,474	\$ 900,163	\$ --	\$ 2,981,637
Reimbursements to developers accrued but not paid	\$ --	\$ --	\$ 151,450	\$ --	\$ 151,450
Acquisition of capital assets under capital lease	\$ 201,735	\$ 58,440	\$ 170,323	\$ --	\$ 430,498
Acquisition of capital assets accrued but not paid	\$ 25,954	\$ 1,811,102	\$ 2,837,627	\$ --	\$ 4,674,683
Bond refunding	\$ 4,804,253	\$ 55,846,168	\$ 37,049,571	\$ --	\$ 97,699,992
Bond issue costs	\$ 37,567	\$ 335,878	\$ (249,680)	\$ --	\$ 123,765
Transfers to realign bonds at refunding	\$ 5,657	\$ (63,206)	\$ 57,549	\$ --	\$ --
Change in accrued non-operating revenue receivable	\$ --	\$ (1,518,906)	\$ --	\$ --	\$ (1,518,906)
Capitalized interest cost	\$ 251,731	\$ 8,099,736	\$ 4,344,047	\$ --	\$ 12,695,514



City of Corpus Christi

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**NON-MAJOR PROPRIETARY FUNDS  
COMBINING STATEMENT OF NET POSITION  
SEPTEMBER 30, 2016**

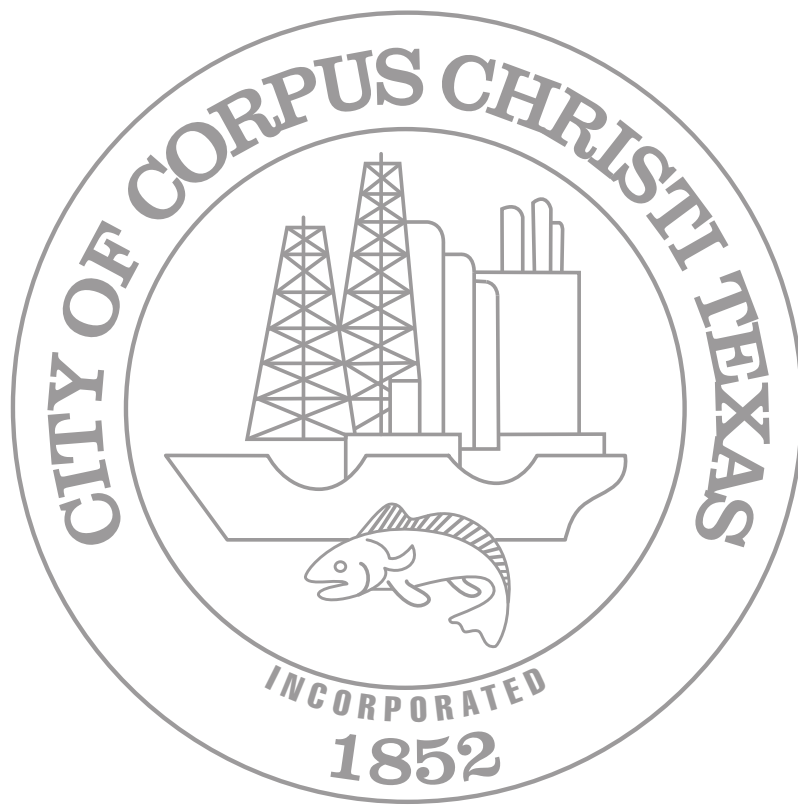
	<u>Airport Fund</u>	<u>Golf Centers Fund</u>	<u>Marina Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets				
Cash, cash equivalents and investments	\$ 8,208,994	\$ --	\$ 1,011,387	\$ 9,220,381
Receivables				
Accounts	210,362	7,075	116,996	334,433
Miscellaneous	10,633	--	--	10,633
Allowance for uncollectibles	(44,814)	--	(98,284)	(143,098)
Net receivables	<u>176,181</u>	<u>7,075</u>	<u>18,712</u>	<u>201,968</u>
Inventories	22,409	--	--	22,409
Restricted assets				
Cash and cash equivalents	6,212	--	--	6,212
Total current assets	<u>8,413,796</u>	<u>7,075</u>	<u>1,030,099</u>	<u>9,450,970</u>
Noncurrent assets				
Restricted assets				
Cash, cash equivalents and investments	4,043,237	--	--	4,043,237
Intergovernmental receivables	69,039	--	--	69,039
Total noncurrent restricted assets	<u>4,112,276</u>	<u>--</u>	<u>--</u>	<u>4,112,276</u>
Capital assets				
Land	5,001,394	94,337	9,000	5,104,731
Buildings	44,545,493	711,295	981,298	46,238,086
Improvements other than buildings	101,786,602	2,689,179	16,184,180	120,659,961
Machinery and equipment	5,257,471	709,106	401,392	6,367,969
Infrastructure	--	--	44,701	44,701
Total capital assets in service	156,590,960	4,203,917	17,620,571	178,415,448
Less accumulated depreciation	(61,492,290)	(3,690,559)	(9,039,537)	(74,222,386)
Net capital assets in service	95,098,670	513,358	8,581,034	104,193,062
Construction in progress	44,374,863	--	--	44,374,863
Net capital assets	<u>139,473,533</u>	<u>513,358</u>	<u>8,581,034</u>	<u>148,567,925</u>
Total noncurrent assets	<u>143,585,809</u>	<u>513,358</u>	<u>8,581,034</u>	<u>152,680,201</u>
Total assets	<u>151,999,605</u>	<u>520,433</u>	<u>9,611,133</u>	<u>162,131,171</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Unamortized loss on refunded debt	440,516	--	24,579	465,095
Deferred outflows related to pension liability	1,503,285	--	243,893	1,747,178
Total deferred outflows of resources	<u>1,943,801</u>	<u>--</u>	<u>268,472</u>	<u>2,212,273</u>

(Continued)

City of Corpus Christi

Exhibit 36-A

	<u>Airport Fund</u>	<u>Golf Centers Fund</u>	<u>Marina Fund</u>	<u>Total</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	\$ 67,366	\$ --	\$ 283	\$ 67,649
Accrued interest	80,475	--	14,621	95,096
Deposits	11,855	--	139,836	151,691
Unearned revenue	489,542	--	58,879	548,421
Current portion of long-term liabilities				
Long-term debt	1,250,000	--	440,000	1,690,000
Accumulated unpaid compensated absences	258,614	--	36,939	295,553
Total current liabilities	<u>2,157,852</u>	<u>--</u>	<u>690,558</u>	<u>2,848,410</u>
Noncurrent liabilities				
Long-term liabilities, net of current portion				
Advances from other funds	--	739,606	--	739,606
Long-term debt	24,154,819	--	4,567,209	28,722,028
Accumulated unpaid compensated absences	59,214	--	27,216	86,430
Net pension liability	5,710,496	--	892,041	6,602,537
Net OPEB obligation	86,964	--	15,766	102,730
Total noncurrent liabilities	<u>30,011,493</u>	<u>739,606</u>	<u>5,502,232</u>	<u>36,253,331</u>
Total liabilities	<u>32,169,345</u>	<u>739,606</u>	<u>6,192,790</u>	<u>39,101,741</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pension liability	<u>112,535</u>	<u>--</u>	<u>17,340</u>	<u>129,875</u>
<b>NET POSITION</b>				
Net investment in capital assets	115,557,231	513,358	3,598,405	119,668,994
Restricted for				
Passenger facility charges projects	2,571,079	--	--	2,571,079
Law enforcement officers' standards and education	5,485	--	--	5,485
Unrestricted	<u>3,527,731</u>	<u>(732,531)</u>	<u>71,070</u>	<u>2,866,270</u>
Total net position	<u>\$ 121,661,526</u>	<u>\$ (219,173)</u>	<u>\$ 3,669,475</u>	<u>\$ 125,111,828</u>



City of Corpus Christi

Exhibit 36-B

**NON-MAJOR PROPRIETARY FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Airport Fund</u>	<u>Golf Centers Fund</u>	<u>Marina Fund</u>	<u>Total</u>
<b>Operating revenues</b>				
Charges for services - net	\$ 8,166,305	\$ 137,977	\$ 1,919,347	\$ 10,223,629
<b>Operating expenses</b>				
Personal services	4,581,541	--	757,633	5,339,174
Materials and supplies	418,428	3,878	63,436	485,742
Contractual services	1,894,931	19,160	353,813	2,267,904
Other operating expenses	764,053	17,388	225,589	1,007,030
Uncollectible accounts	5,145	--	47,699	52,844
Depreciation	5,185,857	78,416	606,278	5,870,551
Total operating expenses	<u>12,849,955</u>	<u>118,842</u>	<u>2,054,448</u>	<u>15,023,245</u>
Operating income (loss)	(4,683,650)	19,135	(135,101)	(4,799,616)
<b>Nonoperating revenues (expenses)</b>				
Investment income	48,601	432	4,353	53,386
Interest expense and fiscal charges	(825,278)	--	(129,734)	(955,012)
Passenger facility charges	1,247,328	--	--	1,247,328
Customer facility charges	947,203	--	--	947,203
Net gain (loss) on disposal of city property	(6,048,522)	--	(35,783)	(6,084,305)
Contributions from other governmental agencies	1,829	--	--	1,829
Total nonoperating revenues (expenses)	<u>(4,628,839)</u>	<u>432</u>	<u>(161,164)</u>	<u>(4,789,571)</u>
Change in net position before capital contributions and transfers	(9,312,489)	19,567	(296,265)	(9,589,187)
<b>Capital contributions</b>				
Contributions from other governmental agencies	6,128,889	--	--	6,128,889
Contributions from others	46,423	--	--	46,423
Total capital contributions	<u>6,175,312</u>	<u>--</u>	<u>--</u>	<u>6,175,312</u>
<b>Transfers in (out)</b>				
Transfers in	11,591	150	74,143	85,884
Transfers out	(302,848)	(4,312)	(52,771)	(359,931)
Total transfers	<u>(291,257)</u>	<u>(4,162)</u>	<u>21,372</u>	<u>(274,047)</u>
Change in net position	(3,428,434)	15,405	(274,893)	(3,687,922)
Net position at beginning of year	<u>125,089,960</u>	<u>(234,578)</u>	<u>3,944,368</u>	<u>128,799,750</u>
Net position at end of year	<u>\$ 121,661,526</u>	<u>\$ (219,173)</u>	<u>\$ 3,669,475</u>	<u>\$ 125,111,828</u>

City of Corpus Christi

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**NON-MAJOR PROPRIETARY FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2016**

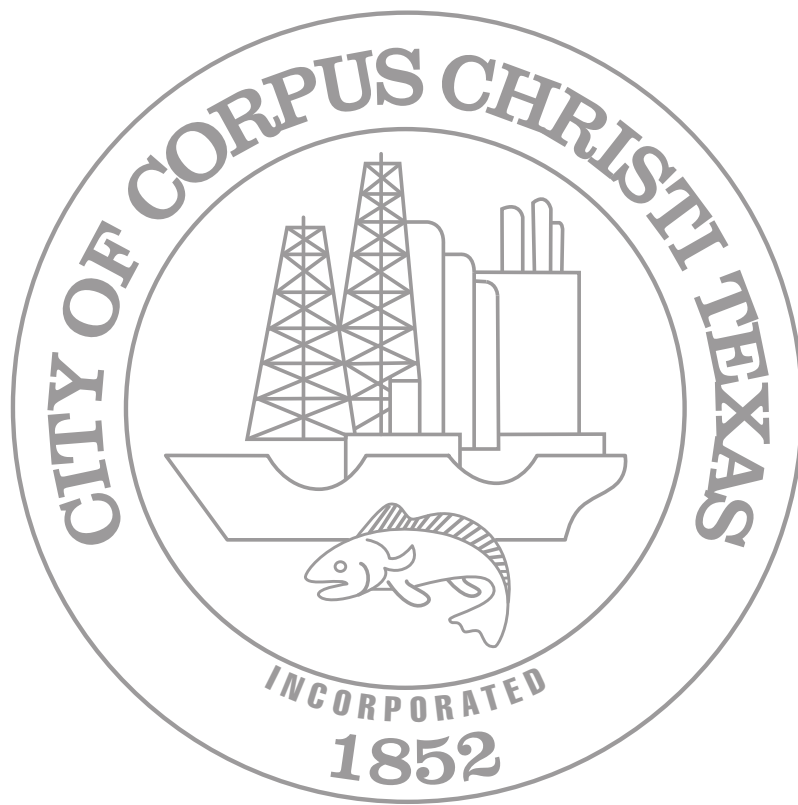
	<u>Airport Fund</u>	<u>Golf Centers Fund</u>	<u>Marina Fund</u>	<u>Totals</u>
<b>Cash flows from operating activities</b>				
Receipts from customers	\$ 8,274,151	\$ 139,893	\$ 1,915,612	\$ 10,329,656
Payments to suppliers	(2,535,335)	(23,528)	(436,942)	(2,995,805)
Payments to employees	(4,049,098)	--	(651,437)	(4,700,535)
Internal activity - payments to other funds	(1,142,640)	(17,388)	(299,658)	(1,459,686)
Net cash provided by operating activities	<u>547,078</u>	<u>98,977</u>	<u>527,575</u>	<u>1,173,630</u>
<b>Cash flows from noncapital financing activities</b>				
Changes in interfund borrowings	1,029,019	--	--	1,029,019
Advances from other funds	--	(31,082)	--	(31,082)
Contributions from other governmental agencies	1,829	--	--	1,829
Transfers in from other funds	11,591	150	74,143	85,884
Transfers out to other funds	(302,848)	(4,312)	(52,771)	(359,931)
Net cash provided by (used for) noncapital financing activities	<u>739,591</u>	<u>(35,244)</u>	<u>21,372</u>	<u>725,719</u>
<b>Cash flows from capital and related financing activities</b>				
Acquisition of capital assets	(7,465,769)	(64,165)	(138,662)	(7,668,596)
Proceeds from sale/disposal of city property	179	--	1,100	1,279
Contributions from other governmental agencies	7,786,717	--	605,246	8,391,963
Passenger facility charges	1,300,941	--	--	1,300,941
Customer facility charges	932,145	--	--	932,145
Capital contributions	134,599	--	--	134,599
Principal paid on long-term debt	(1,215,000)	--	(215,000)	(1,430,000)
Interest expense and fiscal charges	(967,350)	--	(179,050)	(1,146,400)
Net cash provided by (used for) capital and related financing activities	<u>506,462</u>	<u>(64,165)</u>	<u>73,634</u>	<u>515,931</u>
<b>Cash flows from investing activities</b>				
Investment income	<u>48,601</u>	<u>432</u>	<u>4,353</u>	<u>53,386</u>
Net increase in cash, cash equivalents and investments	1,841,732	--	626,934	2,468,666
Cash, cash equivalents and investments at beginning of year, including restricted accounts	<u>10,416,711</u>	<u>--</u>	<u>384,453</u>	<u>10,801,164</u>
Cash, cash equivalents and investments at end of year, including restricted accounts	<u>\$ 12,258,443</u>	<u>\$ --</u>	<u>\$ 1,011,387</u>	<u>\$ 13,269,830</u>

(Continued)

City of Corpus Christi

Exhibit 36-C

	<u>Airport Fund</u>	<u>Golf Centers Fund</u>	<u>Marina Fund</u>	<u>Totals</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>				
Operating income (loss)	\$ (4,683,650)	\$ 19,135	\$ (135,101)	\$ (4,799,616)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	5,185,857	78,416	606,278	5,870,551
Provision for uncollectible accounts	5,145	--	47,699	52,844
Change in assets and liabilities				
Receivables	(145,775)	1,918	(41,463)	(185,320)
Inventory	(708)	--	--	(708)
Deferred outflows of resources	(920,233)	--	(155,677)	(1,075,910)
Accounts payable	11,801	(492)	(9,968)	1,341
Accrued expenses	(101,183)	--	(13,753)	(114,936)
Customer deposits	(5,235)	--	6,238	1,003
Unearned revenue	--	--	31,488	31,488
Accumulated unpaid compensated absences	44,939	--	3,024	47,963
Net pension liability	1,153,728	--	187,881	1,341,609
Net OPEB obligation	5,004	--	1,354	6,358
Deferred inflows of resources	(2,612)	--	(425)	(3,037)
	<u>\$ 547,078</u>	<u>\$ 98,977</u>	<u>\$ 527,575</u>	<u>\$ 1,173,630</u>
<b>Noncash investing, capital and financing activities</b>				
Acquisition of capital assets accrued but not paid	\$ (17,029)	\$ --	\$ (160,403)	\$ (177,432)
Change in accrued non-operating revenue receivable	\$ 1,634,834	\$ --	\$ --	\$ 1,634,834
Capitalized interest cost	\$ 156,841	\$ --	\$ --	\$ 156,841



*Internal Service Funds*





## ***Internal Service Funds***

***Internal Service Funds*** finance and account for services, materials, and supplies furnished to the various departments of the City and, on a limited basis, to other local governmental agencies. These services are provided on a cost reimbursement basis.

***Stores Fund*** – This fund maintains an inventory of commonly used materials and supplies and provides printing at a reasonable cost.

***Fleet Maintenance Service Fund*** – This fund provides fleet purchasing and maintenance services to City departments.

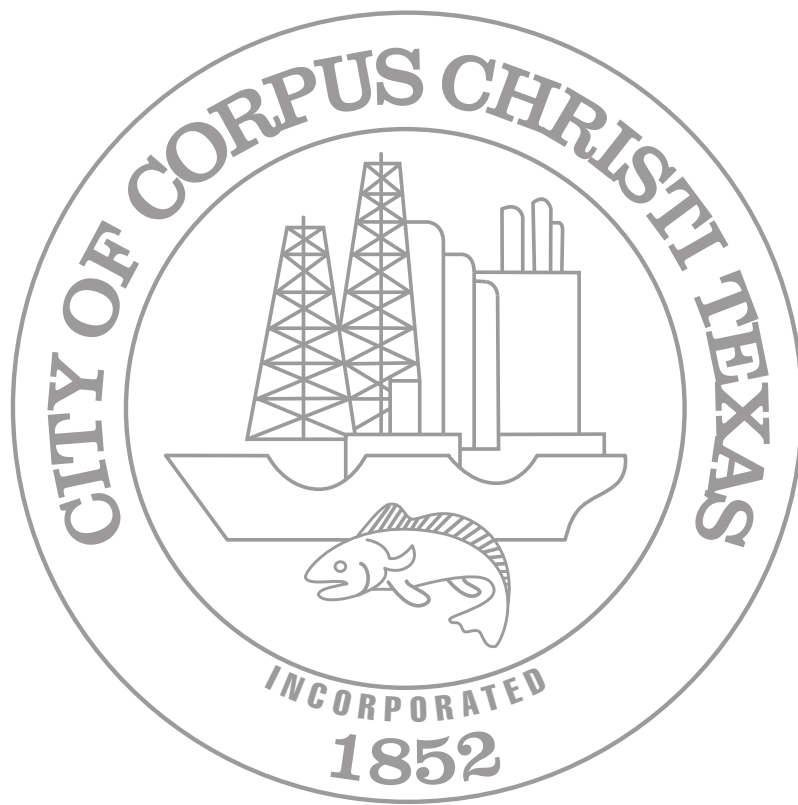
***Facilities Maintenance Service Fund*** – This fund was established to provide building maintenance services to City departments.

***Information Technology Fund*** – This fund was established to provide technology services to City departments and assist departments citywide through the automation of processes that includes the support of IT infrastructure, end user devices, and software applications.

***Liability and Employee Benefits Fund*** – This fund accumulates funds for the payment of liability and workers' compensation claims and various premiums for insurance coverage. This fund also accounts for the employee health insurance plans offered by the City.

***Engineering Services Fund*** – This fund provides complete engineering services to City departments.





City of Corpus Christi

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
SEPTEMBER 30, 2016**

	<u>Stores</u>	<u>Fleet Maintenance</u>	<u>Facilities Maintenance</u>	<u>Information Technology</u>
<b>ASSETS</b>				
Current assets				
Cash, cash equivalents and investments	\$ 43,547	\$ 14,063,710	\$ 2,748,377	\$ 3,944,562
Receivables, net of allowance for uncollectibles	--	--	1,485	--
Inventories	759,917	735,616	--	--
Prepaid items	--	--	--	--
Total current assets	<u>803,464</u>	<u>14,799,326</u>	<u>2,749,862</u>	<u>3,944,562</u>
Noncurrent assets				
Other assets	--	--	--	--
Capital assets				
Land	--	--	66,359	--
Buildings	50,002	41,360	5,533,327	--
Improvements other than buildings	--	381,400	534,466	5,746,966
Machinery and equipment	74,436	26,497,037	474,173	4,314,929
Total capital assets in service	<u>124,438</u>	<u>26,919,797</u>	<u>6,608,325</u>	<u>10,061,895</u>
Less accumulated depreciation	(71,822)	(17,658,815)	(4,683,558)	(9,066,779)
Net capital assets in service	<u>52,616</u>	<u>9,260,982</u>	<u>1,924,767</u>	<u>995,116</u>
Construction in progress	--	--	177,120	65,581
Net capital assets	<u>52,616</u>	<u>9,260,982</u>	<u>2,101,887</u>	<u>1,060,697</u>
Total noncurrent assets	<u>52,616</u>	<u>9,260,982</u>	<u>2,101,887</u>	<u>1,060,697</u>
Total assets	<u>856,080</u>	<u>24,060,308</u>	<u>4,851,749</u>	<u>5,005,259</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pension liability	<u>304,118</u>	<u>976,359</u>	<u>534,705</u>	<u>2,338,584</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	36,127	218,698	189,406	532,623
Accrued expenses	--	--	--	--
Current portion of estimated liability claims	--	--	--	--
Deposits	--	3,388	--	--
Liability to claimants - escheat property	--	--	--	--
Unearned revenue	--	--	--	--
Current portion of long-term liabilities				
Long-term debt	--	91,472	132,244	373,981
Accumulated unpaid compensated absences	23,486	119,064	86,108	459,683
Total current liabilities	<u>59,613</u>	<u>432,622</u>	<u>407,758</u>	<u>1,366,287</u>
Noncurrent liabilities				
Estimated liability claims, net of current portion	--	--	--	--
Long-term liabilities, net of current portion				
Long-term debt	--	328,614	547,555	512,701
Accumulated unpaid compensated absences	--	147,541	38,446	461,632
Net pension liability	1,389,733	3,816,010	1,265,295	8,690,456
Net OPEB obligation	19,414	60,058	25,356	109,340
Total noncurrent liabilities	<u>1,409,147</u>	<u>4,352,223</u>	<u>1,876,652</u>	<u>9,774,129</u>
Total liabilities	<u>1,468,760</u>	<u>4,784,845</u>	<u>2,284,410</u>	<u>11,140,416</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pension liability	<u>22,898</u>	<u>70,683</u>	<u>35,733</u>	<u>163,952</u>
<b>NET POSITION</b>				
Net investment in capital assets	52,616	8,840,896	1,422,088	174,015
Unrestricted	(384,076)	11,340,243	1,644,223	(4,134,540)
Net position	<u>\$ (331,460)</u>	<u>\$ 20,181,139</u>	<u>\$ 3,066,311</u>	<u>\$ (3,960,525)</u>

City of Corpus Christi

Exhibit 37-A

<b>Liability and Employee Benefits</b>	<b>Engineering Services</b>	<b>Eliminations</b>	<b>Total</b>
\$ 32,829,488	\$ 935,073	\$ --	\$ 54,564,757
121,672	--	--	123,157
--	--	--	1,495,533
1,128,807	--	--	1,128,807
<u>34,079,967</u>	<u>935,073</u>	<u>--</u>	<u>57,312,254</u>
49,871	--	--	49,871
--	1,099	--	67,458
--	--	--	5,624,689
--	--	--	6,662,832
--	699,194	--	32,059,769
--	700,293	--	44,414,748
--	(284,781)	--	(31,765,755)
--	415,512	--	12,648,993
--	--	--	242,701
--	415,512	--	12,891,694
<u>49,871</u>	<u>415,512</u>	<u>--</u>	<u>12,941,565</u>
<u>34,129,838</u>	<u>1,350,585</u>	<u>--</u>	<u>70,253,819</u>
<u>364,305</u>	<u>1,318,958</u>	<u>--</u>	<u>5,837,029</u>
5,351	20,857	--	1,003,062
6,002	--	--	6,002
8,197,326	--	--	8,197,326
--	--	--	3,388
20,846	--	--	20,846
1,102	--	--	1,102
--	93,115	--	690,812
25,219	240,343	--	953,903
<u>8,255,846</u>	<u>354,315</u>	<u>--</u>	<u>10,876,441</u>
9,406,257	--	--	9,406,257
--	293,042	--	1,681,912
25,509	60,559	--	733,687
1,717,312	5,718,432	--	22,597,238
10,122,141	57,625	--	10,393,934
<u>21,271,219</u>	<u>6,129,658</u>	<u>--</u>	<u>44,813,028</u>
<u>29,527,065</u>	<u>6,483,973</u>	<u>--</u>	<u>55,689,469</u>
<u>28,901</u>	<u>99,461</u>	<u>--</u>	<u>421,628</u>
--	29,355	--	10,518,970
<u>4,938,177</u>	<u>(3,943,246)</u>	<u>--</u>	<u>9,460,781</u>
<u>\$ 4,938,177</u>	<u>\$ (3,913,891)</u>	<u>--</u>	<u>\$ 19,979,751</u>

City of Corpus Christi

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Stores</u>	<u>Fleet Maintenance Service</u>	<u>Facilities Maintenance Service</u>	<u>Information Technology</u>
<b>Operating revenues</b>				
Charges for services - net	\$ 1,915,438	\$ 5,368,656	\$ 4,612,665	\$ 16,363,488
<b>Operating expenses</b>				
Personal services	842,574	2,934,238	1,533,849	7,199,015
Materials and supplies	131,205	907,504	166,106	396,575
Contractual services	535,225	1,335,996	2,016,672	7,237,288
Other operating expenses	221,154	300,552	314,461	789,276
Uncollectible accounts	--	--	--	--
Depreciation	11,332	2,959,416	228,652	473,880
Self-insurance claims	--	--	--	--
Other post employment benefits	--	--	--	--
Total operating expenses	<u>1,741,490</u>	<u>8,437,706</u>	<u>4,259,740</u>	<u>16,096,034</u>
Operating income (loss)	173,948	(3,069,050)	352,925	267,454
<b>Nonoperating revenues (expenses)</b>				
Investment income	1,380	59,941	12,262	18,324
Interest expense and fiscal charges	--	(5,442)	(44,981)	(25,872)
Net gain (loss) on disposal of city property	(85,918)	2,427	(37,214)	--
Recovery of damage claims	--	200,313	--	--
Total nonoperating revenues (expenses)	<u>(84,538)</u>	<u>257,239</u>	<u>(69,933)</u>	<u>(7,548)</u>
Change in net position before transfers	89,410	(2,811,811)	282,992	259,906
Transfers in	4,504	2,789,563	9,141	13,212
Transfers out	--	(394,200)	(231,449)	(300,000)
Net transfers	<u>4,504</u>	<u>2,395,363</u>	<u>(222,308)</u>	<u>(286,788)</u>
Change in net position	93,914	(416,448)	60,684	(26,882)
Net position at beginning of year	<u>(425,374)</u>	<u>20,597,587</u>	<u>3,005,627</u>	<u>(3,933,643)</u>
Net position at end of year	<u>\$ (331,460)</u>	<u>\$ 20,181,139</u>	<u>\$ 3,066,311</u>	<u>\$ (3,960,525)</u>

City of Corpus Christi

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**Exhibit 37-B**

<b>Liability and Employee Benefits</b>	<b>Engineering Services</b>	<b>Eliminations</b>	<b>Totals</b>
\$ 37,741,463	\$ 5,330,981	\$ --	\$ 71,332,691
1,133,396	4,075,827	--	17,718,899
194,447	160,177	--	1,956,014
7,731,457	603,981	--	19,460,619
164,124	755,240	--	2,544,807
(887)	--	--	(887)
--	95,598	--	3,768,878
36,812,660	--	--	36,812,660
646,861	--	--	646,861
<u>46,682,058</u>	<u>5,690,823</u>	<u>--</u>	<u>82,907,851</u>
(8,940,595)	(359,842)	--	(11,575,160)
162,917	266	--	255,090
--	(5,483)	--	(81,778)
--	(1,334)	--	(122,039)
--	--	--	200,313
<u>162,917</u>	<u>(6,551)</u>	<u>--</u>	<u>251,586</u>
(8,777,678)	(366,393)	--	(11,323,574)
1,230	16,735	(53,042)	2,781,343
(841,502)	--	53,042	(1,714,109)
<u>(840,272)</u>	<u>16,735</u>	<u>--</u>	<u>1,067,234</u>
(9,617,950)	(349,658)	--	(10,256,340)
<u>14,556,127</u>	<u>(3,564,233)</u>	<u>--</u>	<u>30,236,091</u>
<u>\$ 4,938,177</u>	<u>\$ (3,913,891)</u>	<u>\$ --</u>	<u>\$ 19,979,751</u>



City of Corpus Christi

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**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Stores</u>	<u>Fleet Maintenance Service</u>	<u>Facilities Maintenance Service</u>	<u>Information Technology</u>
<b>Cash flows from operating activities</b>				
Receipts from customers	\$ --	\$ 10,736	\$ 12,898	\$ --
Receipts from interfund services provided	4,798,859	12,419,288	4,599,696	16,363,488
Payments to suppliers	(3,479,592)	(9,624,494)	(1,984,736)	(8,040,276)
Payments to employees	(793,762)	(2,644,988)	(1,316,311)	(6,423,910)
Internal activity - payments to other funds	(303,231)	(545,924)	(597,318)	(1,467,395)
Claims paid	--	--	--	--
Other receipts	--	200,313	--	--
Net cash provided by (used for) operating activities	<u>222,274</u>	<u>(185,069)</u>	<u>714,229</u>	<u>431,907</u>
<b>Cash flows from noncapital financing activities</b>				
Change in interfund borrowings	(184,611)	--	--	184,611
Transfers in from other funds	4,504	8,220	9,141	13,212
Transfers out to other funds	--	--	(231,449)	(300,000)
Net cash provided by (used for) noncapital financing activities	<u>(180,107)</u>	<u>8,220</u>	<u>(222,308)</u>	<u>(102,177)</u>
<b>Cash flows from capital and related financing activities</b>				
Acquisition of capital assets	--	(1,357,077)	(330,242)	(13,125)
Proceeds from sale/disposal of city property	--	2,427	--	--
Transfer in from other funds for capital acquisition	--	2,781,343	--	--
Return of prior year transfers related to capital acquisition	--	(394,200)	--	--
Principal paid on long-term debt	--	(52,914)	(123,045)	(365,179)
Interest expense and fiscal charges	--	(5,442)	(44,981)	(25,872)
Net cash provided by (used for) capital and related financing activity	<u>--</u>	<u>974,137</u>	<u>(498,268)</u>	<u>(404,176)</u>
<b>Cash flows from investing activities</b>				
Interest on investments	1,380	59,941	12,262	18,324
Net cash provided by investing activities	<u>1,380</u>	<u>59,941</u>	<u>12,262</u>	<u>18,324</u>
Net increase (decrease) in cash and cash equivalents	43,547	857,229	5,915	(56,122)
Cash, cash equivalents and investments at beginning of year	<u>--</u>	<u>13,206,481</u>	<u>2,742,462</u>	<u>4,000,684</u>
Cash, cash equivalents and investments at end of year	<u>\$ 43,547</u>	<u>\$ 14,063,710</u>	<u>\$ 2,748,377</u>	<u>\$ 3,944,562</u>

(Continued)

City of Corpus Christi

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**Exhibit 37-C**

<b>Liability and Employee Benefits</b>	<b>Engineering Services</b>	<b>Eliminations</b>	<b>Total</b>
\$ 9,169,182	\$ 956	\$ --	\$ 9,193,772
28,681,640	5,330,025	--	72,192,996
(7,231,946)	(735,952)	--	(31,096,996)
(1,005,313)	(3,637,827)	--	(15,822,111)
(194,375)	(1,064,258)	--	(4,172,501)
(35,527,152)	--	--	(35,527,152)
--	34,298	--	234,611
<u>(6,107,964)</u>	<u>(72,758)</u>	<u>--</u>	<u>(4,997,381)</u>
--	--	--	--
1,230	16,735	(53,042)	--
(841,502)	--	53,042	(1,319,909)
<u>(840,272)</u>	<u>16,735</u>	<u>--</u>	<u>(1,319,909)</u>
--	--	--	(1,700,444)
--	--	--	2,427
--	--	--	2,781,343
--	--	--	(394,200)
--	(59,844)	--	(600,982)
--	(5,483)	--	(81,778)
<u>--</u>	<u>(5,483)</u>	<u>--</u>	<u>(81,778)</u>
--	(65,327)	--	6,366
162,917	266	--	255,090
<u>162,917</u>	<u>266</u>	<u>--</u>	<u>255,090</u>
(6,785,319)	(121,084)	--	(6,055,834)
<u>39,614,807</u>	<u>1,056,157</u>	<u>--</u>	<u>60,620,591</u>
<u>\$ 32,829,488</u>	<u>\$ 935,073</u>	<u>\$ --</u>	<u>\$ 54,564,757</u>

City of Corpus Christi

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**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2016**

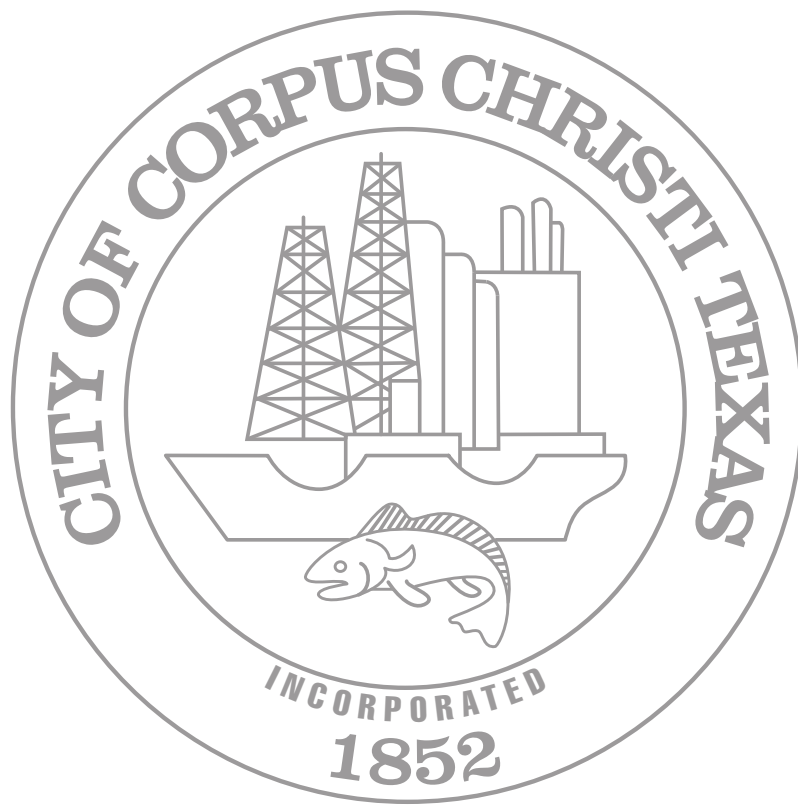
	<u>Stores</u>	<u>Fleet Maintenance Service</u>	<u>Facilities Maintenance Service</u>	<u>Information Technology</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>				
Operating income (loss)	\$ 173,948	\$ (3,069,050)	\$ 352,925	\$ 267,454
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation	11,332	2,959,416	228,652	473,880
Provision for uncollectible accounts	--	--	--	--
Recovery of damage claims	--	200,313	--	--
Changes in assets and liabilities				
Receivables	--	--	(71)	--
Inventory	79,477	(7,737)	--	--
Prepaid items	--	--	--	--
Deferred outflows of resources	(188,499)	(607,577)	(343,327)	(1,495,548)
Accounts payable	(15,723)	(350,785)	57,280	(532,019)
Accrued expenses	(16,992)	(66,216)	(33,878)	(151,802)
Estimated claims liability	--	--	--	--
Deposits	--	(1,260)	--	--
Liability to claimants-escheat property	--	--	--	--
Unearned revenue	--	--	--	--
Accumulated unpaid compensated absences	(51,345)	8,259	35,915	68,313
Net pension liability	229,464	748,449	415,573	1,797,589
Net OPEB obligation	1,131	2,813	2,101	8,109
Deferred inflows of resources	(519)	(1,694)	(941)	(4,069)
Net cash provided by (used for) operating activities	<u>\$ 222,274</u>	<u>\$ (185,069)</u>	<u>\$ 714,229</u>	<u>\$ 431,907</u>
<b>Noncash investing, capital and financing activities</b>				
Acquisition of capital assets under capital lease	\$ --	\$ 473,000	\$ 53,329	\$ --

City of Corpus Christi

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**Exhibit 37-C  
(Continued)**

<b>Liability and Employee Benefits</b>	<b>Engineering Services</b>	<b>Eliminations</b>	<b>Total</b>
\$ (8,940,595)	\$ (359,842)	\$ --	\$ (11,575,160)
--	95,598	--	3,768,878
(887)	--	--	(887)
--	--	--	200,313
238,930	34,298	--	273,157
--	--	--	71,740
939,735	--	--	939,735
(220,122)	(807,541)	--	(3,662,614)
(415,404)	6,158	--	(1,250,492)
(91,998)	(91,771)	--	(452,657)
2,861,181	--	--	2,861,181
--	--	--	(1,260)
1,502	--	--	1,502
(9,200)	--	--	(9,200)
(7,259)	39,044	--	92,927
275,164	1,009,586	--	4,475,825
(738,389)	3,998	--	(720,237)
(623)	(2,286)	--	(10,132)
<u>\$ (6,107,965)</u>	<u>\$ (72,758)</u>	<u>\$ --</u>	<u>\$ (4,997,381)</u>
\$ --	\$ 252,126	\$ --	\$ 778,455



*Capital Assets*



*Capital Assets Used in the Operation  
of Governmental Funds*





City of Corpus Christi

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Exhibit 38-A

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY SOURCE \*  
SEPTEMBER 30, 2016**

Governmental funds capital assets	
Land	\$ 68,538,477
Buildings	232,194,112
Improvements other than buildings	256,764,059
Machinery and equipment	88,633,330
Infrastructure	380,796,051
Construction in progress	108,977,460
	<u>1,135,903,489</u>
Total governmental funds capital assets	<u>\$ 1,135,903,489</u>
Investment in governmental funds capital assets by source	
Capital projects funds	\$ 911,224,437
General and special revenue funds	70,340,344
Donations	17,214,313
Developers contributions	26,426,858
Federal revenue sharing	82,791,354
Tax increment zone	22,861,080
Claim settlements	5,045,103
	<u>1,135,903,489</u>
Total investment in governmental funds capital assets by source	<u>\$ 1,135,903,489</u>

\* This schedule presents only the capital assets balances related to governmental funds. The capital assets reported in internal service funds are excluded from the above amounts but are included as governmental activities in the statement of net position.

City of Corpus Christi

Exhibit 38-B

**CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY \*  
SEPTEMBER 30, 2016**

	<u>Totals</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>
Staff Agencies						
Finance	\$ 137,904	\$ --	\$ --	\$ --	\$ 137,904	\$ --
Meter reading	294,211	--	--	--	294,211	--
Planning	252,614	--	136,698	--	115,916	--
Total staff agencies	<u>684,729</u>	<u>--</u>	<u>136,698</u>	<u>--</u>	<u>548,031</u>	<u>--</u>
City Hall and Emergency Management Facility	22,822,241	3,732,487	17,723,896	18,504	1,347,354	--
Municipal service center	2,185,197	204,024	662,316	330,862	987,995	--
Miscellaneous	20,070,951	200,383	7,361,532	10,435,881	2,073,155	--
Total general government	<u>45,763,118</u>	<u>4,136,894</u>	<u>25,884,442</u>	<u>10,785,247</u>	<u>4,956,535</u>	<u>--</u>
Police and municipal court						
Police						
Police	20,354,957	2,325,928	8,132,038	2,838,210	7,058,781	--
Animal control	3,848,674	--	3,432,801	--	415,873	--
Code enforcement	98,630	--	--	--	98,630	--
Total police	<u>24,302,261</u>	<u>2,325,928</u>	<u>11,564,839</u>	<u>2,838,210</u>	<u>7,573,284</u>	<u>--</u>
Municipal Court	1,077,742	--	26,410	928,833	122,499	--
Total police and municipal court	<u>25,380,003</u>	<u>2,325,928</u>	<u>11,591,249</u>	<u>3,767,043</u>	<u>7,695,783</u>	<u>--</u>
Fire	28,915,540	1,666,238	7,858,162	5,212,718	14,178,422	--
Ambulance	2,168,878	--	--	--	2,168,878	--
Emergency management	25,014	--	--	--	25,014	--
Building inspections	146,626	--	--	--	146,626	--
Streets						
Streets, sidewalks, curbs and gutters	354,031,207	15,580,929	--	4,604,399	--	333,845,879
Street maintenance and construction	9,456,042	266,937	128,442	--	9,060,663	--
Street signs and markings	791,200	--	--	35,428	755,772	--
Harbor Bridge and approaches	7,322,587	64,110	--	7,258,477	--	--
Total streets	<u>371,601,036</u>	<u>15,911,976</u>	<u>128,442</u>	<u>11,898,304</u>	<u>9,816,435</u>	<u>333,845,879</u>
Solid Waste	121,471,440	8,233,422	377,257	57,400,872	38,348,826	17,111,063
Health	6,848,758	61,909	4,547,312	1,363,428	876,109	--
Parks, recreation and education						
Parks and recreation	116,336,070	18,850,127	3,479,481	77,493,315	2,523,426	13,989,721
Miradores and Selena Memorial	1,965,000	--	--	1,965,000	--	--
Senior services	4,785,729	130,714	3,380,510	1,274,505	--	--
Upper level college facilities	1,510,810	1,510,810	--	--	--	--
Total parks, recreation and education	<u>124,597,609</u>	<u>20,491,651</u>	<u>6,859,991</u>	<u>80,732,820</u>	<u>2,523,426</u>	<u>13,989,721</u>
Libraries	18,225,672	773,001	17,049,483	277,978	125,210	--
(Continued)						

City of Corpus Christi

Exhibit 38-B  
(Continued)

**CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY \***  
**SEPTEMBER 30, 2016**

	<u>Totals</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>
Corpus Christi museums	7,446,001	--	6,488,324	487,563	470,114	--
Community enrichment						
Cultural and convention facilities						
Multipurpose arena	48,829,792	2,829,110	43,209,435	2,600,369	190,878	--
Auditorium	7,304,198	--	7,262,070	--	42,128	--
Baseball stadium	28,441,771	1,836,763	26,186,852	418,156	--	--
Harbor Playhouse	880,519	--	869,675	--	10,844	--
Convention center	64,174,385	798,244	52,722,805	3,828,642	6,824,694	--
Water Garden	1,499,927	--	--	1,499,927	--	--
Bayfront Science Park	27,201,555	3,651,328	2,468,913	20,935,353	145,961	--
Texas State Aquarium	20,844,296	2,047,044	11,024,033	7,773,219	--	--
Total cultural and convention facilities	<u>199,176,443</u>	<u>11,162,489</u>	<u>143,743,783</u>	<u>37,055,666</u>	<u>7,214,505</u>	<u>--</u>
Public art	93,328	--	--	93,328	--	--
Total community enrichment	<u>199,269,771</u>	<u>11,162,489</u>	<u>143,743,783</u>	<u>37,148,994</u>	<u>7,214,505</u>	<u>--</u>
Community development						
Neighborhood improvement	23,595	--	--	--	23,595	--
Community Development Block Grant	7,299,284	800,221	5,821,579	677,484	--	--
CC Housing Finance Corporation	958,246	163,841	419,382	375,023	--	--
Corpus Christi Community Improvement Corp.	1,473,294	59,497	1,413,797	--	--	--
Total community development	<u>9,754,419</u>	<u>1,023,559</u>	<u>7,654,758</u>	<u>1,052,507</u>	<u>23,595</u>	<u>--</u>
Other general capital assets:						
Packery Channel	16,211,577	--	--	298,337	63,852	15,849,388
Seawall	46,338,248	--	--	46,338,248	--	--
Army Corp of Engineers office	10,909	--	10,909	--	--	--
Naval Air Station safety zone	2,672,482	2,672,482	--	--	--	--
Transit facility	78,928	78,928	--	--	--	--
Total other general capital assets	<u>65,312,144</u>	<u>2,751,410</u>	<u>10,909</u>	<u>46,636,585</u>	<u>63,852</u>	<u>15,849,388</u>
Total capital assets in service	<u>1,026,926,029</u>	<u>68,538,477</u>	<u>232,194,112</u>	<u>256,764,059</u>	<u>88,633,330</u>	<u>380,796,051</u>
Less: accumulated depreciation	<u>456,789,670</u>	<u>--</u>	<u>96,520,603</u>	<u>116,151,613</u>	<u>65,743,419</u>	<u>178,374,035</u>
Net capital assets in service	<u>570,136,359</u>	<u>68,538,477</u>	<u>135,673,509</u>	<u>140,612,446</u>	<u>22,889,911</u>	<u>202,422,016</u>
Construction in progress	<u>108,977,460</u>	<u>--</u>	<u>1,324,936</u>	<u>32,038,949</u>	<u>--</u>	<u>75,613,575</u>
Total general capital assets	<u>\$ 679,113,819</u>	<u>\$ 68,538,477</u>	<u>\$ 136,998,445</u>	<u>\$ 172,651,395</u>	<u>\$ 22,889,911</u>	<u>\$ 278,035,591</u>

\* This schedule presents only the capital assets balances related to governmental funds. The capital assets reported in internal service funds are excluded from the above amounts but are included as governmental activities in the statement of net position.

City of Corpus Christi

Exhibit 38-C

**SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS  
BY FUNCTION AND ACTIVITY \*  
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Beginning Balance</u>	<u>Additions and Transfers</u>	<u>Retirements</u>	<u>Ending Balance</u>
General government				
Staff agencies				
Finance	121,664	16,240	--	137,904
Meter reading	294,211	--	--	294,211
Planning	48,414	217,888	13,688	252,614
Total staff agencies	<u>464,289</u>	<u>234,128</u>	<u>13,688</u>	<u>684,729</u>
City Hall and Emergency Management Facility	22,822,241	--	--	22,822,241
Municipal service center	1,854,335	330,862	--	2,185,197
Miscellaneous	12,281,904	7,789,047	--	20,070,951
Total general government	<u>37,422,769</u>	<u>8,354,037</u>	<u>13,688</u>	<u>45,763,118</u>
Police and municipal court				
Police	20,861,249	552,896	1,059,189	20,354,956
Animal control	3,604,319	244,355	--	3,848,674
Code enforcement	45,412	53,218	--	98,630
Total police	<u>24,510,980</u>	<u>850,469</u>	<u>1,059,189</u>	<u>24,302,260</u>
Municipal court	180,191	897,551	--	1,077,742
Total police and municipal court	<u>24,691,171</u>	<u>1,748,020</u>	<u>1,059,189</u>	<u>25,380,002</u>
Fire	28,141,882	1,886,609	1,112,950	28,915,541
Ambulance	4,437,699	623,260	2,892,081	2,168,878
Emergency management	25,014	--	--	25,014
Inspections	146,626	--	--	146,626
Streets				
Streets, sidewalks, curbs and gutters	341,157,064	12,874,143	--	354,031,207
Street maintenance and construction	8,509,375	962,147	15,480	9,456,042
Street signs and markings	811,005	113,380	133,185	791,200
Harbor Bridge and approaches	7,322,587	--	--	7,322,587
Total streets	<u>357,800,031</u>	<u>13,949,670</u>	<u>148,665</u>	<u>371,601,036</u>
Solid waste	113,700,080	7,792,520	21,160	121,471,440
Health	6,577,767	347,102	76,111	6,848,758
Parks, recreation and education				
Parks and recreation	112,277,293	4,672,096	613,318	116,336,071
Miradores and Selena Memorial	1,965,000	--	--	1,965,000
Senior services	4,542,238	243,491	--	4,785,729
Upper level college facilities	1,510,810	--	--	1,510,810
Total parks, recreation and education	<u>120,295,341</u>	<u>4,915,587</u>	<u>613,318</u>	<u>124,597,610</u>
Libraries	18,225,672	--	--	18,225,672
Corpus Christi museums	8,300,022	--	854,021	7,446,001

(Continued)

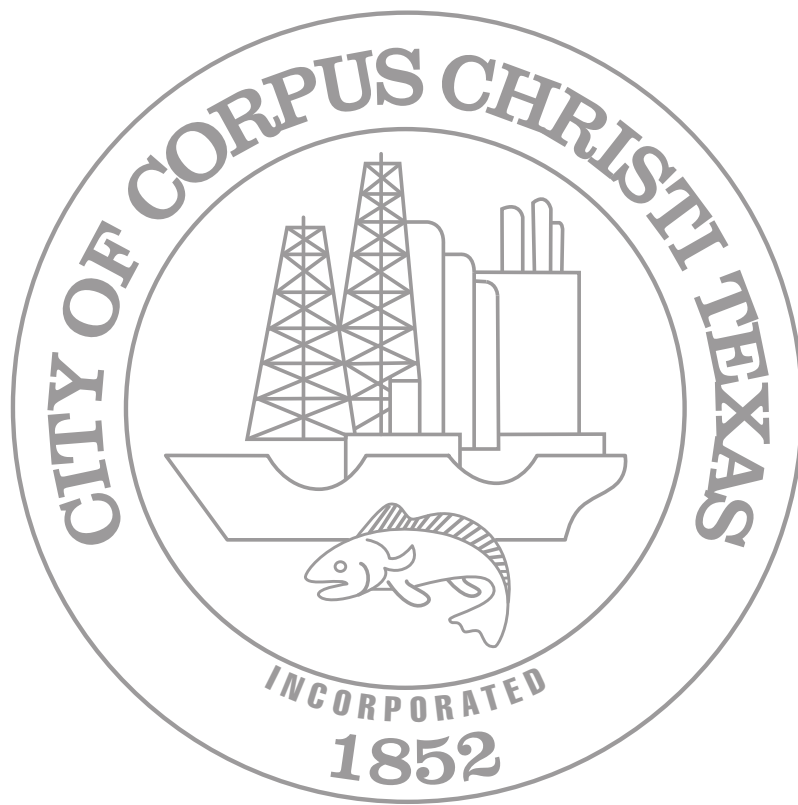
City of Corpus Christi

Exhibit 38-C  
(continued)

**SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS  
BY FUNCTION AND ACTIVITY \*  
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Beginning Balance</u>	<u>Additions and Transfers</u>	<u>Retirements</u>	<u>Ending Balance</u>
Community enrichment				
Cultural and convention facilities				
Multipurpose arena	48,732,802	96,990	--	48,829,792
Auditorium	7,304,198	--	--	7,304,198
Baseball stadium	28,441,771	--	--	28,441,771
Harbor Playhouse	880,519	--	--	880,519
Convention center	63,994,029	180,356	--	64,174,385
Water Garden	1,499,927	--	--	1,499,927
Bayfront Science Park	27,258,161	--	56,606	27,201,555
Texas State Aquarium	20,844,296	--	--	20,844,296
Total cultural and convention facilities	<u>198,955,703</u>	<u>277,346</u>	<u>56,606</u>	<u>199,176,443</u>
Public art	93,328	--	--	93,328
Total community enrichment	<u>199,049,031</u>	<u>277,346</u>	<u>56,606</u>	<u>199,269,771</u>
Community development				
Neighborhood improvement	23,595	--	--	23,595
Community Development Block Grant	7,299,284	--	--	7,299,284
CC Housing Finance Corporation	958,246	--	--	958,246
Corpus Christi Improvement Corp.	1,473,294	--	--	1,473,294
Total community development	<u>9,754,419</u>	<u>--</u>	<u>--</u>	<u>9,754,419</u>
Other general capital assets:				
Packery Channel	16,128,654	82,923	--	16,211,577
Seawall	45,808,864	529,384	--	46,338,248
Army Corp of Engineers office	10,909	--	--	10,909
Naval Air Station safety zone	2,672,482	--	--	2,672,482
Transit facility	78,928	--	--	78,928
Total other general capital assets	<u>64,699,837</u>	<u>612,307</u>	<u>--</u>	<u>65,312,144</u>
Total capital assets in service	993,267,361	40,506,458	6,847,789	1,026,926,030
Less: accumulated depreciation	437,686,330	25,951,130	6,847,789	456,789,671
Net capital assets in service	<u>555,581,031</u>	<u>14,555,328</u>	<u>--</u>	<u>570,136,359</u>
Construction in progress	97,966,885	11,010,575	--	108,977,460
Total general capital assets	<u>\$ 653,547,916</u>	<u>\$ 25,565,903</u>	<u>\$ --</u>	<u>\$ 679,113,819</u>

\* This schedule presents only the capital assets balances related to governmental funds. The capital assets reported in internal service funds are excluded from the above amounts but are included as governmental activities in the statement of net assets.



*Statistical Section*





## *Statistical Section*

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
Financial Trends	258
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	270
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	278
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	286
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	288
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant years.

City of Corpus Christi

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**CITY OF CORPUS CHRISTI, TEXAS  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)**

	<b>Fiscal Year</b>			
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities				
Net investment in capital assets	\$ 160,007,194	\$ 171,559,799	\$ 184,297,821	\$ 190,984,493
Restricted	5,085,156	7,161,689	8,706,284	81,610,847
Unrestricted	108,485,456	118,117,170	102,378,371	19,260,356
Total governmental activities net position	<u>\$ 273,577,806</u>	<u>\$ 296,838,658</u>	<u>\$ 295,382,476</u>	<u>\$ 291,855,696</u>
Business-type activities				
Net investment in capital assets	\$ 557,699,068	\$ 614,734,623	\$ 588,187,607	\$ 685,455,079
Restricted	20,698,409	17,162,129	15,547,632	13,445,408
Unrestricted	40,565,906	1,923,108	49,119,110	16,803,962
Total business-type activities net position	<u>\$ 618,963,383</u>	<u>\$ 633,819,860</u>	<u>\$ 652,854,349</u>	<u>\$ 715,704,449</u>
Primary government				
Net investment in capital assets	\$ 717,706,262	\$ 786,294,422	\$ 772,485,428	\$ 876,439,572
Restricted	25,783,565	24,323,818	24,253,916	95,056,255
Unrestricted	149,051,362	120,040,278	151,497,481	36,064,318
Total primary government net position	<u>\$ 892,541,189</u>	<u>\$ 930,658,518</u>	<u>\$ 948,236,825</u>	<u>\$ 1,007,560,145</u>

\* The City changed its fiscal year from July 31 to September 30  
FY 2014 includes 14 months of operations

\*\* Beginning with FY2016, net position of the General Obligation Debt Service Fund is classified as Restricted,  
and the Solid Waste activity is presented as a Governmental activity instead of a Business-type activity.

City of Corpus Christi

Table 1

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014*</u>	<u>2015</u>	<u>2016**</u>
\$ 209,725,506	\$ 222,519,201	\$ 240,668,349	\$ 271,711,769	\$ 268,379,713	\$ 304,106,762
79,572,803	85,445,854	89,422,908	90,284,166	110,426,731	137,074,978
29,215,682	37,839,536	52,514,581	43,044,907	(93,108,769)	(129,830,889)
<u>\$ 318,513,991</u>	<u>\$ 345,804,591</u>	<u>\$ 382,605,838</u>	<u>\$ 405,040,842</u>	<u>\$ 285,697,675</u>	<u>\$ 311,350,851</u>
\$ 682,070,387	\$ 693,363,853	\$ 704,595,166	\$ 793,058,216	\$ 768,459,800	\$ 777,595,643
14,731,997	10,689,200	13,455,463	17,238,437	20,125,997	18,589,790
30,148,172	61,185,337	83,373,816	24,083,260	55,457,952	107,784,915
<u>\$ 726,950,556</u>	<u>\$ 765,238,390</u>	<u>\$ 801,424,445</u>	<u>\$ 834,379,913</u>	<u>\$ 844,043,749</u>	<u>\$ 903,970,348</u>
\$ 891,795,893	\$ 915,883,054	\$ 945,263,515	\$ 1,064,769,985	\$ 1,036,839,513	\$ 1,081,702,405
94,304,800	96,135,054	102,878,371	107,522,603	130,552,728	155,664,768
59,363,854	99,024,873	135,888,397	67,128,167	(37,650,817)	(22,045,974)
<u>\$ 1,045,464,547</u>	<u>\$ 1,111,042,981</u>	<u>\$ 1,184,030,283</u>	<u>\$ 1,239,420,755</u>	<u>\$ 1,129,741,424</u>	<u>\$ 1,215,321,199</u>

City of Corpus Christi

**CITY OF CORPUS CHRISTI, TEXAS**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
 (accrual basis of accounting)

	Fiscal Year			
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Expenses</b>				
Primary government				
Governmental activities				
General government	\$ 20,909,738	\$ 20,658,739	\$ 22,072,622	\$ 19,480,668
Police and municipal court	67,186,703	73,018,660	78,931,771	81,171,817
Fire and ambulance	37,478,787	38,221,888	42,520,139	43,287,584
Solid Waste	-	--	--	--
Emergency management	358,799	470,593	525,077	505,319
Inspections	1,721,108	1,699,251	2,171,232	1,664,676
Streets	23,145,350	25,060,354	25,814,362	25,674,747
Health	6,126,090	6,856,261	7,450,418	7,505,758
Parks and recreation	18,933,077	21,455,686	21,767,352	21,577,152
Libraries	4,593,979	4,993,605	5,612,844	5,298,406
Museums	1,412,561	1,886,531	1,842,929	1,853,104
Community enrichment	1,784,029	2,624,646	3,476,141	4,220,179
Community development	4,114,411	4,594,232	5,830,606	10,403,520
Convention and visitor activities	18,615,167	18,134,378	17,167,605	15,183,072
Interest on long-term debt	14,713,700	14,665,318	14,950,035	16,156,130
Total governmental activities	<u>221,093,499</u>	<u>234,340,142</u>	<u>250,133,133</u>	<u>253,982,132</u>
Business-type activities				
Solid Waste	27,045,462	20,075,708	18,442,528	22,418,231
Utilities				
Water	86,542,198	94,885,353	97,638,099	93,937,152
Gas	36,919,568	38,128,913	31,286,452	31,748,907
Wastewater	39,548,014	42,411,241	43,450,764	46,795,236
Airport	10,991,302	11,555,900	12,228,908	11,406,735
Golf Centers	1,780,434	1,948,903	2,133,840	2,051,107
Marina	1,692,618	1,806,755	1,864,063	1,861,705
Total business-type activities	<u>204,519,596</u>	<u>210,812,773</u>	<u>207,044,654</u>	<u>210,219,073</u>
Total primary government	<u>\$ 425,613,095</u>	<u>\$ 445,152,915</u>	<u>\$ 457,177,787</u>	<u>\$ 464,201,205</u>
<b>Program revenue</b>				
Governmental activities				
Charges for services				
General government	\$ 20,328,447	\$ 21,120,037	\$ 19,995,923	\$ 20,566,739
Public safety	18,053,712	18,582,177	19,328,378	20,021,375
Other activities	16,564,997	13,198,200	13,466,048	11,839,459
Operating grants and contributions	13,585,522	13,293,341	13,519,519	15,768,215
Capital grants and contributions	5,742,472	9,215,148	5,160,566	8,274,872
Total governmental activities program revenues	<u>74,275,150</u>	<u>75,408,903</u>	<u>71,470,434</u>	<u>76,470,660</u>

(Continued)

City of Corpus Christi

Table 2

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016**</u>
\$	16,589,746	\$ 18,079,972	\$ 20,066,766	\$ 23,528,625	\$ 20,095,432	\$ 23,549,438
	81,930,129	80,496,720	80,194,663	106,771,633	91,069,002	96,427,880
	47,347,004	45,748,510	48,997,146	58,864,749	48,724,237	58,265,448
	-	-	-	-	-	25,422,366
	543,682	507,564	505,811	632,347	613,555	630,679
	1,636,669	1,752,448	1,995,533	2,182,793	2,379,102	226,501
	21,451,848	17,337,069	18,523,334	29,657,466	34,051,106	36,240,932
	7,218,565	6,813,120	6,835,120	6,661,113	5,940,977	6,446,306
	19,902,761	17,861,237	18,659,058	22,829,117	19,928,692	22,459,907
	4,785,207	4,222,687	3,731,475	4,779,930	4,575,572	4,894,637
	1,900,026	1,659,435	1,555,994	1,907,091	1,866,875	2,085,260
	9,529,467	4,273,802	2,742,906	7,589,196	5,851,215	6,112,618
	10,025,480	11,084,674	13,218,255	14,025,431	13,365,023	9,393,044
	10,487,728	16,057,354	18,022,411	19,365,234	16,228,430	15,459,948
	17,385,095	16,786,166	14,875,186	15,357,763	16,378,266	17,314,590
	<u>250,733,407</u>	<u>242,680,758</u>	<u>249,923,658</u>	<u>314,152,488</u>	<u>281,067,484</u>	<u>324,929,554</u>
	27,140,788	23,494,713	25,721,265	33,046,483	29,152,032	-
	96,818,500	99,262,996	102,157,760	117,294,046	107,235,791	106,291,296
	30,224,910	25,318,899	28,564,940	43,714,412	34,256,774	29,510,720
	47,063,049	46,664,152	48,937,097	63,649,026	56,892,815	56,636,897
	11,729,049	11,982,695	11,899,650	15,412,742	13,631,297	14,115,378
	1,168,875	293,633	241,504	198,341	214,575	128,614
	1,793,695	1,802,521	1,757,820	2,185,278	1,997,197	2,337,522
	<u>215,938,866</u>	<u>208,819,609</u>	<u>219,280,036</u>	<u>275,500,328</u>	<u>243,380,481</u>	<u>209,020,427</u>
\$	<u>466,672,273</u>	<u>451,500,367</u>	<u>469,203,694</u>	<u>589,652,816</u>	<u>524,447,965</u>	<u>533,949,981</u>
\$	22,093,237	\$ 21,614,922	\$ 24,054,154	\$ 27,323,898	\$ 25,920,218	\$ 9,095,175
	19,349,804	20,165,521	20,948,126	24,607,968	20,189,446	20,286,859
	13,090,388	12,388,359	15,605,078	29,498,080	27,444,915	62,183,070
	20,293,248	14,697,325	12,516,057	14,116,549	9,899,152	11,531,748
	11,616,793	4,841,413	7,645,930	8,509,542	7,911,826	11,479,193
	<u>86,443,470</u>	<u>73,707,540</u>	<u>80,769,345</u>	<u>104,056,037</u>	<u>91,365,557</u>	<u>114,576,045</u>

City of Corpus Christi

**CITY OF CORPUS CHRISTI, TEXAS**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
 (accrual basis of accounting)

	Fiscal Year			
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Program revenue (continued)</b>				
Business-type activities				
Charges for services				
Solid Waste	\$ 26,641,520	\$ 29,843,162	\$ 30,979,626	\$ 32,011,959
Utilities				
Water	75,147,044	87,131,217	106,536,846	96,571,762
Gas	40,694,377	43,166,492	33,159,669	36,520,847
Wastewater	38,833,360	41,784,614	45,227,800	51,048,604
Airport	9,764,349	9,948,929	8,562,286	8,594,836
Golf Centers	1,740,134	1,943,751	1,732,263	1,838,093
Marina	1,326,631	1,436,603	1,592,825	1,572,406
Operating grants and contributions	105,065	47,668	495,845	120,435
Capital grants and contributions	26,818,057	24,436,963	7,863,922	9,557,122
Total business-type activities program revenues	<u>221,070,537</u>	<u>239,739,399</u>	<u>236,151,082</u>	<u>237,836,064</u>
Total primary government program revenues	<u>\$ 295,345,687</u>	<u>\$ 315,148,302</u>	<u>\$ 307,621,516</u>	<u>\$ 314,306,724</u>
<b>Net (expense) revenue</b>				
Governmental activities	\$ (146,818,349)	\$ (158,931,239)	\$ (178,662,699)	\$ (177,511,472)
Business-type activities	16,550,941	28,926,626	29,106,428	27,616,991
<b>Total primary government net expenses</b>	<u>\$ (130,267,408)</u>	<u>\$ (130,004,613)</u>	<u>\$ (149,556,271)</u>	<u>\$ (149,894,481)</u>
<b>General revenues and other changes in net position</b>				
Governmental activities				
Taxes				
Property taxes, levied for general purpo:	\$ 51,477,867	\$ 52,288,456	\$ 55,410,412	\$ 57,291,695
Property taxes, levied for debt service	22,105,552	25,021,687	26,278,717	27,358,566
Sales taxes	66,124,730	70,120,506	71,018,975	64,654,960
Hotel occupancy taxes	9,630,152	10,337,342	10,127,333	9,919,560
Business fees	-	--	--	--
Unrestricted investment earnings	7,321,196	6,220,124	2,825,071	1,283,513
Transfers	18,759,642	18,203,976	11,546,009	13,476,398
Total governmental activities	<u>175,419,139</u>	<u>182,192,091</u>	<u>177,206,517</u>	<u>173,984,692</u>
Business-type activities				
Unrestricted investment earnings	7,120,196	4,133,827	1,474,070	825,924
Transfers	(18,759,642)	(18,203,976)	(11,546,009)	(13,476,398)
Total business-type activities	<u>(11,639,446)</u>	<u>(14,070,149)</u>	<u>(10,071,939)</u>	<u>(12,650,474)</u>
Total primary government	<u>\$ 163,779,693</u>	<u>\$ 168,121,942</u>	<u>\$ 167,134,578</u>	<u>\$ 161,334,218</u>
<b>Changes in Net Position</b>				
Governmental activities	\$ 28,600,790	\$ 23,260,852	\$ (1,456,182)	\$ (3,526,780)
Business-type activities	4,911,495	14,856,477	19,034,489	14,966,517
Total primary government	<u>\$ 33,512,285</u>	<u>\$ 38,117,329</u>	<u>\$ 17,578,307</u>	<u>\$ 11,439,737</u>

\* The City changed its fiscal year from July 31 to September 30  
 FY 2014 includes 14 months of operations

\*\* Prior to FY2016, the Solid Waste activity was included with Business-type activities, and Business fees were included as General governmental

City of Corpus Christi

**Table 2  
(Continued)**

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014*</u>	<u>2015</u>	<u>2016**</u>
\$ 34,593,348	\$ 37,864,068	\$ 37,122,282	\$ 43,677,779	\$ 37,475,401	\$ --
108,948,434	120,017,362	117,230,522	140,078,315	121,958,577	137,305,933
31,828,023	26,139,159	28,950,470	42,408,214	32,265,916	27,679,719
54,884,681	59,662,102	59,323,805	75,704,726	68,488,526	72,265,040
9,503,417	9,520,245	9,489,992	11,919,295	10,549,237	4,312,314
1,060,795	416,750	350,592	257,772	204,936	137,977
1,464,629	1,832,336	1,851,612	2,227,983	1,911,146	1,883,564
1,193,227	1,320,294	1,537,735	1,379,860	1,226,335	1,309,988
7,736,648	9,858,001	16,637,935	17,942,344	27,219,660	11,579,767
<u>251,213,202</u>	<u>266,630,317</u>	<u>272,494,945</u>	<u>335,596,288</u>	<u>301,299,734</u>	<u>256,474,302</u>
<u>\$ 337,656,672</u>	<u>\$ 340,337,857</u>	<u>\$ 353,264,290</u>	<u>\$ 439,652,325</u>	<u>\$ 392,665,291</u>	<u>\$ 371,050,347</u>
\$ (164,289,936)	\$ (168,973,217)	\$ (156,882,225)	\$ (210,096,450)	\$ (189,701,926)	\$ (210,353,508)
35,274,336	57,810,708	50,372,518	60,095,960	57,919,253	47,453,875
<u>\$ (129,015,600)</u>	<u>\$ (111,162,509)</u>	<u>\$ (106,509,707)</u>	<u>\$ (150,000,490)</u>	<u>\$ (131,782,673)</u>	<u>\$ (162,899,633)</u>
\$ 57,457,988	\$ 58,201,084	\$ 60,506,596	\$ 64,808,014	\$ 69,730,902	\$ 78,863,952
27,192,025	25,906,607	26,605,837	31,855,785	34,255,712	40,425,079
70,432,482	79,403,692	86,163,292	103,372,472	89,126,468	81,618,057
10,721,997	12,051,548	13,174,824	17,066,868	15,110,411	17,636,317
--	--	--	--	--	17,394,372
682,991	848,062	1,208,748	1,244,127	1,277,826	1,965,520
24,460,749	19,852,825	20,674,272	19,380,059	14,953,233	5,867,890
<u>190,948,232</u>	<u>196,263,818</u>	<u>208,333,569</u>	<u>237,727,325</u>	<u>224,454,552</u>	<u>243,771,187</u>
432,520	329,951	445,360	344,764	1,217,295	1,955,470
(24,460,749)	(19,852,825)	(20,228,912)	(19,035,295)	(14,953,233)	(5,867,890)
(24,028,229)	(19,522,874)	(19,783,552)	(18,690,531)	(13,735,938)	(3,912,420)
<u>\$ 166,920,003</u>	<u>\$ 176,740,944</u>	<u>\$ 188,550,017</u>	<u>\$ 219,036,794</u>	<u>\$ 210,718,614</u>	<u>\$ 239,858,767</u>
\$ 26,658,296	\$ 27,290,601	\$ 31,429,175	\$ 27,630,875	\$ 34,752,626	\$ 33,417,679
11,246,107	38,287,834	36,186,054	41,060,665	44,183,315	43,541,455
<u>\$ 37,904,403</u>	<u>\$ 65,578,435</u>	<u>\$ 67,615,229</u>	<u>\$ 68,691,540</u>	<u>\$ 78,935,941</u>	<u>\$ 76,959,134</u>

charges for services.



City of Corpus Christi

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**CITY OF CORPUS CHRISTI, TEXAS  
FUND BALANCE OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)**

	<b>Fiscal Year</b>		
	<b>2007</b>	<b>2008</b>	<b>2009</b>
General fund			
Reserved	\$ 4,054,101	\$ 4,638,291	\$ 2,938,429
Unreserved	28,372,503	27,571,509	27,325,624
Nonspendable			
Restricted			
Committed			
Assigned			
Unassigned			
Total general fund	\$ 32,426,604	\$ 32,209,800	\$ 30,264,053
All other governmental funds			
Reserved	\$ 60,621,159	\$ 57,031,756	\$ 58,028,080
Unreserved, reported in:			
Debt service funds	6,846,970	11,712,600	9,456,925
Special revenue funds	30,461,934	43,057,821	45,533,073
Capital projects funds	67,507,979	61,947,382	109,247,126
Nonspendable			
Special revenue funds			
Restricted			
Debt service funds			
Special revenue funds			
Capital projects funds			
Committed			
Debt service funds			
Special revenue funds			
Capital projects funds			
Assigned, reported in:			
Special revenue funds			
Capital projects funds			
Unassigned, reported in:			
Special revenue funds			
Capital projects funds			
Total all other governmental funds	\$ 165,438,042	\$ 173,749,559	\$ 222,265,204

Notes:

The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011. Fiscal year 2010 amounts restated to conform to the new statement requirements.

\* The City changed its fiscal year from July 31 to September 30  
FY 2014 included 14 months of operations

\*\* Beginning with FY2016, General Fund Reserve for Major Commitments was reclassified from Committed to Unassigned, and the net position of the General Obligation Debt Service Fund was reclassified from Committed to Restricted.

City of Corpus Christi

Table 3

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014*</u>	<u>2015</u>	<u>2016**</u>
\$ 361,507	\$ 1,491,399	\$ 1,400,017	\$ 1,302,980	\$ 1,614,482	\$ 1,272,561	\$ 1,000,172
688,286	636,531	249,433	298,854	363,996	389,177	440,185
19,701,535	19,813,473	28,764,934	40,537,505	37,808,621	39,564,995	62,929
17,747	5,845	6,806	11,480	658,480	10,120,144	4,079,385
8,579,370	8,617,684	7,551,298	11,441,898	11,538,642	174,624	47,321,813
<u>\$ 29,348,445</u>	<u>\$ 30,564,932</u>	<u>\$ 37,972,488</u>	<u>\$ 53,592,717</u>	<u>\$ 51,984,221</u>	<u>\$ 51,521,501</u>	<u>\$ 52,904,484</u>
\$ 1,008,008	\$ 890,963	\$ 396,787	\$ 571,478	\$ 789,937	\$ 593,824	\$ 678,222
5,974,622	5,956,307	5,334,218	1,500,000	5,335,454	6,153,453	12,917,033
71,202,025	74,267,207	79,862,203	87,624,054	84,449,297	103,457,997	153,175,499
105,026,981	70,969,215	84,525,622	139,030,313	116,444,974	193,692,270	155,816,175
11,271,942	13,812,320	16,858,822	15,512,834	8,660,390	10,777,534	-
677,007	390,454	896,775	739,729	13,435,512	20,343,465	26,942,541
10,109,487	8,413,784	7,400,034	5,658,891	4,466,229	3,303,368	3,995,533
98,347	214,601	68,775	316,952	1,576,765	2,447,588	8,036,143
3,445,097	1,855,964	2,218,850	1,668,506	11,716,955	1,643,682	157,042
(1,415,142)	(269,136)	(555,032)	1,142,841	-	(9,890)	-
-	-	-	-	(314,479)	(196,948)	(247,359)
<u>\$ 207,398,374</u>	<u>\$ 176,501,679</u>	<u>\$ 197,007,054</u>	<u>\$ 253,765,598</u>	<u>\$ 246,561,034</u>	<u>\$ 342,206,343</u>	<u>\$ 361,470,829</u>

City of Corpus Christi

**CITY OF CORPUS CHRISTI, TEXAS  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	<b>Fiscal Year</b>			
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Revenues</b>				
Taxes and business fees	\$ 165,980,510	\$ 174,899,312	\$ 178,669,539	\$ 176,286,722
Licenses and permits	3,399,993	3,576,249	3,700,195	3,288,415
Intergovernmental	--	--	--	--
Grants	16,261,424	18,216,186	15,981,072	22,661,016
Charges for services	53,669,631	54,989,566	56,843,501	56,945,655
Fines and forfeitures	6,907,942	6,825,170	6,897,078	6,766,301
Deposits	270,716	191,724	-	-
Contributions and donations	1,948,807	3,380,012	1,902,087	871,524
Special assessments	74,235	442,323	10,502	76,876
Earnings on investments	8,424,738	6,386,948	3,006,163	1,312,814
Interest on loans	374,210	233,846	73,369	81,458
Payments from Lexington Museum Association	347,173	248,868	285,022	272,796
Payments from Texas State Aquarium	518,117	508,685	518,318	361,107
Sale of city property	4,940	12,353	3,848	7,553
Claim settlement	-	-	572,280	-
Naming rights	175,000	175,000	175,000	175,000
Miscellaneous	1,186,020	1,390,645	1,486,339	1,703,701
Total revenues	<u>259,543,456</u>	<u>271,476,887</u>	<u>270,124,313</u>	<u>270,810,938</u>
<b>Expenditures</b>				
General government	20,707,495	21,306,706	21,836,700	20,267,240
Public safety	107,360,877	110,663,675	115,375,541	119,589,404
Streets	13,502,624	14,233,051	15,951,618	14,797,896
Solid waste	15,192,042	18,278,582	17,027,712	18,193,629
Health	5,980,026	6,592,800	6,893,718	6,977,548
Community enrichment	27,458,882	31,248,848	31,864,343	37,348,135
Convention and visitors activities	13,782,313	13,193,524	12,152,309	10,257,006
Other	-	-	32,963	21,729
Capital projects	33,406,955	35,812,462	57,193,877	50,406,384
Debt service				
Principal retirement	26,918,876	24,853,049	36,741,227	26,883,223
Interest	16,657,960	17,480,632	16,433,417	19,907,675
Paying agent fees	36,049	33,994	32,598	28,710
Bond issue cost	650,025	730,903	1,571,419	422,041
Refund of bond issue cost	(9,660)	-	-	-
Interest on interfund borrowings	148,160	-	29,714	6,543
Total expenditures	<u>281,792,624</u>	<u>294,428,226</u>	<u>333,137,156</u>	<u>325,107,163</u>
Excess (deficiency) of revenues over (under) expenditures	(22,249,168)	(22,951,339)	(63,012,843)	(54,296,225)

(Continued)

City of Corpus Christi

Table 4

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014*</u>	<u>2015</u>	<u>2016</u>
\$	182,810,584	\$ 192,423,958	\$ 205,059,544	\$ 241,447,636	\$ 229,613,790	\$ 237,267,682
	4,885,342	4,790,610	5,697,321	6,119,404	7,653,287	8,322,958
	--	--	--	--	2,427,736	2,761,017
	24,095,434	16,542,865	14,743,346	17,758,224	13,043,094	11,496,493
	60,258,877	63,684,332	63,588,154	85,604,995	75,150,621	74,853,671
	6,075,772	6,602,755	7,037,629	8,739,406	6,330,735	6,547,847
	-	-	-	-	-	-
	7,133,489	2,413,204	4,657,640	4,319,251	1,833,351	2,282,999
	683,087	46,787	154,937	195,495	67,952	79,407
	698,992	713,791	1,186,389	1,245,152	1,288,658	1,965,379
	85,188	86,173	109,704	97,778	59,282	50,887
	275,647	267,750	-	-	-	-
	373,232	358,795	369,082	335,694	328,276	330,613
	9,786	-	-	122,746	46,779	-
	325,395	-	25,241	-	-	-
	-	-	-	-	-	-
	2,291,231	1,716,081	1,682,319	1,734,789	2,657,325	2,910,571
	<u>290,002,056</u>	<u>289,647,101</u>	<u>304,311,307</u>	<u>367,720,570</u>	<u>340,500,886</u>	<u>348,869,524</u>
	17,606,974	19,146,965	21,235,824	23,789,840	20,900,904	25,148,653
	126,279,109	122,341,347	129,637,141	159,126,383	141,825,393	145,334,065
	15,229,881	13,173,204	14,964,156	22,088,359	27,361,691	28,644,769
	22,426,863	19,288,307	20,551,190	26,657,490	23,153,110	23,490,708
	6,722,783	6,362,130	6,554,474	6,106,257	5,569,931	6,133,351
	36,680,864	33,660,941	35,347,147	40,617,305	36,297,592	33,496,314
	10,449,447	11,046,785	11,650,650	16,821,790	14,625,022	14,091,247
	-	-	-	-	-	-
	51,119,929	51,039,961	45,303,572	41,280,111	27,257,727	43,943,071
	26,445,859	26,278,182	26,319,507	38,617,547	36,325,072	37,757,814
	20,115,642	19,178,232	19,789,403	28,954,177	18,284,677	21,587,062
	25,009	19,541	13,983	21,162	47,011	849,878
	-	574,317	2,362,185	704,331	789,195	358,539
	-	-	-	-	-	(883)
	2,489	773	102	-	-	-
	<u>333,104,849</u>	<u>322,110,685</u>	<u>333,729,334</u>	<u>404,784,752</u>	<u>352,437,325</u>	<u>380,834,588</u>
	(43,102,793)	(32,463,584)	(29,418,027)	(37,064,182)	(11,936,439)	(31,965,064)

City of Corpus Christi

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**CITY OF CORPUS CHRISTI, TEXAS**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

	<b>Fiscal Year</b>			
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Other financing sources (uses)</b>				
Capital leases	3,447,512	2,623,408	3,746,061	4,110,898
General obligation bonds issued	34,975,000	-	88,725,000	13,685,000
Certificate of obligation bonds issued	2,415,695	-	12,000,000	11,460,000
Tax notes issued	-	22,260,000	-	-
Refunding bonds issued	-	13,445,000	-	-
Premium on bonds sold	480,163	-	2,660,797	491,894
Premium on refunding bonds sold	-	-	(124,206)	-
Payment to escrow agent for refunded bonds	-	(12,822,371)	-	-
Transfers in	14,031,497	13,676,363	11,797,397	18,699,972
Transfers out	(8,276,245)	(8,136,348)	(9,222,308)	(9,933,977)
Total other financing sources (uses)	<u>47,073,622</u>	<u>31,046,052</u>	<u>109,582,741</u>	<u>38,513,787</u>
Net change in fund balances	<u>\$ 24,824,454</u>	<u>\$ 8,094,713</u>	<u>\$ 46,569,898</u>	<u>\$ (15,782,438)</u>
Debt service as a percentage of noncapital expenditures	17.54%	16.37%	19.27%	17.03%

\* The City changed its fiscal year from July 31 to September 30  
FY 2014 includes 14 months of operations

City of Corpus Christi

**Table 4**  
**(Continued)**

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014*</u>	<u>2015</u>	<u>2016</u>
5,655,103	1,978,382	5,092,527	6,384,598	4,808,866	7,811,590
-	44,706,446	75,417,146	-	90,520,000	--
-	-	-	-	-	28,450,000
-	7,390,000	6,607,854	9,000,000	-	-
-	-	164,010,000	38,395,000	2,137,681	77,145,000
-	5,095,844	9,251,134	11,935,763	9,751,466	2,076,688
-	-	6,607,854	-	-	11,898,979
-	-	(170,325,943)	(41,763,200)	(2,137,681)	(88,191,024)
17,734,081	13,102,987	16,377,480	31,066,578	29,593,646	33,668,845
(9,966,600)	(11,897,146)	(8,067,769)	(26,767,619)	(27,554,958)	(28,868,189)
<u>13,422,584</u>	<u>60,376,513</u>	<u>104,970,283</u>	<u>28,251,119</u>	<u>107,119,020</u>	<u>43,991,889</u>
<u>\$ (29,680,209)</u>	<u>\$ 27,912,929</u>	<u>\$ 75,552,257</u>	<u>\$ (8,813,063)</u>	<u>\$ 95,182,581</u>	<u>\$ 12,026,825</u>
16.51%	16.77%	15.99%	18.59%	16.79%	17.62%

City of Corpus Christi

Table 5

**CITY OF CORPUS CHRISTI, TEXAS**  
**GENERAL GOVERNMENTAL TAX AND BUSINESS FEES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

<b>Fiscal Year</b>	<b>Property tax</b>	<b>Sales tax</b>	<b>Hotel tax</b>	<b>Business fees</b>	<b>Other taxes</b>	<b>Total</b>
2007	75,818,774	62,563,386	9,630,152	16,738,947	1,229,251	165,980,510
2008	79,970,549	65,972,519	10,337,342	17,322,510	1,296,392	174,899,312
2009	84,999,120	66,054,244	10,127,333	16,126,005	1,362,837	178,669,539
2010	87,962,604	60,085,182	9,919,560	17,107,197	1,212,179	176,286,722
2011	87,446,501	66,308,868	10,721,997	17,013,187	1,320,031	182,810,584
2012	86,746,312	75,807,495	12,051,548	16,622,313	1,196,290	192,423,958
2013	90,126,035	82,407,563	13,174,824	18,108,421	1,242,702	205,059,544
2014*	100,032,663	101,654,893	17,066,868	20,975,633	1,717,578	241,447,636
2015	107,344,374	87,375,977	15,110,411	18,032,537	1,750,491	229,613,790
2016	119,882,652	79,809,261	17,636,317	18,130,656	1,808,796	237,267,682

\* The City changed its fiscal year from July 31 to September 30  
FY 2014 includes 14 months of operations

City of Corpus Christi

Table 6

**CITY OF CORPUS CHRISTI, TEXAS  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Tax Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Less: Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
2007	2006	12,166,239,146	1,247,502,997	1,992,436,225	11,421,305,918	0.602372	13,413,742,143	85.15%
2008	2007	14,084,066,107	1,447,200,791	2,420,434,047	13,110,832,851	0.563846	15,531,266,898	84.42%
2009	2008	14,738,455,220	1,481,661,131	2,406,781,337	13,813,335,014	0.563846	16,220,116,351	85.16%
2010	2009	15,599,675,802	1,523,844,670	2,682,910,732	14,440,609,740	0.563846	17,123,520,472	84.33%
2011	2010	15,899,330,012	1,462,945,239	3,462,137,714	13,900,137,536	0.582269	17,362,275,250	80.06%
2012	2011	15,640,922,141	2,255,975,300	3,811,092,543	14,085,804,898	0.570557	17,896,897,441	78.71%
2013	2012	16,807,133,905	2,395,143,389	4,815,901,196	14,386,376,098	0.570557	19,202,277,294	74.92%
2014 *	2013	17,894,721,416	2,834,832,285	5,193,782,533	15,535,771,168	0.585264	20,729,553,701	74.95%
2015	2014	19,389,932,582	3,007,303,098	5,428,134,963	16,969,100,717	0.585264	22,397,235,680	75.76%
2016	2015	20,730,396,125	3,171,055,054	5,556,496,124	18,344,955,055	0.606264	23,901,451,179	76.75%

\* The City changed its fiscal year from July 31 to September 30

Exemptions include: residential homestead exemptions including exemptions granted to persons disabled and/or 65 years of age and older; exemptions granted to disabled and deceased veterans; productivity value loss; tax abatements; and House Bill 366 exemptions. Exemptions are granted to disabled veterans or their survivors based upon percent of disability with a minimum exemption of \$5,000 and a maximum exemption of \$12,000. Mobile homes, while classified as personal property, may be residential homesteads.

Source: Nueces County Appraisal District



## City of Corpus Christi

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**CITY OF CORPUS CHRISTI, TEXAS  
PROPERTY TAX RATES -  
DIRECT AND OVERLAPPING GOVERNMENTS  
PER \$100 VALUATION  
FISCAL YEARS 2007-2016**

<b>Fiscal Year</b>	<b>Tax Year</b>	<b>City of Corpus Christi General Fund</b>	<b>City of Corpus Christi Debt Service</b>	<b>Total City of Corpus Christi</b>	<b>Calallen ISD</b>	<b>Corpus Christi ISD</b>	<b>Corpus Christi Junior College District</b>	<b>Flour Bluff ISD</b>	<b>London ISD</b>	<b>Nueces County</b>	<b>Nueces County Farm Roads and Flood Control</b>
2007	2006	0.403197	0.199175	0.602372	1.430000	1.486000	0.255723	1.386650	1.277300	0.365932	0.004746
2008	2007	0.364671	0.199175	0.563846	1.276500	1.176050	0.241782	1.069500	1.143800	0.351340	0.004338
2009	2008	0.364671	0.199175	0.563846	1.298500	1.237350	0.251391	1.069215	1.210400	0.350930	0.004329
2010	2009	0.364671	0.199175	0.563846	1.298500	1.237350	0.251391	1.069215	1.210400	0.350930	0.004329
2011	2010	0.385131	0.197138	0.582269	1.298500	1.237350	0.258003	1.069778	1.249503	0.350930	0.004329
2012	2011	0.380339	0.190218	0.570557	1.328500	1.237350	0.258003	1.071743	1.262900	0.350999	0.004260
2013	2012	0.376806	0.208458	0.585264	1.358500	1.237350	0.250666	1.178499	1.251100	0.340999	0.004188
2014	2013	0.376806	0.208458	0.585264	1.358500	1.237350	0.248073	1.168499	1.395100	0.330945	0.004188
2015	2014	0.376806	0.229458	0.606264	1.375500	1.237350	0.248073	1.154350	1.355778	0.312928	0.003967
2016	2015	0.376806	0.229458	0.606264	1.375200	1.237350	0.246159	1.150000	1.357500	0.304092	0.003899

Note: Data presented is received from Nueces County Tax Assessor-Collector.

City of Corpus Christi

Table 7

Nueces County Emergency Services District 1	Nueces County Hospital District	Port of Corpus Christi Authority	Nueces County Water Control & Improv. District 4	Port Aransas ISD	Robstown ISD	Tuloso Midway ISD	West Oso ISD	Downtown Management District Land	Downtown Management District Improvements
0.075000	0.160715	--	--	1.394582	1.584000	1.612200	1.650000	--	--
0.100000	0.144782	--	--	1.058300	1.254000	1.332200	1.340000	--	--
0.100000	0.154687	--	--	1.058300	1.374000	1.332200	1.420000	0.300000	0.070000
0.100000	0.154687	--	--	1.058300	1.374000	1.332200	1.420000	0.300000	0.070000
0.100000	0.162428	--	--	1.062300	1.523000	1.332200	1.420000	0.300000	0.070000
0.100000	0.162428	--	--	1.063300	1.650000	1.332200	1.420000	0.300000	0.070000
0.100000	0.148077	--	--	1.125550	1.630000	1.317410	1.347000	0.300000	0.070000
0.100000	0.137455	--	--	1.125550	1.645400	1.394500	1.450000	0.300000	0.070000
0.165411	0.129746	--	--	1.118050	1.650000	1.377400	1.450000	0.300000	0.070000
0.100000	0.126836	--	--	1.118000	1.650000	1.408900	1.450000	0.300000	0.070000

City of Corpus Christi

Table 8

**CITY OF CORPUS CHRISTI, TEXAS  
PRINCIPAL PROPERTY TAXPAYERS  
SEPTEMBER 30, 2016 AND JULY 31, 2007**

Name of Taxpayer	2016			2007		
	Assessed Valuation	Rank	Percentage Of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage Of Total Taxable Assessed Value
Barney M. Davis	\$ 182,407,010	1	0.9943%			
American Electric Power Texas Central Co.	169,775,580	2	0.9255%	169,810,000	1	1.4868%
Corpus Christi Retail Venture LP	94,713,652	3	0.5163%			
H.E. Butt Grocery Company	91,215,868	4	0.4972%	68,814,898	2	0.6025%
Bay Area Healthcare	67,952,782	5	0.3704%	58,248,024	6	0.5100%
Markwest Javelina Pipeline Company	65,286,900	6	0.3559%			
Wal-Mart Real Estate Business Trust	40,685,997	7	0.2218%			
Camden Property Trust	38,934,808	8	0.2122%			
Wal-Mart Stores	36,739,403	9	0.2003%	49,704,759	7	0.4352%
Sendera Baypoint Partners LP	33,541,671	10	0.1828%			
Markwest Energy Partners LP				67,975,610	3	0.5952%
Padre Staples Mall, LP				63,438,255	4	0.5554%
Southwestern Bell Telephone				59,661,690	5	0.5224%
SABCO Operating Company				36,547,710	8	0.3200%
TRT Development Company				36,542,518	9	0.3200%
Flint Hills Resources LP				32,805,482	10	0.2872%
	<u>\$ 821,253,671</u>		<u>4.48%</u>	<u>\$ 643,548,946</u>		<u>5.63%</u>

Source: Nueces County Appraisal District

City of Corpus Christi

Table 9

**CITY OF CORPUS CHRISTI, TEXAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year Ended July 31 Through 2013, September 30		Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
Therafter	Tax Year		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	2006	68,230,749	64,961,636	95.21%	3,103,615	68,065,251	99.76%
2008	2007	72,029,119	70,048,380	97.25%	1,794,820	71,843,200	99.74%
2009	2008	76,595,854	74,146,566	96.80%	2,198,550	76,345,116	99.67%
2010	2009	79,537,895	77,079,808	96.91%	2,202,138	79,281,946	99.68%
2011	2010	78,777,938	76,795,311	97.48%	1,761,248	78,556,559	99.72%
2012	2011	78,407,330	76,679,885	97.80%	1,679,176	78,359,061	99.94%
2013	2012	80,578,771	78,780,900	97.77%	1,742,588	80,523,488	99.93%
2014	2013	89,055,903	87,538,705	98.30%	797,470	88,336,175	99.19%
2015	2014	96,965,649	95,351,963	98.34%	829,064	96,181,027	99.19%
2016	2015	107,540,358	105,498,265	98.10%	-	105,498,265	98.10%

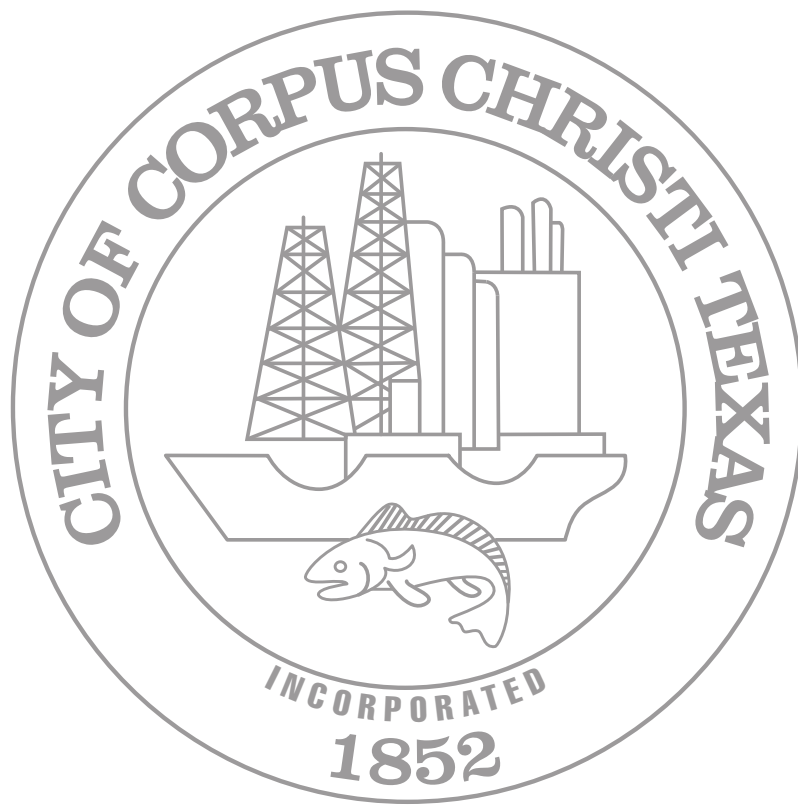
City of Corpus Christi

Table 10

CITY OF CORPUS CHRISTI, TEXAS  
ADOPTED TAX RATE  
LAST TEN FISCAL YEARS

<b>Fiscal Year Ended July 31 through 2013, September 30 Therafter</b>	<b>Tax Year</b>	<b>Total Assessed Valuation</b>	<b>Assessments Rate</b>	<b>Gross Tax Rate (1)</b>
2007	2006	11,421,305,918	100%	0.602372
2008	2007	13,110,832,851	100%	0.563846
2009	2008	13,813,335,014	100%	0.563846
2010	2009	14,440,609,740	100%	0.563846
2011	2010	13,900,137,536	100%	0.582269
2012	2011	14,085,804,898	100%	0.570557
2013	2012	14,386,376,098	100%	0.570557
2014	2013	15,535,771,168	100%	0.585264
2015	2014	16,969,100,717	100%	0.585264
2016	2015	18,344,955,055	100%	0.606264

(1) As permitted by the Constitution of the State of Texas, home rule cities of over 5,000 population shall have a total tax allowable of \$2.50 and shall have a bond allowable of \$1.50 per \$100 valuation (unless City Charter provides less). The State allowables are computed based on 90% collections. On April 3, 1993, the citizens of Corpus Christi voted to amend the City Charter which contained a tax limitation of \$0.68 per \$100 of assessed valuation for all purposes including debt service. The amended Charter provided for the tax rate to increase up to the State limit for voter approved debt after April 4, 1993.



City of Corpus Christi

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**CITY OF CORPUS CHRISTI, TEXAS  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year Ended July 31 through 2013, September 30 Thereafter	Governmental Activities				
	General Obligation Bonds	Certificates of Obligation	Priority Revenue Bonds	Capital Leases	Other Notes Payable
2007	166,575,000	32,925,695	117,030,000	11,054,031	4,000,000
2008	152,030,000	30,885,695	114,480,000	9,102,549	25,510,000
2009	231,525,000	28,745,695	110,095,000	10,766,432	7,510,000
2010	232,020,000	37,255,695	105,460,000	11,395,885	5,295,000
2011	219,025,000	34,690,401	100,165,000	9,939,798	4,300,000
2012	251,195,000	32,821,649	94,485,000	7,338,742	10,665,000
2013	359,454,849	11,817,334	89,258,322	5,826,454	9,055,000
2014	336,640,896	11,018,552	76,610,083	6,319,117	24,405,000
2015	395,180,000	9,032,571	65,105,000	5,801,241	25,505,000
2016	419,810,000	32,252,569	58,185,000	17,485,569	20,286,021

Note: Details regarding the City's outstanding debt can be found in Note 14 of the Notes to the Financial Statements. Beginning fiscal year 2013 debt is reported net of related premiums and discounts. See Table 17, the Schedule of Demographic and Economic Statistics for personal income and population data. Beginning fiscal year 2016 solid waste debt and leases are included in the Governmental Activities.

City of Corpus Christi

Table 11

General Obligation Bonds	Certificates of Obligation	Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
		Priority Revenue Bonds	Junior Lien Revenue Bonds	Capital Leases	Utility Notes			
-	48,189,305	506,795,000	-	3,699,994	168,900,717	1,059,169,742	8.96%	3,583
-	47,524,305	479,220,000	-	4,591,194	166,018,108	1,029,361,851	7.91%	3,461
-	58,484,305	546,875,000	-	5,006,444	164,625,035	1,163,632,911	7.99%	3,912
-	57,184,305	525,780,000	-	6,288,391	160,481,095	1,141,160,371	7.89%	3,739
-	61,149,599	572,095,000	-	8,318,853	156,204,665	1,165,888,316	7.42%	3,789
18,220,000	59,388,351	576,810,000	-	6,860,263	152,512,889	1,210,296,894	7.70%	3,878
68,204,912	19,889,739	453,480,430	246,054,017	8,158,202	148,593,654	1,419,792,913	8.59%	4,550
66,185,000	17,017,275	416,345,000	306,290,000	9,278,830	144,435,976	1,414,545,729	7.93%	4,417
64,215,000	12,512,429	336,420,000	587,835,000	10,250,013	139,028,374	1,650,884,628	11.67%	5,152
17,545,000	10,837,430	227,555,000	655,655,000	1,712,830	136,332,146	1,597,656,565	10.88%	4,930



City of Corpus Christi

Table 12

CITY OF CORPUS CHRISTI, TEXAS  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS

<b>Fiscal Year Ended July 31 through 2013, September 30 Thereafter</b>	<b>General Obligation Bonds</b>	<b>Certificates of Obligation</b>	<b>Less Amounts Available in Debt Service Funds</b>	<b>Total</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>Per Capita (1)</b>
2007	166,575,000	32,925,695	11,622,271	187,878,424	1.4006%	635.60
2008	152,030,000	30,885,695	16,591,514	166,324,181	1.0709%	559.17
2009	231,525,000	28,745,695	10,134,301	250,136,394	1.5421%	840.94
2010	232,020,000	37,255,695	11,923,519	257,352,176	1.5029%	843.18
2011	219,025,000	34,690,401	14,436,907	239,278,494	1.3782%	777.56
2012	269,415,000	92,210,000	16,858,822	344,766,178	1.9264%	1,104.79
2013	427,659,761	31,707,073	15,512,834	443,854,000	2.3115%	1,386.04
2014	402,825,896	28,035,827	8,660,390	422,201,333	2.0367%	1,297.18
2015	459,395,000	21,545,000	10,777,534	470,162,466	2.0992%	1,467.27
2016	437,355,000	43,089,999	12,917,032	467,527,967	1.9561%	1,442.66

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statement.

Beginning, fiscal year 2013 debt is reported net of related premiums and discounts.

(1) See Table 17 - Schedule of Demographic and Economic Statistics for personal income and population data.

City of Corpus Christi

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Table 13

**CITY OF CORPUS CHRISTI, TEXAS  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF SEPTEMBER 30, 2016**

City	Net Direct Debt		Estimated % of Debt Applicable	Estimated Share of Overlapping Debt
	Amount	As of		
City of Corpus Christi, Texas - direct	\$ 528,370,569	9/30/2016	100.00%	\$ 528,370,569
<b>County</b>				
Nueces County (excluding special districts)	105,864,381	9/30/2016	73.07%	77,355,103
<b>School District</b>				
Calallen Independent School District	42,022,000	9/30/2016	64.41%	27,066,370
Corpus Christi Independent School District	396,714,394	9/30/2016	86.49%	343,118,279
Flour Bluff Independent School District	47,664,306	9/30/2016	99.56%	47,454,583
London Independent School District	19,249,956	9/30/2016	59.70%	11,492,224
Port Aransas Independent School District	6,161,316	9/30/2016	14.59%	898,936
Robstown Independent School District	53,590,855	9/30/2016	8.54%	4,576,659
Tuloso-Midway Independent School District	66,294,119	9/30/2016	41.52%	27,525,318
West Oso Independent School District	28,671,168	9/30/2016	94.35%	27,051,247
<b>Other</b>				
Corpus Christi Junior College District	129,028,577	9/30/2016	82.49%	106,435,673
Nueces County Hospital District	-	9/30/2016	0.00%	-
Total overlapping debt	<u>895,261,072</u>			<u>672,974,392</u>
Total direct and overlapping debt	<u>\$ 1,423,631,641</u>			<u>\$ 1,201,344,961</u>

NOTE B: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The percentage of overlapping debt applicable is estimated by the percent of overlapping assessed value of each government that is within the boundaries of the City.

City of Corpus Christi

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**CITY OF CORPUS CHRISTI, TEXAS  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	<b>Fiscal Year</b>			
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Debt limit	\$ 1,341,374,214	\$ 1,553,126,690	\$ 1,622,011,635	\$ 1,712,352,047
Total net debt applicable to limit	240,067,729	239,358,486	316,130,699	319,831,481
Legal debt margin	\$ 1,101,306,485	\$ 1,313,768,204	\$ 1,305,880,936	\$ 1,392,520,566
Total net debt applicable to the limit as a percentage of debt limit	17.90%	15.41%	19.49%	18.68%

(1) Assessed value is based on the appraised value of property prior to any deductions for exemptions. The assessed value is derived from the certified valuations provided by the Nueces County Tax Appraisal District as of July 25, 2016.

Note: Beginning with fiscal year 2013, debt is reported net of related premiums and discounts.

City of Corpus Christi

Table 14

		Fiscal Year					
2011	2012	2013	2014	2015	2016		
\$ 1,736,227,525	\$ 1,789,689,744	\$ 1,920,227,729	\$ 2,072,955,370	\$ 2,239,723,568	\$ 2,390,145,118		
<u>304,728,093</u>	<u>355,431,178</u>	<u>452,909,000</u>	<u>446,149,479</u>	<u>495,667,466</u>	<u>487,813,988</u>		
<u>\$ 1,431,499,432</u>	<u>\$ 1,434,258,566</u>	<u>\$ 1,467,318,729</u>	<u>\$ 1,626,805,891</u>	<u>\$ 1,744,056,102</u>	<u>\$ 1,902,331,130</u>		
17.55%	19.86%	23.59%	21.52%	22.13%	20.41%		

**LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2016**

(1) Assessed value	\$ 23,901,451,179
Debt limit (10% of total assessed value)	2,390,145,118
Debt applicable to limit:	
Gross bonded debt	500,731,020
Less: Net position in Debt Service Fund	<u>12,917,032</u>
Total net debt applicable to limit	<u>487,813,988</u>
Legal debt margin	<u>\$ 1,902,331,130</u>

City of Corpus Christi

**CITY OF CORPUS CHRISTI, TEXAS  
PLEGDED - REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

Fiscal Year	Utility System Revenue Bonds					
	Gross Revenue	Adjusted Operating Income Deductions	Net Revenue Available for Debt Service	Priority Revenue Bonds		
				Annual Debt Service Requirements		
				Principal	Interest	Coverage
2007	167,638,283	120,023,039	47,615,244	21,030,000	18,213,273	1.21
2008	174,023,636	121,130,851	52,892,785	22,715,000	18,133,573	1.29
2009	188,422,621	122,025,805	66,396,816	23,750,000	18,890,476	1.56
2010	185,342,336	123,436,112	61,906,224	24,760,000	20,872,184	1.36
2011	203,523,352	131,598,133	71,925,219	24,135,000	22,448,605	1.54
2012	206,350,597	120,818,926	85,531,671	25,070,000	21,668,130	1.83
2013	206,635,317	122,958,943	83,676,374	21,120,000	18,161,601	2.13
2014*	257,300,329	157,723,014	99,577,315	22,755,000	16,547,375	2.53
2015	222,130,769	133,070,062	89,060,707	19,665,000	16,850,245	2.44
2016	238,459,523	138,213,493	100,246,030	18,760,000	12,406,014	3.22

\* The City changed its fiscal year from July 31 to September 30  
FY 2014 includes 14 months of operations

Fiscal Year	Marina System Revenue Bonds					
	Gross Revenue	Adjusted Operating Income Deductions	Net Revenue Available for Debt Service	Revenue Bonds		
				Annual Debt Service Requirements		
				Principal	Interest	Coverage
2015	\$ 1,908,416	\$ 1,303,814	604,602	\$ -	\$ 48,967	12.35
2016	1,919,347	1,448,170	471,177	140,000	75,900	2.18

City of Corpus Christi

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Table 15

Net Revenue Available for Junior Lien Debt Service	Junior Lien Bonds Annual Debt Service Requirements		
	Principal	Interest	Coverage
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
\$ 44,394,773	\$ 8,010,000	\$ 6,744,667	3.01
60,274,940	8,375,000	13,332,367	2.78
52,545,462	10,015,000	14,502,219	2.14
69,080,016	12,595,000	26,658,363	1.76

City of Corpus Christi

Table 16

**CITY OF CORPUS CHRISTI, TEXAS  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (2)</b>	<b>Per Capita Personal Income (2)</b>	<b>Median Age (3)</b>	<b>School Enrollment Rate (4)</b>	<b>Unemployment Rate (5)</b>
2007	295,594	\$ 11,816,184,000	\$ 35,750	34.6	38,796	4.7
2008	297,447	\$ 13,006,066,000	\$ 37,700	34.6	38,754	4.8
2009	297,447	\$ 14,556,590,000	\$ 35,004	34.6	38,460	7.3
2010	305,215 (6)	\$ 14,457,000,000	\$ 34,743	34.3	38,196	7.7
2011	307,728	\$ 15,719,000,000	\$ 39,635	34.8	38,357	8.0
2012	312,065	\$ 16,524,276,000	\$ 38,609	34.6	39,106	6.6
2013	320,231	\$ 17,832,307,000	\$ 40,796	34.3	39,400	5.8
2014	325,477	\$ 14,151,427,000	\$ 44,765	34.4	39,414	4.9
2015	320,434	\$ 14,683,147,000	\$ 46,049	34.6	38,614	5.0
2016	324,074	\$ 15,416,870,000	\$ 42,859	34.8	38,226	6.3

Source:

- (1) City of Corpus Christi - adopted budget FY 2016-2017
- (2) Bureau of Economic Analysis
- (3) DataUSA
- (4) Corpus Christi Independent School District
- (5) Texas Workforce Commission, city civilian labor force
- (6) U. S. Census Bureau - 2010 Census

City of Corpus Christi

Table 17

**CITY OF CORPUS CHRISTI, TEXAS  
PRINCIPAL EMPLOYERS  
SEPTEMBER 30, 2016 AND JULY 31, 2007**

Employer	2016			2007		
	Number of Employees	Rank	Percent of Total City Employment **	Number of Employees	Rank	Percent of Total City Employment
Corpus Christi Independent School District	4,904	1	2.50%	5,178	3	2.98%
Corpus Christi Army Depot	3,621	2	1.85%	3,541	5	2.04%
Bay Ltd.	3,200	3	1.63%	2,100	7	1.21%
City of Corpus Christi	3,039	4	1.55%	3,171	6	1.82%
Christus Spohn Health System	2,533	5	1.29%	5,400	2	3.11%
Driscoll Children's Hospital	2,006	6	1.02%			
Naval Air Station Corpus Christi	1,700	7	0.87%	5,525	1	3.18%
H.E.B. Grocery Company	1,498	8	0.76%	5,000	4	2.88%
Del Mar College	1,418	9	0.72%	1,542	8	0.89%
Kiewit Offshore Services	1,000	10	0.51%			
Corpus Christi Medical Center				1,300	9	0.75%
First Data Corporation				1,200	10	0.69%
Total	<u>24,919</u>		<u>12.70%</u>	<u>33,957</u>		<u>19.55%</u>

Source: Corpus Christi Regional Economic and Development Corporation (CCREDC) (2016 available data)

\*\* Percent of Total City Employment for Total Nonfarm employment amounts as reported by CCREDC



City of Corpus Christi

**CITY OF CORPUS CHRISTI, TEXAS**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

<b>Function</b>	<b>Fiscal Year</b>			
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
General Fund				
Mayor	2.00	2.00	2.00	2.00
ACM - Administrative Services	1.00	1.00	1.00	1.00
ACM - Safety, Health & Neighborhood	2.00	2.00	2.00	2.00
Deputy City Manager	--	--	--	--
City Attorney	26.00	26.00	26.00	26.00
City Manager	3.00	3.00	4.00	4.00
City Secretary	7.00	7.00	6.00	6.00
Communications and Quality Management	--	--	--	--
Housing & Community Development (formerly Neighborhood Services)	20.80	24.80	26.80	27.00
Economic Development Office	1.00	2.00	2.00	2.00
Education Advisor	--	1.50	1.00	--
Engineering - Special Services	9.00	9.00	19.00	15.00
Code Enforcement	--	--	--	--
Financial Services	57.00	57.00	53.00	50.00
Fire	412.00	414.00	432.00	432.00
Health	70.50	71.50	71.50	68.00
Animal Care	--	--	--	--
Human Relations	6.00	6.00	6.00	6.00
Human Resources	20.75	22.00	20.00	20.00
Internal Audit	--	2.00	1.00	--
Intergovernmental Relations	--	--	1.00	1.00
Libraries	67.50	74.00	73.00	70.50
Office of Management and Budget	9.00	9.00	8.00	8.00
Municipal Court - Administration	37.00	46.00	48.00	45.00
Municipal Court - Judicial	42.96	35.94	34.08	30.08
Museum	22.80	22.80	22.70	21.70
Parks and Recreation	317.23	300.07	299.32	279.64
Police	601.50	619.00	621.00	625.50
Public Information	3.00	3.00	5.00	4.00
Street and Solid Waste Services	303.00	305.00	298.00	290.00
<b>Total</b>	<b>2,042.04</b>	<b>2,065.61</b>	<b>2,083.40</b>	<b>2,036.42</b>

(Continued)

City of Corpus Christi

Table 18

Fiscal Year					
2011	2012	2013	2014	2015	2016
2.00	2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	--	--
1.00	1.00	1.00	--	2.00	2.00
--	--	--	--	1.00	1.00
25.00	23.00	21.00	21.00	27.00	25.00
3.00	3.00	3.00	5.00	5.50	5.50
6.00	6.00	6.00	6.00	6.00	6.00
--	--	--	--	--	2.00
19.90	19.90	21.90	20.70	1.00	1.00
--	--	--	--	--	--
--	--	--	--	--	--
18.00	23.00	7.00	--	--	--
--	--	--	--	21.00	22.00
46.00	51.00	51.00	51.00	51.00	51.00
429.00	429.00	428.00	429.00	429.00	429.00
66.00	61.00	33.00	34.00	34.50	31.50
--	--	--	--	29.00	32.00
6.00	6.00	6.00	6.00	6.75	6.00
17.00	16.00	17.00	17.00	18.00	18.00
--	3.00	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00	1.00
62.60	52.35	52.35	52.35	53.35	53.35
8.00	8.00	8.00	9.00	9.00	9.00
42.00	59.00	57.00	62.00	63.00	63.00
30.90	8.72	8.90	8.90	7.90	8.85
21.70	17.40	18.40	--	--	--
263.23	256.71	249.52	252.00	262.57	263.57
635.50	633.90	601.20	605.70	588.36	588.00
4.00	2.50	2.50	2.60	5.20	7.00
286.00	236.00	150.00	150.00	154.00	154.00
1,994.83	1,920.48	1,750.77	1,740.25	1,782.13	1,785.77

City of Corpus Christi

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**CITY OF CORPUS CHRISTI, TEXAS  
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>Fiscal Year</b>			
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Enterprise Funds</b>				
Aviation	98.95	95.20	96.95	97.20
Golf Centers	29.50	29.50	29.50	29.50
Marina	14.00	14.00	14.00	15.00
Gas	147.80	134.80	134.80	135.80
Storm Water	--	77.00	75.00	75.00
Wastewater	173.00	162.00	162.00	167.00
Water	255.00	157.00	163.00	166.00
ACM - Public Works	2.00	2.00	2.00	2.00
Utility Business Office	18.00	19.00	19.00	19.00
Utility Field Services	45.00	40.00	40.00	31.00
Office of Environmental Programs	3.00	2.00	5.00	5.00
<b>Total</b>	<b>786.25</b>	<b>732.50</b>	<b>741.25</b>	<b>742.50</b>
<b>Internal Service Funds</b>				
Engineering	57.10	57.00	61.63	64.00
Liability and Employee Benefits Fund	15.00	15.00	15.00	15.00
Maintenance Service	100.00	100.00	87.00	87.00
Facilities Maintenance Service	--	--	--	--
Municipal Information System	100.00	109.00	105.00	105.00
Stores	9.00	9.00	20.00	21.00
<b>Total</b>	<b>281.10</b>	<b>290.00</b>	<b>288.63</b>	<b>292.00</b>
<b>Special Revenue Funds</b>				
Street Services	--	--	--	--
Municipal Court - Case Manager Fund	--	--	--	--
Development Services	58.00	63.00	76.00	63.00
Visitor's Facilities Fund	1.00	11.00	10.00	10.00
Redlight Photo Enforcement	--	--	--	2.00
Crime Control	64.60	65.60	65.60	65.60
Health 1115 Wavier	--	--	--	--
Local Emergency Planning Committee	1.00	1.00	1.00	1.00
<b>Total</b>	<b>124.60</b>	<b>140.60</b>	<b>152.60</b>	<b>141.60</b>
<b>Total Operating Budget FTE's</b>	<b>3,233.99</b>	<b>3,228.71</b>	<b>3,265.88</b>	<b>3,212.52</b>

Source: City of Corpus Christi Office of Management and Budget

City of Corpus Christi

**Table 18  
(Continued)**

Fiscal Year					
2011	2012	2013	2014	2015	2016
97.20	91.40	91.40	82.00	82.00	83.00
29.50	--	--	--	--	--
15.00	15.00	15.00	15.00	15.00	15.00
137.00	135.00	135.00	152.00	153.00	153.00
87.00	87.00	87.00	87.00	85.00	82.00
167.00	168.00	168.00	168.00	160.00	165.00
167.00	161.00	165.40	193.40	200.40	206.40
2.00	2.00	2.00	2.00	2.00	2.00
19.00	20.00	20.00	20.00	21.00	32.00
31.00	30.00	30.00	--	--	--
5.00	5.00	5.00	--	8.00	--
<u>756.70</u>	<u>714.40</u>	<u>718.80</u>	<u>719.40</u>	<u>726.40</u>	<u>738.40</u>
61.00	58.00	57.00	59.00	75.00	76.00
16.00	20.00	20.00	20.00	19.00	19.00
85.00	77.00	77.00	79.00	59.00	59.00
--	--	--	--	23.00	29.00
98.00	94.00	93.00	93.00	96.00	96.00
21.00	20.00	20.00	20.00	20.00	20.00
<u>281.00</u>	<u>269.00</u>	<u>267.00</u>	<u>271.00</u>	<u>292.00</u>	<u>299.00</u>
--	--	--	--	132.00	132.00
--	--	--	--	3.00	3.00
60.00	60.00	59.00	62.00	63.00	62.50
10.00	10.00	11.00	11.00	13.00	13.00
2.00	2.00	2.00	2.00	2.00	3.00
65.60	64.60	63.60	66.60	79.60	78.60
--	--	--	--	--	4.00
1.00	1.00	1.00	1.00	1.00	1.00
<u>138.60</u>	<u>137.60</u>	<u>136.60</u>	<u>142.60</u>	<u>293.60</u>	<u>297.10</u>
<u><u>3,171.13</u></u>	<u><u>3,041.48</u></u>	<u><u>2,873.17</u></u>	<u><u>2,873.25</u></u>	<u><u>3,094.13</u></u>	<u><u>3,120.27</u></u>

# City of Corpus Christi

**CITY OF CORPUS CHRISTI, TEXAS  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

Function	Fiscal Year			
	2007	2008	2009	2010
<b>Police</b>				
Physical arrests	11,282	14,440	17,786	17,036
Parking violations	17,571 *	23,973 *	23,976 *	18,705 *
Traffic violations	58,885	53,355	51,778	51,082
Number of commissioned police officers	448	448	451	451
Number of employees - police officers and civilians	672	672	711	711
Officers per 1000 population	1.52	1.51	1.52	1.48
School crossing guards	87	91	91	91
<b>Fire</b>				
Number of calls answered	33,000	37,492	39,115	38,939
Inspections	4,765	4,641	5,342	5,272
Number of firefighters	402	394	403	414
Number of employees - firefighters and civilians	419	419	423	429
Employees per 1,000 population	1.36	1.32	1.35	1.36
State Fire Insurance Credit Rating	Class 3	Class 3	Class 2	Class 2
<b>Streets</b>				
Street resurfacing (square yards)	722,367	367,266	267,817	549,631
Potholes repaired	83,177	97,634	n/a	213,805
<b>Parks and recreation</b>				
Number of registered youth participants in Latchkey afterschool program	n/a	n/a	2,478	2,396
Number of meals served at Senior Centers	117,333	103,431	104,155	95,954
<b>Libraries</b>				
Number of volumes	389,634	405,225	431,098	484,442
Circulation	1,211,792	1,241,042	1,339,242	1,344,845
Library cards in force	143,699	150,712	150,712	153,222
Computer usage, sessions	1,160,698	--	--	--
Number of website hits	--	--	25,084,906	10,041,335
Number of in-house personal computer users	--	203,480	240,525	282,360
<b>Solid Waste</b>				
Refuse collected (tons/day)	395	386	378	382
Recyclables collected (tons/day)	13	13	12.3	11.7
<b>Water</b>				
New connections (UBO)	1,690	474	265	236
Water main breaks	2,313	2,022	1,706	1,507
Average daily consumption (thousands of gallons)	97,686	94,541	102,025	94,637
Average daily gallons treated & raw water sold	136,281,605	94,541,688	102,025,373	94,637,901
Average water treated (thousand of gallons)	n/a	65,860	68,888	63,197
Average daily consumption per capita (gallons)	134	119	128	118
Residential per capita consumption gallons/day	n/a	77	81	76
<b>Gas</b>				
Average daily consumption (mcf)	2,842	8,498	8,626	8,466
<b>Wastewater</b>				
Average daily sewage treatment (thousands of gallons)	30,605	28,808	26,867	29,691
<b>Airport</b>				
Number of airports	1	1	1	1
Number of acres	2,574	2,657	2,657	2,600

Sources: Various city departments

\* Data presented is for the calendar year rather than the fiscal year.

\*\* FY2014 includes 14 months of operations

# City of Corpus Christi

**Table 19**

Fiscal Year					
2011	2012	2013	2014 **	2015	2016
17,928	17,895	17,366	22,159	16,957	18,683
7,925 *	7,705	9,694	20,241	12,538	9,855
41,216	39,145	48,226	60,880	10,983	47,799
451	451	451	449	439	448
711.1	685.8	685.8	672	684	722
1.47	1.50	1.40	1.40	1.4	1.4
91	28	28	0	0	0
39,667	42,923	44,933	55,242	47,653	51,522
4,116	6,093	6,945	7,312	6,380	6,961
398	414	414	414	414	414
414	431	431	431	430	430
1.29	1.36	1.38	1.37	1.36	0.74
Class 2	Class 2	Class 2	Class 2	Class 2	Class 2
693,586	600,387	408,439	435,847	760,413	823,452
158,827	126,696	109,070	166,405	259,663	222,090
2,497	2,375	2,240	2,515	2,529	23,918
106,995	93,516	91,486	90,276	81,605	78,984
661,332	412,386	358,544	386,633	357,454	356,449
1,247,799	709	800,285	925,998	788,888	813,784
201,863	217,247	228,041	179,831	25,963	205,929
--	--	--	--	222,350	202,656
5,114,607	9,723,058	12,500,511	8,039,479	4,983,149	3,766,020
255,923	184,137	221,891	273,763	222,350	202,656
378	376	350	368	407	417
31.7	5	53	55	55	55
236	217	1,282	1,465	1,439	1,081
1,584	1,966	1,409	2,025	1,295	905
99,271	104,316	100,563	97,689	91,500	89,540
99,271,184	104,316,132	100,562,948	97,689,000	91,500,000	89,540,106
67,592	69,919	68,029	65,821	64,527	62,380
125	122	107	103	92	97
80	78	70	67	60	63
9,050	8,033	8,535	11,733	10,611	9,038
28,152	25,776	25,648	30,722	30,041	28,254
1	1	1	1	1	1
2,600	2,600	2,600	2,600	2,600	2,600

City of Corpus Christi

**CITY OF CORPUS CHRISTI, TEXAS  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

Function	Fiscal Year			
	2007	2008	2009	2010
General government				
Buildings: (City owned)				
Total square footage, approximate	2,864,000	2,883,975	2,883,975	2,883,975
Police				
Stations	4	4	5	5
Patrol units	295	295	354	244
Area of responsibility - land area (square miles)	150.48	150.48	150.48	150.48
Fire				
Fire stations	16	16	17	17
Fire apparatus	30	30	30	30
Other motorized vehicles	77	77	77	77
Number of fire hydrants	8,400	8,479	8,800	8,890
Streets				
Streets (miles)	1,119	1,123	1,139	1,172
Streetlights	16,662	16,767	16,874	17,053
Traffic signals	n/a	n/a	n/a	n/a
Libraries				
Number of libraries	5	5	6	6
Parks and recreation				
Parks acreage	1,415	1,418	1,418	1,420
Parks	190	190	191	194
Swimming pools	9	9	9	9
Tennis courts	37	37	37	37
Community centers	5	5	5	5
Park acreage partially developed	171	168	384	386
Playgrounds	129	131	139	143
Municipal beaches	4	4	4	4
Baseball diamonds	1	4	4	4
Softball diamonds	5	5	5	5
Senior centers	8	8	8	8
Gymnasiums	2	2	2	2
Covered basketball courts	3	3	4	4
Water				
Water mains (miles)	1,553	1,584	1,624	1,629
Fire hydrants	8,400	8,479	8,800	8,890
Maximum daily capacity (thousands of gallons)	97,750	97,850	96,220	95,450
Water connections - active	85,959	84,442	87,042	90,957
Storm water drainage ditches (miles)	607	610	602	552
Storm water underground pipe (miles)	597	606	632	675

City of Corpus Christi

Table 20

Fiscal Year					
2011	2012	2013	2014	2015	2016
2,883,975	3,740,189	3,474,290	2,453,733	2,270, 914	2,328,831
5	5	5	5	5	5
244	244	244	244	244	244
150.48	150.48	150.48	150.48	150.48	150
17	17	17	17	17	17
30	30	30	30	29	22
88	88	88	90	84	11
9,007	10,451	10,451	10,879	10,730	10,809
1,178	1,181	1,183	1201	1,221	1,221
17,166	17,315	17,191	17,264	16,115	16,046
n/a	242	243	245	246	247
6	6	6	6	6	6
1,420	1,690	1,690	1,690	1,690	1,688
196	196	196	196	196	195
9	9	6	6	6	6
37	37	37	37	37	37
5	5	5	5	5	5
389	389	389	389	389	389
140	140	140	140	133	127
4	4	4	4	4	4
5	5	2	2	2	2
4	4	4	4	4	4
8	8	8	8	8	8
3	3	3	3	3	3
5	5	5	5	5	5
1,636	1,654	1,677	1,687	1,693	1,701
9,007	10,451	10,451	10,879	10,718	10,809
92,670	103,500	93.42	87,800	161,000	161,000
90,928	93,927	93,123	104,065	97,970	98,640
501	501	501	580	666	666
630	630	630	600	634	637



City of Corpus Christi

**CITY OF CORPUS CHRISTI, TEXAS  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN YEARS**

Function	Fiscal Year			
	2007	2008	2009	2010
Gas				
Gas mains (miles)	1,327	1,337	1,349	1,354
Gas connections - active	54,436	53,688	54,162	55,467
Wastewater				
Sanitary sewers (miles)	1,258	1,265	1,269	1,271
Maximum daily treatment capacity (thousands of gallons)	44,700	44,700	44,700	44,700
Sewer connections	82,957	81,823	82,948	83,174
Lift stations	95	97	97	99
Airport				
Length of main runways	13,588	13,588	13,588	13,588
Scheduled airline arrivals and departures per year	19,710	16,306	17,056	16,560
Passengers enplaning and deplaning (including commercial helicopters)	886,528	861,641	750,080	706,133
Golf centers				
Municipal golf courses	2	2	2	2
Municipal golf links - acres	376	376	376	376
Marina				
Marina slips	590	590	590	626

City of Corpus Christi

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**Table 20**  
**(Continued)**

Fiscal Year					
2011	2012	2013	2014	2015	2016
1,399	1,402	1,405	1,417	1,423	1,430
60,430	62,260	62,667	54,413	54,413	55,427
1,282	1,286	1,293	1,300	1,288	1,291
44,700	44,700	44,700	42,700	42,700	42,700
83,250	84,338	85,602	84,681	86,467	86,980
99	100	100	100	100	102
13,588	13,588	13,588	13,588	13,590	13,590
17,130	17,130	17,053	21,476	16,809	16,789
688,051	672,130	644,570	807,754	693,756	678,377
2	2	2	2	2	2
376	376	376	376	376	376
626	578	513	471	586	586

# City of Corpus Christi

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## MISCELLANEOUS STATISTICAL DATA FISCAL YEAR ENDED SEPTEMBER 30, 2016

**GOVERNMENT: (1)**

Date of incorporation	1852
Charter:	
Revised	July 13, 1968
Revised	September 15, 1970
Revised	January 22, 1975
Revised	April 5, 1980
Revised	August 11, 1984
Revised	April 4, 1987
Revised	January 19, 1991
Revised	April 3, 1993
Revised	November 2, 2004
Revised	November 7, 2006
Revised	November 2, 2010
Form of government:	Council Manager Government
Fiscal year begins	October 1st
Number of City employees	3,039

**GEOGRAPHICAL LOCATION:** Southeastern Coast of Texas on the Gulf of Mexico approximately 150 miles north of the Mexican border.

Total primary government net position	Land (sq. miles)	174.6
	Water (sq. miles)	<u>329.0</u>
		<u><u>503.6</u></u>

POPULATION:	Year	Trade Area	Population
	1950	293,661	108,287
	1960	382,423	167,690
	1970	359,523	204,525
	1980	400,500	232,134
	1990 (Census)	367,786	257,453
	2000 (Census)	403,242	277,454
	2008	485,885	297,447
	2009	415,376	297,447
	2010 (Census)	428,188	305,215
	2011	426,073	313,422
	2012	433,583	312,065
	2013	437,109	320,231
	2014	448,108	325,477
	2015	449,323	320,434
	2016	453,633	324,074

**ELEVATION: (2)** Sea level to 85 feet, average 35 feet

**TEMPERATURE: (3)** 83.36° F maximum average  
64.95° F minimum average  
74.14° F mean average

**SEASONAL RAINFALL: (3)**  
34.92 inches for fiscal year ended September 30, 2016

Source: (1) City Staff  
(2) Port of Corpus Christi  
(3) National Weather Service [www.ncdc.noaa.gov](http://www.ncdc.noaa.gov)

City of Corpus Christi

Table 21

PORT OF CORPUS CHRISTI: (2)	
Tonnage handled through the Port during the calendar year 2016	94,292,335
Number of ships handled during the calendar year 2016	1,684
Number of barges handled during the calendar year 2016	4,682

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

Source: (1) City Staff  
(2) Port of Corpus Christi  
(3) National Weather Service [www.nws.noaa.gov](http://www.nws.noaa.gov)

City of Corpus Christi

Table 22

**CITY PAYROLL STATISTICS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Salaries</b>	<b>Social Security &amp; Medicare</b>	<b>Texas Municipal Retirement System</b>	<b>Fire Fighters' Retirement System Plan</b>	<b>Total Paid</b>	<b>Number Employees Last Payday of Year</b>
2007	127,318,989	7,603,602	14,372,192	3,040,260	152,335,043	3,217
2008	133,145,260	7,991,390	15,603,377	3,575,262	160,315,289	3,309
2009	140,069,626	8,350,623	16,549,804	3,997,364	168,967,417	3,406
2010	142,607,262	7,714,798	18,330,551	4,440,572	173,093,184	3,236
2011	147,878,682	8,485,205	16,832,574	5,158,128	178,354,589	3,091
2012	137,951,126	7,969,329	15,541,644	5,254,970	166,717,069	2,972
2013	142,076,954	8,240,414	16,101,720	5,640,851	172,059,939	2,959
2014 *	170,695,596	9,994,840	20,838,560	7,009,621	208,538,617	2,900
2015	148,105,511	8,680,222	19,073,912	6,266,444	182,126,089	2,943
2016	163,928,890	9,530,940	22,672,210	6,695,120	202,827,160	3,039

Note: The data in this Table is abstracted from payroll reports.

\* Includes 14 months of operations

# City of Corpus Christi

Table 23

## ALL FUNDS INSURANCE AND SURETY BONDS IN FORCE FISCAL YEAR ENDED SEPTEMBER 30, 2016

Type of Insurance	Insurer and Expiration Date	Amount of Coverage
<b>1. PROPERTY INSURANCE COVERAGES</b>		
Commercial Property & Wind Policy Scheduled City Properties	Multiple layers (Itemized Below) Expires 5-4-2017	\$250 Million all other perils, \$150 Million wind coverage, \$50 Million Flood Building & Personal Property Blanket Coverage 2%, Named Storm, \$100,000 Minimum / \$4 Million Maximum Deductible \$50,000 All other Wind/Hail Deductible \$50,000 Deductible All Other Perils \$50,000 Flood; Earthquake Deductible \$10,000 Electronic Data Protection and Personal Items Deductible (Replacement Cost Coverage)
<b>NAMED STORM - WIND COVERAGE</b>		
<b>Primary Coverage</b>		
Property & Wind Coverage Commercial City Properties	LEXINGTON Expires 5-4-2017	\$10,000,000 part of \$25,000,000 Million - Named Storm Primary Limit Building & Personal Property Blanket Coverage
Property & Wind Coverage Commercial City Properties	ACE/Westchester Expires 5-4-2017	\$5,000,000 part of \$25,000,000 Million - Named Storm Primary Limit Building & Personal Property Blanket Coverage
Property & Wind Coverage Commercial City Properties	AMRISC Expires 5-4-2017	\$2,500,000 part of \$25,000,000 Million - Named Storm Primary Limit Building & Personal Property Blanket Coverage
Property & Wind Coverage Commercial City Properties	AXIS Surplus Insurance Co. Expires 5-4-2017	\$2,500,000 part of \$25,000,000 Million - Named Storm Primary Limit Building & Personal Property Blanket Coverage
Property & Wind Coverage Commercial City Properties	Hiscox/Underwriter's at Lloyd's Expires 5-4-2017	\$2,500,000 part of \$25,000,000 Million - Named Storm Primary Limit Building & Personal Property Blanket Coverage
Property & Wind Coverage Commercial City Properties	Lloyd's of London Expires 5-4-2017	\$2,500,000 part of \$25,000,000 Million - Named Storm Primary Limit Building & Personal Property Blanket Coverage
<b>Excess Coverage - First Layer</b>		
Excess Property & Wind Coverage Commercial City Properties	Ironshore Expires 5-4-2017	\$5,000,000 part of \$25,000,000 Million Excess of \$25,000,000 Million Primary -Named Storm Limit Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	RSUI Indemnity Expires 5-4-2017	\$5,000,000 part of \$25,000,000 Million Excess of \$25,000,000 Million Primary -Named Storm Limit Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	Colony Insurance Co. Expires 5-4-2017	\$5,000,000 part of \$25,000,000 Million Excess of \$25,000,000 Million Primary -Named Storm Limit Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	AXIS Surplus Insurance Co. Expires 5-4-2017	\$3,750,000 part of \$25,000,000 Million Excess of \$25,000,000 Million Primary -Named Storm Limit Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	Markel/Evanston Expires 5-4-2017	\$2,500,000 part of \$25,000,000 Million Excess of \$25,000,000 Million Primary -Named Storm Limit Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	Lloyd's of London (A16) Expires 5-4-2017	\$2,500,000 part of \$25,000,000 Million Excess of \$25,000,000 Million Primary -Named Storm Limit Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	Lloyd's of London (B16) Expires 5-4-2017	\$1,250,000 part of \$25,000,000 Million Excess of \$25,000,000 Million Primary -Named Storm Limit Building & Personal Property Blanket Coverage

City of Corpus Christi

Table 23  
(Continued)

ALL FUNDS  
INSURANCE AND SURETY BONDS IN FORCE  
FISCAL YEAR ENDED SEPTEMBER 30, 2016

Type of Insurance	Insurer and Expiration Date	Amount of Coverage
<b>Excess Coverage - Second Layer</b>		
Excess Property & Wind Coverage Commercial City Properties	Scottsdale Expires 5-4-2017	\$35,000,000 part of \$100,000,000 Million Excess of \$50,000,000 Million -Named Storm Limit Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	Everest Indemnity Expires 5-4-2017	\$25,000,000 part of \$100,000,000 Million Excess of \$50,000,000 Million -Named Storm Limit Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	LIU (Liberty Surplus) Expires 5-4-2017	\$15,000,000 part of \$100,000,000 Million Excess of \$50,000,000 Million -Named Storm Limit Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	Markel/Evanston Expires 5-4-2017	\$12,500,000 part of \$100,000,000 Million Excess of \$50,000,000 Million -Named Storm Limit Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	Arch Specialty Expires 5-4-2017	\$10,000,000 part of \$100,000,000 Million Excess of \$50,000,000 Million -Named Storm Limit Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	Lloyd's of London (C16) Expires 5-4-2017	\$2,500,000 part of \$100,000,000 Million Excess of \$50,000,000 Million -Named Storm Limit Building & Personal Property Blanket Coverage
<b>ALL PERILS PROPERTY COVERAGE EXCLUDING NAMED STORM WIND</b>		
<b>Property Coverage</b> Commercial City Properties	One Beacon (Homeland Insurance Co.) Expires 5-4-2017	\$100,000,000 part of \$250,000,000 All other Perils excluding Named Storm Wind Building & Personal Property Blanket Coverage \$50,000 per occurrence deductible/ \$10,000 EDP and Personal Items Deductible
<b>EQUIPMENT BREAKDOWN COVERAGE</b>		
Boiler & Machinery Coverage Commercial City Properties	CNA (Continental Casualty) Expires 5-4-2017	\$100 Million Property Damage \$2,500 Property Damage per occurrence Deductible
<b>2. FLOOD COVERAGE</b>		
Primary Flood Specified City Buildings	National Flood Program/ Selective Insurance Expires - Various (see below) <i>February, March, June, July, August, September, October, November expiration dates</i>	Building &/or contents values up to maximum of \$500,000 per building &/or \$500,000 per contents per location \$2,000 deductible per building/ per contents (specified locations) - Standard Program \$1,250 deductible per building/ per contents (specified locations) - Preferred Risk Program

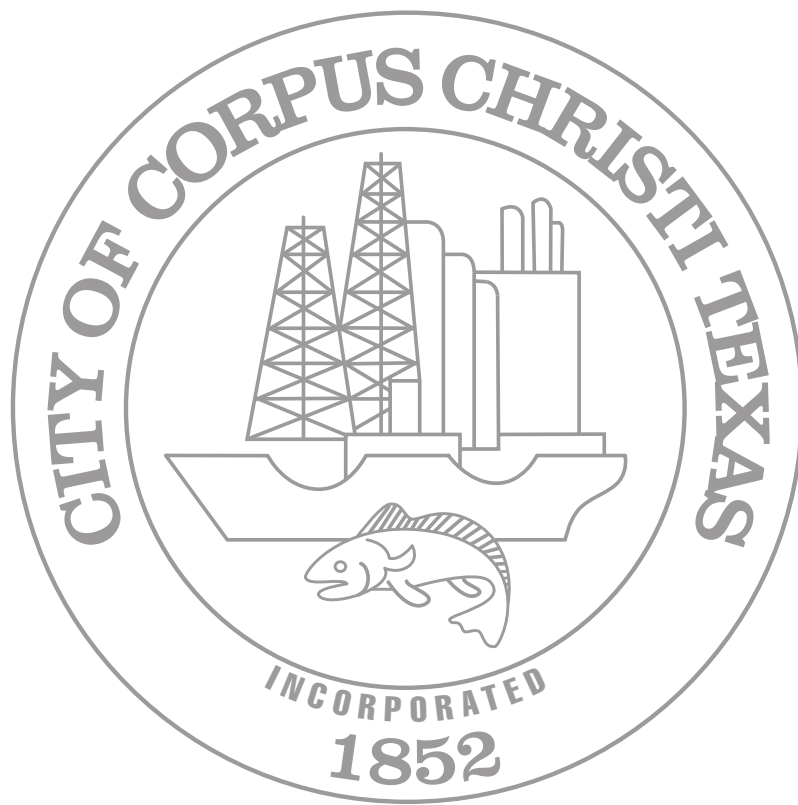
City of Corpus Christi

Table 23  
(Continued)

**ALL FUNDS  
INSURANCE AND SURETY BONDS IN FORCE  
FISCAL YEAR ENDED SEPTEMBER 30, 2016**

Type of Insurance	Insurer and Expiration Date	Amount of Coverage
<b>LIABILITY INSURANCE COVERAGES</b>		
<b>3. Airport Liability</b>		
P Primary Aviation	Texas Municipal League Expires 11-4-2016	\$25,000,000 Limit of Liability \$5,000 per occurrence deductible and \$10,000 annual aggregate deductible
E Excess Aviation	ACE-Illinois Union Ins Co Expires 11-4-2016	\$50,000,000 Liability Limit in Excess of \$25,000,000 (\$75,000,000 max.)
<b>4. Employee Dishonesty / Crime Coverage</b>	Texas Municipal League Expires 11-4-2016	\$1,000,000 per occ. for Public Employee Dishonesty Forgery or Alteration, Theft, Disappearance and Destruction Computer Fraud; with \$10,000 Deductible;
<b>5. Excess General Liability, Public Officials, Employment &amp; Law Enforcement Liability</b>	Colony Expires 10-1-2016	\$5 Million each Accident or Occurrence Limit \$10 Million Aggregate Limit \$500,000 SIR
<b>6. Excess Workers' Compensation</b>	Colony Expires 10-1-2016	Workers Compensation Statutory \$650,000 SIR for Police, Fire, Gas Utility \$500,000 SIR for All Others
<b>6. Gas Utility Liability</b>	Texas Municipal League Expires 11-4-2016	\$10,000,000 per occurrence \$250,000 Deductible \$2,000,000 for Pollution per occurrence \$250,000 Deductible
<b>7. General Liability</b> CCPD – Flint Hills Lease GL	Texas Municipal League Expires 11-4-2016	\$1,000,000 each occurrence \$1,000 deductible
<b>8. Special Events Policy</b> July 4th Celebration	Burlington Insurance Company Expires 7-5-2016	\$2,000,000 General Aggregate \$1,000,000 each Occurrence
<b>AUTO PHYSICAL DAMAGE COVERAGES</b>		
<b>9. Automobile Coverage</b>		
TB Clinic Van	Texas Municipal League Expires 11-4-2016	\$1,000,000 Bodily Injury & Property Damage \$25,000-Medical Payments Actual Cash Value - physical damage \$250 deductible
Fleet Catastrophic	Texas Municipal League Expires 11-4-2016	\$15,000,000 Blanket Limit per Occurrence \$250,000 Deductible
Automobile Physical Damage CCPD Leased Vehicles Solid Waste Transfer Trailers Specified Higher Valued Vehicles Specified Mobile Equipment	Texas Municipal League Expires 11-4-2016	Actual Cash Value - physical damage \$250 deductible \$500 deductible \$2500 deductible
<b>10. Animal Mortality and Theft</b> CCPD Canine	Texas Municipal League Expires 11-4-2016	As Scheduled





*Single Audit Section*





## Padgett Stratemann

### Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Honorable Mayor and Members of the City Council  
City of Corpus Christi, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Corpus Christi, Texas (the "City"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 24, 2017. Our report was modified to include a reference to the restatement of beginning fund balance and net position related the correction of various errors to previously issued financial statements. Our report was also modified to include a reference to other auditors. We did not audit the financial statements of the Corpus Christi Fire Fighters Retirement System, American Bank Center Convention Center Fund, or the American Bank Center Arena Operations Fund; blended and fiduciary component units, which represent 24%, 29%, and 7%, respectively, of the assets and deferred outflows, net position/fund balances, and revenues/additions of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units, is based solely on the report of the other auditors. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Corpus Christi Fire Fighters Retirement System, American Bank Center Convention Center Fund, or the American Bank Center Arena Operations Fund, audited separately by other auditors, were not audited in accordance with *Government Auditing Standards*.

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### ***Internal Control Over Financial Reporting***

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses listed as items 2016-001, 2016-002, 2016-003, 2016-004, 2016-005, 2016-006, and 2017-007.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies listed as items 2016-008, 2016-009, and 2016-010.

### ***Compliance and Other Matters***

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

### ***City's Responses to the Findings***

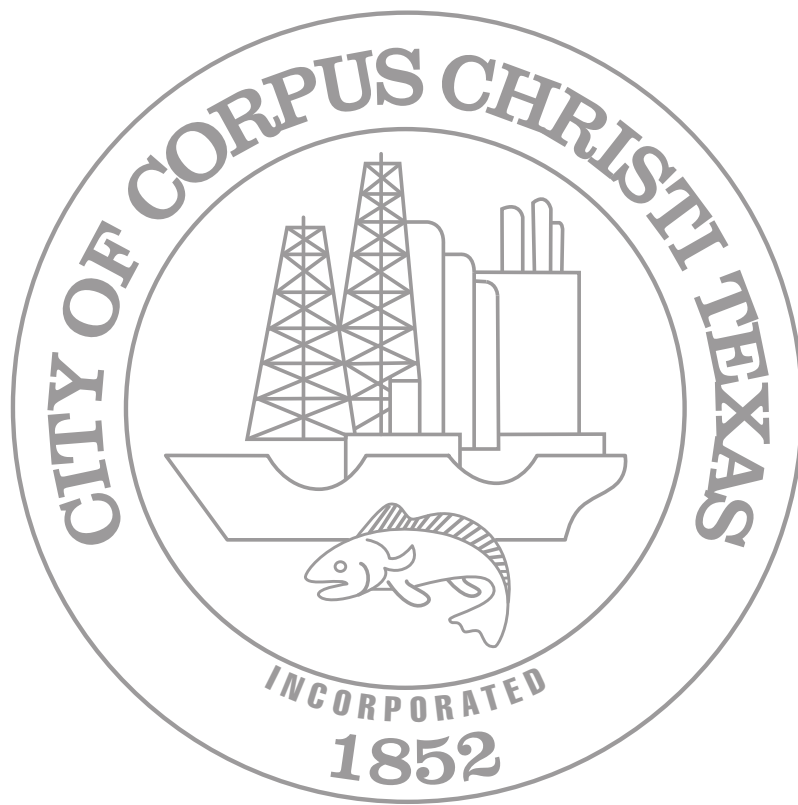
The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied to the audit of the financial statements and, accordingly, we express no opinion on them.

***Purpose of This Report***

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

*Padgett, Statemann + Co., L.L.P.*

San Antonio, Texas  
April 24, 2017





## Padgett Stratemann

### Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance as Required by the Uniform Guidance

To the Honorable Mayor and Members of the City Council  
City of Corpus Christi, Texas

#### ***Report on Compliance for Each Major Federal Program***

We have audited the City of Corpus Christi, Texas' (the "City") compliance with the types of compliance requirements described in *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2016. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

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

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

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### ***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2016.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2016-011, 2016-012, 2016-013, 2016-014, and 2016-015. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### ***Report on Internal Control Over Compliance***

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

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

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

we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2016-011, 2016-012, 2016-013, 2016-2014, and 2016-015 that we consider to be significant deficiencies.

The City's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plan. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

*Padgett, Statemann + Co., L.L.P.*

San Antonio, Texas  
April 24, 2017

**Schedule of Findings and Questioned Costs  
Federal Grants  
Year-Ended September 30, 2016**

**I – Summary of Auditor’s Results**

Type of auditor’s report issued:	<u>Unmodified</u>	
Internal control over financial reporting:		
Material weakness(es) identified?	<u>  X  </u> Yes	<u>      </u> No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<u>  X  </u> Yes	<u>      </u> None Reported
Noncompliance material to financial statements noted?	<u>      </u> Yes	<u>  X  </u> No

Federal Awards

Internal control over major programs:

Type of auditor’s report issued on compliance for major programs:	<u>Unmodified</u>	
Material weakness(es) identified?	<u>      </u> Yes	<u>  X  </u> No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<u>  X  </u> Yes	<u>      </u> None Reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u>  X  </u> Yes	<u>      </u> No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
14.218	Community Development Block Grant
93.044/93.045/93.053	Aging Cluster
10.557	Women and Infant Children
97.039	Hazard Mitigation

Dollar threshold used to distinguish between type A and type B programs:	<u>\$761,573</u>
Auditee qualified as low-risk auditee?	<u>  X  </u> Yes <u>      </u> No

**Schedule of Findings and Questioned Costs  
Related to Financial Statements  
Year-Ended September 30, 2016**

**Section II – Findings and Questioned Costs related to Financial Statements**

**Finding 2016-001 - Accounts Payable Cut-off**

Type of Finding: Material Weakness

Criteria: Generally Accepted Accounting Principles (GAAP) requires the accrual for goods, services, and other payments that are matured liabilities as of the balance sheet date.

Condition: During testing for proper recording of accounts payable we found approximately \$12,900,000 in unrecorded accounts payable. These amounts were subsequently recorded by the City.

Cause: The City used the invoice date entered into the accounts payable system to determine if an invoice should have been accrued, however this date was not always the date the goods or services were rendered or received. It appears this date was not consistently applied and individuals entering this information may not have been fully aware of what this date represented.

Effect: Initially the City had understated expenses/expenditures by approximately \$12,900,000. These errors were subsequently corrected and are reflected in the current year financial statements.

Recommendation: The City should strengthen their process for recording accounts payable at the end of the fiscal year by communicating and training individuals responsible for entering payment information into the accounts payable system. Additionally, management of the City should increase the oversight of this process to ensure accounts payable are properly recorded as of fiscal year end.

Views of responsible officials and planned corrective actions: Since the invoice date does not always indicate what period the goods or services were received, the City is evaluating using another field in the Accounts Payable module to identify which period the invoice should be accrued. City accounting staff will pre-review invoices prior to Accounts Payable processing, and will provide training to Accounts Payable employees to use this field to enable appropriate identification of accounts payable accruals.

**Finding 2016-002 - Schedule of Expenditures of Federal and State Awards**

Type of Finding: Material Weakness

Criteria: The City is required to prepare a schedule of expenditures of federal and state awards and report certain information regarding the City's federal and state grant programs.

Condition: During our testing of the initial schedule of expenditures of federal and state awards it was noted that a significant grant program was excluded from the schedule of expenditures of federal and state awards in the approximate amount of \$6.1 million. Additionally, the City does not adequately reconcile grant expenditures and grant revenues to schedule of expenditures of federal and state awards.

Cause: The City was not aware this program was subject to the Single Audit and was considered a grant of the City, therefore the City accounted for this grant as an agency transaction instead of federal revenues and expenditures. The City then consulted with their pass-through entity and determined this program should be considered a federal award of the City.

## City of Corpus Christi

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Effect: Since this federal program was initially excluded from the schedule of expenditures of federal and state awards it could have been excluded from Single Audit testing and could have materially misstated the schedule of federal and state awards.

Recommendation: We recommend the City strengthen their monitoring and identification activities for federal and state programs that are required to be reported on the schedule of expenditures of federal and state awards.

Views of responsible officials and planned corrective actions: The City will follow the auditor's recommendation.

### **Finding 2016-003 - Revenue Recognition**

Type of Finding: Material Weakness

Criteria: The Governmental Accounting Standards Board (GASB) has set revenue recognition standards for non-exchange revenue transactions. This guidance includes criteria and guidance for derived tax revenues (sales taxes, mixed beverage taxes, etc.), government mandated non-exchange transactions (property and other taxes), voluntary non-exchange transactions, among others.

Condition: During our testing of revenues we noted sales taxes, mixed beverage taxes, certain other business fees, and grant revenues were not recognized in accordance with GASB requirements. Generally, additional receivables were required to be recognized which resulted in a restatement to beginning fund balance. Beginning fund balance was increased by approximately \$8.6 million. Additionally, the City was recording certain grants on a cash basis, since the amount were not considered "available" to pay current liabilities and other grant revenue timing differences were noted.

Cause: The City's previous policy was to ensure 12 months of revenue was recorded for certain non-exchange revenues.

Additionally, grant receivables were initially understated by \$4,800,000.

Recommendation: We recommend the City establish procedures to ensure all non-exchange revenues are properly evaluated and accrued as revenue in accordance with GASB requirements.

Views of responsible officials and planned corrective actions: The City will add a step to our CAFR closing procedures in which the accountant closing each fund will review revenues received subsequent to fiscal year-end to determine whether any additional accruals are required.

### **Finding 2016-004 - Solid Waste Fund**

Type of Finding: Material Weakness

Criteria: GASB financial reporting requires activities to be reported in different fund types which include governmental funds, enterprise funds, among others. GASB also requires those activities be reported on the government-wide financial statements as either governmental activities or business type activities based on how those funds are reported at the fund level financial statements. GASB also establishes criteria of when a fund must be reported as an enterprise fund and business type activity.

Condition: During the review of the financial statements we noted the solid waste activity does have some of the characteristics of an enterprise fund, but is not required to be reported as an enterprise. The City's solid waste activity is reported within the City's general fund. However, this activity was reported as a business-type activity on the government-wide financial statements, which is inconsistent with GASB requirements.

Cause: The City did not reflect the solid waste activity in the governmental activities to match their determination that this activity was properly reported in the general fund, and therefore a governmental activity.

## City of Corpus Christi

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Effect: The City had to restate beginning net position on the government-wide financial statements by \$14,800,000 as an increase to business-type activities and a reduction to governmental activities.

Recommendation: We recommended the City restate beginning net position to correct this error. Additionally, we recommend the City continue to evaluate the Solid Waste Activity and other similar activities to ensure they are properly reported on the financial statements.

Views of responsible officials and planned corrective actions: We have implemented the auditor's recommendation.

### **Finding 2016-005 - Pension Plan Reporting**

Type of Finding: Material Weakness

Criteria: The Corpus Christi Fire Fighters Retirement System (FFRS) is a single employer defined benefit pension plan in which the City's firefighters participate and are the sole members of the plan. Based on financial reporting requirements this should be reported as a pension trust fund of the City. Additionally, City employees participate in a 457 deferred contribution plan where the City remits employee contributions to a third party administrator who hold those funds in trust for City employees.

Condition: In previous years the City excluded the FFRS plan from the City's financial statements which is required to be reported as a pension trust fund. Additionally, in previous years the City reported the assets of the 457 plan as assets of the City's trust fund, however these amounts are not held in trust by the City and should be excluded from the City's financial statements.

Cause: The City did not identify the FFRS as pension trust fund (although the net pension liability was properly recorded on the City's financial statements) and improperly identified the 457 as a trust fund of the City.

Effect: The City had to restate beginning net position of the pension trust fund by \$50,175,000 to correct this error.

Recommendation: We recommended the City restate beginning net position to correct this error.

Views of responsible officials and planned corrective actions: We have implemented the auditor's recommendation.

### **Finding 2016-006 - Capitalized Interest**

Type of Finding: Material Weakness

Criteria: GASB Statement No. 62 requires governments to capitalize interest for qualifying assets during the asset's acquisition period or construction period for all enterprise funds and business-type activities.

Condition: The City has not previously calculated or recorded capitalized interest for capital projects in its enterprise funds or business-type activities.

Cause: The City was unaware of the requirement to capitalize interest for its enterprise funds and business-type activities.

Effect: The City was required to make an entry to record capitalized interest in their enterprise funds and business-type activities in the amount of \$12,900,000.

Recommendation: We recommend the City develop a formalized process to calculate capitalized interest on a periodic basis and allocate the capitalized interest to projects timely. This calculation should be performed on all construction projects within the City's enterprise funds.

Views of responsible officials and planned corrective actions: The City will establish procedures to implement this recommendation.

**Finding 2016-007 – Contributed Capital**

Type of Finding: Material Weakness

Criteria: The City receives contributed capital (usually infrastructure) from developers on a regular basis. This is usually from new developments where the developer will construct infrastructure, such as sewer and water pipes as well as other infrastructure, which the City will be required to maintain, repair, and replace in the future. Since the City is required to maintain these infrastructure assets the City must record these assets in the general ledger of the City at their estimated cost. The City's Finance Department must rely on various other departments to provide information regarding contributed capital from developers.

Condition: During testing of contributed capital we noted the following issues:

- Some of the contributed capital recorded in the current year was not completed as of the end of the fiscal year. Although these assets are expected to be completed in the future the City should only record contributed capital for those assets actually completed and placed into service.
- When actual cost information is not available, the City uses various rates to estimate the cost of the contributed capital. Although these rates have been adjusted annually for inflation the City has not re-evaluated the original rates used in several years.

Cause: The City did not have adequate processes in place to monitor the recording of contributed capital.

Effect: Contributed capital was overstated by approximately \$2,900,000.

Recommendation: We recommend the City strengthen their process over recording contributed capital to include more communication between the City's various departments that oversee contributed capital and the City's Finance Department to ensure only completed and placed into service contributed capital is recorded in the City's general ledger. This process should be performed on a periodic basis. Additionally, the City should re-evaluate rates used by the City to estimate the costs of contributed capital when the actual cost is not available. The City should formalize their process for this re-evaluation to include a period of time and other relevant factors.

Views of responsible officials and planned corrective actions: The City will work with the Utilities, Development Services, and Engineering departments to establish procedures to implement this recommendation.

**Finding 2016-008 - Compensated Absences**

Type of Finding: Significant Deficiency

Criteria: Governments are required to accrue for compensated absences such as vacation as the benefits are earned by the employees if the leave is attributable to past service and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

Condition: During testing of compensated absences we noted that accrued vacation was properly accrued however the City's method of estimating the required accrual for sick leave does not appear to be capturing the probability of sick leave compensation for all City employees.

Cause: The City policy for payment of sick leave is only for employees that retire from the City and is generally limited to 50% of the accumulated sick leave balance to a maximum number of allowable hours. The method of estimating the accrued sick leave liability is 80% of the payout for employees eligible for retirement, however this method does not include any estimate for employees that are not eligible for retirement that may someday actually retire from the City.

Effect: The maximum calculated error is \$5.8 million based on accruing 100% of the payout for employees eligible for retirement and 100% of the payout for all other employee not yet eligible for retirement. The \$5.8 million maximum error is reflected as an uncorrected audit difference.

## City of Corpus Christi

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Recommendation: We recommend the City review their process for recording accumulated compensated absences that is probable the employee will be compensated for at retirement and record those amounts on the financial statements.

Views of responsible officials and planned corrective actions: The City will review the example calculations provided by GASB and consult with the auditors to determine the most appropriate method to estimate this liability.

### **Finding 2016-009 - Depreciable Lives**

Type of Finding: Significant Deficiency

Criteria: GAAP requires governments to assign an estimated useful life to different capital asset categories and record depreciation on these assets over their estimated useful life. The estimated useful lives of individual assets should be re-evaluated on a periodic basis.

Condition: In prior years the City constructed temporary terminals at the City's airport during construction of other facilities. However, the City assigned a useful life of a permanent building structure. During the current year these temporary terminals were written-off resulting in a loss on disposal of approximately \$2.6 million.

Cause: The City did not properly evaluate the useful life of these assets when placed into service.

Effect: Previous year's depreciation expense may have been understated, which resulted in a large loss on disposal in the current year of \$2.6 million.

Recommendation: We recommend the City establish a formal review of the useful lives of all capital assets at least annually to ensure the useful lives are appropriate and adjust the useful lives if needed.

Views of responsible officials and planned corrective actions: The City believes their current useful lives for capital assets are appropriate and represent the actual useful lives of most capital assets. The City will continue to evaluate the overall capital asset useful lives policy to ensure those lives are appropriate. Additionally, as new capital assets are placed into service the City will evaluate if those assets are appropriate based on management plans for that asset and the overall expected useful life. Furthermore, if the City becomes aware of changes in the expected useful life of an asset in the future, the City will adjust the remaining useful life of that capital asset.

### **Finding 2016-010 - Closure and Post-closure Care Costs for City Landfills**

Type of Finding: Significant Deficiency

Criteria: Governments are required to accrue a liability for the closure and post-closure care costs for government owned landfills. Generally, closure costs and post-closure costs should be accrued based on the percentage used of the landfill. These liabilities are based on engineering estimates as of the date of the financial statements and should be adjusted over time for factors such as inflation, changes in technology, and changes in environmental requirements, among others.

Condition: During our testing of the closure and post-closure liability we had the following observations –

- Although the City is adjusting the liability for the City owned landfill for inflation and payment of post closure costs the original estimated liability has not been re-evaluated recently to determine if the liability should be adjusted for the City owned landfill that has been closed.
- The original calculation of the percent of the liability recorded for the active City landfill contained an error and had to be decreased by \$4,100,000.

Cause: The City does not have a formal process in place to fully evaluate these liabilities on an ongoing basis.

Effect: The City had an error in their closure and post-closure care liability of \$4,100,000. Additionally, the lack of a formal review process increases the risk of error in future years.



## City of Corpus Christi

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Recommendation: We recommend the City develop a formal process to evaluate this liability to include the following:

- Establish a policy of periodic review of the closed landfill, to include periodic re-evaluation of the costs by an engineer if needed.
- Comparison of actual costs incurred related to closure or post-closure costs included in the estimated liability.
- Identification of changes related to actual closure or post-closure that was either included or excluded from the original estimated liability.
- Communication with other departments regarding the percentage available for use for the active landfill.
- Review of the overall calculation based on the results of the above items.

Views of responsible officials and planned corrective actions: Finance department will recommend to the Solid Waste department that more frequent professional evaluation of the closure/post-closure care liabilities for both landfills be obtained. In addition, after Finance has calculated the annual year-end adjustments to the liabilities, we will submit to Solid Waste department for their review and concurrence.

**Schedule of Findings and Questioned Costs  
Federal Grants  
Year-Ended September 30, 2016**

**Section III – Findings and Questioned Costs Related to Federal Awards**

**Finding 2016-011 – Subrecipient Monitoring**

**Federal Program: Hazard Mitigation Grant**

**CFDA Number: 97.039**

**Federal Award Number: DR-1791-346/DR-1791-347/DR-1791-348/DR-1791-349**

**United States Department of Homeland Security**

**Type of Finding: Noncompliance / Significant Deficiency**

Criteria: Grantees are responsible for monitoring grants subgranted to others. Monitoring includes the following key items:

- Identification of the subaward, including the CFDA number.
- Monitoring activities of the subrecipients during the award to ensure they are meeting the applicable compliance requirements.
- Ensuring subrecipients receive a single audit, if applicable.
- Issuing management decisions on audit findings of subrecipients, if applicable.

Condition: While the City did perform some monitoring activities such as site visits, communications with subrecipients, and active communication with the State and the State hired consultant, the City did not perform certain subrecipient monitoring activities as follows:

- In the Memorandum of Understanding between the City and the subrecipient the City did not include the CFDA Number for this grant or specify the requirement to have a Single Audit (if applicable) and submit the results of the Single Audit to the City.
- The City did not obtain audit reports for their subrecipients and therefore did not issue management decisions for any of their subrecipients for this grant. We obtained these reports after the fact and determined there were no findings related to this grant for any of the City's subrecipients.
- Supporting documentation for expenditures was submitted to the City, however the supporting documentation was not compared to allowable cost information. This also included monitoring of the required matching amounts.

Cause: The City originally did not believe this grant was an award to the City and therefore performed limited monitoring activities, however, after discussions with the City's pass-through entity it was determined that this grant was a federal award to the City and therefore the City must comply with the federal grant requirements.

Effect: The City did not adequately monitor the activities of their subrecipients, and therefore their subrecipients could have noncompliance that the City would not have been aware of.

Questioned Costs: None

Recommendation: We recommend the City enhance their monitoring of subrecipients. This should include training specifically related to subrecipient monitoring requirements, risk assessments, as well as developing a checklist for monitoring activities to document subrecipient monitoring activities.

Views of responsible officials and planned corrective actions: The City agrees with the auditor's recommendation and will work together in the upcoming fiscal year with our external auditor in regards to training for City Staff that monitors subrecipients.

**Finding 2016-012 – Subrecipient Monitoring**

**Federal Program: Community Development Block Grant**  
**CFDA Number: 14.218**  
**Federal Award Number: B13-MC48-502/ B14-MC48-502/ B15-MC48-502**  
**United States Department of Housing and Urban Development**  
**Type of Finding: Noncompliance / Significant Deficiency**

Criteria: Grantees are responsible for monitoring grants subgranted to others. Monitoring includes the following key items:

- Identification of the subaward, including the CFDA number.
- Monitoring activities of the subrecipients during the award.
- Ensuring subrecipients receive a single audit, if applicable.
- Issuing management decisions on audit findings of subrecipients, if applicable.

Condition: While the City did perform some monitoring activities such as site visits and review of other information provided by the subrecipients the City did not ensure the subrecipients had a single audit, obtained their audit report, or issued a management decision on the results of their audit. Based on review of two of the City's subrecipients audit reports subsequently obtained it was noted the subrecipients included an incorrect CFDA number on their schedule of expenditures of federal awards.

Cause: The City does not have a process to request, evaluate, and issue management decisions on subrecipient audit reports.

Effect: The City did not adequately monitor the activities of their subrecipients, and therefore their subrecipients could have noncompliance that the City would not have been aware of.

Questioned Costs: None

Recommendation: We recommend the City enhance their monitoring of subrecipients. This should include training specifically related to subrecipient monitoring requirements, risk assessments, as well as developing a checklist for monitoring activities to document subrecipient monitoring activities.

Views of responsible officials and planned corrective actions: The City agrees with the auditor's recommendation and will work together in the upcoming fiscal year with our external auditor in regards to training for City Staff that monitors subrecipients.

**Finding 2016-013 – Allowable Costs**

**Federal Program: Community Development Block Grant**  
**CFDA Number: 14.218**  
**Federal Award Number: B14-MC48-502/B15-MC48-502**  
**United States Department of Housing and Urban Development**  
**Type of Finding: Noncompliance / Significant Deficiency**

Criteria: In accordance with 2CFR section 200.430 salaries must be based on records that accurately reflect the work performed, which includes a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated. Additionally, OMB Circular A-87 paragraph 8h requires employees that work solely on a single federal award be supported by periodic certifications that the employee worked solely on that program.

Condition: During testing of allowable costs charged to this program we noted two employees who were considered temporary employees and did not have supporting documentation such as timesheets or certifications to support their salaries charged to the program. Additionally, based on their job descriptions it appears these positions were administrative in nature and may not be allocable to the program. No other similar positions were noted during our testing.

Cause: The City does not require temporary employees to maintain this documentation for grant reporting purposes.

Effect: The salaries for these employees (\$19,343) may not be allocable to this program and therefore may not be an allowable cost for this program.

Questioned Costs: Known and likely questioned costs would be zero, since the amount of questioned costs would be less than \$25,000.

Recommendation: We recommend the City review their current policies related to documentation maintained for employees charged to federal programs to ensure only allowable costs are charged to the program.

Views of responsible officials and planned corrective actions: The City agrees with the auditor's recommendation. The City will review all employees charged to federal awards to ensure their salaries are appropriately supported in accordance with federal requirements.

**Finding 2016-014 – Cash Management**

**Federal Program: Community Development Block Grant**

**CFDA Number: 14.218**

**Federal Award Number: B13-MC48-502/B14-MC48-502/B15-MC48-502**

**United States Department of Housing and Urban Development**

**Type of Finding: Noncompliance / Significant Deficiency**

Criteria: For cost reimbursement grants an eligible cost is required to be incurred and paid before a grantee can submit a claim for reimbursement of those costs.

Condition: During our testing of drawdown requests we noted 9 out of the 29 items tested were requested for reimbursement before the payment of the invoice to the vendor.

Cause: The City does not have an adequate process in place to ensure payments are actually made to the vendor before the request for reimbursement is submitted.

Effect: The City requested reimbursement of funds before the eligible expenses were paid.

Questioned Costs: None, since the assumed interest earned on the funds drawn-down before the expenses were paid would be less than \$100, which is less than the questioned costs threshold of \$25,000.

Recommendation: We recommend the City establish a process to verify eligible grant expenses are paid before reimbursement is requested.

Views of responsible officials and planned corrective actions: The City agrees with the auditor's recommendation. The City will implement procedures to ensure the expense is paid prior to the request for drawdown of funds is submitted. The procedure will be communicated to all responsible for requesting drawdown of grant funds.

**Finding 2016-015 – Allowable Costs**

**Federal Program: Aging Cluster**

**CFDA Number: 93.044 / 93.045**

**Federal Award Number: AA3-1148-4**

**United States Department of Health and Human Services**

**Type of Finding: Noncompliance / Significant Deficiency**

Criteria: In accordance with 2CFR section 200.430 salaries must be based on records that accurately reflect the work performed, which includes a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.

## City of Corpus Christi

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**Condition:** During testing of allowable costs charged to this program we noted employees did not maintain documentation indicating they worked solely on this program.

**Cause:** The City does not prepare semi-annual certificates or similar documentation to document employees work solely within this program.

**Effect:** The salaries for these employees (\$442,527) may not be allocable to this program and therefore may not be an allowable cost for this program.

**Questioned Costs:** Known and likely questioned costs are zero. Even though semi-annual or similar documentation was not maintained it appears based on their job descriptions, and interviews with program employees that employees work solely within this program.

**Recommendation:** We recommend the City review their current policies related to documentation maintained for employees charged to federal programs to ensure federal compliance requirements are met.

**Views of responsible officials and planned corrective actions:** The City agrees with the auditor's recommendation. The City will review all employees charged to federal awards to ensure their salaries are appropriately supported in accordance with federal requirements.



## Padgett Stratemann

### Independent Auditor's Report on Compliance for the Major State Program and Report on Internal Control Over Compliance as Required by the State of Texas Single Audit Circular

To the Honorable Mayor and Members of the City Council  
City of Corpus Christi, Texas

#### ***Report on Compliance for Each Major State Program***

We have audited the City of Corpus Christi, Texas' (the "City") compliance with the types of compliance requirements described in the *State of Texas Single Audit Circular* that could have a direct and material effect on the City's major state program for the year ended September 30, 2016. The City's major state program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

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

#### ***Auditor's Responsibility***

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

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

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### ***Opinion on Major State Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state program for the year ended September 30, 2016.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State of Texas Single Audit Circular* and which are described in the accompanying schedule of findings and questioned costs as items 2016-016 and 2016-017. Our opinion on the major state program is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### ***Report on Internal Control Over Compliance***

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

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

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

we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2016-016 and 2016-017 that we consider to be significant deficiencies.

The City's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plan. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Padgett, Statemann + Co., L.L.P.

San Antonio, Texas  
April 24, 2017



**Schedule of Findings and Questioned Costs  
State Grants  
Year-Ended September 30, 2016**

**I – Summary of Auditor’s Results**

Type of auditor’s report issued:	<u>Unmodified</u>	
Internal control over financial reporting:		
Material weakness(es) identified?	<u> X </u> Yes	<u> </u> No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<u> X </u> Yes	<u> </u> None Reported
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

State Awards

Internal control over major programs:

Type of auditor’s report issued on compliance for major programs:	<u>Unmodified</u>	
Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<u> X </u> Yes	<u> </u> None Reported
Any audit findings disclosed that are required to be reported in accordance with <i>State of Texas Single Audit Circular</i> ?	<u> X </u> Yes	<u> </u> No

Identification of major programs:

<u>Grant Numbers</u>	<u>Name of State Program</u>
608-16-1780200	Auto Theft Prevention Grant
608-17-1780200	Auto Theft Prevention Grant

Dollar threshold used to distinguish between type A and type B programs:	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	<u> X </u> Yes <u> </u> No

**Schedule of Findings and Questioned Costs  
Related to Financial Statements  
Year-Ended September 30, 2016**

**Section II – Findings and Questioned Costs related to Financial Statements**

**Finding 2016-001 - Accounts Payable Cut-off**

Type of Finding: Material Weakness

Criteria: Generally Accepted Accounting Principles (GAAP) requires the accrual for goods, services, and other payments that are matured liabilities as of the balance sheet date.

Condition: During testing for proper recording of accounts payable we found approximately \$12,900,000 in unrecorded accounts payable. These amounts were subsequently recorded by the City.

Cause: The City used the invoice date entered into the accounts payable system to determine if an invoice should have been accrued, however this date was not always the date the goods or services were rendered or received. It appears this date was not consistently applied and individuals entering this information may not have been fully aware of what this date represented.

Effect: Initially the City had understated expenses/expenditures by approximately \$12,900,000. These errors were subsequently corrected and are reflected in the current year financial statements.

Recommendation: The City should strengthen their process for recording accounts payable at the end of the fiscal year by communicating and training individuals responsible for entering payment information into the accounts payable system. Additionally, management of the City should increase the oversight of this process to ensure accounts payable are properly recorded as of fiscal year end.

Views of responsible officials and planned corrective actions: Since the invoice date does not always indicate what period the goods or services were received, the City is evaluating using another field in the Accounts Payable module to identify which period the invoice should be accrued. City accounting staff will pre-review invoices prior to Accounts Payable processing, and will provide training to Accounts Payable employees to use this field to enable appropriate identification of accounts payable accruals.

**Finding 2016-002 - Schedule of Expenditures of Federal and State Awards**

Type of Finding: Material Weakness

Criteria: The City is required to prepare a schedule of expenditures of federal and state awards and report certain information regarding the City's federal and state grant programs.

Condition: During our testing of the initial schedule of expenditures of federal and state awards it was noted that a significant grant program was excluded from the schedule of expenditures of federal and state awards in the approximate amount of \$6.1 million. Additionally, the City does not adequately reconcile grant expenditures and grant revenues to schedule of expenditures of federal and state awards.

Cause: The City was not aware this program was subject to the Single Audit and was considered a grant of the City, therefore the City accounted for this grant as an agency transaction instead of federal revenues and expenditures. The City then consulted with their pass-through entity and determined this program should be considered a federal award of the City.

## City of Corpus Christi

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Effect: Since this federal program was initially excluded from the schedule of expenditures of federal and state awards it could have been excluded from Single Audit testing and could have materially misstated the schedule of federal and state awards.

Recommendation: We recommend the City strengthen their monitoring and identification activities for federal and state programs that are required to be reported on the schedule of expenditures of federal and state awards.

Views of responsible officials and planned corrective actions: The City will follow the auditor's recommendation.

### **Finding 2016-003 - Revenue Recognition**

Type of Finding: Material Weakness

Criteria: The Governmental Accounting Standards Board (GASB) has set revenue recognition standards for non-exchange revenue transactions. This guidance includes criteria and guidance for derived tax revenues (sales taxes, mixed beverage taxes, etc.), government mandated non-exchange transactions (property and other taxes), voluntary non-exchange transactions, among others.

Condition: During our testing of revenues we noted sales taxes, mixed beverage taxes, certain other business fees, and grant revenues were not recognized in accordance with GASB requirements. Generally, additional receivables were required to be recognized which resulted in a restatement to beginning fund balance. Beginning fund balance was increased by approximately \$8.6 million. Additionally, the City was recording certain grants on a cash basis, since the amount were not considered "available" to pay current liabilities and other grant revenue timing differences were noted.

Cause: The City's previous policy was to ensure 12 months of revenue was recorded for certain non-exchange revenues.

Additionally, grant receivables were initially understated by \$4,800,000.

Recommendation: We recommend the City establish procedures to ensure all non-exchange revenues are properly evaluated and accrued as revenue in accordance with GASB requirements.

Views of responsible officials and planned corrective actions: The City will add a step to our CAFR closing procedures in which the accountant closing each fund will review revenues received subsequent to fiscal year-end to determine whether any additional accruals are required.

### **Finding 2016-004 - Solid Waste Fund**

Type of Finding: Material Weakness

Criteria: GASB financial reporting requires activities to be reported in different fund types which include governmental funds, enterprise funds, among others. GASB also requires those activities be reported on the government-wide financial statements as either governmental activities or business type activities based on how those funds are reported at the fund level financial statements. GASB also establishes criteria of when a fund must be reported as an enterprise fund and business type activity.

Condition: During the review of the financial statements we noted the solid waste activity does have some of the characteristics of an enterprise fund, but is not required to be reported as an enterprise. The City's solid waste activity is reported within the City's general fund. However, this activity was reported as a business-type activity on the government-wide financial statements, which is inconsistent with GASB requirements.

Cause: The City did not reflect the solid waste activity in the governmental activities to match their determination that this activity was properly reported in the general fund, and therefore a governmental activity.

## City of Corpus Christi

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Effect: The City had to restate beginning net position on the government-wide financial statements by \$14,800,000 as an increase to business-type activities and a reduction to governmental activities.

Recommendation: We recommended the City restate beginning net position to correct this error. Additionally, we recommend the City continue to evaluate the Solid Waste Activity and other similar activities to ensure they are properly reported on the financial statements.

Views of responsible officials and planned corrective actions: We have implemented the auditor's recommendation.

### **Finding 2016-005 - Pension Plan Reporting**

Type of Finding: Material Weakness

Criteria: The Corpus Christi Fire Fighters Retirement System (FFRS) is a single employer defined benefit pension plan in which the City's firefighters participate and are the sole members of the plan. Based on financial reporting requirements this should be reported as a pension trust fund of the City. Additionally, City employees participate in a 457 deferred contribution plan where the City remits employee contributions to a third party administrator who hold those funds in trust for City employees.

Condition: In previous years the City excluded the FFRS plan from the City's financial statements which is required to be reported as a pension trust fund. Additionally, in previous years the City reported the assets of the 457 plan as assets of the City's trust fund, however these amounts are not held in trust by the City and should be excluded from the City's financial statements.

Cause: The City did not identify the FFRS as pension trust fund (although the net pension liability was properly recorded on the City's financial statements) and improperly identified the 457 as a trust fund of the City.

Effect: The City had to restate beginning net position of the pension trust fund by \$50,175,000 to correct this error.

Recommendation: We recommended the City restate beginning net position to correct this error.

Views of responsible officials and planned corrective actions: We have implemented the auditor's recommendation.

### **Finding 2016-006 - Capitalized Interest**

Type of Finding: Material Weakness

Criteria: GASB Statement No. 62 requires governments to capitalize interest for qualifying assets during the asset's acquisition period or construction period for all enterprise funds and business-type activities.

Condition: The City has not previously calculated or recorded capitalized interest for capital projects in its enterprise funds or business-type activities.

Cause: The City was unaware of the requirement to capitalize interest for its enterprise funds and business-type activities.

Effect: The City was required to make an entry to record capitalized interest in their enterprise funds and business-type activities in the amount of \$12,900,000.

Recommendation: We recommend the City develop a formalized process to calculate capitalized interest on a periodic basis and allocate the capitalized interest to projects timely. This calculation should be performed on all construction projects within the City's enterprise funds.

Views of responsible officials and planned corrective actions: The City will establish procedures to implement this recommendation.

**Finding 2016-007 – Contributed Capital**

Type of Finding: Material Weakness

Criteria: The City receives contributed capital (usually infrastructure) from developers on a regular basis. This is usually from new developments where the developer will construct infrastructure, such as sewer and water pipes as well as other infrastructure, which the City will be required to maintain, repair, and replace in the future. Since the City is required to maintain these infrastructure assets the City must record these assets in the general ledger of the City at their estimated cost. The City's Finance Department must rely on various other departments to provide information regarding contributed capital from developers.

Condition: During testing of contributed capital we noted the following issues:

- Some of the contributed capital recorded in the current year was not completed as of the end of the fiscal year. Although these assets are expected to be completed in the future the City should only record contributed capital for those assets actually completed and placed into service.
- When actual cost information is not available, the City uses various rates to estimate the cost of the contributed capital. Although these rates have been adjusted annually for inflation the City has not re-evaluated the original rates used in several years.

Cause: The City did not have adequate processes in place to monitor the recording of contributed capital.

Effect: Contributed capital was overstated by approximately \$2,900,000.

Recommendation: We recommend the City strengthen their process over recording contributed capital to include more communication between the City's various departments that oversee contributed capital and the City's Finance Department to ensure only completed and placed into service contributed capital is recorded in the City's general ledger. This process should be performed on a periodic basis. Additionally, the City should re-evaluate rates used by the City to estimate the costs of contributed capital when the actual cost is not available. The City should formalize their process for this re-evaluation to include a period of time and other relevant factors.

Views of responsible officials and planned corrective actions: The City will work with the Utilities, Development Services, and Engineering departments to establish procedures to implement this recommendation.

**Finding 2016-008 - Compensated Absences**

Type of Finding: Significant Deficiency

Criteria: Governments are required to accrue for compensated absences such as vacation as the benefits are earned by the employees if the leave is attributable to past service and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

Condition: During testing of compensated absences we noted that accrued vacation was properly accrued however the City's method of estimating the required accrual for sick leave does not appear to be capturing the probability of sick leave compensation for all City employees.

Cause: The City policy for payment of sick leave is only for employees that retire from the City and is generally limited to 50% of the accumulated sick leave balance to a maximum number of allowable hours. The method of estimating the accrued sick leave liability is 80% of the payout for employees eligible for retirement, however this method does not include any estimate for employees that are not eligible for retirement that may someday actually retire from the City.

Effect: The maximum calculated error is \$5.8 million based on accruing 100% of the payout for employees eligible for retirement and 100% of the payout for all other employee not yet eligible for retirement. The \$5.8 million maximum error is reflected as an uncorrected audit difference.

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Recommendation: We recommend the City review their process for recording accumulated compensated absences that is probable the employee will be compensated for at retirement and record those amounts on the financial statements.

Views of responsible officials and planned corrective actions: The City will review the example calculations provided by GASB and consult with the auditors to determine the most appropriate method to estimate this liability.

### **Finding 2016-009 - Depreciable Lives**

Type of Finding: Significant Deficiency

Criteria: GAAP requires governments to assign an estimated useful life to different capital asset categories and record depreciation on these assets over their estimated useful life. The estimated useful lives of individual assets should be re-evaluated on a periodic basis.

Condition: In prior years the City constructed temporary terminals at the City's airport during construction of other facilities. However, the City assigned a useful life of a permanent building structure. During the current year these temporary terminals were written-off resulting in a loss on disposal of approximately \$2.6 million.

Cause: The City did not properly evaluate the useful life of these assets when placed into service.

Effect: Previous year's depreciation expense may have been understated, which resulted in a large loss on disposal in the current year of \$2.6 million.

Recommendation: We recommend the City establish a formal review of the useful lives of all capital assets at least annually to ensure the useful lives are appropriate and adjust the useful lives if needed.

Views of responsible officials and planned corrective actions: The City believes their current useful lives for capital assets are appropriate and represent the actual useful lives of most capital assets. The City will continue to evaluate the overall capital asset useful lives policy to ensure those lives are appropriate. Additionally, as new capital assets are placed into service the City will evaluate if those assets are appropriate based on management plans for that asset and the overall expected useful life. Furthermore, if the City becomes aware of changes in the expected useful life of an asset in the future, the City will adjust the remaining useful life of that capital asset.

### **Finding 2016-010 - Closure and Post-closure Care Costs for City Landfills**

Type of Finding: Significant Deficiency

Criteria: Governments are required to accrue a liability for the closure and post-closure care costs for government owned landfills. Generally, closure costs and post-closure costs should be accrued based on the percentage used of the landfill. These liabilities are based on engineering estimates as of the date of the financial statements and should be adjusted over time for factors such as inflation, changes in technology, and changes in environmental requirements, among others.

Condition: During our testing of the closure and post-closure liability we had the following observations –

- Although the City is adjusting the liability for the City owned landfill for inflation and payment of post closure costs the original estimated liability has not been re-evaluated recently to determine if the liability should be adjusted for the City owned landfill that has been closed.
- The original calculation of the percent of the liability recorded for the active City landfill contained an error and had to be decreased by \$4,100,000.

Cause: The City does not have a formal process in place to fully evaluate these liabilities on an ongoing basis.

Effect: The City had an error in their closure and post-closure care liability of \$4,100,000. Additionally, the lack of a formal review process increases the risk of error in future years.

## City of Corpus Christi

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Recommendation: We recommend the City develop a formal process to evaluate this liability to include the following:

- Establish a policy of periodic review of the closed landfill, to include periodic re-evaluation of the costs by an engineer if needed.
- Comparison of actual costs incurred related to closure or post-closure costs included in the estimated liability.
- Identification of changes related to actual closure or post-closure that was either included or excluded from the original estimated liability.
- Communication with other departments regarding the percentage available for use for the active landfill.
- Review of the overall calculation based on the results of the above items.

Views of responsible officials and planned corrective actions: Finance department will recommend to the Solid Waste department that more frequent professional evaluation of the closure/post-closure care liabilities for both landfills be obtained. In addition, after Finance has calculated the annual year-end adjustments to the liabilities, we will submit to Solid Waste department for their review and concurrence.

**Schedule of Findings and Questioned Costs  
State Grants  
Year-Ended September 30, 2016**

**Section III – Findings and Questioned Costs Related to State Awards**

**Finding 2016-016 – Allowable Costs**

**State Program: Auto Theft Prevention Grant  
State Award Number: 608-16-1780200 / 608-17-1780200  
Texas Department of Motor Vehicles  
Type of Finding: Noncompliance / Significant Deficiency**

Criteria: Where employees work solely on a single grant the State of Texas Uniform Grant Management Standards require semi-annual certifications indicating the employee worked solely on that grant or cost objective.

Condition: During testing of salaries and wages of this grant it was noted that the City only prepares annual certifications for the employees who work solely on this grant instead of the required semi-annual certification.

Cause: The City was unaware of the semi-annual certification requirement for this grant.

Effect: The City is not in compliance with the semi-annual certification requirement for employees who work solely on this grant. This could cause a delay in identifying employees who no longer work solely on this grant.

Questions Costs: Although the City charged \$325,950 in salaries and wages to this grant that were not covered by a semi-annual certification, questioned costs are zero based on review of the annual certification of employee who work solely on this grant, interviews with program management, and review of job descriptions for these employees.

Recommendation: We recommend the City adjust their current practice of preparing an annual certification of employees who work solely on this program to include preparing a semi-annual certification as required by the State of Texas Uniform Grant Management Standards.

Views of responsible officials and planned corrective actions: The City agrees with the auditor's recommendation. The City will review all employees charged to state awards to ensure their salaries are appropriately supported in accordance with state requirements.

**Finding 2016-017 – Equipment and Real Property Management**

**State Program: Auto Theft Prevention Grant  
State Award Number: 608-16-1780200 / 608-17-1780200  
Texas Department of Motor Vehicles  
Type of Finding: Noncompliance / Significant Deficiency**

Criteria: The Auto Theft Prevention Grant requires vehicles purchased with grant funds to be used solely for grant purposes. "Use Logs" are required to be maintained to document a vehicle was used for grant purposes.

Condition: During testing it was noted the Auto Theft Prevention Department does not maintain a "Use Log" for their vehicles.

Cause: The department does not prepare or maintain a "Use Log".

Effect: The City is not in compliance with the documentation requirements of this grant and therefore is not appropriately documenting that the vehicles purchased with grant funds are used exclusively for grant purposes.



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Questioned Costs: None, based on interviews with grant management and our review of the assignment of vehicles assigned to employee who work exclusively on this grant.

Recommendation: We recommend the City establish a “Use Log” to document vehicles purchased with grant funds are used exclusively for grant purposes. Additionally, the City should implement appropriate internal controls to ensure these logs are updated daily. These internal controls should include sign-off by the individual using the vehicle and should also include periodic supervisory review to ensure the logs include all required information and account for 100% of the usage.

Views of responsible officials and planned corrective actions: The City agrees with the auditor’s recommendation. A “Use Log” will be used to document vehicles purchased with grant funds are used exclusively for grant purposes.

**Summary Status of Prior Year Findings  
Year-Ended September 30, 2016**

**Prior Year Findings and Questioned Costs – Financial Statement Audit**

**SIGNIFICANT DEFICIENCY**

2015 – 1 Grant Fund Accounting

Condition: The parks and recreation grant fund reflected unearned revenue liability of \$406,362 comprised of program income not properly recognized in the current fiscal year. The police grant fund reflected an outstanding receivable of \$257,979 comprised of a prior year accrual that required reversal in the current fiscal year.

Recommendation: Procedures should be established that assure all grant receivables are fairly stated and any resulting valuation adjustments are appropriately recorded. Grant unearned revenue should be the offset for only assets that are recognized in connection with transactions in which the earning process is not complete.

Current Status: The recommendation was adopted in fiscal year 2016. Procedures were established during the current audit year to ensure a similar condition would not occur. City Staff was aware of the significance in fairly stating all grant receivables and as an added year-end review, the Controller of the Financial Services Department met individually with each staff member to review their final numbers. A similar condition was not noted during the current audit

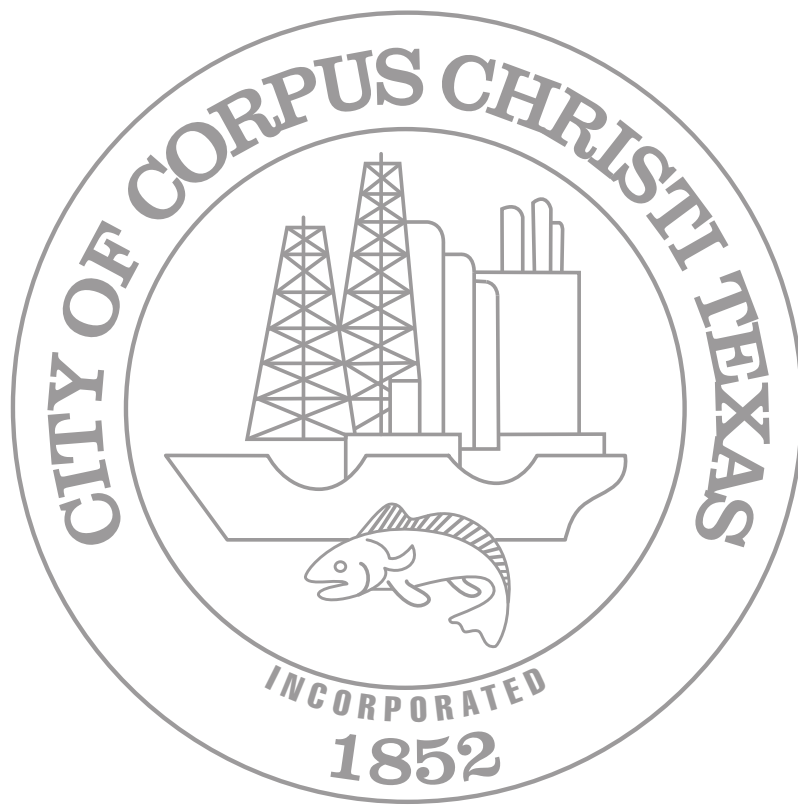
**SIGNIFICANT DEFICIENCY**

2015 – 2 Grant Fund Accounting

Condition: Federal Highway Planning and Construction grants totaling \$844,540 and related expenditures were not identified as grants or accounted for in the federal/state grants fund.

Recommendation: Procedures should be put in place requiring grant funded contracts to be forwarded to the grants department for tracking.

Current Status: The recommendation stemmed from other City departments not informing the Financial Services Department of grants they received. The recommendation was adopted in fiscal year 2016. The procedures included having other City departments contact the Controller of the Financial Services Department with any new grants. This was communicated by the Financial Services Department Director meeting with City Directors and Assistant Directors to inform them to direct all new grants to the Controller of the Financial Services Department. However, a similar condition was noted during the current audit.



City of Corpus Christi

SCHEDULE OF EXPENDITURES OF FEDERAL/STATE AWARDS  
FISCAL YEAR ENDED SEPTEMBER 30, 2016

Federal Grantor/Pass-Through Grantor State Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Disbursements/ Expenditures
<b>Federal Assistance:</b>				
<b>U.S. Department of Agriculture</b>				
<u>Passed through Texas Dept. of State Health Services</u>				
Women, Infants & Children	10.557	2015-047290		10,601
Women, Infants & Children		2016-048777		849,457
Total CFDA Number 10.557				<u>860,058</u>
Total Passed Through Texas Dept. of State Health Services				<u>860,058</u>
<u>Passed through Texas Dept. of Agriculture</u>				
Child and Adult Care Food Program	10.558	CE -ID 01507		148,362
Total CFDA Number 10.558				<u>148,362</u>
Summer Food Service Program for Children	10.559	CE -ID 01507		66,056
Total CFDA Number 10.559				<u>66,056</u>
Total Passed Through Texas Dept. of Agriculture				<u>214,418</u>
<b>Total U.S. Department of Agriculture</b>				<u>1,074,476</u>
<b>U.S. Department of Housing and Urban Development</b>				
<u>Direct Programs</u>				
CDBG Entitlement Cluster:				
Comm. Dev. Block Grant-Entitlement Grant 11-12	14.218	B11-MC48-0502	--	(1,597)
Comm. Dev. Block Grant-Entitlement Grant 12-13		B12-MC48-0502	--	24
Comm. Dev. Block Grant-Entitlement Grant 13-14		B13-MC48-0502	142,371	759,529
Comm. Dev. Block Grant-Entitlement Grant 14-15		B14-MC48-0502	401,810	867,510
Comm. Dev. Block Grant-Entitlement Grant 15-16		B15-MC48-0502	69,559	1,288,738
Total CFDA Number 14.218			<u>613,740</u>	<u>2,914,204</u>
Emergency Solutions Grants Program 13-14	14.231	S13-MC48-0502	--	400
Emergency Solutions Grants Program 14-15		S14-MC48-0502	56,102	72,773
Emergency Solutions Grants Program 15-16		S15-MC48-0502	107,879	122,657
Total CFDA Number 14.231			<u>163,981</u>	<u>195,830</u>
Home Investment Partnerships Program 10-11	14.239	M-10-MC-48-0502	43,907	43,907
Home Investment Partnerships Program 11-12		M-11-MC-48-0502	405,001	414,001
Home Investment Partnerships Program 13-14		M-13-MC-48-0502	537,419	586,806
Home Investment Partnerships Program 14-15		M-14-MC-48-0502	82,030	112,374
Home Investment Partnerships Program 15-16		M-15-MC-48-0502	--	46,874
Total CFDA Number 14.239			<u>1,068,357</u>	<u>1,203,962</u>
Fair Housing Assistance Program State and Local	14.401	FF206K116008		7,309
Total CFDA Number 14.401				<u>7,309</u>
Total Direct Programs				<u>4,321,305</u>
<b>Total U.S. Department of HUD</b>				<u>4,321,305</u>
<b>U. S. Department of the Interior</b>				
<u>Direct Program</u>				
Desalination Pilot Study	15.506	R13AC80020		46,654
Total CFDA Number 15.506				<u>46,654</u>
<b>Total U.S. Department of Interior</b>				<u>46,654</u>
<b>U.S. Department of Justice</b>				
JAG Program Cluster:				
<u>Direct Programs</u>				
Edward Byrne Memorial Justice Assistance Grant	16.738	2015-DJ-BX0616		61,779
Edward Byrne Memorial Justice Assistance Grant		2016-DJ-BX-0289		81,502
Body Worn Camera Policy and Implementation Program		2015-DE-BX-K045		108,816
Total CFDA Number 16.738				<u>252,097</u>
Federal Confiscated Property				
Federal Account	16.XXX	N/A		234,805
Total CFDA Number 16.XXX				<u>234,805</u>

City of Corpus Christi

**SCHEDULE OF EXPENDITURES OF FEDERAL/STATE AWARDS  
FISCAL YEAR ENDED SEPTEMBER 30, 2016**

Federal Grantor/Pass-Through Grantor State Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Disbursements/ Expenditures
<u>Passed through Office of the Governor/Criminal Justice Division</u>				
Victims of Crime Act	16.575	2015-VA-GX-0009		100,184
Victims of Crime Act		2015-VA-GX-0009-02		78,778
Total CFDA Number 16.575				178,962
Violence Against Women Formula Grant Program	16.588	2016-SF-ST-0015		30,147
Violence Against Women Formula Grant Program		2016-WF-AX-0034		4,410
Total CFDA Number 16.588				34,557
Total Passed through Office of the Governor/Criminal Justice Division				213,519
<u>Passed through Office of the Attorney General</u>				
Recovery Act - Internet Crimes against Children Task Force Program	16.800	2015-MC-FX-K049		5,049
Total CFDA Number 16.800				5,049
<b>Total U.S. Department of Justice</b>				705,470
<b>U.S. Department of Transportation</b>				
<u>Direct Programs</u>				
Airport Improvement Programs	20.106			
Runway 17/35 Extension, Phase 1; Runway 13/31 Extension		3-48-0051-47		(325)
Runway 17/35 Extension Dispmnt and Associated Taxiway		3-48-0051-49		682,338
Runway 13/31 Ext Displacement and Connecting Taxiway		3-48-0051-50		3,430,574
Rehabilitate Taxiways B, B1, B2, B3, B4 and B5 at CCLA		3-48-0051-51		937,881
Rehabilitate Taxiways D, E, F and G; Construct Taxiways H and J		3-48-0051-52		1,078,421
Total CFDA Number 20.106				6,128,889
<u>Passed through Texas Dept. of Transportation</u>				
Highway Planning and Construction				
Carbon Plant IH37 Utility Relocation	20.205	0074-06-202		152,428
Carbon Plant Connector		0074-06-215		590,956
North Port Ave/IH		0916-35-133		835,703
Yorktown Blvd/Staples to Cimarron Landscape Improvements		0916-35-166		142
Williams Dr. Ph 3 - Stp to Airline		0916-35-168		1,388,336
Schanen Hike and Bike Trail		0916-35-175		698,387
Total CFDA 20.205				3,665,952
Total Passed through Texas Dept. of Transportation				3,665,952
<u>Passed through State Dept. of Highways and Public Transportation</u>				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	2016-CorpusPD-S-1YG-0039		86,112
Total CFDA Number 20.600				86,112
Occupant Protection Incentive	20.602	2016-CorpusPD-CIOT-00027		16,987
Total CFDA Number 20.602				16,987
Total Highway Safety Cluster				103,099
Total Passed Through State Dept. of Hwys & Public Transp.				103,099
<b>Total U.S. Department of Transportation</b>				9,897,940
<b>Equal Employment Opportunity Commission</b>				
<u>Direct Programs</u>				
Employment Discrimination State & Local Fair	30.002	EEC45015C0035		28,050
Total CFDA Number 30.002				28,050
Total Direct Programs				28,050
<b>Total Equal Employment Opportunity Commission</b>				28,050
<b>U.S. Department of Health and Human Services</b>				
<u>Passed through Texas Department of Aging &amp; Disability Svc passed through CBCOG-AAA</u>				
Aging Cluster:				
Special Programs for the Aging Title III, Part B				
Grants For Supportive Services and Senior Centers	93.044	AA3-1148-4		14,621
		AA3-1148-4		10,776
Total CFDA Number 93.044				25,397

City of Corpus Christi

SCHEDULE OF EXPENDITURES OF FEDERAL/STATE AWARDS  
FISCAL YEAR ENDED SEPTEMBER 30, 2016

Federal Grantor/Pass-Through Grantor State Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Disbursements/ Expenditures
Special Programs for the Aging Title III, Part C Nutrition Svcs	93.045	AA3-1148-4		525,630
Special Programs for the Aging Title III, Part C Nutrition Svcs		AA3-1148-4		525,630
Total CFDA Number 93.045				1,051,260
Nutrition Services Incentive Program	93.053	AA3-1148-4		122,297
Total CFDA Number 93.053				122,297
Total Aging Cluster				1,198,954
Total Passed Through DADS				1,198,954
<u>Passed through Texas Department of Family &amp; Protective Services</u>				
Promoting Safe and Stable Families	93.556	23792861		11,599
Promoting Safe and Stable Families		24186672		(1,675)
Total CFDA Number 93.556				9,924
Total Passed Through Dept. of Family & Protective Services				9,924
<u>Passed through Texas Department of State Health Svcs</u>				
CPS-Laboratory Response Network-PHEP	93.074	2016-001139-00		137,606
CPS-Laboratory Response Network-PHEP		2016-001139		30,839
Total CFDA Number 93.074				168,445
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2015-002508-01		11,654
Tuberculosis Control Programs		2016-002508-00		32,053
Total CFDA Number 93.116				43,707
Immunization Grants	93.268	2016-000014-00		213,393
Immunization Grants		2016-000014-01		17,251
Total CFDA Number 93.268				230,644
Preventive Health and Health Services Block Grant	93.991	2015-000023-00		13,116
Preventive Health and Health Services Block Grant		2016-000023-00		158,736
Preventive Health and Health Services Block Grant		2016-000023-00		17,756
Total CFDA Number 93.991				189,608
Total Passed Through Dept. of State Health Svcs				632,404
<b>Total U.S. Department of Health &amp; Human Services</b>				<b>1,841,282</b>
<b>Corporation for National and Community Service</b>				
<u>Direct Programs</u>				
Retired and Senior Volunteer Program	94.002	14SRWTX004		24,833
Retired and Senior Volunteer Program		14SRWTX004		10,373
Total CFDA Number 94.002				35,206
Senior Companion Program	94.016	13SCWTX001		246,293
Senior Companion Program		16SCWTX003		93,083
Total CFDA Number 94.016				339,376
Total Direct Programs				374,582
<b>Total Corp. for National and Community Service</b>				<b>374,582</b>
<b>Executive Office of the President</b>				
<u>Direct Programs</u>				
High Intensity Drug Trafficking Areas Program	95.001	G15HN0006A		160,429
High Intensity Drug Trafficking Areas Program		G16HN0006A		1,708
Total CFDA Number 95.001				162,137
Total Direct Programs				162,137
<b>Total Executive Office of the President</b>				<b>162,137</b>
<b>U.S. Department of Homeland Security</b>				
<u>Passed through Texas Department of Public Safety</u>				
Disaster Grants - Public Assistance (Presidentially Declared Diasters)				
CCC001A - Debris	97.036	PA-06-TX-4223-PW00901		183,168
CCC005E - Damage to Elevator and 7 Police Vehicles		PA-06-TX-4223-PW00464		19,328
CCC002B - Emergency Protective Measures		PA-06-TX-4223-PW01991		87,650
Total CFDA Number 97.036				290,146

City of Corpus Christi

**SCHEDULE OF EXPENDITURES OF FEDERAL/STATE AWARDS  
FISCAL YEAR ENDED SEPTEMBER 30, 2016**

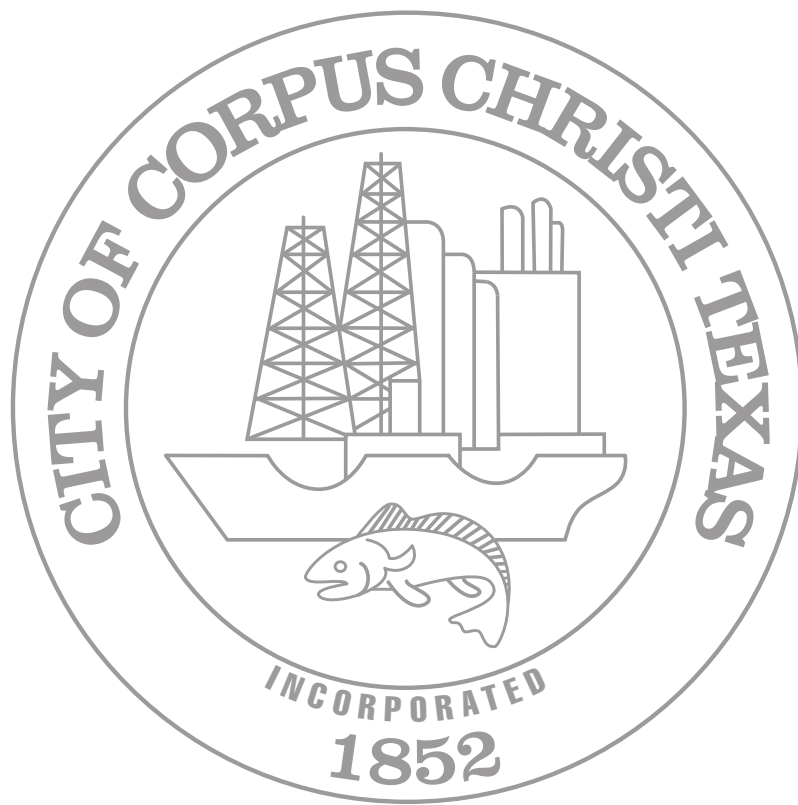
Federal Grantor/Pass-Through Grantor State Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Disbursements/ Expenditures
<b>Hazard Mitigation Grant</b>				
Nueces County Del Mar College Community Safe Room	97.039	DR-1791-346	1,800,000	1,800,000
City of Corpus Christi Community Safe Room		DR-1791-347	1,658,921	1,658,921
Nueces County Tuloso High School Community Safe Room		DR-1791-348	1,800,000	1,800,000
Nueces County Tuloso Intermediate School Community Safe Room		DR-1791-349	899,747	899,747
Total CFDA Number 97.039			6,158,668	6,158,668
<b>Emergency Management Performance Grant</b>				
Emergency Management Performance Grant	97.042	2015-EP-00011		68,416
Emergency Management Performance Grant		2016-EP-00011		70,159
Total CFDA Number 97.042				138,575
<b>State Homeland Security Program</b>				
State Homeland Security Program	97.067	EMW-2014-SS-00029		54,667
State Homeland Security Program		EMW-2014-SS-00029		42,144
State Homeland Security Program		EMW-2015-SS-00080		40,161
Total CFDA Number 97.067				136,972
Total Passed through Texas Department of Public Safety				6,724,361
<b>Passed Through Texas Department of Public Safety</b>				
<u>Passed Through Nueces County</u>				
FY13 Operation Stonegarden Grant Program	97.067	EMW-2013-SS-00045		(3,471)
FY14 Operation Stonegarden Grant Program		EMW-2014-SS-00029		214,420
Total CFDA Number 97.067				210,949
Total Passed through TDPS and Nueces County				210,949
<b>Passed through W.J. Wagner, Inc.</b>				
Port Security Grant Program	97.056	EMW-2013-PU-00134-S01		(1,440)
Total CFDA Number 97.056				(1,440)
Total Passed Through W.J. Wagner, Inc.				(1,440)
<b>Total U.S. Department of Homeland Security</b>				6,933,870
<b>Total Federal and Passed-through Assistance</b>			8,004,746	25,385,767
<b>State Assistance:</b>				
<b>State Comptroller of Public Accounts</b>				
<u>State General Revenue</u>				
Law Enforcement Fire Prevention		N/A		1,062
Total SGR				1,062
<b>Total State Comptroller of Public Accounts</b>				1,062
<b>Texas Attorney General's Office</b>				
<u>Direct Program</u>				
State Account		N/A		342,281
Total Direct Program				342,281
<b>Total Texas Attorney General's Office</b>				342,281
<b>Texas Commission on Environmental Quality</b>				
<u>Direct Programs</u>				
Air Quality Planning Activities		582-14-40055		119,965
Rider 7 - Near Non-Attainment Area		582-16-60182		60,749
Total Direct Programs				180,714
<b>Texas Department of Aging &amp; Disability</b>				
<u>Passed through Corporation for National &amp; Community Service</u>				
Retired and Senior Volunteer Program		15SRWTX013		21,671
Senior Companion Program		15SCWTX007		5,749
Total Passed Through CNCS				27,420
<b>Total Texas Department of Aging &amp; Disability</b>				27,420
<b>Texas Department of Agriculture</b>				
<u>Direct Programs</u>				
Texans Feeding Texans Program		HDM-15-1420		25,638
Texans Feeding Texans Program		HDM-16-1707		25,261
Total Direct Programs				50,899
<b>Total Texas Department of Agriculture</b>				50,899

City of Corpus Christi

**SCHEDULE OF EXPENDITURES OF FEDERAL/STATE AWARDS  
FISCAL YEAR ENDED SEPTEMBER 30, 2016**

Federal Grantor/Pass-Through Grantor State Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Disbursements/ Expenditures
<b>Texas Department of Family and Protective Services</b>				
<u>Direct Programs</u>				
Promoting Safe and Stable Families		23792861		3,866
Promoting Safe and Stable Families		24186672		(558)
Promoting Safe and Stable Families		24186672		374,540
Total Direct Programs				<u>377,848</u>
<b>Total Texas Department of Family &amp; Protective Services</b>				<u>377,848</u>
<b>Texas Department of Public Safety</b>				
<u>Direct Programs</u>				
Local Border Security		2016-BL-ST-0016		89,966
HazMat Emergency Preparedness Planning		405-15-P001912		27,675
Total Direct Programs				<u>117,641</u>
<b>Total Texas Department of Public Safety</b>				<u>117,641</u>
<b>Texas Department of State Health Services</b>				
<u>Direct Programs</u>				
TB/PC		2015-001398-00		(145)
TB/PC		2016-001398-00		50,323
TB/PC		2016-001398-00		4,508
Texas Healthy Communities		2015-047255-00		2,418
Texas Healthy Communities		2016-003808-00		49,791
FLU-LAB Infectious Disease Control Unit		2016-001102-00		4,807
SUREB Infectious Disease Control Unit		2016-003838-00		67,160
Total Direct Programs				<u>178,862</u>
<b>Total Texas Department of State Health Services</b>				<u>178,862</u>
<b>Texas Department of Motor Vehicles</b>				
<u>Direct Programs</u>				
Corpus Christi Auto Theft Prevention Grant		608-16-1780200		449,835
Corpus Christi Auto Theft Prevention Grant		608-17-1780200		41,506
Total Direct Programs				<u>491,341</u>
<b>Total Texas Department of Motor Vehicles</b>				<u>491,341</u>
<b>Texas State Library and Archives Commission</b>				
<u>Direct Programs</u>				
Family Place Library Program		93660444		6,000
Total Direct Programs				<u>6,000</u>
<b>Total Texas State Library and Archives Commission</b>				<u>6,000</u>
<b>Texas Parks and Wildlife</b>				
<u>Direct Programs</u>				
OSO Conservation and Interpretive Park		48-001095		8,928
OSO Summer Guardians		52-000629		6,805
Total Direct Programs				<u>15,733</u>
<b>Total Texas Parks and Wildlife</b>				<u>15,733</u>
<b>Total State Assistance</b>			--	1,789,801
<b>Total Federal &amp; State Financial Assistance</b>			<u>8,004,746</u>	<u>\$ 27,175,568</u>





**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL/STATE AWARDS  
FISCAL YEAR ENDED SEPTEMBER 30, 2016**

**1. Basis of Presentation**

The accompanying schedule of expenditures of federal/state awards (the "Schedule") includes the federal award activity of the City of Corpus Christi, Texas (the "City") under programs of the federal government and State of Texas for the year ended September 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State of Texas Single Audit Circular. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles in Office of Management and Budget Circular A-87, Cost Principles for States, Local and Indian Tribal Governments, the cost principles contained in the Uniform Guidance, or State of Texas Single Audit Circular, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**3. Relationship to Federal Financial Reports**

Amounts reported in the Schedule of Federal/State Expenditures of Awards may not agree with the amounts reported in the related Federal/State financial reports filed with grantor agencies because of accruals which would be included in the next report filed with the agencies.

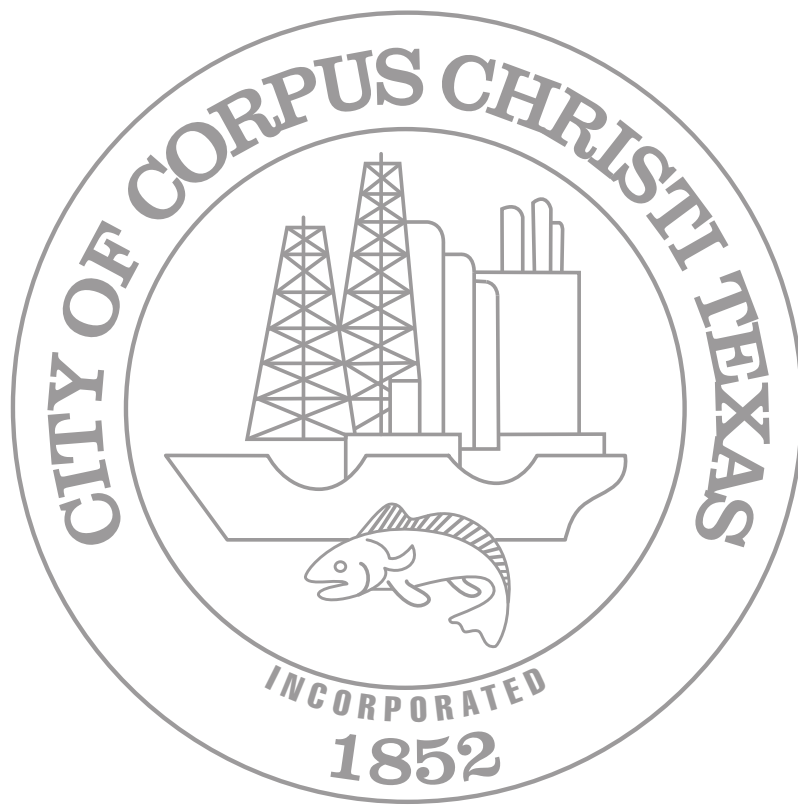
**4. Indirect Cost Rate**

The City has elected to not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**5. Outstanding Loans**

In prior years, the City has provided loans through its various Community Development Block Grant programs (CFDA 14.218). The outstanding balance of the loans receivable at September 30, 2016 was \$8,630,788.

In prior years, the City has provided loans through its various Home Investment Partnership programs (CFDA 14.239). The outstanding balance of the loans receivable at September 30, 2016 was \$4,621,101.



**2015 MANAGEMENT LETTER**

# COLLIER, JOHNSON & WOODS, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

March 31, 2016

The Honorable Mayor, City Council Members  
and the City Manager of the  
City of Corpus Christi, Texas

In planning and performing our audit of the basic financial statements of the City of Corpus Christi, Texas as of and for the year ended September 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified two deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the City of Corpus Christi's internal control to be significant deficiencies.

## SIGNIFICANT DEFICIENCIES

### Grant Fund Accounting

In prior years, certain non-grant revenue and expenditure transactions have been recorded in the federal/state grant funds and were carried as unearned revenues or accounts receivable rather than being recognized in the appropriate fund. The City implemented new policies and procedures to correct this problem. However, during our audit, we found \$406,362 of park and recreation program revenues recorded as unearned revenues and an overstatement of \$257,979 in police grant receivables. These were errors that went undetected by employees and management and would not have been corrected if not identified during our audit.

The Honorable Mayor, City Council Members  
And the City Manager of the City of Corpus Christi  
March 31, 2016  
Page 2

Procedures should be established that assure all grant receivables are fairly stated and any resulting valuation adjustments are appropriately recorded. Grant unearned revenue should only be recorded in connection with transactions in which the earning process is not complete.

### **Grant Recognition**

Two federal Highway Planning and Construction grants in the amount of \$844,510, which were passed-through from the Texas Department of Transportation, were not identified as grants and were recorded as miscellaneous revenue in the Street Maintenance Fund rather than accounted for through the street grant fund. The grant department was not aware of these grants. The project expenditures were not initially reported as expenditures of federal funds requiring consideration under the Single Audit Act. Only through auditor inquiry and review of activity in a non-grant special revenue fund were the expenditures identified as funded by a federal grant.

We chose to audit these grants as a major program because we considered them high risk: the expenditures were relatively large amounts; the grants were new to the City; and the grants had not been identified as such and were not subjected to the procedures in the grant department. Our audit disclosed no compliance exceptions.

Procedures should be established requiring federal and state funded contracts to be forwarded to the grants department for tracking.

\*\*\*\*\*

Also, during our audit, we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are summarized below.

### **GASB Statement No. 68 – Accounting and Financial Reporting for Pensions**

The Governmental Accounting Standards Board (GASB) issued Statement No. 68 titled “Accounting and Reporting for Pensions” which was amended by GASB Statement No. 71 titled “Pension Transition for Contributions Made Subsequent to the Measurement Date”. These pronouncements were implemented by the City during the current fiscal year. The implementation resulted in a prior period adjustment of \$188,615,280 to set up the initial liability and related deferred outflows and reduced the beginning government-wide unrestricted net position to a negative \$121,487,113.

For the purpose of calculating the net pension liability the pronouncement requires the City’s cost of living adjustments (COLA) and updated service credits (USC) to be substantially automatic. The new pronouncement does not affect the funding requirement. The Texas Municipal Retirement System (TMRS) is presently calculating the City’s COLA and USC on an ad hoc basis based on representations made by the City. TMRS allows the City to adopt ad hoc for funding purposes. The “Required Supplemental Information – Schedule of Contributions – Texas Municipal Retirement System” on pages 96 and 97 of the CAFR gives a ten year analysis

The Honorable Mayor, City Council Members  
And the City Manager of the City of Corpus Christi  
March 31, 2016  
Page 3

of the actual funding verses the required funding based on COLA and USC being **substantially automatic**. Although the City is increasing the funding rate to eventually achieve the required contribution rate, the current lower funding rate will continue to increase the net pension liability and likely increase the required contribution rate. Additionally, the TMRS Board at their July 31, 2015 meeting reduced the long term expected rate of return from 7% to 6.75%. Although the actual impact is not known, such a change will probably result in an increase in the pension liability as well as the actuarially determined contributions.

The risk of not contributing the required actuarially determined amount is it could eventually result in the plan being required to use a blended discount rate. The actuary determined that a blended rate was not required for the current year because the plan had sufficient projected assets to cover projected benefit payments. To understand the sensitivity of the discount rate, Note 9 on page 72 of the CAFR **shows that a one percent decrease in the discount rate would result in a \$107.6 million increase in the TMRS net pension liability**. The City needs to closely monitor this situation.

#### **P-Card Transactions**

During the year ended September 30, 2015, the City had over \$15 million in P-Card transactions, of which \$10.5 million (69%) were from the account payable card. Of the \$10.5 million on the account payable card, nearly \$8.4 million are for temporary employment services and over \$1 million are for telephone and communication charges. The high amount of activity was a result of the City's revision of P-Card procedures in November 2014 that restricted departments from paying monthly invoices (like those for temporary services and phone bills) with their P-Card. However, the contract with the temporary employment agencies, which has now expired, required payment by P-Card.

Our testing of P-Card transactions identified two instances of where purchases were split into multiple transactions to avoid the \$1,000 single purchase limit. Additionally, internal audit found significant P-Card abuses in the Parks & Recreation Department.

We recommend that the monthly transaction presently being processed through the account payable P-Cards be paid through the normal accounts payable process. This would drastically reduce the number of transactions that must be monitored by the P-Card administrator and facilitate the identification of policy violations. For these policies to be effective management must enforce accountability of individuals performing their internal control responsibilities. Accountability is driven by the tone at the top and supported by the commitment of integrity and ethical values, organizational structure, and expectations of competence, which influence the internal control culture of the City.

#### **H.T.E. Miscellaneous Accounts Receivable**

We analyzed the H.T.E. miscellaneous accounts receivable aging as of September 30, 2015. The receivables total was \$8,721,486.95, of which \$5,803,861 (66.5%) was made up of 283,534 transactions (75.7% of total transactions) over 1 year old. These old receivables have little effect on the assets listed on the financial statements because the City provides an

The Honorable Mayor, City Council Members  
And the City Manager of the City of Corpus Christi  
March 31, 2016  
Page 4

allowance for receivables over 120 days. The enormous amount of old transactions makes it extremely difficult to reconcile and manage the receivables properly.

The City is in the process of converting to the INFOR system. The old transactions should be eliminated before the conversion.

\*\*\*\*\*

We have already discussed these comments and recommendations with various members of management, and we will be pleased to discuss them in further detail at your convenience.

This letter does not affect our report dated March 31, 2016 on the basic financial statements of the City of Corpus Christi, Texas.

This letter is intended solely for the information and use of the Honorable Mayor, Members of the City Council, management, federal and state agencies and pass-through entities, and not intended to be, and should not be used by anyone other than these specified parties.

*Collins, Johnson & Woods*



**RESPONSES TO  
2015 MANAGEMENT LETTER**



City of  
Corpus  
Christi

May 20, 2016

Mr. John Shepherd  
Collier, Johnson, and Woods, PC  
555 N. Carancahua – Suite 1000  
Corpus Christi, Texas 78478-0052

Dear Mr. Shepherd:

On May 5, 2016, we received your management letter dated March 31, 2016, for the fiscal year ended September 30, 2015, and offer the following responses to your comments.

**FINANCIAL SERVICES**

PO Box 9257  
Corpus Christi  
Texas 78469-9257  
Phone 361-826-3600  
Fax 361-826-3601  
www.cctexas.com

**SIGNIFICANT DEFICIENCIES**

**Grant Fund Accounting**

In prior years, certain non-grant revenue and expenditure transactions have been recorded in the federal/state grant funds and were carried as unearned revenues or accounts receivable rather than being recognized in the appropriate fund. The City implemented new policies and procedures to correct this problem. However, during our audit, we found \$406,362 of park and recreation program revenues recorded as unearned revenues and an overstatement of \$257,979 in police grant receivables. These were errors that went undetected by employees and management and would not have been corrected if not identified during our audit.

Procedures should be established that assure all grant receivables are fairly stated and any resulting valuation adjustments are appropriately recorded. Grant unearned revenue should only be recorded in connection with transactions in which the earning process is not complete.

**Management's Response**

Management agrees that this is a finding but disagrees that it is a significant deficiency. Beginning October 1, 2015, the Grants division of Financial Services implemented a policy and procedures manual to refine the daily operations of grant fund accounting. Staff was trained on the manual to ensure that everyone understood and was clear on the proper way to account for grants. All grant funds had been "cleaned up" by September 30, 2015, and no improper unearned revenue had been recorded. During the year-end close process, however, a new grant accountant who had not been adequately trained followed the prior year's closing workpapers and reinstated the unearned revenue in error. Additionally, the police grant receivable overstatement was an oversight of the reversal of a year-end journal entry. Once the errors had been identified, they were immediately corrected, and the financial statements were accurately stated.

Going forward, management will ensure that all grant accountants review the Grant policy and procedures manual annually to help prevent errors from occurring again.

### **Grant Recognition**

Two federal Highway Planning and Construction grants in the amount of \$844,510, which were passed-through from the Texas Department of Transportation, were not identified as grants and were recorded as miscellaneous revenue in the Street Maintenance Fund rather than accounted for through the street grant fund. The grant department was not aware of these grants. The project expenditures were not initially reported as expenditures of federal funds requiring consideration under the Single Audit Act. Only through auditor inquiry and review of activity in a non-grant special revenue fund were the expenditures identified as funded by a federal grant.

We chose to audit these grants as a major program because we considered them high risk: the expenditures were relatively large amounts; the grants were new to the City; and the grants had not been identified as such and were not subjected to the procedures in the grant department. Our audit disclosed no compliance exceptions.

Procedures should be established requiring federal and state funded contracts to be forwarded to the grants department for tracking.

### **Management's Response**

Management agrees that this is a finding but disagrees that it is a significant deficiency. Included in the Grants policy and procedures manual that was implemented October 1, 2015, is an outline of departmental responsibility for receipt of grant funds. Management will ensure all departments are aware of the policy and procedures manual to help prevent a similar instance from occurring again in the future.

### **GASB Statement No. 68 – Accounting and Financial Reporting for Pensions**

The Governmental Accounting Standards Board (GASB) issued Statement No. 68 titled "Accounting and Reporting for Pensions" which was amended by GASB Statement No. 71 titled "Pension Transition for Contributions Made Subsequent to the Measurement Date". These pronouncements were implemented by the City during the current fiscal year. The implementation resulted in a prior period adjustment of \$188,615,280 to set up the initial liability and related deferred outflows and reduced the government-wide unrestricted net position to a negative \$121,487,113.

For the purpose of calculating the net pension liability the pronouncement requires the City's cost of living adjustments (COLA) and updated service credits (USC) to be substantially automatic. The new pronouncement does not affect the funding requirement. The Texas Municipal Retirement System (TMRS) is presently calculating the City's COLA and USC on an ad hoc basis based on representations made by the City. TMRS allows the City to adopt ad hoc for funding purposes. The "Required Supplemental Information – Schedule of Contributions –

Texas Municipal Retirement System” on pages 96 and 97 of the CAFR gives a ten year analysis of the actual funding verses the required funding based on COLA and USC **being substantially automatic**. Although the City is increasing the funding rate to eventually achieve the required contribution rate, the current lower funding rate will continue to increase the net pension liability and likely increase the required contribution rate. Additionally, the TMRS Board at their July 31, 2015 meeting reduced the long term expected rate of return from 7% to 6.75%. Although the actual impact is not known, such a change will probably result in an increase in the pension liability as well as the actuarially determined contributions.

The risk of not contributing the required actuarially determined amount is it could eventually result in the plan being required to use a blended discount rate. The actuary determined that a blended rate was not required for the current year because the plan had sufficient projected assets to cover projected benefit payments. To understand the sensitivity of the discount rate, Note 9 on page 72 of the CAFR **shows that a one percent decrease in the discount rate would result in a \$107.6 million increase in the TMRS net pension liability**. The City needs to closely monitor this situation.

### **Management’s Response**

The ending government-wide unrestricted net position at September 30, 2015, was negative \$37,650,817, a decrease from the restated beginning government-wide unrestricted net position at October 1, 2015 of negative \$121,487,113. It is management’s goal to fully fund the TMRS rate. This intent is reflected in Section 8 of the Financial/Budgetary policies. As a result, the City has begun funding City contributions for City employees in TMRS at a rate higher than the ad hoc rate with a goal of contributing the higher, annually repeating rate within five years.

### **P-Card Transactions**

During the year ended September 30, 2015, the City had over \$15 million in P-Card transactions, of which \$10.5 million (69%) were from the account payable card. Of the \$10.5 million on the account payable card, nearly \$8.4 million are for temporary employment services and over \$1 million are for telephone and communication charges. The high amount of activity was a result of the City’s revision of P-Card procedures in November 2014 that restricted departments from paying monthly invoices (like those for temporary services and phone bills) with their P-Card. However, the contract with the temporary employment agencies, which has now expired, required payment by P-Card.

Our testing of P-Card transactions identified two instances of where purchases were split into multiple transactions to avoid the \$1,000 single purchase limit. Additionally, internal audit found significant P-Card abuses in the Parks & Recreation Department.

We recommend that the monthly transaction presently being processed through the account payable P-Cards be paid through the normal accounts payable process. This would drastically reduce the number of transactions that must be monitored by the P-Card administrator and facilitate the identification of policy violations. For these policies to be effective management must enforce accountability of individuals performing their internal control responsibilities. Accountability is driven by the tone at the top and supported by the

commitment of integrity and ethical values, organizational structure, and expectations of competence, which influence the internal control culture of the City.

### **Management's Response**

The internal audit report of the Parks and Recreation Department referenced above was for fiscal year 2014. Significant changes and improvements were made citywide during fiscal year 2015 as a result of implementing the recommendations from the report. Included in the changes made were restricting individual departments from paying invoices with P-cards. This function was then moved to the Accounts Payable division of Financial Services. Payments to temporary employment services, telephone and communication companies, and several other vendors resulted in significantly increased volume for Accounts Payable. After one year of operating with this change, it is management's intent to move away from paying vendors with P-cards and towards utilizing purchase orders for payments. This change was instituted in April 2016.

### **H.T.E. Miscellaneous Accounts Receivable**

We analyzed the H.T.E. miscellaneous accounts receivable aging as of September 30, 2015. The receivables total was \$8,721,486.95, of which \$5,803,861 (66.5%) was made up of 283,534 transactions (75.7% of total transactions) over 1 year old. These old receivables have little effect on the assets listed on the financial statements because the City provides an allowance for receivables over 120 days. The enormous amount of old transactions makes it extremely difficult to reconcile and manage the receivables properly.

The City is in the process of converting to the INFOR system. The old transactions should be eliminated before the conversion.

### **Management's Response**

The majority of the accounts that are over 120 days past due are for paving assessments for neighborhood improvements and for demolition liens (i.e., work performed by Code Enforcement). Management has decided not to eliminate these accounts from the billing system since they are currently in collection status with the law firm, Linebarger, Goggan Blair & Sampson LLP, and historical account information is frequently requested when a customer makes payment on an old account. Our goal for the remaining accounts over 120 days (including balances owed by former employees) is to turn these balances over to a collection agency so that any unpaid balance can be placed on individual's credit report. We are planning on soliciting for a collection company by the end of the calendar year.

If you need further clarification or have any questions, please contact me at 826-3227. Thank you.

Sincerely,



Constance P. Sanchez  
Director of Financial Services

xc: Margie C. Rose, Deputy City Manager

InterimFinancialInformation N/A

# Outstanding Debt

Yes, General obligation debt: Y

Yes, Revenue debt: Y

Yes, Authorized but unissued debt: N

No: Y



**City of Corpus Christi Total Debt Outstanding  
as of September 30, 2016**

Series	Principal Outstanding	Principal & Interest Outstanding	Debt Issuer	Holder, when known
<b>Governmental - General Obligation Debt</b>				
<b>Certificates of Obligations</b>				
2007 Tax and Rev CO	\$1,005,000.00	\$1,425,437.60	City of Corpus Christi	
2008 Tax and Solid Waste Rev CO	\$560,000.00	\$582,600.00	City of Corpus Christi	
2009 Tax and Limited Pledge CO	\$1,090,000.00	\$1,173,500.00	City of Corpus Christi	
2010 Tax and Lim Pledge Convtn	\$2,310,000.00	\$3,050,183.25	City of Corpus Christi	
2010 Tax and Limited Pledge CO	\$4,525,000.00	\$6,648,775.00	City of Corpus Christi	
2012 Tax and Surplus Airport CO	\$5,655,000.00	\$8,265,662.50	City of Corpus Christi	
2015 Taxable CO	\$9,610,000.00	\$13,584,672.34	City of Corpus Christi	
2016 Facility CO	\$1,905,000.00	\$2,734,437.50	City of Corpus Christi	
2016A Tax & Limited Pledge CO	\$16,430,000.00	\$23,649,175.00	City of Corpus Christi	
<b>Totals</b>	<b>\$43,090,000.00</b>	<b>\$61,114,443.19</b>		
<b>General Obligation Debt</b>				
2007 Improv GO	\$2,290,000.00	\$2,918,918.92	City of Corpus Christi	
2007A Improv GO	\$1,520,000.00	\$1,550,400.00	City of Corpus Christi	
2009 Improv GO	\$7,675,000.00	\$7,985,100.00	City of Corpus Christi	
2010 Improv GO	\$10,430,000.00	\$13,638,081.25	City of Corpus Christi	
2012 Improv GO	\$42,695,000.00	\$58,919,940.76	City of Corpus Christi	
2012A Improv Airport Ref GO	\$5,450,000.00	\$5,998,003.18	City of Corpus Christi	
2012B Improv Airport Ref GO	\$9,740,000.00	\$12,987,584.62	City of Corpus Christi	
2012C Improv Ref GO	\$20,240,000.00	\$23,202,425.00	City of Corpus Christi	
2012D Improv Ref Taxable GO	\$95,685,000.00	\$117,924,610.26	City of Corpus Christi	
2013 Improv GO	\$76,055,000.00	\$111,746,850.00	City of Corpus Christi	
2015 Gen Imprv Refdg Bond GO	\$61,015,000.00	\$86,440,850.00	City of Corpus Christi	
2015 General Improvement GO	\$88,430,000.00	\$131,909,325.00	City of Corpus Christi	
2016 Gen Imprv Refdg Bonds GO	\$16,130,000.00	\$18,635,100.00	City of Corpus Christi	
<b>Totals</b>	<b>\$437,355,000.00</b>	<b>\$593,857,188.99</b>		
2008 TIF Ref Bond	\$7,860,000.00	\$9,203,475.00	North Padre Island Development Corp Bank of America	
2014 Tax Notes	\$5,830,000.00	\$6,058,151.00	City of Corpus Christi Frost Bank	
2015 Tax Notes	\$3,955,000.00	\$4,573,496.54	City of Corpus Christi Texas Military Preparedness Comm	
<b>Total Governmental - GO Debt</b>	<b>\$498,090,000.00</b>	<b>\$674,806,754.72</b>		



**City of Corpus Christi Total Debt Outstanding  
as of September 30, 2016**

Series	Principal Outstanding	Principal & Interest Outstanding	Debt Issuer	Holder, when known
<b>City of Corpus Christi Total Debt Outstanding as of September 30, 2016</b>				
<b>Revenue bonds</b>				
<b>Jr Lien Utility Revenue Bonds</b>				
2012A.1 Junior Lien Rev Refdg	\$2,860,000.00	\$3,140,850.00	City of Corpus Christi	
2012A.2 Junior Lien Rev Refdg	\$16,490,000.00	\$19,738,600.00	City of Corpus Christi	
2012A.3 Junior Lien Rev Refdg	\$20,990,000.00	\$25,941,400.00	City of Corpus Christi	
2012A.4 Junior Lien Rev Refdg	\$33,285,000.00	\$43,062,000.00	City of Corpus Christi	
2012A.5 Junior Lien Rev Refdg	\$53,980,000.00	\$96,758,150.16	City of Corpus Christi	
2012B Junior Lien Ref Ref	\$63,125,000.00	\$105,856,600.16	City of Corpus Christi	
2013 Jr Ln Rev Improv Bonds	\$95,930,000.00	\$178,338,518.92	City of Corpus Christi	
2015A Utility Jr Lien Rev	\$92,085,000.00	\$173,976,462.66	City of Corpus Christi	
2015B Utility Jr Ln Rev	\$49,585,000.00	\$141,159,500.00	City of Corpus Christi	
2015C Jr Lien Revenue	\$99,920,000.00	\$182,570,882.60	City of Corpus Christi	
2015D Util Jr Lien Rev Refdg	\$46,990,000.00	\$59,510,750.00	City of Corpus Christi	
2016 Util Jr Lien Refdg	\$80,415,000.00	\$128,287,506.66	City of Corpus Christi	
<b>Totals</b>	<b>\$655,655,000.00</b>	<b>\$1,158,331,221.16</b>		
<b>Utility Priority Revenue Bonds</b>				
2005 Rev Ref Bonds	\$38,485,000.00	\$43,444,675.00	City of Corpus Christi	
2009 Improvement Bonds	\$4,295,000.00	\$4,554,400.00	City of Corpus Christi	
2010 Rev Util System Bonds	\$8,000,000.00	\$9,064,885.32	City of Corpus Christi Texas Water Development Board	
2010A Improvement Bonds	\$5,295,000.00	\$5,724,200.00	City of Corpus Christi	
2010 BAB Improvement Bonds	\$60,625,000.00	\$117,978,042.14	City of Corpus Christi	
2012 Utility Improvement Bonds	\$49,440,000.00	\$83,250,300.00	City of Corpus Christi	
<b>Totals</b>	<b>\$166,140,000.00</b>	<b>\$264,016,502.46</b>		
<b>Sales Tax Revenue bonds</b>				
2012 Seawall Project	\$23,705,000.00	\$28,512,971.96	C C Business and Job Development Corporation	
2014 Arena Project	\$24,520,000.00	\$30,977,350.00	C C Business and Job Development Corporation	
2014 Baseball Stadium Project	\$2,100,000.00	\$2,205,000.00	C C Business and Job Development Corporation	
<b>Totals</b>	<b>\$50,325,000.00</b>	<b>\$61,695,321.96</b>		
2015 Marina Rev Taxable	\$2,460,000.00	\$3,011,850.00	City of Corpus Christi	Ed Rachal Foundation
<b>Total Revenue Bonds</b>	<b>\$874,580,000.00</b>	<b>\$1,487,054,895.58</b>		

**City of Corpus Christi Total Debt Outstanding  
as of September 30, 2016**

Series	Principal Outstanding	Principal & Interest Outstanding	Debt Issuer	Holder, when known
<b>Notes and Other Obligations</b>				
<b>Public Property Contractual Obligations</b>				
2012 PPFCO	\$5,120,000.00	\$5,575,917.00	City of Corpus Christi	Compass Mortgage Corporation
2014 PPFCO	\$7,675,000.00	\$8,653,867.00	City of Corpus Christi	Frost Bank
<b>Totals</b>	<b>\$12,795,000.00</b>	<b>\$14,229,784.00</b>		
<b>Other Obligations</b>				
1985 Bureau of Reclamation	\$50,589,610.00	\$76,354,490.90	City of Corpus Christi	US Bureau of Reclamation
2005 LNRA Water Supply	\$715,000.00	\$743,600.00	City of Corpus Christi	Lavaca-Navidad River Authority
2015 NRA	\$58,240,000.00	\$76,876,950.00	City of Corpus Christi	Nueces River Authority
	<b>\$122,339,610.00</b>	<b>\$168,204,824.90</b>		

# Applicant's Ten Largest Employers

Corpus Christi Independent School Distri: 4,904

Corpus Christi Army Depot: 3,621

Bay Ltd.: 3,200

City of Corpus Christi: 3,116

Christus Sphon Health System: 2,533

Driscoll Children's Hospital: 2,006

Naval Air Station Corpus Christi: 1,700

H.E.B. Grocery Company: 1,498

Del Mar College: 1,418

Kiewit Offshore Services: 1,000

Ten Largest Employers Comments:

## Bond Ratings

Bond Ratings

Type	Standard & Poors	Date Received	Fitch	Date Received	Moody's	Date Received
G.O.	AA	06-09-2016	AA	06-08-2016	AA	06-09-2016
Revenue	AA	03-17-2015	AA	06-19-2015	AA	04-01-2012

Bond Rating N/A: N

## Receive Water or Sewer

Is the project intended to allow the applicant to provide or receive water or sewer services to or from another entity?: N

## Project Description

Description of Project Need (for example, is the project needed to address a current compliance issue, avoid potential compliance issues, extend service, expand capacity, etc.): Seawater desalination is a recommended water management strategy in the 2016 Coastal Bend Regional Water Plan. This strategy is recommended to meet manufacturing and steam electric needs in Nueces and San Patricio Counties starting in the 2030 decade.

Provide a detailed description of the proposed project. The description should include a discussion of the current service area, existing system facilities; and an adequate description of all proposed project elements (include a bulleted list of new project elements/components): A collaborative

effort was undertaken in Corpus Christi by a diverse stakeholder group to evaluate the feasibility of developing a drought-proof seawater desalination water supply for industrial use. During Phase I of the project, the efforts resulted in the definition and selection of a preferred prospective Seawater Desalination project. However, there are several fundamental activities that needed additional definition and concurrence prior to initiating of Phase II, the actual project's procurement and implementation. The purpose of the present financial assistance application is to complete the planning phase of this initiative and includes the following components:

- (i) Establish a cost allocation methodology and water utility rate framework for the desalination project;
- (ii) Determine the legal, administrative, financial and technical requirements for a local government corporation (LGC) to act as the project agency; evaluate organizational options and assist with designation of a Project LGC;
- (iii) Prepare and execute the agreements necessary to support the LGC's role as the project agency;
- (iv) Adopt a project procurement methodology;
- (v) Secure funding for the project's late-exit and procurement activities during the 2018 SWIFT funding cycle;
- (vi) Examine concentrate management strategies for seawater desalination;
- (vii) Select and assist in securing a desalination facility site;
- (viii) Develop a Desalinated Water Infrastructure Integration Plan; and,
- (ix) Prepare and initiate implementation of a Source Water Characterization Plan;
- (x) Provide outreach to assist in the implementation of desalination activities in Corpus Christi.

## SWIFT

SWIFT Funding Type

Deferred: \$2750000.00

Is this request for multi-year funding or phased commitments?: N

As an applicant for financial assistance from SWIFT, I acknowledge that this project must comply with any applicable legal obligations in federal law related to contracting with disadvantaged business enterprises.: Y

As an applicant for financial assistance from SWIFT, I acknowledge that this project must comply with applicable legal obligations in state law (Texas Government Code Chapter 2161 and Texas Administrative Code Chapter 20, Subchapter B) related to contracting with historically underutilized businesses.: Y

ORDINANCE NO. \_\_\_\_\_

**AUTHORIZING THE ISSUANCE OF “CITY OF CORPUS CHRISTI, TEXAS UTILITY SYSTEM JUNIOR LIEN REVENUE IMPROVEMENT BONDS, SERIES 20\_\_” IN AN AMOUNT NOT TO EXCEED \$2,750,000; MAKING PROVISIONS FOR THE PAYMENT AND SECURITY THEREOF BY A JUNIOR AND INFERIOR LIEN ON AND PLEDGE OF THE NET REVENUES OF THE CITY’S UTILITY SYSTEM ON A PARITY WITH CERTAIN CURRENTLY OUTSTANDING UTILITY SYSTEM REVENUE OBLIGATIONS; STIPULATING THE TERMS AND CONDITIONS FOR THE ISSUANCE OF ADDITIONAL REVENUE BONDS ON A PARITY THEREWITH; PRESCRIBING THE FORM, TERMS, CONDITIONS, AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, AND DELIVERY OF THE BONDS; INCLUDING THE APPROVAL OF AN APPLICATION TO THE TEXAS WATER DEVELOPMENT BOARD; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND AN ESCROW AGREEMENT; COMPLYING WITH THE REQUIREMENTS IMPOSED BY THE LETTER OF REPRESENTATIONS PREVIOUSLY EXECUTED WITH THE DEPOSITORY TRUST COMPANY; COMPLYING WITH THE REGULATIONS PROMULGATED BY THE TEXAS WATER DEVELOPMENT BOARD; ENACTING OTHER PROVISIONS INCIDENT AND RELATED TO THE SUBJECT AND PURPOSE OF THIS ORDINANCE; AND PROVIDING AN EFFECTIVE DATE**

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ORDINANCE NO. \_\_\_\_\_

**AUTHORIZING THE ISSUANCE OF “CITY OF CORPUS CHRISTI, TEXAS UTILITY SYSTEM JUNIOR LIEN REVENUE IMPROVEMENT BONDS, SERIES 20\_\_” IN AN AMOUNT NOT TO EXCEED \$2,750,000; MAKING PROVISIONS FOR THE PAYMENT AND SECURITY THEREOF BY A JUNIOR AND INFERIOR LIEN ON AND PLEDGE OF THE NET REVENUES OF THE CITY’S UTILITY SYSTEM ON A PARITY WITH CERTAIN CURRENTLY OUTSTANDING UTILITY SYSTEM REVENUE OBLIGATIONS; STIPULATING THE TERMS AND CONDITIONS FOR THE ISSUANCE OF ADDITIONAL REVENUE BONDS ON A PARITY THEREWITH; PRESCRIBING THE FORM, TERMS, CONDITIONS, AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, AND DELIVERY OF THE BONDS; INCLUDING THE APPROVAL OF AN APPLICATION TO THE TEXAS WATER DEVELOPMENT BOARD; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND AN ESCROW AGREEMENT; COMPLYING WITH THE REQUIREMENTS IMPOSED BY THE LETTER OF REPRESENTATIONS PREVIOUSLY EXECUTED WITH THE DEPOSITORY TRUST COMPANY; COMPLYING WITH THE REGULATIONS PROMULGATED BY THE TEXAS WATER DEVELOPMENT BOARD; ENACTING OTHER PROVISIONS INCIDENT AND RELATED TO THE SUBJECT AND PURPOSE OF THIS ORDINANCE; AND PROVIDING AN EFFECTIVE DATE**

WHEREAS, the City Council (the *City Council*) of the City of Corpus Christi, Texas (the *City*) has heretofore issued, and there are currently Outstanding, revenue bonds (the *Previously Issued Priority Bonds*) secured by a first and prior lien on and pledge of the Net Revenues (as hereinafter defined) of the City’s combined utility systems (as further described and defined herein, the *System*); and

WHEREAS, in the City ordinances authorizing the issuance of the Previously Issued Priority Bonds, the City reserved the right to issue revenue bonds on parity with the Priority Bonds (as hereinafter defined); and

WHEREAS, the City Council has heretofore issued, and there are currently outstanding revenue bonds (the *Previously Issued Junior Lien Obligations*) secured by a lien on and pledge of Net Revenues that is junior and inferior to the lien thereon and pledge thereof securing the repayment of the Priority Bonds; and

WHEREAS, in the City ordinances authorizing the issuance of the Previously Issued Junior Lien Obligations, the City reserved the right to issue revenue bonds on a parity with the Junior Lien Obligations (as hereinafter defined) from time to time outstanding; and



WHEREAS, the City Council has determined for the purpose of improving the credit quality of its Junior Lien Obligations, which has become its primary lien for issuing System debt, that it will no longer issue obligations secured by a first and prior lien on and pledge of the Net Revenues of the System referred to herein as “Priority Bonds”, on parity with the lien thereon and pledge thereof securing the Previously Issued Priority Bonds, for new money purposes and, at such time as no Priority Bonds remain outstanding, all System revenue obligations now subordinate and inferior to the Priority Bonds in priority of lien on and pledge of Net Revenues shall be elevated in kind in priority of lien and payment so that when there are no longer any Priority Bonds outstanding, the Junior Lien Obligations (defined herein) will enjoy a first and prior lien on and pledge of the Net Revenues of the System; and

WHEREAS, the City Council has determined that revenue bonds payable from and equally and ratably secured solely by a junior lien on and pledge of the Net Revenues of the System should be issued for the purpose of designing, planning, building, improving, extending, enlarging, and repairing the System; and

WHEREAS, pursuant to the provisions of Chapter 1502, as amended, Texas Government Code and the City’s Home Rule Charter, the City Council is authorized to issue revenue bonds.

WHEREAS, the Texas Water Development Board (the *Purchaser*) has agreed to purchase the revenue bonds herein authorized thereby making a loan to the City at an interest rate that is substantially below the current market rate for similar forms of indebtedness which will enable the City to undertake the proposed improvements to the System; and

WHEREAS, The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, which is not a depository bank of the City, is appointed and will serve as the Paying Agent/Registrar (hereinafter defined) and Escrow Agent (hereinafter defined) for the revenue bonds; and

WHEREAS, the revenue bonds hereinafter authorized are to be issued and delivered pursuant to the laws of the State of Texas, including Chapter 1502, as amended, Texas Government Code, and the terms of this Ordinance (as hereinafter defined), for the purposes set forth in this Ordinance; and now therefore, and

WHEREAS, the City Council hereby finds and determines that the issuance of the revenue bonds authorized herein and the adoption of this Ordinance is in the best interests of the citizens of the City; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CORPUS CHRISTI, TEXAS:

SECTION 1. Authorization – Designation – Principal Amount – Purpose. Revenue improvement bonds of the City shall be and are hereby authorized to be issued in the aggregate principal amount of \_\_\_\_\_ THOUSAND AND NO/100 DOLLARS (\$\_\_\_\_\_), to be designated and bear the title of CITY OF CORPUS CHRISTI, TEXAS UTILITY SYSTEM JUNIOR LIEN REVENUE IMPROVEMENT BONDS, SERIES 20\_\_\_ (the *Bonds*), pursuant to this ordinance adopted by the City Council (the *Ordinance*) for the purpose of (i) designing, planning, building, improving, extending, enlarging and repairing the System, and (ii) paying the costs of issuance relating thereto. The Bonds shall be payable

from and equally and ratably secured solely by a lien on and pledge of the Junior Lien Pledged Revenues, which includes a lien on and pledge of Net Revenues that is junior and inferior to the lien thereon and pledge thereof securing the repayment of the Priority Bonds, but senior and superior to the lien thereon and pledge thereof securing the repayment of any Subordinate Lien Obligations and any Inferior Lien Obligations. The Bonds are authorized to be issued pursuant to the authority conferred by and in conformity with the laws of the State of Texas, including, particularly, Chapter 1502, as amended, Texas Government Code, the City’s Home Rule Charter, and this Ordinance.

SECTION 2. Fully Registered Obligations – Authorized Denominations – Stated Maturities – Interest Rates – Dated Date. The Bonds are issuable in fully registered form only; shall be dated \_\_\_\_\_, 2017 (the *Dated Date*); shall be in denominations of \$5,000 or any integral multiple thereof, shall be lettered “R-” and numbered consecutively from One (1) upward and principal shall become due and payable on July 15 in each of the years and in principal amounts (the *Stated Maturities*) and bear interest on the unpaid principal amounts from the Closing Date, or the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to the earlier of redemption or Stated Maturity, at the rates per annum in accordance with the following schedule:

<u>Years of Stated Maturity</u> <u>(July 15)</u>	<u>Principal</u> <u>Amounts (\$)</u>	<u>Interest</u> <u>Rates (%)</u>
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		

Years of Stated Maturity <u>(July 15)</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
2039		
2040		
2041		
2042		
2043		
2044		
2045		

SECTION 3. Payment of Bonds – Interest Payments – Paying Agent/Registrar. The principal of, premium, if any, and interest on the Bonds, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and such payment of principal of and interest on the Bonds shall be without exchange or collection charges to the Holder (as hereinafter defined) of the Bonds.

The Bonds shall bear interest on the unpaid principal amount thereof at the per annum rates shown above in Section 2, computed on the basis of a 360-day year of twelve 30-day months, and interest thereon shall be payable semiannually on January 15 and July 15 of each year (each, an *Interest Payment Date*), commencing \_\_\_\_\_ 15, 20\_\_\_\_, while the Bonds are Outstanding. Interest on each Bond issued and delivered to a Holder shall accrue from the Closing Date (anticipated to occur on or about \_\_\_\_\_, 20\_\_\_\_) or from the latest Interest Payment Date that interest on such Bond (or its Predecessor Bond) has been paid that precedes the registration date appearing on such Bond in the “Registration Certificate of Paying Agent/Registrar” (Section 8D hereof), unless the registration date appearing thereon is an Interest Payment Date for which interest is being paid, in which case interest on such Bond shall accrue from the registration date appearing thereon and provided further that with respect to the initial payment of interest on a Bond.

The selection and appointment of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, to serve as the initial Paying Agent/Registrar (the *Paying Agent/Registrar*) for the Bonds is hereby approved and confirmed, and the City agrees and covenants to cause to be kept and maintained at the corporate trust office of the Paying Agent/Registrar books and records (the *Security Register*) for the registration, payment, and transfer of the Bonds, all as provided herein, in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, attached, in substantially final form, as Exhibit A hereto, and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The City covenants to maintain and provide a Paying Agent/Registrar at all times while the Bonds are Outstanding, and any successor Paying Agent/Registrar shall be (i) a national or state banking institution or (ii) an association or a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers. Such Paying Agent/Registrar shall be subject to supervision or examination by federal or state authority and authorized by law to serve as a Paying Agent/Registrar.

The City reserves the right to appoint a successor Paying Agent/Registrar upon providing the previous Paying Agent/Registrar with a certified copy of a resolution or ordinance terminating such agency. Additionally, the City agrees to promptly cause a written notice of this substitution to be sent to each Holder of the Bonds by United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Both principal of, premium, if any, and interest on the Bonds, due and payable by reason of Stated Maturity, redemption or otherwise, shall be payable only to the registered owner of the Bonds appearing on the Security Register (the *Holder* or *Holder*s) maintained on behalf of the City by the Paying Agent/Registrar as hereinafter provided (i) on the Record Date (defined herein) for purposes of payment of interest thereon and (ii) on the date of surrender of the Bonds for purposes of receiving payment of principal thereof at the Bonds' Stated Maturity or upon prior redemption of the Bonds. The City and the Paying Agent/Registrar, and any agent of either, shall treat the Holder as the owner of a Bond for purposes of receiving payment and all other purposes whatsoever, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

Principal of, and premium, if any, on the Bonds shall be payable only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its corporate trust office. Interest on the Bonds shall be paid to the Holder whose name appears in the Security Register at the close of business on the last business day of the month next preceding an Interest Payment Date for the Bonds (the *Record Date*) and shall be paid (i) by check sent by United States mail, first-class postage prepaid, by the Paying Agent/Registrar, to the address of the Holder appearing in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by the Holder at the Holder's risk and expense. While the Bonds are held by the Purchaser, payment of principal of, premium, if any, and interest on the Bonds shall be made by federal funds wire transfer, at no cost to the Purchaser, to an account at a financial institution located in the United States designated by the Purchaser.

If the date for the payment of the principal of, premium, if any, or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a day. The payment on such date shall have the same force and effect as if made on the original date any such payment on the Bonds was due.

In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a *Special Record Date*) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the *Special Payment Date* - which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first-class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4. Redemption.

A. Optional Redemption. The Bonds having Stated Maturities on and after July 15, 20\_\_\_ shall be subject to redemption prior to Stated Maturity, in inverse order of Stated Maturity, at the option of the City, on July 15, 20\_\_\_, or on any date thereafter, as a whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date of redemption.

B. Special Mandatory Redemption. In the event that the Purchaser at such time remains the sole holder of the Bonds and the final accounting delivered by the City to the Purchaser in the form and manner specified in Section 29 of this Ordinance evidences that the total cost of the project or projects to be financed with Bond proceeds is less than the amount of Bond proceeds available for paying such costs or if the Executive Administrator of the Purchaser disapproves construction of any portion of such project or projects as not being in accordance with the plans and specifications, then the City shall, unless an alternative is permitted under Section 29 hereof, immediately, with the filing of the final accounting, redeem Bonds in the amount of such excess and/or cost determined by the Executive Administrator of the Purchaser relating to the parts of such project or projects not built in accordance with the plans and specifications, to the nearest multiple of the authorized denomination for the Bonds. Bonds redeemed pursuant to this provision shall be redeemable on any date, in inverse order of Stated Maturity, as a whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity, selected at random and by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date of redemption.

C. Exercise of Redemption Option. At least forty-five (45) days prior to a date set for the redemption of Bonds (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of its decision to exercise the right or of the requirement, as applicable, to redeem Bonds, the principal amount of each Stated Maturity to be redeemed, and the date set for the redemption thereof. The decision of the City to exercise the right to redeem Bonds shall be entered in the minutes of the City Council.

D. Selection of Bonds for Redemption. If less than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall select at random and by lot the Bonds to be redeemed, provided that if less than the entire principal amount of a Bond is to be redeemed, the Paying Agent/Registrar shall treat such Bond then subject to redemption as representing the number of Bonds Outstanding which is obtained by dividing the principal amount of such Bond by \$5,000.

E. Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption shall be sent by United States Mail, first-class postage prepaid, in the name of the City and at the City's expense, by the Paying Agent/Registrar to each Holder of a Bond to be redeemed, in whole or in part, at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder. This notice may also be

published once in a financial publication, journal, or reporter of general circulation among securities dealers in the City of New York, New York (including, but not limited to, *The Bond Buyer* and *The Wall Street Journal*), or in the State of Texas (including, but not limited to, *The Texas Bond Reporter*).

All notices of redemption shall (i) specify the date of redemption for the Bonds, (ii) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Bonds, or the principal amount thereof to be redeemed, shall be made at the corporate trust office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. If a Bond is subject by its terms to redemption and has been called for redemption and notice of redemption thereof has been duly given or waived as herein provided, such Bond (or the principal amount thereof to be redeemed) so called for redemption shall become due and payable, and if money sufficient for the payment of such Bonds (or of the principal amount thereof to be redeemed) at the then applicable redemption price is held for the purpose of such payment by the Paying Agent/Registrar, then on the redemption date designated in such notice, interest on said Bonds (or the principal amount thereof to be redeemed) called for redemption shall cease to accrue, and such Bonds shall not be deemed to be Outstanding in accordance with the provisions of this Ordinance.

F. Transfer/Exchange. Neither the City nor the Paying Agent/Registrar shall be required (i) to transfer or exchange any Bond during a period beginning forty-five (45) days prior to the date fixed for redemption of the Bonds or (ii) to transfer or exchange any Bond selected for redemption, provided; however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond which is subject to redemption in part.

SECTION 5. Execution – Registration. The Bonds shall be executed on behalf of the City by its Mayor or Mayor Pro Tem, its seal reproduced or impressed thereon, and attested by the City Secretary. The signature of either officer on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who were, at the time of the Dated Date, the proper officers of the City shall bind the City, notwithstanding that such individuals or either of them shall cease to hold such offices prior to the delivery of the Bonds to the Purchaser, all as authorized and provided in Chapter 1201, as amended, Texas Government Code.

No Holder of a Bond shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 8C, executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent by manual signature for the Initial Bond only, or a certificate of registration substantially in the form provided in Section 8D for Bonds other than the Initial Bond, executed by the Paying Agent/Registrar by manual signature, and either such certificate upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified or registered and delivered.

SECTION 6. Registration – Transfer – Exchange of Bonds – Predecessor Bonds. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of every owner of the Bonds, or, if appropriate, the nominee thereof. Any Bond may, in accordance with its terms and the terms hereof, be transferred or exchanged for Bonds of other authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for transfer of any Bond at the corporate trust office of the Paying Agent/Registrar, the City shall execute and the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same series and of authorized denomination and having the same Stated Maturity and of a like interest rate and aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds may be exchanged for other Bonds of the same series and of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Bonds surrendered for exchange upon surrender of the Bonds to be exchanged at the corporate trust office of the Paying Agent/Registrar. Whenever any Bonds are so surrendered for exchange, the City shall execute, and the Paying Agent/Registrar shall register and deliver, the Bonds, to the Holder requesting the exchange.

All Bonds issued upon any transfer or exchange of Bonds shall be delivered at the corporate trust office of the Paying Agent/Registrar, or be sent by registered mail to the Holder at his request, risk, and expense, and upon the delivery thereof, the same shall be the valid and binding obligations of the City, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Bonds surrendered upon such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any fee, tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be Predecessor Bonds, evidencing all or a portion, as the case may be, of the same debt evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term Predecessor Bonds shall include any Bond registered and delivered pursuant to Section 27 in lieu of a mutilated, lost, destroyed, or stolen Bond which shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

SECTION 7. Initial Bond. The Bonds herein authorized shall be issued initially either (i) as a single fully-registered Bond in the total principal amount of \$\_\_\_\_\_ with principal installments to become due and payable as provided in Section 2 and numbered T-1, or (ii) as one (1) fully-registered Bond for each year of Stated Maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (the *Initial Bond*)

and, in either case, the Initial Bond shall be registered in the name of the Purchaser or the designee thereof. The Initial Bond shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the Purchaser. Any time after the delivery of the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the Purchaser, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 8. Forms.

A. Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including insurance legends in the event the Bonds, or any Stated Maturities thereof, are insured and identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of Bond Counsel (hereinafter referenced)) thereon as may, consistent herewith, be established by the City or determined by the officers executing the Bonds as evidenced by their execution thereof. Any portion of the text of any Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds shall be printed, lithographed, or engraved, produced by any combination of these methods, or produced in any other similar manner, all as determined by the officers executing the Bonds as evidenced by their execution thereof, but the Initial Bond submitted to the Attorney General of Texas may be typewritten or photocopied or otherwise reproduced.

*[The remainder of this page intentionally left blank.]*



B. Form of Definitive Bond.

REGISTERED  
NO. \_\_\_\_\_

REGISTERED  
PRINCIPAL AMOUNT  
\$ \_\_\_\_\_

United States of America  
State of Texas  
Counties of Nueces, Aransas, Kleberg, and San Patricio  
CITY OF CORPUS CHRISTI, TEXAS UTILITY SYSTEM  
JUNIOR LIEN REVENUE IMPROVEMENT BONDS,  
SERIES 20\_\_\_\_

Dated Date: \_\_\_\_\_, 2017      Interest Rate: \_\_\_\_\_      Stated Maturity: \_\_\_\_\_      CUSIP NO: \_\_\_\_\_

REGISTERED OWNER: \_\_\_\_\_

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The City of Corpus Christi, Texas (the *City*), a body corporate and a municipal corporation located in the Counties of Nueces, Aransas, Kleberg, and San Patricio, State of Texas, for value received, hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid Principal Amount hereof from the Closing Date (anticipated to occur on or about \_\_\_\_\_, 20\_\_\_\_) or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rate of interest specified above computed on the basis of a 360-day year of 30-day months; such interest being payable on January 15 and July 15 of each year (each, an *Interest Payment Date*), commencing \_\_\_\_\_ 15, 20\_\_\_\_.

Principal and premium, if any, of the Bond shall be payable to the Registered Owner hereof (the *Holder*) upon presentation and surrender, at the corporate trust office of the Paying Agent/Registrar executing the registration certificate appearing hereon or a successor thereof. Interest shall be payable to the Holder of this Bond (or one or more Predecessor Bonds, as defined in the Ordinance hereinafter referenced) whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the last business day of the month next preceding each Interest Payment Date. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on the appropriate date of payment by United States Mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by the Holder hereof at the Holder's risk and expense. While the Bonds are held by the Purchaser, payment of principal of, premium, if any, and

interest on the Bonds shall be made by federal funds wire transfer, at no cost to the Purchaser, to an account at a financial institution located in the United States designated by the Purchaser.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$\_\_\_\_\_ (the *Bonds*) pursuant to an ordinance adopted by the governing body of the City (the *Ordinance*), for the purpose of (i) designing, planning, building, improving, extending, enlarging, and repairing the System (defined herein), and (ii) paying the costs of issuance relating thereto, all in conformity with the laws of the State of Texas, particularly Chapter 1502, as amended, Texas Government Code, the City's Home Rule Charter, and the Ordinance. The Bonds shall be payable from and equally and ratably secured solely by a lien on and pledge of the Junior Lien Pledged Revenues, which includes a lien on and pledge of Net Revenues that is junior and inferior to the lien thereon and pledge thereof securing the repayment of the Priority Bonds, but senior and superior to the lien thereon and pledge thereof securing the repayment of any Subordinate Lien Obligations and any Inferior Lien Obligations.

The Bonds stated to mature on and after July 15, 20\_\_ may be redeemed prior to their Stated Maturities, in inverse order of Stated Maturity, at the option of the City, on July 15, 20\_\_ or on any date thereafter, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar) at the redemption price of par, together with accrued interest to the date of redemption, and upon thirty (30) days prior written notice being given by United States mail, first-class postage prepaid, to Holders of the Bonds to be redeemed, and subject to the terms and provisions relating thereto contained in the Ordinance. If this Bond is subject to redemption prior to Stated Maturity and is in a denomination in excess of \$5,000, portions of the principal sum hereof in installments of \$5,000 or any integral multiple thereof may be redeemed, and, if less than all of the principal sum hereof is to be redeemed, there shall be issued, without charge therefor, to the Holder hereof, upon the surrender of this Bond to the Paying Agent/Registrar at its corporate trust office, a new Bond or Bonds of like Stated Maturity and interest rate in any authorized denominations provided in the Ordinance for the then unredeemed balance of the principal sum hereof.

In addition to the foregoing right to optional redemption, in the event that the Purchaser at such time remains the sole holder of the Bonds and the final accounting delivered by the City to the Purchaser in the form and manner specified in the Ordinance evidences that the total cost of the project to be financed with Bond proceeds is less than the amount of Bond proceeds available for paying such costs or if the Executive Administrator of the Purchaser disapproves construction of any portion of such project or projects as not being in accordance with the plans and specifications, then the City shall, unless the Ordinance permits another use of such excess funds, immediately, with the filing of the final accounting, redeem Bonds in the amount of such excess and/or cost determined by the Executive Administrator of the Purchaser relating to the parts of such project or projects not built in accordance with the plans and specifications to the nearest multiple of the authorized denomination for the Bonds. Bonds redeemed pursuant to this provision shall be redeemable on any date, in inverse order of Stated Maturity, as a whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity, selected at random and by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date of redemption.

If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Bond (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if money for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption is held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed. In the event of a partial redemption of the principal amount of this Bond, payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of this Bond to the corporate trust office of the Paying Agent/Registrar and, there shall be issued to the registered owner hereof, without charge, a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided in the Ordinance for the then unredeemed balance of the principal sum hereof. If this Bond is called for redemption, in whole or in part, the City or the Paying Agent/Registrar shall not be required to issue, transfer, or exchange this Bond within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

The Bonds of this series are special obligations of the City, issued as Junior Lien Obligations, payable from and equally and ratably secured by a lien on and pledge of the Junior Lien Pledged Revenues, being (primarily) a lien on and pledge of the Net Revenues derived from the operation of the City's utility system (as further described in the Ordinance, the *System*), that is junior and inferior to the lien thereon and pledge thereof securing the repayment of the Priority Bonds, but senior and superior to the lien thereon and pledge thereof securing the repayment of any Subordinate Lien Obligations and any Inferior Lien Obligations. In the Ordinance, the City reserves and retains the right to issue Additional Priority Bonds, Additional Junior Lien Obligations, Subordinate Lien Obligations, and Inferior Lien Obligations without limitation as to principal amount but subject to any terms, conditions, or restrictions set forth in the Ordinance or as may be applicable thereto under law or otherwise. The Bonds do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any property of the City or System, except with respect to the Junior Lien Pledged Revenues.

The Holder hereof shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

Reference is hereby made to the Ordinance, a copy of which is on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description and nature of the Junior Lien Pledged Revenues pledged for the payment of the Bonds; the terms and conditions under which the City may issue Additional Priority Bonds, Additional Junior Lien Obligations, Subordinate Lien Obligations, and Inferior Lien Obligations; the terms and conditions relating to the transfer or exchange of the Bonds; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be redeemed or discharged at or prior to the Stated Maturity thereof, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions specified in the Ordinance. Capitalized terms used herein have the same meanings assigned in the Ordinance.

This Bond, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register upon presentation and surrender at the corporate trust office of the Paying Agent/Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by the Holder hereof, or his duly authorized agent, and thereupon one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the Holder hereof whose name appears on the Security Register (i) on the Record Date as the owner hereof for purposes of receiving payment of interest hereon, (ii) on the date of surrender of this Bond as the owner hereof for purposes of receiving payment of principal hereof at its Stated Maturity, or its redemption, in whole or in part, and (iii) on any other date as the owner hereof for all other purposes, and neither the City nor the Paying Agent/Registrar, or any such agent of either, shall be affected by notice to the contrary. In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a *Special Record Date*) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the *Special Payment Date* - which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to the issuance of this Bond in order to render the same a legal, valid, and binding special obligation of the City have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that issuance of the Bonds does not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Bonds by a pledge of and lien on the Junior Lien Pledged Revenues. In case any provision in this Bond or any application thereof shall be deemed invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

*[The remainder of this page intentionally left blank]*

IN WITNESS WHEREOF, this Bond has been signed with the imprinted or lithographed facsimile signature of the Mayor of the City, attested by the imprinted or lithographed facsimile signature of the City Secretary, and the official seal of the City has been duly affixed to, printed, lithographed or impressed on this Bond.

CITY OF CORPUS CHRISTI, TEXAS

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Mayor Pro Tem

ATTEST:

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City Secretary

(SEAL)

*[The remainder of this page intentionally left blank.]*

C. Form of Registration Certificate of Comptroller of Public Accounts to Appear on Initial Bond Only.

REGISTRATION CERTIFICATE OF  
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER OF       §  
PUBLIC ACCOUNTS                       §  
  §     REGISTER NO. \_\_\_\_\_  
THE STATE OF TEXAS                   §

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this \_\_\_\_\_.

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

(SEAL)

\* Bond to Printer: Not to appear on printed Bonds

D. Form of Certificate of Paying Agent/Registrar to Appear on Definitive Bonds Only.

CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued under the provisions of the within-mentioned Ordinance; the Bond or Bonds of the above-entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

Registered this date:

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., Dallas, Texas,  
as Paying Agent/Registrar

\_\_\_\_\_  
By: \_\_\_\_\_  
Authorized Signature

\* Bond to Printer: to appear on printed Bonds

E. Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee): \_\_\_\_\_

(Social Security or other identifying number): \_\_\_\_\_  
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: \_\_\_\_\_

\_\_\_\_\_  
NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular.

Signature guaranteed:

\_\_\_\_\_

*[The remainder of this page intentionally left blank.]*

F. Form of Initial Bond. The Initial Bond shall be in the form set forth in paragraph B of this Section, except that the form of a single fully registered Initial Bond shall be modified as follows:

(1) immediately under the name of the Initial Bond the headings “Interest Rate” and “Stated Maturity” shall both be completed “as shown below”;

(2) the first two paragraphs shall read as follows:

REGISTERED OWNER: \_\_\_\_\_

PRINCIPAL AMOUNT: \_\_\_\_\_

The City of Corpus Christi, Texas (the *City*), a body corporate and a municipal corporation located in the Counties of Nueces, Aransas, Kleberg, and San Patricio, State of Texas, for value received, hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, the Principal Amount specified above on the fifteenth day of July in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
-------------------------------------	-----------------------------------	-------------------------------

(Information to be inserted from  
schedule in Section 2 hereof).

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amount hereof from the Closing Date (anticipated to occur on or about \_\_\_\_\_, 20\_\_\_), or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rate of interest specified above computed on the basis of a 360-day year of 30-day months; such interest being payable on January 15 and July 15 of each year (each, an *Interest Payment Date*), commencing \_\_\_\_\_ 15, 20\_\_\_.

Principal of this Bond shall be payable to the Registered Owner hereof (the *Holder*), upon its presentation and surrender, at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the *Paying Agent/Registrar*). Interest shall be payable to the Holder of this Bond whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the last business day of the month next preceding each Interest Payment Date. All payments of principal of and interest on this Bond shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder hereof. While the Bonds are held by the Purchaser, payment of principal of, premium, if any, and interest on the Bonds shall be made by



federal funds wire transfer, at no cost to the Purchaser, to an account at a financial institution located in the United States designated by the Purchaser.

G. Insurance Legend. If bond insurance is obtained by the Purchaser or the City for the Bonds, the definitive Bonds and the Initial Bond shall bear an appropriate legend as provided by the insurer.

SECTION 9. Definitions. For all purposes of this Ordinance (as defined below), except as otherwise expressly provided or unless the context otherwise requires: (i) the terms defined in this Section have the meanings assigned to them in this Section, and certain terms used in Sections 31 and 47 of this Ordinance have the meanings assigned to them in such Sections, and all such terms include the plural as well as the singular; (ii) all references in this Ordinance to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of this Ordinance as originally adopted; and (iii) the words "herein", "hereof", and "hereunder" and other words of similar import refer to this Ordinance as a whole and not to any particular Section or other subdivision.

A. The term *Accountant* shall mean a nationally recognized independent certified public accountant, or an independent firm of certified public accountants.

B. The term *Additional Junior Lien Obligations* shall mean (i) any bonds, notes, warrants, or any similar obligations hereafter issued by the City that are payable wholly or in part from and equally and ratably secured by a lien and pledge of the Junior Lien Pledged Revenues, such pledge to include a pledge of Net Revenues that is junior and inferior to the lien on and pledge of the Net Revenues that are or will be pledged to the payment of the Priority Bonds now Outstanding or hereafter issued by the City but senior and superior to the lien thereon and pledge thereof that is or will be pledged to the payment of any Subordinate Lien Obligations and the Inferior Lien Obligations now Outstanding or hereafter issued by the City, and (ii) obligations hereafter issued to refund any of the foregoing that are payable from and equally and ratably secured solely by a lien on and pledge of the Junior Lien Pledged Revenues, as determined by the City Council in accordance with applicable law.

C. The term *Additional Priority Bonds* shall mean any obligations hereafter issued to refund any of the Previously Issued Priority Bonds if issued in a manner so as to be payable from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues as determined by the City Council in accordance with applicable law and under the terms and conditions provided in Section 19 of this Ordinance.

D. The term *Authorized Official* shall mean the City Manager of the City, the Assistant City Manager of the City, and the City's Director of Financial Services (which shall include any person serving in any of the foregoing capacities on an interim or non-permanent basis).

E. The term *Average Annual Debt Service Requirements* shall mean that average amount which, at the time of computation, will be required to pay the Debt Service Requirements of obligations when due and derived by dividing the total of such Debt Service Requirements by the number of years then remaining before final Stated Maturity. The

calculation of Average Annual Debt Service Requirements shall be net of (1) capitalized interest from bond proceeds and (2) the receipt or anticipated receipt of a refundable tax credit or similar payment relating to a series of Junior Lien Obligations irrevocably designated as refundable tax credit bonds, which payment shall be treated as one offset to regularly scheduled debt service of the series of Junior Lien Obligations to which it relates.

F. The term *Bonds* shall mean the \$\_\_\_\_\_ “CITY OF CORPUS CHRISTI, TEXAS UTILITY SYSTEM JUNIOR LIEN REVENUE IMPROVEMENT BONDS, SERIES 20\_\_\_”, dated \_\_\_\_\_, 2017, authorized by this Ordinance.

G. The term *Bond Fund* shall mean the special Fund or account created and established by the provisions of Section 13 of this Ordinance.

H. The term *Capital Additions* shall mean a reservoir or other water storage facilities, a water or wastewater treatment plant or an interest therein, an electric generation facility and/or distribution system or an interest therein, a gas distribution system or an interest therein and associated transmission facilities with respect to each and any combination thereof, which shall become a part of the System.

I. The term *Capital Improvements* shall mean any capital extensions, improvements and betterments to the System other than Capital Additions.

J. The term *City* shall mean the City of Corpus Christi, Texas and, where appropriate, the City Council of the City.

K. The term *Closing Date* shall mean the date of physical delivery of the Initial Bonds in exchange for the payment in full by the Purchaser.

L. The term *Credit Agreement* shall mean a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase Debt, purchase or sale agreements, interest rate swap agreements, or commitments or other contracts or agreements authorized, recognized, and approved by the City as a Credit Agreement in connection with the authorization, issuance, security, or payment of any obligation authorized by Chapter 1371, and which includes any Credit Facility.

M. The term *Credit Facility* shall mean (i) a policy of insurance or a surety bond, issued by an issuer of policies of insurance insuring the timely payment of debt service on governmental obligations, or (ii) a letter or line of credit issued by any financial institution.

N. The term *Credit Provider* shall mean any bank, financial institution, insurance company, surety bond provider, or other institution which provides, executes, issues, or otherwise is a party to or provider of a Credit Agreement or Credit Facility.

O. The term *Debt* shall mean

(1) all indebtedness payable from Net Revenues and/or Junior Lien Pledged Revenues incurred or assumed by the City for borrowed money (including indebtedness

payable from Net Revenues and/or Junior Lien Pledged Revenues arising under Credit Agreements) and all other financing obligations of the System payable from Net Revenues and/or Junior Lien Pledged Revenues that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet; and

(2) all other indebtedness payable from Junior Lien Pledged Revenues and/or Net Revenues (other than indebtedness otherwise treated as Debt hereunder) for borrowed money or for the acquisition, construction, or improvement of property or capitalized lease obligations pertaining to the System that is guaranteed, directly or indirectly, in any manner by the City, or that is in effect guaranteed, directly or indirectly, by the City through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise.

For the purpose of determining Debt, there shall be excluded any particular Debt if, upon or prior to the maturity thereof, there shall have been deposited with the proper depository (a) in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption, or satisfaction of such Debt or (b) evidence of such Debt deposited for cancellation; and thereafter it shall not be considered Debt. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements of the System in prior Fiscal Years.

P. The term *Debt Service Requirements* shall mean, as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the City as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations without a fixed numerical rate, that such obligations bear interest calculated by assuming (i) that the interest rate for every 12-month period on such bonds is equal to the rate of interest reported in the most recently published edition of *The Bond Buyer* (or its successor) at the time of calculation as the "Revenue Bond Index" or, if such Revenue Bond Index is no longer being maintained by *The Bond Buyer* (or its successor) at the time of calculation, such interest rate shall be assumed to be 80% of the rate of interest then being paid on United States Treasury obligations of like maturity and (ii) that, in the case of bonds not subject to fixed scheduled mandatory sinking fund redemptions, that the principal of such bonds is amortized such that annual debt service is substantially level over the remaining stated life of such bonds or in the manner permitted under Section 1371.057(c), as amended, Texas Government Code as the same relates to interim or non-permanent indebtedness, and in the case of obligations required to be redeemed or prepaid as to principal prior to Stated Maturity according to a fixed schedule, the principal amounts thereof will be redeemed prior to Stated Maturity in accordance with the mandatory redemption provisions applicable thereto (in each case notwithstanding any contingent obligation to redeem bonds more rapidly). For the term of any Credit Agreement in the form of an interest rate hedge agreement entered into in connection

with any such obligations, Debt Service Requirements shall be computed by netting the amounts payable to the City under such hedge agreement from the amounts payable by the City under such hedge agreement and such obligations.

Q. The term *Depository* shall mean an official depository bank of the City.

R. The term *Engineer* shall mean an individual, firm, or corporation engaged in the engineering profession, being a registered professional engineer under the laws of the State of Texas, having specific experience with respect to a combined municipal utility system similar to the System and such individual, firm, or corporation may be employed by, or may be an employee of, the City.

S. The term *Fiscal Year* shall mean the twelve month accounting period used by the City in connection with the operation of the System which may be any twelve consecutive month period established by the City, presently being that period commencing on October 1 of each year and ending on the following September 30.

T. The term *Government Securities* as used herein, shall mean (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States of America, and (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent. When the Previously Issued Junior Lien Obligations issued on or before August 25, 2016, are no longer Outstanding, the term Government Securities, as used herein, shall mean (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; or (iv) any additional securities and obligations hereafter authorized by the laws of the State of Texas as eligible for use to accomplish the discharge of obligations such as the Bonds.

U. The term *Gross Revenues* shall mean all revenues, income, and receipts derived or received by the City from the operation and ownership of the System, including the interest income from the investment or deposit of money in any Fund created or confirmed by this Ordinance or maintained by the City in connection with the System, other than those amounts subject to payment to the United States of America as rebate pursuant to section 148 of the Code.

V. The term *Holder or Holders* shall mean the registered owner, whose name appears in the Security Register, for any Bond.

W. The term *Inferior Lien Obligations* shall mean (i) any bonds, notes, warrants, or any similar obligations hereafter issued by the City that are payable wholly or in part from and equally and ratably secured by a lien and pledge of the Net Revenues, which pledge is subordinate and inferior to the lien on and pledge of the Net Revenues that is or will be pledged to the payment of the Priority Bonds, that is included in Junior Lien Pledged Revenues, that is or will be pledged to the payment of any Subordinate Lien Obligations, and that is on parity with the lien on and pledge of the Net Revenues securing the payment of the then-Outstanding Inferior Lien Obligations and (ii) obligations hereafter issued to refund any of the foregoing that are payable from and equally and ratably secured by such subordinate and inferior lien on and pledge of the Net Revenues as determined by the City Council in accordance with applicable law.

X. The term *Interest Payment Date* shall mean the date semiannual interest is payable on the Bonds, being January 15 and July 15 of each year, commencing \_\_\_\_\_ 15, 20\_\_\_\_, while any of the Bonds remain Outstanding.

Y. The term *Junior Lien Obligations* shall mean (i) the Previously Issued Junior Lien Obligations, (ii) any Additional Junior Lien Obligations, and (iii) obligations hereafter issued to refund any of the foregoing that are payable from and equally and ratably secured solely by a lien on and pledge of the Junior Lien Pledged Revenues, which includes a lien on and pledge of Net Revenues that is junior and inferior to the lien thereon and pledge thereof securing the repayment of the Priority Bonds, but senior and superior to the lien thereon and pledge thereof securing the repayment of any Subordinate Lien Obligations and any Inferior Lien Obligations, as determined by the City Council in accordance with applicable law.

Z. The term *Junior Lien Pledged Revenues* means (1) the Net Revenues that remain after payment of all amounts, and funding of all funds, relating to any Priority Bonds, plus (2) any additional revenues, income, receipts, or other resources, including, without limitation, any grants, donations, or income received or to be received from the United States Government, or any other public or private source, whether pursuant to an agreement or otherwise, which hereafter are pledged by the City to the payment of the Bonds, and at the City's discretion, any Additional Junior Lien Obligations, and excluding those revenues excluded from Gross Revenues.

AA. The term *Net Revenues* shall mean all Gross Revenues less Operating Expenses.

BB. The term *Operating Expenses* shall mean the expenses of operation and maintenance of the System, including all salaries, labor, materials, repairs, and extensions necessary to render efficient service; provided, however, that only such repairs and extensions, as in the judgment of the City, reasonably and fairly exercised by the passage of appropriate ordinances, are necessary to render adequate service, or such as might be necessary to meet some physical accident or condition which would otherwise impair any Priority Bonds, Junior Lien Obligations, Subordinate Lien Obligations, Inferior Lien Obligations, or other Debt of the System. Operating Expenses shall include the purchase of water, sewer and gas services as

received from other entities and the expenses related thereto, and, to the extent permitted by a change in law (and receipt of an opinion as to legality from a firm of nationally recognized bond counsel), Operating Expenses may include payments made on or in respect of obtaining and maintaining any Credit Facility. Operating Expenses shall never include any allowance for depreciation, property retirement, depletion, obsolescence, and other items not requiring an outlay of cash and any interest on the Bonds or any Debt.

CC. The term *Ordinance* shall mean this Ordinance adopted by the City Council on \_\_\_\_\_, 20\_\_ authorizing the issuance of the Bonds.

DD. The term *Outstanding* shall mean when used in this Ordinance with respect to all Debt means, as of the date of determination, all Debt except:

(1) those Priority Bonds, Junior Lien Obligations, Subordinate Lien Obligations, and Inferior Lien Obligations canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Priority Bonds, Junior Lien Obligations, Subordinate Lien Obligations, and Inferior Lien Obligations for which payment has been duly provided by the City in accordance with the provisions of Section 33 of this Ordinance; and

(3) those Priority Bonds, Junior Lien Obligations, Subordinate Lien Obligations, and Inferior Lien Obligations that have been mutilated, destroyed, lost, or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided in Section 27 of this Ordinance.

EE. The term *Paying Agent/Registrar* shall mean the financial institution specified in Section 3 of this Ordinance, or its herein-permitted successors and assigns.

FF. The term *Previously Issued Junior Lien Obligations* shall mean, as of the Closing Date the Outstanding and unpaid obligations of the City that are payable solely from and equally and ratably secured by a lien on and pledge of the Junior Lien Pledged Revenues which includes a lien on and pledge of Net Revenues of the System that is junior and inferior to the lien thereon and pledge thereof securing the Priority Bonds but superior to the lien thereon and pledge thereof securing any Subordinate Lien Obligations and Inferior Lien Obligations, identified as follows:

(1) “City of Corpus Christi, Texas Utility System Junior Lien Revenue Improvement Bonds, Series 2012”, dated November 15, 2012, in the original principal amount of \$69,085,000;

(2) “City of Corpus Christi, Texas Utility System Junior Lien Revenue and Refunding Bonds, Series 2012”, dated November 15, 2012, in the original principal amount of \$155,660,000;

(3) “City of Corpus Christi, Texas Utility System Junior Lien Revenue Improvement Bonds, Series 2013”, dated November 1, 2013, in the original principal amount of \$97,930,000;

(4) “City of Corpus Christi, Texas Utility System Junior Lien Revenue Improvement Bonds, Series 2015A”, dated March 1, 2015, in the original principal amount of \$93,600,000;

(5) “City of Corpus Christi, Texas Utility System Junior Lien Revenue Refunding Bonds, Series 2015”, dated July 1, 2015, in the original principal amount of \$46,990,000

(6) “City of Corpus Christi, Texas Utility System Junior Lien Revenue Improvement Bonds, Series 2015C”, dated July 1, 2015, in the original principal amount of \$101,385,000;

(7) “City of Corpus Christi, Texas Utility System Junior Lien Revenue Refunding Bonds, Series 2016”, dated August 1, 2016, in the original principal amount of \$80,415,000;

(8) “City of Corpus Christi, Texas Utility System Junior Lien Revenue Refunding Bonds, Series 2017”, dated March 15, 2017, in the original principal amount of \$52,215,000;

(9) City of Corpus Christi, Texas Utility System Junior Lien Revenue Refunding Bonds, Series 2017A,” dated \_\_\_\_\_, 2017, in the original principal amount of \$\_\_\_\_\_; and

(10) Upon issuance, the Bonds.

GG. The term *Previously Issued Priority Bonds* shall mean, as of the Closing Date (i) the Outstanding and unpaid obligations of the City that are payable solely from and equally and ratably secured by a prior and first lien on and pledge of the Net Revenues of the System, identified as follows:

(1) “City of Corpus Christi, Texas Utility System Revenue Improvement Bonds, Series 2009”, dated March 1, 2009, in the original principal amount of \$96,490,000;

(2) “City of Corpus Christi, Texas Utility System Revenue Improvement Bonds, Series 2010”, dated March 1, 2010, in the original principal amount of \$8,000,000;

(3) “City of Corpus Christi, Texas Utility System Revenue Improvement Bonds, Taxable Series 2010 (Direct Subsidy-Build America Bonds)”, dated July 1, 2010, in the original principal amount of \$60,625,000;

(4) “City of Corpus Christi, Texas Utility System Revenue Improvement Bonds, Series 2010A”, dated July 1, 2010, in the original principal amount of \$14,375,000; and

(5) “City of Corpus Christi, Texas Utility System Revenue Improvement Bonds, Series 2012”, dated April 1, 2012, in the original principal amount of \$52,500,000.

HH. The term *Priority Bonds* shall mean the Previously Issued Priority Bonds and any Additional Priority Bonds hereafter issued to refund any of the foregoing if issued in a manner so as to be payable from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues of the System, as determined by the City Council in accordance with any applicable law.

II. The term *Prudent Utility Practice* shall mean any of the practices, methods and acts, in the exercise of reasonable judgment, in the light of the facts, including but not limited to the practices, methods and acts engaged in or approved by a significant portion of the public utility industry prior thereto, known at the time the decision was made, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. It is recognized that Prudent Utility Practice is not intended to be limited to the optimum practice, method or act at the exclusion of all others, but rather is a spectrum of possible practices, methods or acts which could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. In the case of any facility included in the System which is owned in common with one or more other entities, the term “Prudent Utility Practice”, as applied to such facility, shall have the meaning set forth in the agreement governing the operation of such facility.

JJ. The term *Purchaser* shall mean the initial purchaser or purchasers of the Bonds named in Section 28 of this Ordinance.

KK. The term *Required Reserve Amount* shall have the meaning given such term in Section 14 of this Ordinance.

LL. The term *Reserve Fund* shall have the meaning given such term in Section 14 of this Ordinance.

MM. The term *Reserve Fund Deposits* shall have the meaning given such term in Section 14 of this Ordinance.

NN. The term *Special Project* shall mean, to the extent permitted by law, any water, sewer, wastewater reuse, or municipal drainage system property, improvement, or facility declared by the City, upon the recommendation of the City Council, not to be part of the System, for which the costs of acquisition, construction, and installation are paid from proceeds of Special Project Bonds (as hereinafter defined) being a financing transaction other than the issuance of bonds payable from ad valorem taxes, Net Revenues, or Junior Lien Pledged Revenues, and for which all maintenance and operation expenses are payable from sources other than ad valorem taxes, Net Revenues, or Junior Lien Pledged Revenues, but only to the extent that and for so long as all or any part of the revenues or proceeds of which are or will be pledged to secure the payment or repayment of such costs of acquisition, construction, and installation under such Special Project Bonds.



OO. The term *Stated Maturity* shall mean the annual principal payments of the Bonds payable on July 15 of each year, as set forth in Section 2 of this Ordinance.

PP. The term *Subordinate Lien Obligations* shall mean (i) any bonds, notes, warrants, or any similar obligations hereafter issued by the City that are payable wholly or in part from and equally and ratably secured by a lien and pledge of the Net Revenues, such pledge being subordinate and inferior to the lien on and pledge of the Net Revenues that is or will be pledged to the payment of the Priority Bonds or that is included in Junior Lien Pledged Revenues, but senior and superior to the lien thereon and pledge thereof that is or will be pledged to the payment of any Inferior Lien Obligations now Outstanding or hereafter issued by the City, and on parity with the lien on and pledge of the Net Revenues securing the payment of the then-Outstanding Subordinate Lien Obligations and (ii) obligations hereafter issued to refund any of the foregoing that are payable from and equally and ratably secured by such subordinate and inferior lien on and pledge of the Net Revenues as determined by the City Council in accordance with applicable law.

QQ. The term *System* shall mean and include, whether now existing or hereinafter added (including additions made from time to time in accordance with the provisions of the City ordinances authorizing the issuance of the Outstanding Priority Bonds), the City's existing combined waterworks system, wastewater disposal system and gas system, together with all future extensions, improvements, enlargements, and additions thereto, including, to the extent permitted by law (and to be added at the sole discretion of the City), storm sewer and drainage within the waterworks system, solid waste disposal system, additional utility (including electricity), telecommunications, technology, and any other similar enterprise services, and all replacements, additions, and improvements to any of the foregoing, within or without the City limits; provided that, notwithstanding the foregoing, and to the extent now or hereafter authorized or permitted by law, the term System shall not include any waterworks, wastewater or gas facilities which are declared by the City to be a Special Project and not a part of the System and which are hereafter acquired or constructed by the City with the proceeds from the issuance of Special Project Bonds, which are hereby defined as being special revenue obligations of the City which are not secured by or payable from all or part of the Net Revenues and/or Junior Lien Pledged Revenues, but which are secured by and payable solely from special contract revenues, or payments received from the City or any other legal entity, or any combination thereof, in connection with such facilities; and such revenues or payments shall not be considered as or constitute Gross Revenues of the System, unless and to the extent otherwise provided in the ordinance or ordinances authorizing the issuance of such Special Project Bonds.

RR. The term *System Fund* shall have the meaning given such term in Section 12 of this Ordinance.

#### SECTION 10. Pledge of Junior Lien Pledged Revenues.

A. The City hereby covenants and agrees that the Junior Lien Pledged Revenues of the System are hereby irrevocably pledged to the payment and security of the Junior Lien Obligations, including the establishment and maintenance of the special funds or accounts created for the payment and security thereof, all as hereinafter provided; and it is hereby ordained that the Junior Lien Obligations, and the interest thereon, shall constitute a lien on and

pledge of the Junior Lien Pledged Revenues and be valid and binding without any physical delivery thereof or further act by the City, and the lien created hereby on the Junior Lien Pledged Revenues for the payment and security of the Junior Lien Obligations, shall be, subject to the subordinate lien nature of the Junior Lien Pledged Revenues as herein described otherwise, prior in right and claim as to any other indebtedness, liability, or obligation of the City or the System. The Junior Lien Obligations are and will be secured by and payable only from the Junior Lien Pledged Revenues, and are not secured by or payable from a mortgage or deed of trust on any properties whether real, personal, or mixed, constituting the System.

B. Chapter 1208, as amended, Texas Government Code, applies to the issuance of the Bonds and the pledge of Junior Lien Pledged Revenues granted by the City under subsection A of this Section, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Junior Lien Obligations are Outstanding and unpaid such that the pledge of the Junior Lien Pledged Revenues granted by the City is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Junior Lien Obligations the perfection of the security interest in this pledge, the City Council agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, as amended, Texas Business & Commerce Code and enable a filing to perfect the security interest in this pledge to occur.

SECTION 11. Rates and Charges. For the benefit of the Holders of the Bonds and in addition to all provisions and covenants in the laws of the State of Texas and in this Ordinance, the City hereby expressly stipulates and agrees, while any of the Junior Lien Obligations are Outstanding, to establish and maintain rates and charges for facilities and services afforded by the System that are reasonably expected, on the basis of available information and experience and with due allowance for contingencies, to produce Gross Revenues in each Fiscal Year sufficient:

A. To pay all Operating Expenses, or any expenses required by statute to be a first claim on and charge against the Gross Revenues of the System.

B. To produce Net Revenues, together with any other lawfully available funds, sufficient to satisfy the rate covenant contained in the ordinances authorizing the issuance of the Priority Bonds and to pay the principal of and interest on the Priority Bonds and the amounts required to be deposited in any reserve or contingency fund or account created for the payment and security of the Priority Bonds, and any other obligations or evidences of indebtedness issued or incurred that are payable from and secured solely by a prior and first lien on an pledge of the Net Revenues of the System;

C. To produce Net Revenues, together with any other lawfully available funds, equal to at least 1.15 times Average Annual Debt Service Requirements on the then-Outstanding Junior Lien Obligations and to deposit the amounts required to be deposited in any reserve or contingency fund or account created for the payment and security of the Junior Lien Obligations, and any other obligations or evidences of indebtedness issued or incurred that are payable from and secured solely by a lien on and pledge of the Net Revenues, including the Junior Lien Pledged Revenues, that is junior and inferior to the lien thereon and pledge thereof securing the

repayment of the Priority Bonds but senior and superior to the lien thereon and pledge thereof securing the repayment of any Subordinate Lien Obligations and any Inferior Lien Obligations;

D. To produce Net Revenues, together with any other lawfully available funds, sufficient to pay the amounts that may be deposited in the special funds established for the payment of any Subordinate Lien Obligations;

E. To produce Net Revenues, together with any other lawfully available funds, sufficient to pay the principal of and interest on any Inferior Lien Obligations as the same become due and payable and to deposit the amounts required to be deposited in any reserve or contingency fund or account created for the payment and security of any Inferior Lien Obligations, and any other obligations or evidences of indebtedness issued or incurred that are payable from and secured solely by a lien on and pledge of the Net Revenues that is subordinate and inferior to the lien thereon and pledge thereof securing the repayment of the Priority Bonds, the Junior Lien Obligations, and any Subordinate Lien Obligations; and

F. To pay, together with any other lawfully available funds, any other legally incurred Debt payable from the Net Revenues of the System and/or secured by a lien on any part of the System.

The determination of the amount of principal of and interest on any obligations identified in this Section for the purpose of confirming the sufficiency of System rates and charges shall be made after giving consideration as an offset to debt service the receipt or anticipated receipt of a refundable tax credit or similar payment relating to any series of obligations irrevocably designated as refundable tax credit bonds pursuant to the City ordinance authorizing their issuance or otherwise relating thereto.

SECTION 12. System Fund. The City hereby covenants, agrees, and ratifies its prior covenants and agreements that the Gross Revenues of the System shall be deposited, as collected and received, into a separate Fund or account (previously created and established and to be maintained with the Depository) known as the "City of Corpus Christi, Texas Utility System Revenue Fund" (the *System Fund*) and that the Gross Revenues of the System shall be kept separate and apart from all other funds of the City. All Gross Revenues deposited into the System Fund shall be pledged and appropriated to the extent required for the following uses and in the order of priority shown:

A. First: To the payment of all necessary and reasonable Operating Expenses or other expenses required by statute to be a first charge on and claim against the revenues of the System.

B. Second: To the payment of the amounts required to be deposited into the special funds and accounts created and established for the payment, security and benefit of the Previously Issued Priority Bonds and any Additional Priority Bonds hereafter issued by the City.

C. Third: To the payment of the amounts required to be deposited into the special funds and accounts created and established for the payment, security and benefit of the Previously Issued Junior Lien Obligations and any Additional Junior Lien Obligations hereafter issued by the City.

D. Fourth: To the payment of the amounts required to be deposited into the special funds and accounts created and established for the payment, security and benefit of any Subordinate Lien Obligations hereafter issued by the City.

E. Fifth: To the payment of the amounts that must be deposited in any special funds and accounts created and established for the payment, security, and benefit of any Inferior Lien Obligations hereafter issued by the City.

Any Net Revenues remaining in the System Fund following such transfers may be used by the City for payment of other obligations of the System, and for any other lawful purpose; provided, however, that for so long as any Priority Bonds remain Outstanding, transfers made for purposes other than for payment of obligations of the System shall be made only at the end of the Fiscal Year (if such limitation is imposed, and then, only to the extent imposed in the City ordinances authorizing the issuance of the Priority Bonds).

**SECTION 13. Bond Fund - Excess Funds.** For purposes of providing funds to pay the principal of and interest on the currently Outstanding Junior Lien Obligations as the same become due and payable, the City agrees to maintain, at the Depository, a separate and special Fund or account to be created and known as the "City of Corpus Christi, Texas Utility System Junior Lien Revenue Improvement Bonds Interest and Sinking Fund" (the *Bond Fund*). The City covenants that there shall be deposited by an Authorized Official into the Bond Fund prior to each principal and interest payment date from the available Net Revenues an amount equal to one hundred per cent (100%) of the amount required to fully pay the interest on and the principal of the currently Outstanding Junior Lien Obligations then falling due and payable, such deposits to pay maturing principal and accrued interest on the currently Outstanding Junior Lien Obligations to be made in substantially equal monthly installments on or before the 10<sup>th</sup> day of each month, beginning on or before the 10<sup>th</sup> day of the month next following the delivery of the Bonds to the Purchasers. As described further in Section 15 hereof, if the Junior Lien Pledged Revenues in any month are insufficient to make the required payments into the Bond Fund, then the amount of any deficiency in such payment shall be added to the amount otherwise required to be paid into the Bond Fund in the next month.

The required monthly deposits to the Bond Fund for the payment of principal of and interest on the currently Outstanding Junior Lien Obligations shall continue to be made as hereinabove provided until such time as (i) the total amount on deposit in the Bond Fund and Reserve Fund is equal to the amount required to fully pay and discharge all Outstanding Junior Lien Obligations (principal and interest) or (ii) the Junior Lien Obligations are no longer Outstanding.

Any proceeds of the Bonds, and investment income thereon, not expended for authorized purposes shall be deposited into the Bond Fund and shall be taken into consideration and reduce the amount of monthly deposits required to be deposited into the Bond Fund from the Net Revenues of the System.

Any surplus proceeds from the sale of the Bonds, including investment income thereon, not expended for authorized purposes shall be deposited in the Bond Fund, and such amounts so

deposited shall reduce the sums otherwise required to be deposited in such Fund from the Junior Lien Pledged Revenues.

SECTION 14. Reserve Fund. To accumulate and maintain a reserve for the payment of the Bonds equal to 100% of the Average Annual Debt Service Requirements or such lesser amount as restricted by the Code (calculated by the City Council at the beginning of each Fiscal Year and as of the date of issuance of the Bonds and each series of Additional Junior Lien Obligations) for the Bonds (the *Required Reserve Amount*), the City hereby creates and establishes, and shall maintain at a Depository a separate and special fund known as the “Corpus Christi, Texas Utility System Junior Lien Revenue Improvement Bonds Reserve Fund” (the *Reserve Fund*). Earnings and income derived from the investment of amounts held for the credit of the Reserve Fund shall be retained in the Reserve Fund until the Reserve Fund contains the Required Reserve Amount; thereafter, such earnings and income shall be deposited to the credit of the System Fund. All funds deposited into the Reserve Fund shall be used solely for the payment of the principal of and interest on the Bonds, when and to the extent other funds available for such purposes are insufficient, and, in addition, may be used to retire the last Stated Maturity or Stated Maturities of or interest on the Bonds.

The City may acquire a Credit Facility or Facilities issued by a Credit Provider in amounts equal to all or part of the Required Reserve Amount for the Bonds in lieu of depositing cash into the Reserve Fund; provided, however, that no such Credit Facility may be so substituted unless the substitution of the Credit Facility will not, in and of itself, cause any ratings then assigned to the Bonds by any nationally recognized rating agency to be lowered and the resolution authorizing the substitution of the Credit Facility for all or part of the Required Reserve Amount for the Bonds contains (i) a finding that such substitution is cost effective and (ii) a provision that the interest due on any repayment obligation of the City by reason of payments made under such Credit Facility does not exceed the highest lawful rate of interest which may be paid by the City at the time of the delivery of the Credit Facility. The City reserves the right to use Junior Lien Pledged Revenues to fund the payment of (1) periodic premiums on the Credit Facility as a part of the payment of the City’s Operating Expenses, and (2) any repayment obligation incurred by the City (including interest) to the Credit Provider, the payment of which will result in the reinstatement of such Credit Facility, prior to making payments required to be made to the Reserve Fund pursuant to the provisions of this Section to restore the balance in such fund the Required Reserve Amount for the Bonds.

Until the issuance of any Additional Junior Lien Obligations (or as from time to time recalculated by the City as provided in the first paragraph of this Section), the Required Reserve Amount is \$\_\_\_\_\_ (inclusive of the Bonds). Of this amount, \$\_\_\_\_\_, representing the portion of the Required Reserve Amount attributable to the Bonds, shall be deposited to the Reserve Fund at such time as may be required pursuant to the provisions of this Section from Revenues, paid from the System Fund at such level of priority as specified in Section 12, by the deposit of monthly installments, made on or before the 10<sup>th</sup> day of each month following the month in which such obligation to fund the Reserve Fund arises, of not less than 1/60th of the amount to be maintained in the Reserve Fund.

As and when Additional Junior Lien Obligations are delivered or incurred, the Required Reserve Amount shall be increased, if required, to an amount calculated in the manner provided

in the first paragraph of this Section. Any additional amount required to be maintained in the Reserve Fund shall be so accumulated by the deposit of all or a portion of the necessary amount from the proceeds of the issue or other lawfully available funds in the Reserve Fund immediately after the delivery of the then proposed Additional Junior Lien Obligations, or, at the option of the City, by the deposit of monthly installments, made on or before the business day before the 10<sup>th</sup> day of each month following the month of delivery of the then proposed Additional Junior Lien Obligations, of not less than 1/60th of the additional amount to be maintained in the Reserve Fund by reason of the issuance of the Additional Junior Lien Obligations then being issued (or 1/60th of the balance of the additional amount not deposited immediately in cash) (such deposits, the *Required Reserve Fund Deposits*), thereby ensuring the accumulation in the Reserve Fund of the appropriate Required Reserve Amount.

When and for so long as the cash and investments in the Reserve Fund equal the Required Reserve Amount, no deposits need be made to the credit of the Reserve Fund; but, if and when the Reserve Fund at any time contains less than the Required Reserve Amount (other than as the result of the issuance of Additional Junior Lien Obligations as provided in the preceding paragraph), the City covenants and agrees to cure the deficiency in the Required Reserve Amount by resuming the Required Reserve Fund Deposits to the Reserve Fund from the Junior Lien Pledged Revenues in monthly deposit amounts equal to not less than 1/60th of the Required Reserve Amount covenanted by the City to be maintained in the Reserve Fund. Any such deficiency payments shall be made on or before the 10<sup>th</sup> day of each month until the Required Reserve Amount has been fully restored. The City further covenants and agrees that, subject only to the prior payments to be made to the Bond Fund, the Junior Lien Pledged Revenues shall be applied and appropriated and used to establish and maintain the Required Reserve Amount and to cure any deficiency in such amounts as required by the terms of this Ordinance, any City ordinance authorizing the issuance of the Priority Bonds, and any other ordinance pertaining to the issuance of Additional Junior Lien Obligations.

During such time as the Reserve Fund contains the Required Reserve Amount, the City Council may, at its option, withdraw all surplus funds in the Reserve Fund in excess of the Required Reserve Amount. Any such withdrawn surplus shall be deposited to the Bond Fund or used by the City for any other lawful purpose; provided, however, to the extent that such excess amount represents Bond proceeds, then such amount must be transferred to the Bond Fund or be otherwise used in accordance with then-applicable State law.

In the event a Credit Facility issued to satisfy all or a part of the City's obligation with respect to the Reserve Fund causes the amount then on deposit in the Reserve Fund to exceed the Required Reserve Amount for the Bonds, the City may transfer such excess amount to any fund or funds established for the payment of or security for the Bonds (including any escrow established for the final payment of any such obligations pursuant to the provisions of Chapter 1207, as amended, Texas Government Code), or be used for any lawful purposes; provided, however, to the extent that such excess amount represents Bond proceeds, then such amount must be transferred to the Bond Fund or be otherwise used in accordance with then-applicable State law.

Notwithstanding anything to the contrary contained in this Section, the requirements set forth above to fund the Reserve Fund in the amount of the Required Reserve Amount shall be

suspended for such time as the Junior Lien Pledged Revenues for each Fiscal Year are equal to at least 110% of the Average Annual Debt Service Requirements. In the event that the Junior Lien Pledged Revenues for any two consecutive Fiscal Years are less than 110% (unless such percentage is below 100% in any Fiscal Year, in which case the hereinafter-specified requirements will commence after such Fiscal Year) of the Average Annual Debt Service Requirements, the City will be required to commence making the deposits to the Reserve Fund, as provided above, and to continue making such deposits until the earlier of (i) such time as the Reserve Fund contains the Required Reserve Amount or (ii) the Junior Lien Pledged Revenues for a Fiscal Year have been equal to not less than 110% of the Average Annual Debt Service Requirements.

**SECTION 15. Deficiencies – Excess Junior Lien Pledged Revenues.**

A. If on any occasion there shall not be sufficient Junior Lien Pledged Revenues to make the required deposits into the Bond Fund, then such deficiency shall be cured as soon as possible from the next available unallocated Junior Lien Pledged Revenues, or from any other sources available for such purpose, and such payments shall be in addition to the amounts required to be paid into these Funds or accounts during such month or months.

B. Subject to making the required deposits to the Bond Fund when and as required by any ordinance or resolution authorizing the issuance of the currently Outstanding Priority Bonds, the Junior Lien Obligations, any Subordinate Lien Obligations and any Inferior Lien Obligations, the excess Net Revenues of the System may be used by the City for any lawful purpose (as further provided in Section 12 hereof).

**SECTION 16. Payment of Bonds.** While any of the Bonds are Outstanding, an Authorized Official shall cause to be transferred to the Paying Agent/Registrar therefor, from funds on deposit in the Bond Fund, amounts sufficient to fully pay and discharge promptly each installment of interest on and principal of the Bonds as such installment accrues or matures; such transfer of funds must be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar for the Bonds at the close of the business day next preceding the date a debt service payment is due on the Bonds.

**SECTION 17. Investments.** Funds held in any Fund or account created, established, or maintained pursuant to this Ordinance shall, at the option of the City, be placed in time deposits, certificates of deposit, guaranteed investment contracts or similar contractual agreements as permitted by the provisions of the Public Funds Investment Act, as amended, Chapter 2256, Texas Government Code (collateralized pursuant to the Public Funds Collateral Act, as amended, Chapter 2257, Texas Government Code), or any other law, and secured (to the extent not insured by the Federal Deposit Insurance Corporation) by obligations of the type hereinafter described, including investments held in book-entry form, in securities including, but not limited to, direct obligations of the United States of America, obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligations, or invested in indirect obligations of the United States of America, including, but not limited to, evidences of indebtedness issued, insured, or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government

National Mortgage Association, Farmers Home Administration, Federal Home Loan Mortgage Association, or Federal Housing Association; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from any Fund or account will be available at the proper time or times. Such investments (except State and Local Government Series investments held in book entry form, which shall at all times be valued at cost) shall be valued in terms of current market value within 45 days of the close of each Fiscal Year. All interest and income derived from deposits and investments in the Bond Fund immediately shall be credited to, and any losses debited to, the Bond Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds.

SECTION 18. Covenants. It is the intention of the City Council and accordingly hereby recognized and stipulated that the provisions, agreements, and covenants contained herein bearing upon the management and operations of the System, and the administering and application of Gross Revenues derived from the operation thereof, shall to the extent possible be harmonized with like provisions, agreements, and covenants contained in the City ordinances authorizing the issuance of the Priority Bonds now or hereafter Outstanding, and to the extent of any irreconcilable conflict between the provisions contained herein and in the City ordinances authorizing the issuance of the Priority Bonds now or hereafter Outstanding, the provisions, agreements and covenants contained therein shall prevail to the extent of such conflict and be applicable to this Ordinance, especially the priority of rights and benefits conferred thereby to the holders of the Priority Bonds now or hereafter Outstanding; provided, however, that the provisions of this Ordinance concerning the issuance of Additional Priority Bonds shall control. It is expressly recognized that prior to the issuance of any Additional Junior Lien Obligations, Subordinate Lien Obligations, or Inferior Lien Obligations, that the City must comply with each of the conditions precedent contained in this Ordinance and the City ordinances authorizing the issuance of the then-Outstanding Priority Bonds, as appropriate.

A. *Performance*. It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance, and each ordinance authorizing the issuance of Junior Lien Obligations; it will promptly pay or cause to be paid the principal amount of and interest on all Debt, on the dates and in the places and manner prescribed in such ordinances and such Debt; and it will, at the time and in the manner prescribed, deposit or cause to be deposited the amounts required to be deposited into the System Fund and the Funds herein created; and any registered owner of any Debt may require the City, its officials and employees to carry out, respect or enforce the covenants and obligations of this Ordinance, or any ordinance authorizing the issuance of Debt, by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings, in any court of competent jurisdiction, against the City, its officials and employees.

B. *City's Legal Authority*. It is a duly created and existing home rule city of the State of Texas, and is duly authorized under the laws of the State of Texas to issue the Bonds; that all action on its part for the issuance of the Bonds has been duly and effectively taken, and that the Bonds in the hands of the owners thereof are and will be valid and enforceable special obligations of the City in accordance with their terms.

C. *Acquisition and Construction; Operation and Maintenance*. (1) It shall use its best efforts in accordance with Prudent Utility Practice to acquire and construct, or cause to be



acquired and constructed, any Capital Additions or Capital Improvements, in accordance with the plans and specifications therefor, as modified from time to time, with due diligence and in a sound and economical manner; and (2) it shall at all times use its best efforts to operate or cause to be operated the System properly and in an efficient manner, consistent with Prudent Utility Practice, and shall use its best efforts to maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or use its best efforts to cause to be made, all necessary and proper repairs, replacement and renewals so that at all times the operation of the System may be properly and advantageously conducted.

D. *Title.* It has or will obtain lawful title, whether such title is in fee or lesser interest, to the lands, buildings, structures and facilities constituting the System, that it warrants that it will defend the title to all the aforesaid lands, buildings, structures and facilities, and every part thereof, for the benefit of the owners of the Junior Lien Obligations, against the claims and demands of all persons whomsoever, that it is lawfully qualified to pledge the Junior Lien Pledged Revenues to the payment of the Junior Lien Obligations in the manner prescribed herein, and has lawfully exercised such rights.

E. *Liens.* It will from time to time and before the same become delinquent pay and discharge all taxes, assessments and governmental charges, if any, which shall be lawfully imposed upon it, or the System; it will pay all lawful claims for rents, royalties, labor, materials and supplies which if unpaid might by law become a lien or charge thereon, the lien of which would be prior to or interfere with the liens hereof, so that the priority of the liens granted hereunder shall be fully preserved in the manner provided herein, and it will not create or suffer to be created any mechanic's, laborer's, materialman's or other lien or charge which might or could be prior to the liens hereof, or do or suffer any matter or thing whereby the liens hereof might or could be impaired; provided however, that no such tax, assessment or charge, and that no such claims which might be used as the basis of a mechanic's, laborer's, materialman's or other lien or charge, shall be required to be paid so long as the validity of the same shall be contested in good faith by the City.

F. *No Free Service.* No free service or service otherwise than in accordance with the established rate schedule shall be furnished, directly or indirectly, by the System to any person, firm, corporation or other entity, other than the City. No part of the salary of any official or employee of the City or his replacement shall be paid from Junior Lien Pledged Revenues unless and only to the extent the duties and performances of such official or employee or his replacement appertain directly to the System. To the extent the City receives the services of the System, such services shall be accounted for according to the established rate schedule.

G. *Further Encumbrance.* It will not additionally encumber the Net Revenues of the System in any manner, except as permitted in the City ordinances authorizing the Previously Issued Priority Bonds and in this Ordinance (which provisions are also included in other City ordinances authorizing other series of Junior Lien Obligations).

H. *Sale, Lease or Disposal of Property.* No part of the System shall be sold, leased, mortgaged, demolished, removed or otherwise disposed of, except as follows:

(1) To the extent permitted by law, the City may sell or exchange at any time and from time to time any property or facilities constituting part of the System only if (A) it shall determine such property or facilities are not useful in the operation of the System, or (B) the proceeds of such sale are \$250,000 or less, or it shall have received a certificate executed by an Engineer and the City Manager stating, in their opinion, that the fair market value of the property or facilities exchanged is \$250,000 or less, or (C) if such proceeds or fair market value exceeds \$250,000 it shall have received a certificate executed by an Engineer and the City Manager stating (i) that system within the System of which the property or facilities comprises a part thereof and (ii) in their opinion, that the sale or exchange of such property or facilities will not impair the ability of the City to comply during the current or any future Fiscal Year with the provisions of Subsection K of this Section. The proceeds of any such sale or exchange not used to acquire other property necessary or desirable for the safe or efficient operation of the System shall forthwith, at the option of the City (i) be used to redeem or purchase Debt, or (ii) otherwise be used to provide for the payment of Debt. The foregoing notwithstanding, if such property or facilities sold or exchanged constituted property or facilities comprising all or a part of a system within the System, the acquisition, improvement or extension of such system having not been financed by the City in any manner with the proceeds of Debt, or with the proceeds of obligations which were refunded in whole or in part with the proceeds of Debt, then the City may utilize the proceeds of such sale or exchange for any lawful purpose; and

(2) To the extent permitted by law, the City may lease or make contracts or grant licenses for the operation of, or make arrangements for the use of, or grant easements or other rights with respect to, any part of the System, provided that any such lease, contract, license, arrangement, easement or right (A) does not impede the operation by the City of the System and (B) does not in any manner impair or adversely affect the rights or security of the owners of the Debt under this Ordinance; and provided, further, that if the depreciated cost of the property to be covered by any such lease, contract, license, arrangement, easement or other right is in excess of \$500,000, the City shall have received a certificate executed by an Engineer and the City Manager that the action of the City with respect thereto does not result in a breach of the conditions under this clause (2). Any payments received by the City under or in connection with any such lease, contract, license, arrangement, easement or right in respect of the System or any part thereof shall constitute Gross Revenues.

I. *Books, Records and Accounts.* It shall keep proper books, records and accounts separate and apart from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the System and the City shall cause said books and accounts to be audited annually as of the close of each Fiscal Year by the Accountant.

J. *Insurance.*

(1) Except as otherwise permitted in clause (2) below, it shall cause to be insured such parts of the System as would usually be insured by corporations operating like properties, with a responsible insurance company or companies, against risks, accidents or casualties against which and to the extent insurance is usually carried by

corporations operating like properties, including, to the extent reasonably obtainable, fire and extended coverage insurance, insurance against damage by floods, and use and occupancy insurance. Public liability and property damage insurance shall also be carried unless the City Attorney gives a written opinion to the effect that the City is not liable for claims which would be protected by such insurance. At any time while any contractor engaged in construction work shall be fully responsible therefor, the City shall not be required to carry insurance on the work being constructed if the contractor is required to carry appropriate insurance. All such policies shall be open to the inspection of the bondholders and their representatives at all reasonable times.

(2) In lieu of obtaining policies for insurance as provided above, the City may self-insure against risks, accidents, claims or casualties described in clause (1) above.

(3) The annual audit hereinafter required shall contain a section commenting on whether or not the City has complied with the requirements of this Section with respect to the maintenance of insurance, and listing the areas of insurance for which the City is self-insuring, all policies carried, and whether or not all insurance premiums upon the insurance policies to which reference is hereinbefore made have been paid.

K. *Audits.* After the close of each Fiscal Year while any Debt is Outstanding, an audit will be made of the books and accounts relating to the System and the Net Revenues by the Accountant. Such annual audit reports shall be open to the inspection of the registered owners of Debt and their agents and representatives at all reasonable times.

L. *Governmental Agencies.* It will comply with all of the terms and conditions of any and all franchises, permits and authorizations applicable to or necessary with respect to the System, and which have been obtained from any governmental agency; and the City has or will obtain and keep in full force and effect all franchises, permits, authorization and other requirements applicable to or necessary with respect to the acquisition, construction, equipment, operation and maintenance of the System.

M. *No Competition.* To the extent it legally may, it will not grant any franchise or permit for the acquisition, construction or operation of any competing facilities which might be used as a substitute for the System's facilities, and, to the extent that it legally may, the City will prohibit any such competing facilities.

N. *Rights of Inspection.* The Engineer or any registered owner of \$100,000 in aggregate principal amount of the Debt then Outstanding shall have the right at all reasonable times to inspect the System and all records, accounts and data of the City relating thereto, and upon request the City shall furnish to an Engineer or such registered owner, as the case may be, such financial statements, reports and other information relating to the City and the System as an Engineer or such registered owner may from time to time reasonably request.

SECTION 19. Issuance of Additional Priority Bonds, Additional Junior Lien Obligations, Subordinate Lien Obligations, and Inferior Lien Obligations. The City hereby expressly reserves the right to hereafter issue bonds, notes, warrants, certificates of obligation, or similar obligations, payable, wholly or in part, as appropriate, from and secured by a pledge of and lien

on the Net Revenues of the System with the following priorities, without limitation as to principal amount, but subject to any terms, conditions, or restrictions applicable thereto under existing ordinances, laws, or otherwise:

A. Additional Priority Bonds payable from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues of the System upon satisfying each of the conditions precedent contained in the City ordinances authorizing the Previously Issued Priority Bonds concerning the issuance of Additional Priority Bonds to realize debt service savings by refunding any Priority Bonds at such time outstanding. For the avoidance of doubt, the City hereby covenants to no longer issue Priority Bonds for “new money” purposes.

B. Additional Junior Lien Obligations, secured by and payable from the Junior Lien Pledged Revenues, which includes (primarily) a lien on and pledge of Net Revenues that is junior and inferior to the lien thereon and pledge thereof securing the repayment of the Priority Bonds but senior and superior to the lien there on and pledge thereof securing the repayment of any Subordinate Lien Obligations and any Inferior Lien Obligations, upon satisfying each of the following conditions precedent:

(1) The City Manager (or other officer of the City then having the responsibility for the financial affairs of the City) shall have executed a certificate stating (i) that the City is not then in default as to any covenant, obligation or agreement contained in any ordinance or other proceeding relating to any obligations of the City payable from and secured by a lien on and pledge of the Net Revenues and (ii) that the amounts on deposit in all Funds or Accounts created and established for the payment and security of all Outstanding obligations payable from and secured by a lien on and pledge of the Net Revenues are the amounts then required to be deposited therein. Such certificate shall be dated on or before the date of delivery of such Additional Junior Lien Obligations, but such certificate shall not be dated prior to the date an ordinance is passed authorizing the issuance of such Additional Junior Lien Obligations.

(2) Conditions Precedent for Issuance of Additional Junior Lien Obligations – Capital Improvements and for any other Lawful Purpose except for Capital Additions or for Refunding. The City covenants and agrees that Additional Junior Lien Obligations will not be issued for the purpose of financing Capital Improvements, or for any other lawful purpose (except for Capital Additions or for refunding, which are to be issued in accordance with the provisions of Subsection (3) of this Section and Section 20 hereof, respectively) unless and until the conditions precedent in Subsection (1) above have been satisfied and, in addition thereto, the City has secured a certification of the City Manager to the effect that, according to the books and records of the City, the Net Earnings (as hereinafter defined) for the preceding Fiscal Year or for 12 consecutive months out of the 15 months immediately preceding the month the ordinance authorizing the Additional Junior Lien Obligations is adopted are at least equal to 1.15 times the Average Annual Debt Service Requirements for all then-Outstanding Priority Bonds and Junior Lien Obligations after giving effect to the Additional Junior Lien Obligations then proposed. The foregoing notwithstanding, the City covenants and agrees that Additional Junior Lien Obligations may not be issued for the purpose of financing Capital Improvements when other Outstanding Junior Lien Obligations which have been issued for the purpose of

financing Capital Additions and for which capitalized interest for such other Junior Lien Obligations has been provided for at least the twelve months subsequent to the date of issuance of the Additional Junior Lien Obligations then proposed to be issued, unless the conditions precedent in Subsection (1) above have been satisfied and, in addition thereto, the City has either (1) complied with the relevant conditions in this Subsection as set forth above, or (2) if the relevant conditions of this Subsection (2) as set forth above cannot be satisfied, the City has satisfied the conditions precedent in Subsection (3)(i) and (ii) of this Section (but, for purposes of such clauses, the term Capital Improvements shall be substituted for the term Capital Additions where the term Capital Additions appears therein to the extent necessary to give recognition to the fact that Capital Improvements, rather than Capital Additions, are then to be financed) and has secured a certification of the City Manager to the effect that, according to the books and records of the City, the Net Earnings for the preceding Fiscal Year or for 12 consecutive months out of the 15 months immediately preceding the month the ordinance authorizing the Additional Junior Lien Obligations is adopted are at least equal to 1.15 times the Average Annual Debt Service Requirements for all then-Outstanding Priority Bonds and Junior Lien Obligations (other than Junior Lien Obligations issued for Capital Additions for which capitalized interest has been provided for at least the twelve months subsequent to the date of issuance of the Additional Junior Lien Obligations proposed to be issued) after giving effect to the Additional Junior Lien Obligations then proposed to be issued.

(3) Conditions Precedent for Issuance of Additional Junior Lien Obligations – Capital Additions: Initial Issue. The City covenants and agrees that Additional Junior Lien Obligations will not be issued for the purpose of financing Capital Additions, unless the same conditions precedent specified in Subsection (1) above have been satisfied and, in addition thereto, either the relevant conditions precedent specified in Subsection (1) above are satisfied or, in the alternative, the City shall have obtained: (i) from an Engineer a comprehensive engineering report for each Capital Addition to be financed, which report shall (A) contain (1) detailed estimates of the cost of acquiring and constructing the Capital Addition, (2) the estimated date the acquisition and construction of the Capital Addition will be completed and commercially operative, and (3) a detailed analysis of the impact of the Capital Addition on the financial operations of the system for which the Capital Addition is to be integrated and to the System as a whole during the construction thereof and for at least five Fiscal Years after the date the Capital Addition becomes commercially operative, and (B) conclude that (1) the Capital Addition is necessary and will substantially increase the capacity, or is needed to replace existing facilities, to meet current and projected demands for the service or product to be provided thereby, and (2) the estimated cost of providing the service or product from the Capital Addition will be reasonable in comparison with projected costs for furnishing such service or product from other reasonably available sources; and (ii) a certificate of an Engineer to the effect that, based on an engineering report prepared thereby for each Capital Addition, the projected Net Earnings for each of the five Fiscal Years subsequent to the date the Capital Addition becomes commercially operative (as estimated in the engineering report) will be equal to at least 1.15 times the Average Annual Debt Service Requirements for the currently Outstanding Junior Lien Obligations or incurred and all Additional Junior Lien Obligations estimated to be issued, if any, for all Capital Improvements and for all Capital Additions then in progress or then being initiated,

during the period from the date the first series of obligations for the Capital Additions is to be delivered through the fifth Fiscal Year subsequent to the date the Capital Addition is estimated to become commercially operative.

(4) Completion Issues. Once a Capital Addition has been initiated by meeting the conditions precedent specified in Subsection (3)(i) and (ii) above and the initial Junior Lien Obligations issued therefor are delivered, the City reserves the right to issue Additional Junior Lien Obligations to finance the remaining costs of such Capital Addition in such amounts as may be necessary to complete the acquisition and construction thereof and make the same commercially operative without satisfaction of any condition precedent under Subsection (3)(i) and (ii) or Subsection (1) of this Section but subject to satisfaction of the following conditions precedent: (i) the City makes a forecast (the *Forecast*) of the operations of the System demonstrating the System's ability to pay all obligations, payable from the Net Revenues of the System to be Outstanding after the issuance of the Additional Junior Lien Obligations then being issued for the period (the *Forecast Period*) of each ensuing Fiscal Year through the fifth Fiscal Year subsequent to the latest estimated date such Capital Addition is expected to be commercially operative; and (ii) an Engineer reviews such Forecast and executes a certificate to the effect that (A) such Forecast is reasonable, and based thereon (and such other factors deemed to be relevant), the Net Revenues of the System will be adequate to pay all the obligations, payable from the Junior Lien Pledged Revenues of the System to be Outstanding after the issuance of the Additional Junior Lien Obligations then being issued for the Forecast Period and (B) the proceeds from the sale of such Additional Junior Lien Obligations are estimated to be sufficient to complete such acquisition and construction.

(5) Computations; Reports. With reference to Junior Lien Obligations anticipated and estimated to be issued or incurred, the Average Annual Debt Service Requirements therefor shall be those reasonably estimated and computed by the City's Director of Financial Services (or other officer of the City then having the primary responsibility for the financial affairs of the City) after giving effect to the receipt or anticipated receipt of a refundable tax credit or similar payment relating to any series of Junior Lien Obligations irrevocably designated as refundable tax credit bonds, which payment shall be treated as an offset to regularly scheduled debt service of the series of Junior Lien Obligations to which it relates. In the preparation of the engineering report required in Subsection (3)(i) above, an Engineer may rely on other experts or professionals, including those in the employment of the City, provided such engineering report discloses the extent of such reliance and concludes it is reasonable so to rely. In connection with the issuance of Junior Lien Obligations for Capital Additions, the certification of the City Manager and an Engineer, together with the engineering report for the initial issue and the Forecast for a subsequent issue, shall be conclusive evidence and the only evidence required to show compliance with the provisions and requirements and this clause of this Section.

(6) Combination Issues. Junior Lien Obligations for Capital Additions may be combined in a single issue with Junior Lien Obligations for Capital Improvements or

for any lawful purpose provided the conditions precedent set forth in Subsection (2) through (4) are complied with as the same relate to the appropriate purpose.

(7) Definition of Net Earnings. As used in this Section, the term *Net Earnings* shall mean the Gross Revenues of the System after deducting the Operating Expenses of the System and those items identified in the SECOND level of priority in Section 12 hereof, but not expenditures which, under standard accounting practice, should be charged to capital expenditures.

(8) Determination of Net Earnings. In making a determination of Net Earnings for any of the purposes described in this Section, the City Manager may take into consideration a change in the rates and charges for services and facilities afforded by the System that became effective at least 60 days prior to the last day of the period for which Net Earnings are determined and, for purposes of satisfying any of the Net Earnings test described above, make a pro forma determination of the Net Earnings of the System for the period of time covered by the City Manager's certification or opinion based on such change in rates and charges being in effect for the entire period covered by the City Manager's certificate or opinion.

C. The City may issue Subordinate Lien Obligations secured by a lien on and pledge of the Net Revenues of the System subordinate and inferior to the lien thereon and pledge thereof securing the Priority Bonds and that is included in the Junior Lien Pledged Revenues, respectively, but senior and superior to the lien there on and pledge thereof securing the repayment of any Inferior Lien Obligations, on the terms and conditions desired by the City, subject only to the limitations imposed by applicable law and upon satisfying each of the conditions precedent contained in the ordinances authorizing the issuance of the currently-Outstanding Priority Bonds and this Ordinance.

D. The City may issue Inferior Lien Obligations secured by a lien on and pledge of the Net Revenues of the System subordinate and inferior to the lien thereon and pledge thereof securing the Priority Bonds and that is included in the Junior Lien Pledged Revenues, respectively, on the terms and conditions desired by the City, subject only to the limitations imposed by applicable law and upon satisfying each of the conditions precedent contained in the ordinances authorizing the issuance of the currently-Outstanding Priority Bonds, and this Ordinance.

SECTION 20. Refunding Bonds. The City reserves the right to issue refunding bonds to refund all or any part of the currently Outstanding Debt, pursuant to any applicable law then available, upon such terms and conditions as the City Council may deem to be in the best interest of the City, and if less than all such currently Outstanding Debt are refunded, the conditions precedent prescribed for the issuance of Additional Junior Lien Obligations set forth in Section 19 of this Ordinance shall be satisfied and the City Managers' certification required in Section 19 shall give effect to the Debt Service Requirements of the proposed refunding bonds (but shall not give effect to the Debt Service Requirements of the obligations being refunded following their cancellation or provision being made for their payment).

SECTION 21. Issuance of Special Project Bonds. Nothing in this Ordinance shall be construed to deny the City the right and it shall retain the right to issue Special Project Bonds, provided, however, the City will not issue Special Project Bonds unless the City concludes, upon recommendation of the City Council, that (i) the plan for developing the Special Project is consistent with sound planning, (ii) the Special Project would not materially and adversely interfere with the operation of the System, (iii) the Special Project can be economically and efficiently operated and maintained, and (iv) the Special Project can be economically and efficiently utilized by the City to meet combined utility system requirements and the cost of such will be reasonable.

SECTION 22. Security of Funds. All money on deposit in the funds or accounts for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and money on deposit in such Funds or accounts shall be used only for the purposes permitted by this Ordinance.

SECTION 23. Remedies in Event of Default. The Purchasers may exercise all rights and remedies available to it in law or equity, and any provision of the Bonds that restricts or limits the Purchasers' full exercise of these remedies shall be of no force and effect.

In addition to all the rights and remedies provided by the laws of the State of Texas, the City covenants and agrees particularly that in the event the City (a) defaults in the payments to be made to the Bond Fund, or (b) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Ordinance, the Holders of any of the Bonds shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City to observe and perform any covenant, condition, or obligation prescribed in this Ordinance.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedy herein provided shall be cumulative of all other existing remedies and the specification of such remedy shall not be deemed to be exclusive.

For the avoidance of doubt, no default with respect to any obligation that is secured by and payable from a lien on and pledge of Net Revenues that is junior and subordinate to the lien thereon and pledge thereof securing the Priority Bonds shall ever be deemed to be a default with respect to the Priority Bonds.

SECTION 24. Notices to Holders Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first-class postage prepaid, to the address of each Holder as it appears in the Security Register.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Holders. Where this Ordinance provides for



notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 25. Bonds Are Negotiable Instruments. Each of the Bonds authorized herein shall be deemed and construed to be a “security” and as such a negotiable instrument with the meaning of the Chapter 8 of the Texas Uniform Commercial Code.

SECTION 26. Cancellation. All Bonds surrendered for payment, transfer, redemption, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Bonds held by the Paying Agent/Registrar shall be destroyed as directed by the City.

SECTION 27. Mutilated, Destroyed, Lost, and Stolen Bonds. If (1) any mutilated Bond is surrendered to the Paying Agent/Registrar, or the City and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Bond, and (2) there is delivered to the City and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the City or the Paying Agent/Registrar that such Bond has been acquired by a bona fide purchaser, the City shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same Stated Maturity and interest rate and of like tenor and principal amount, bearing a number not contemporaneously Outstanding.

In case any such mutilated, destroyed, lost, or stolen Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Bond, pay such Bond.

Upon the issuance of any new Bond or payment in lieu thereof, under this Section, the City may require payment by the Holder of a sum sufficient to cover any tax or other governmental charge imposed in relation thereto and any other expenses (including attorney’s fees and the fees and expenses of the Paying Agent/Registrar) connected therewith.

Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute a replacement of the prior obligation of the City, whether or not the mutilated, destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Bonds.

SECTION 28. Confirmation of Sale; Approval of Private Placement Memorandum. The sale of the Bonds to the Texas Water Development Board (the *Purchaser*) for the purchase price of \$\_\_\_\_\_, which represents a purchase price of par, less the Purchaser's origination fee of \$\_\_\_\_\_ and no accrued interest, pursuant to a loan commitment received from the Purchaser, is hereby confirmed. The pricing and terms of the Bonds are hereby found and determined to be the most advantageous reasonably obtained from the City. Delivery of the Bonds shall be made to the Purchaser as soon as practicable after the adoption of this Ordinance, upon payment therefor by federal funds wire transfer, at no cost to the Purchaser, in accordance with the terms of sale.

Furthermore, the City hereby approves in all respects the City's Private Placement Memorandum prepared in conjunction with the sale of the Bonds and to be delivered to the Purchaser on the Closing Date. The Mayor or Mayor Pro Tem and/or City Secretary are further authorized and directed to manually execute and deliver for and on behalf of the City copies of the Private Placement Memorandum in final form as may be required by the Purchaser, and such final Private Placement Memorandum in the form and content manually executed by said officials shall be deemed to be approved by the City Council and constitute the Private Placement Memorandum authorized for deliver to the Purchaser.

SECTION 29. Compliance with Purchaser's Rules and Regulations. The City will comply with all of the requirements contained in the resolution or resolutions adopted by the Purchaser with respect to the issuance of the Bonds. In addition, in compliance with the Purchaser's State Water Implementation Fund for Texas Program Rules, the City agrees and covenants so long as the Purchaser is the sole Holder of the Bonds:

A. to keep and maintain full and complete records and accounts pertaining to the construction of the project refinanced with the proceeds of sale of the Bonds, including the Escrow Fund (defined herein), in accordance with the standards set forth by the Government Accounting Standard Board;

B. to create and establish at the Depository a "City of Corpus Christi, Texas State Water Implementation Fund for Texas Construction Fund" (the *Construction Fund*) for the receipt and disbursement of all proceeds from the sale of the Bonds and all other funds acquired by the City in connection with the planning and construction of the projects financed, in whole or in part, by the Purchaser pursuant to the loan evidenced by the Bonds and all funds deposited to the credit of the Construction Fund shall be disbursed only for the payment of costs and expenses incurred in connection with the planning and building of such projects as approved by the Purchaser and as otherwise allowed by the rules;

C. to provide the Purchaser with copies of "as built plans" pertaining to the projects financed, in whole or in part, with any funds of the Purchaser;

D. upon completion of the construction of the projects financed, in whole or in part, by the loan evidenced by the Bonds, to provide a final accounting to the Purchaser of the total costs of the projects. In determining the amount of available funds for building the project, the City agrees to account for all amounts deposited to the credit of the Construction Fund, including all loan funds extended by the Purchaser, all other funds available from the projects as described in the project engineer's or fiscal representative's sufficiency of funds statement and all interest earned by the City on money in the Construction Fund. Amounts determined to represent excess or unneeded Bond proceeds shall, at the City's option and upon receipt of prior approval of the Executive Administrator of the Purchaser, be (i) used to redeem Bonds in accordance with Section 4.B hereof, (ii) deposited to the Bond Fund for the purpose of paying scheduled debt service on the Bonds, or (iii) used to pay eligible costs of the project for which the Bonds were issued, as first approved by the Executive Administrator of the Purchaser;

E. in addition to the requirements contained in Section 18.I hereof, to maintain current, accurate, and complete records and accounts necessary to demonstrate compliance with financial assistance related legal and contractual provisions;

F. to comply with any special conditions specified by the Purchaser's water conservation plan as specified in 31 TAC 363.42(a)(2)(F) until all financial obligations to the Purchaser have been discharged;

G. to abide by the Purchaser's rules and relevant state statutes now or hereafter existing, including, but not limited to, the Purchasers' pre-design funding procedures;

H. to not use Bond proceeds to pay for the cost of sampling, testing, removing or disposing of contaminated soils and/or media at the project site;

I. to report to the Purchasers the amounts of project funds, if any, that were used to compensate historically underutilized businesses that worked on the project, in accordance with 31 TAC § 363.1312;

J. to notify the Executive Administrator of the Purchaser prior to taking any actions to alter the legal status of the City Council in any manner (such as a sale-transfer-merger with another retail public utility that results in a change in governance of the System) and to receive approval from the Purchaser of any action to convey the City's obligations to the Purchaser, as the Holder of the Bonds, to another entity;

K. to the extent permitted by law, to indemnify, hold harmless, and protect the Purchaser from any and all claims, causes of action, or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment and disposition of any contaminated sewage sludge, contaminated sediments and/or contaminated media that may be generated by the City, its contractors, consultants, agents, officials, and employees as a result of activities relating to the project refinanced with proceeds of the Bonds to the extent permitted by law;

L. to comply, and take steps to assure that its contractors and sub-contractors shall comply with the *Davis Bacon Act* (being Subchapter IV of Chapter 31 of Title 40 of the United

States Code), and the United States Department of Labor's implementing regulations therefor, with respect to projects financed with proceeds of the Bonds;

M. to submit outlay reports with sufficient documentation on costs on a quarterly or monthly basis in accordance with the Purchaser's outlay report guidelines;

N. to provide the Purchaser with all information required to be reported in accordance with the *Federal Funding Accountability and Transparency Act of 2006*, Pub. L. 109-282, and the City shall obtain a Data Universal Numbering System Number, register with the System for Award Management (SAM), and maintain current registration at all times while the Bonds remain Outstanding;

O. to timely and expeditiously use all loan proceeds as required by federal statutes and EPA regulations, and in adherence to the project schedule approved by the Purchaser's Executive Administrator (which shall not be altered except for good cause shown and only with the written approval of the Purchaser's Executive Administrator);

P. to not use any portion of the Bond proceeds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire Nonpurpose Investments (as defined in Section 31 hereof) which produce a yield materially higher than the yield on the Purchaser's bonds that are used to provide the Purchaser with proceeds that it will use to purchase the Bonds (the *Source Series Bonds*), other than Nonpurpose Investments acquired with:

(1) Proceeds of the Source Series Bonds invested for a reasonable temporary period of up to three (3) years (reduced by the period of investment by the Purchaser) until such proceeds are needed for the facilities to be financed;

(2) Amounts invested in a bona fide debt service fund, within the meaning of §1.148-1(b) of the Regulations (as defined in Section 31 hereof); and

(3) Amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed the least of maximum annual debt service on the Bonds, 125% of average annual debt service on the Bonds, or 10% of the stated principal amount (or, in the case of a discount, the issue price) of the Bonds;

Q. to not acquire any of the Source Series Bonds in an amount related to the amount of the Bonds.

R. to provide documentation that the all applicable State procurement requirements, as well as all federal procurement requirements, under the Disadvantaged Business Enterprises program are met; and

S. to provide a schedule prepared by an Engineer, specifying the useful life of the components of the project refinanced with Bond proceeds.

SECTION 30. Application of Bond Proceeds.

A. Proceeds from the sale of the Bonds shall, promptly upon receipt by the City, be applied as follows:

(1) An amount identified in instructions from any Authorized Official shall be deposited in the Construction Fund for the payment of certain costs of issuance relating to the Bonds and certain other costs relating to the improvement of the System and such amount may be deposited in the Escrow Agreement authorized by the provisions of Section 44 hereof.

(2) The amount identified in Section 14, if any, shall be deposited to the Reserve Fund to satisfy the increase in the Required Reserve Amount attributable to the issuance of the Bonds.

Any proceeds of the Bonds remaining after making all such deposits and payments shall be deposited into the Bond Fund.

SECTION 31. Covenants to Maintain Tax-Exempt Status.

A. Definitions. When used in this Section, the following terms have the following meanings:

*Code* means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

*Computation Date* has the meaning set forth in Section 1.148-1(b) of the Regulations.

*Gross Proceeds* means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

*Investment* has the meaning set forth in Section 1.148-1(b) of the Regulations.

*Nonpurpose Investment* means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

*Rebate Amount* has the meaning set forth in Section 1.148-1(b) of the Regulations.

*Regulations* means any proposed, temporary, or final Income Tax Regulations issued pursuant to sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

*Yield of*

(1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and

(2) the Bonds means the yield on the Bonds, calculated in the manner set forth in Section 1.148-4 of the Regulations.

B. Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.

C. No Private Use or Private Payments. Except as would not cause the Bonds to become “private activity bonds” within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Bonds:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

D. No Private Loan. Except as would not cause the Bonds to become “private activity bonds” within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds, to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from

such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

E. Not to Invest at Higher Yield. Except as would not cause the Bonds to become “arbitrage bonds” within the meaning of section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, materially exceeds the Yield of the Bonds.

F. Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

G. Information Report. The City shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

H. Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Outstanding Bond is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Bonds by the Purchaser and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall pay to the United States out of the Bond Fund or its general fund, as permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of

the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

I. Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection H of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

J. Bonds Not Hedge Bonds.

(1) The City reasonably expects to spend at least 85% of the spendable proceeds of the Bonds within three years after the Bonds are issued.

(2) Not more than 50% of the proceeds of the Bonds will be invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of four years or more.

K. Elections. The City hereby directs and authorizes each Authorized Official, or any combination of them, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document. Such elections shall be deemed to be made on the Closing Date.

SECTION 32. Control and Custody of Bonds. The Mayor shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas and shall take and have charge and control of the Bonds pending their approval by the Attorney General of the State of Texas, the registration thereof by the Comptroller of Public Accounts of the State of Texas and the delivery of the Bonds to the Purchaser.

Furthermore, any of the Mayor of the City, Mayor Pro Tem of the City, any Authorized Official, or any combination of them are hereby authorized and directed to furnish and execute such documents relating to the City and its financial affairs as may be necessary for the issuance



of the Bonds, the approval of the Attorney General and their registration by the Comptroller of Public Accounts and, together with the City's Bond Counsel and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond to the Purchaser.

SECTION 33. Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Ordinance, then the lien on and pledge of Junior Lien Pledged Revenues made under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

The Bonds, or any principal amount(s) thereof, shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at Stated Maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have, in the case of a net defeasance, been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any money deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof for the Bonds. In the event of a gross defeasance of the Bonds, the City shall deliver a certificate from its financial advisor, the Paying Agent/Registrar, or another qualified third party concerning the deposit of cash and/or Government Securities to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Bonds. The City covenants that no deposit of money or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as arbitrage bonds within the meaning of section 148 of the Code (as defined in Section 31 hereof).

Any money so deposited with the Paying Agent/Registrar, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such money has been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such money was deposited and is held in trust to pay shall upon the request of the City be remitted to the City against a written receipt therefor, subject to the unclaimed property laws of the State of Texas.

Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem defeased Bonds that is made in conjunction with the payment arrangements specified in subsection (i) or (ii) above shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves

the right to call the defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the defeased Bonds immediately following the defeasance; (3) directs that notice of the reservation be included in any redemption notice that it authorizes; and (4) at the time of the redemption, satisfies the conditions of (i) or (ii) above with respect to such defeased debt as though it was being defeased at the time of the exercise of the option to redeem the defeased Bonds, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the defeased Bonds.

SECTION 34. Ordinance a Contract; Amendments – Outstanding Bonds. The City acknowledges that the covenants and obligations of the City herein contained are a material inducement to the purchase of the Bonds. This Ordinance shall constitute a contract with the Holders from time to time, binding on the City and its successors and assigns, and it shall not be amended or repealed by the City so long as any Bond remains Outstanding except as permitted in this Section. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the written consent of Holders holding a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding Bonds, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required for consent to any such amendment, addition, or rescission.

SECTION 35. Printed Opinion. The Purchaser's obligation to accept delivery of the Bonds is subject to their being furnished a final opinion of Norton Rose Fulbright US LLP, as Bond Counsel, approving certain legal matters as to the Bonds, said opinion to be dated and delivered as of the date of initial delivery and payment for such Bonds. Printing of a true and correct copy of said opinion on the reverse side of each of said Bonds, with appropriate certificate pertaining thereto executed by facsimile signature of the City's Secretary is hereby approved and authorized.

SECTION 36. CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof, and neither the City nor attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

SECTION 37. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 38. Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, Bond Counsel, Paying Agent/Registrar, and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being

intended to be and being for the sole and exclusive benefit of the City, Bond Counsel, Financial Advisors, the Paying Agent/Registrar, and the Holders.

SECTION 39. Inconsistent Provisions. All resolutions and ordinances, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters ordained herein.

SECTION 40. Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 41. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 42. Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the City Council.

SECTION 43. Authorization of Paying Agent/Registrar Agreement. The City Council hereby finds and determines that it is in the best interest of the City to authorize the execution of a Paying Agent/Registrar Agreement concerning the payment, exchange, and transferability of the Bonds. A copy of the Paying Agent/Registrar Agreement is attached hereto, in substantially final form, as Exhibit A and is incorporated by reference to the provisions of this Ordinance.

SECTION 44. Authorization of Escrow Agreement. To the extent the hereinafter-described Escrow Agreement is required to comply with the Purchaser's requirements, the City Council of the City hereby finds and determines that it is in the best interest of the City to authorize the execution of an Escrow Agreement to comply with the Purchaser's pre-design funding option rules and regulations. A copy of the Escrow Agreement is attached hereto, in substantially final form, as Exhibit B, and is incorporated by reference to the provisions of this Ordinance. Any Authorized Official, or his or her designee is authorized to execute the Escrow Agreement as the act and deed of the City Council.

SECTION 45. Application to Texas Water Development Board. The City Council ratifies and confirms its prior approval of the form and content of the Application to the Texas Water Development Board (the *Application*) prepared in connection with the sale of the Bonds to the Purchaser and hereby approves the form and content of any addenda, supplement, or amendment thereto.

SECTION 46. Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 47. Continuing Disclosure of Information.

A. Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

*EMMA* means the MSRB's Electronic Municipal Market Access system, accessible by the general public, without charge, on the internet through the uniform resource locator (URL) <http://www.emma.msrb.org>.

*MSRB* means the Municipal Securities Rulemaking Board.

*Rule* means SEC Rule 15c2-12, as amended from time to time.

*SEC* means the United States Securities and Exchange Commission.

B. Annual Reports. The City shall file annually with the MSRB, (1) within six months after the end of each Fiscal Year of the City ending in or after 2017, financial information and operating data with respect to the System of the general type described in Exhibit D hereto, and (2) if not provided as part such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit D hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the City commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall file unaudited financial statements within such period and audited financial statements for the applicable Fiscal Year to the MSRB, when and if the audit report on such statements becomes available.

If the City changes its Fiscal Year, it will file notice thereof with the MSRB of the change (and of the date of the new Fiscal Year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

C. Notice of Certain Events. The City shall file notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) Modifications to rights of Holders of the Bonds, if material;

(8) Bond calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Bonds, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;

(13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) Appointment of a successor or additional Paying Agent/Registrar or the change of name of a Paying Agent/Registrar, if material.

For these purposes, any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

The City shall file notice with the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with this Section by the time required by this Section.

D. Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any deposit that causes the Bonds to be no longer Outstanding.

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The City may also repeal or amend the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the City also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the City so amends the provisions of this Section, the City shall include with any amended financial information or operating data next provided in accordance with this Section an explanation, in

narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

E. Information Format – Incorporation by Reference. The City information required under this Section shall be filed with the MSRB through EMMA in such format and accompanied by such identifying information as may be specified from time to time thereby. Under the current rules of the MSRB, continuing disclosure documents submitted to EMMA must be in word-searchable portable document format (PDF) files that permit the document to be saved, viewed, printed, and retransmitted by electronic means and the series of obligations to which such continuing disclosure documents relate must be identified by CUSIP number or numbers.

Financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public through EMMA or filed with the United States Securities and Exchange Commission.

SECTION 48. Book-Entry Only System. The Bonds initially shall be registered so as to participate in a securities depository system (the *DTC System*) with the Depository Trust Company, New York, New York, or any successor entity thereto (*DTC*), as set forth herein. Each Stated Maturity of the Bonds shall be issued (following cancellation of the Initial Bond described in Section 7) in the form of a separate single definitive Bond. Upon issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the Outstanding Bonds shall be registered in the name of Cede & Co., as the nominee of DTC. The City and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representations attached hereto as Exhibit E (the *Representation Letter*).

With respect to the Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds the Bonds from time to time as securities depository (a *Depository Participant*) or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds (an *Indirect Participant*). Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository Participant or any other person, other than a registered owner of the Bonds, as shown on the Security Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than a Holder of a Bond, of any amount with respect to principal of, premium, if any, or interest on the Bonds. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a bond certificate evidencing the obligation of the City to make payments of principal, premium, if any, and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks or

drafts being mailed to the Holder, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

In the event that (a) the City determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason, or (c) DTC or the City determines that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the City shall notify the Paying Agent/Registrar, DTC, and the Depository Participants of the availability within a reasonable period of time through DTC of bond certificates, and the Bonds shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. However, the City will not discontinue the use of DTC without prior notice and consent of the Purchaser for so long as the Purchaser is the Holder of any of the Bonds. At that time, the City may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the City, or such depository's agent or designee, and if the City and the Paying Agent/Registrar do not select such alternate securities depository system then the Bonds may be registered in whatever name or names the Holders of Bonds transferring or exchanging the Bonds shall designate, in accordance with the provisions hereof.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

SECTION 49. Further Procedures. The officers and employees of the City are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the initial sale and delivery of the Bonds, the Agreement, the Paying Agent/Registrar Agreement, and the Application to the Purchaser. In addition, prior to the initial delivery of the Bonds, each Authorized Official and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Bonds by the Texas Attorney General's office. In case any officer of the City whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 50. Unavailability of Authorized Publication. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Ordinance shall be given in such other manner and at such time or times as in the judgment of the City or of the Paying Agent/Registrar shall most effectively approximate such required publication and the giving of such notice in such



manner shall for all purposes of this Ordinance be deemed to be in compliance with the requirements for publication thereof.

SECTION 51. No Recourse Against City Officials. No recourse shall be had for the payment of principal of, premium, if any, or interest on any Bond or for any claim based thereon or on this Ordinance against any official of the City or any person executing any Bond.

SECTION 52. Automatic Budget Amendments to Reflect Final Debt Service Payments. To the extent that the City Council has adopted an annual budget that includes payment of debt service on any Bonds issued (or to be issued) pursuant to this Ordinance based on the City's reasonable expectations and projections relative to those Bonds, such budget entries shall, upon the issuance of Bonds, be automatically adjusted to reflect actual debt service payments on those Bonds coming due during the period of time covered by such budget. Each Authorized Official, or the designee thereof, is authorized to make such necessary budget entries and/or adjustments to reflect these final debt service amounts.

SECTION 53. Covenants of Compliance. The City shall faithfully and punctually perform all duties with reference to the System required by Chapter 1502, as amended, Texas Government Code, all other applicable laws of the State of Texas, and the provisions of this Ordinance and that the City shall render no free service to any customers or other persons.

SECTION 54. Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine, or neuter gender shall be considered to include the other genders.

SECTION 55. City's Consent to Provide Information and Documentation to the Texas MAC. The Municipal Advisory Council of Texas (the *Texas MAC*), a non-profit membership corporation organized exclusively for non-profit purposes described in section 501(c)(6) of the Internal Revenue Code and which serves as a comprehensive financial information repository regarding municipal debt issuers in Texas, requires provision of written documentation regarding the issuance of municipal debt by the issuers thereof. In support of the purpose of the Texas MAC and in compliance with applicable law, the City hereby consents to and authorizes any Authorized Official, the City's Bond Counsel, and/or the City's Financial Advisor to provide to the Texas MAC information and documentation requested by the Texas MAC relating to the Certificates; provided, however, that no such information and documentation shall be provided prior to the Closing Date. This consent and authorization relates only to information and documentation that is a part of the public record concerning the issuance of the Bonds.

SECTION 56. Effective Date. This Ordinance shall be in force and effect from and after its final passage, and it is so ordained.

*[The remainder of this page intentionally left blank.]*

SIGNED AND SEALED THIS \_\_\_\_<sup>th</sup> DAY OF \_\_\_\_\_, 20\_\_.

CITY OF CORPUS CHRISTI, TEXAS

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Secretary

(SEAL)

APPROVED THIS \_\_\_\_<sup>th</sup> DAY OF \_\_\_\_\_, 20\_\_:

\_\_\_\_\_  
Miles Risley, City Attorney

THE STATE OF TEXAS           §  
   §  
 COUNTIES OF NUECES,       §  
 ARANSAS, KLEBERG, AND   §  
 SAN PATRICIO               §  
   §  
 CITY OF CORPUS CHRISTI   §

I, the undersigned, City Secretary of the City of Corpus Christi, Texas, do hereby certify that the above and foregoing is a true, full and correct copy of an Ordinance passed by the City Council of the City of Corpus Christi, Texas (and of the minutes pertaining thereto) on the \_\_\_<sup>th</sup> day of \_\_\_\_\_, 20\_\_\_, authorizing the issuance of the City’s Utility System Junior Lien Revenue Improvement Bonds, Series 20\_\_\_, which ordinance is duly of record in the minutes of said City Council, and said meeting was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Texas Government Code, Chapter 551.

EXECUTED UNDER MY HAND AND SEAL of said City, this the \_\_\_<sup>th</sup> day of \_\_\_\_\_, 20\_\_\_.

\_\_\_\_\_  
 City Secretary

(CITY SEAL)

The foregoing ordinance was read for the first time and passed to its second reading on this the \_\_\_\_\_<sup>th</sup> day of \_\_\_\_\_, 20\_\_\_\_, by the following vote:

Vacant	_____	Rudy Garza	_____
Carolyn Vaughn	_____	Paulette Guajardo	_____
Ben Molina	_____	Michael Hunter	_____
Lucy Rubio	_____	Joe McComb	_____
Greg Smith	_____		

That the foregoing ordinance was read for the second time and passed finally on this the \_\_\_\_\_<sup>th</sup> day of \_\_\_\_\_, 20\_\_\_\_, by the following vote:

Vacant	_____	Rudy Garza	_____
Carolyn Vaughn	_____	Paulette Guajardo	_____
Ben Molina	_____	Michael Hunter	_____
Lucy Rubio	_____	Joe McComb	_____
Greg Smith	_____		

PASSED AND APPROVED, this the \_\_\_\_\_<sup>th</sup> day of \_\_\_\_\_, 20\_\_\_\_.

ATTEST:

\_\_\_\_\_  
Rebecca Huerta  
City Secretary

\_\_\_\_\_  
Lucy Rubio  
Mayor

**INDEX TO SCHEDULES AND EXHIBITS**

Exhibit A..... Paying Agent/Registrar Agreement  
Exhibit B ..... Escrow Agreement  
Exhibit C ..... Notice of Redemption  
Exhibit D..... Description of Annual Financial Information  
Exhibit E ..... DTC Letter of Representations

**EXHIBIT A**

Paying Agent/Registrar Agreement

See Tab No. \_\_\_\_

**EXHIBIT B**

Agreement

See Tab No. \_\_\_\_

**EXHIBIT C**

Notice of Redemption

See Tab No. \_\_\_\_\_



## **EXHIBIT D**

### **Description of Annual Financial Information**

The following information is referred to in Section 47 of this Ordinance.

#### **Annual Financial Statements and Operating Data**

The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Application referred to) below:

The City's audited financial statements for the most recently concluded fiscal year or to the extent these audited financial statements are not available, the portions of the unaudited financial statements of the City referenced in the Application, but for the most recently concluded fiscal year.

#### **Accounting Principles**

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to above.

**EXHIBIT E**

DTC Letter of Representation

See Tab No. \_\_\_\_

**PRIVATE PLACEMENT MEMORANDUM DATED \_\_\_\_\_, 20\_\_**

**NEW ISSUE BOOK-ENTRY-ONLY**

*On the date of initial delivery of the Obligations (defined below), Bond Counsel (defined on page i) will render its opinion substantially in the form attached in "APPENDIX C - FORM OF OPINION OF BOND COUNSEL".*

\$ \_\_\_\_\_  
**CITY OF CORPUS CHRISTI, TEXAS  
UTILITY SYSTEM JUNIOR LIEN REVENUE IMPROVEMENT BONDS,  
SERIES 2017 (the "Obligations")  
(TWDB SWIFT)**

**Dated:** \_\_\_\_\_, 20\_\_

**Due: July 15 in each of the years indicated in APPENDIX A hereto**

**Interest Date:** Each Obligation shall bear interest from the Delivery Date (defined below) thereof or the most recent Interest Payment Date (defined below) to which interest has been paid or provided for at the rates per annum set forth in "APPENDIX A - MATURITY SCHEDULE," such interest payable semiannually on January 15 and July 15 of each year (each an "Interest Payment Date"), commencing on \_\_\_\_\_ 15, 20\_\_ until the earlier of stated maturity or prior redemption.

**Record Date:** The close of business on the last business day of the month immediately preceding the applicable Interest Payment Date.

**Redemption:** The Obligations are subject to redemption prior to maturity as provided herein. See "THE OBLIGATIONS - Redemption Provisions" herein.

**Authorized Denominations:** The Obligations are being issued as fully registered bonds in denominations of \$5,000, or any integral multiple thereof.

**Paying Agent/Registrar and Escrow Agent:** The paying agent ("Paying Agent/Registrar/Registrar") and escrow agent ("Escrow Agent") for the Obligations is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas.

**Book-Entry-Only System** Upon initial issuance, the ownership of the Obligations will be registered in the registration books of the Issuer kept by the Paying Agent/Registrar, in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") to which principal, redemption premium, if any, and interest payments on the Obligations will be made. The purchasers of the Obligations will not receive physical delivery of Obligation certificates. Principal of, interest, and premium if any, on the Obligations will be payable at the designated office of the Paying Agent/Registrar in Dallas, Texas, as the same become due and payable.

**Issuer:** City of Corpus Christi, Texas (the "City" or the "Issuer").

**Official Action:** Ordinance dated \_\_\_\_\_, 20\_\_.

**Purpose:** See "APPENDIX B – FORM OF OFFICIAL ACTION."

**Security for the Obligations:** See "APPENDIX B – FORM OF OFFICIAL ACTION."

**Ratings:** Not Rated.

**Delivery Date:** \_\_\_\_\_, 20\_\_.

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**See "APPENDIX A - MATURITY SCHEDULE" for Principal Amounts, Maturities, Interest Rates, Prices or Yields, and Initial CUSIP Numbers**

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**CITY OFFICIALS, STAFF AND CONSULTANTS**

**ELECTED OFFICIALS**

**Mayor**  
Vacant\*

**Council Members**

Lucy Rubio	Mayor Pro-Tem
Carolyn Vaughn	District 1
Ben Molina	District 2
Greg Smith	District 4
Rudy Garza Jr.	District 5
Paulette Guajardo	At Large
Michael Hunter	At Large
Joe McComb	At Large

\* Mayor Dan McQueen tendered his resignation in mid-January 2017. The position of mayor will remain vacant until the May 2017 election.

**CERTAIN APPOINTED OFFICIALS**

<b>Name</b>	<b>Position</b>
Margie C. Rose	City Manager
Keith Selman	Assistant City Manager
Sylvia Carrillo	Assistant City Manager
Mark Van Vleck	Assistant City Manager
Constance P. Sanchez	Director of Financial Services
Miles Risley	City Attorney
Rebecca Huerta	City Secretary

**CONSULTANTS AND ADVISORS**

Bond Counsel .....Norton Rose Fulbright US LLP  
Financial Advisor .....M.E. Allison & Company, Inc.  
Paying Agent/Registrar..... The Bank of New York Mellon Trust Company, N.A.  
Dallas, Texas

**OTHER CONSULTANTS**

Independent Certified Public Accountants ..... RSM US LLP (formerly Padgett, Stratemann & Co., L.L.P.)  
San Antonio, Texas

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**Private Placement Memorandum  
relating to**

§ \_\_\_\_\_  
**CITY OF CORPUS CHRISTI, TEXAS  
UTILITY SYSTEM JUNIOR LIEN REVENUE IMPROVEMENT BONDS,  
SERIES 20\_\_ (the “Obligations”)  
(TWDB SWIFT)**

**INTRODUCTION**

This Private Placement Memorandum, including the cover page and appendices hereto, contains brief descriptions of the Issuer, provides certain information with respect to the issuance by the Issuer, and summaries of certain provisions of the Obligations pursuant to the Official Action. Except as otherwise set forth herein, capitalized terms used but not defined in this Private Placement Memorandum have the meanings assigned to them in the Official Action. See “APPENDIX B – FORM OF OFFICIAL ACTION” attached hereto.

APPENDIX A contains the maturity schedule for the Obligations. APPENDIX B contains the Official Action and a description of the purpose for the proceeds of the Obligations. APPENDIX C contains a copy of the proposed opinion of Bond Counsel with respect to the Obligations. The summaries of the documents contained in the forepart of this Private Placement Memorandum are not complete or definitive, and every statement made in this Private Placement Memorandum concerning any provision of any document is qualified by reference to such document in its entirety.

**THE OBLIGATIONS**

**General Description**

The Obligations are being issued in the aggregate principal amount set forth in APPENDIX A of this Private Placement Memorandum and will mature and be subject to redemption prior to maturity as described therein. The Obligations are being issued as fully registered bonds in denominations of \$5,000, or any integral multiple thereof. The Obligations will be dated as of the stated date of issue and will mature on the dates referenced thereon, and will bear interest at the rates per annum set forth in “APPENDIX A - MATURITY SCHEDULE.”

Interest on the Obligations is payable semiannually on each Interest Payment Date, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Principal of and the redemption price with respect to the Obligations will be payable to the Owners upon presentation and surrender at the principal office of the Paying Agent/Registrar.

**Purpose**

See “APPENDIX B - FORM OF OFFICIAL ACTION.”

**Authority for Issuance**

The Obligations are issued pursuant to the general laws of the State of Texas, particularly Chapter 1502, as amended, Texas Government Code, and an ordinance (the “Ordinance”) adopted on \_\_\_\_\_, 20\_\_ by the City Council of the City (also referred to herein as the “Official Action”).

**Security for the Obligations**

See “APPENDIX B - FORM OF OFFICIAL ACTION.”

**Redemption Provisions**

On July 15, 20\_\_, or on any date thereafter, the Obligations maturing on and after July 15, 20\_\_ may be redeemed prior to their scheduled maturities, in inverse order of stated maturity, upon the written direction of the Issuer, with funds provided by the Issuer, at par plus accrued interest to the date fixed for redemption as a whole, or in part, and if less than all of a stated maturity is to be redeemed the Paying Agent/Registrar will determine by lot the Obligations, or portions thereof within such maturity to be redeemed (provided that a portion of a Bond may be redeemed only in Authorized Denominations).

## **Notice of Redemption; Selection of Obligations to be Redeemed**

See “APPENDIX B - FORM OF OFFICIAL ACTION.”

The Paying Agent/Registrar, so long as a Book-Entry-Only System is used for the Obligations, will send any notice of redemption of the Obligations, notice of proposed amendment to the Ordinance or other notices with respect to the Obligations only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the beneficial owner, shall not affect the validity of the redemption of the Obligations called for redemption or any other action premised on any such notice. Redemption of portions of the Obligations by the Issuer will reduce the outstanding principal amount of such Obligations held by DTC.

## **Book-Entry-Only System**

This section describes how ownership of the Obligations is to be transferred and how the principal of, premium, if any, and interest on the Obligations are to be paid to and credited by The Depository Trust Company (“DTC”), New York, New York, while the Obligations are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Private Placement Memorandum. The Issuer believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The Issuer cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Obligations, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Obligations), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Private Placement Memorandum. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Obligations. The Obligations will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued for the Obligations, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, is the holding company of DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the United States Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC’s records. The ownership interest of each actual purchaser of each Obligation (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Obligations are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates

representing their ownership interests in Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Obligations with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Obligations; DTC's records reflect only the identity of the Direct Participants to whose accounts such Obligations are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the Obligation documents. For example, Beneficial Owners of Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Obligations unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the Obligations will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent/Registrar, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Obligations at any time by giving reasonable notice to Issuer or Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Obligation certificates are required to be printed and delivered. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Obligation certificates will be printed and delivered.

The information in this section concerning DTC and DTC's Book-Entry-Only System has been obtained from sources that the Issuer believes to be reliable, but the Issuer does not take responsibility for the accuracy thereof.

So long as Cede & Co. is the registered owner of the Obligations, the Issuer will have no obligation or responsibility to the DTC. Participants or Indirect Participants, or the persons for which they act as nominees, with respect to payment to or providing of notice to such Participants, or the persons for which they act as nominees.

#### **Draw Schedule**

See "APPENDIX E – DRAW SCHEDULE."



## **TAX MATTERS**

### **Opinion**

Bond Counsel will deliver their opinion on the date of delivery of the Obligations substantially in the form as attached in "APPENDIX C - FORM OF OPINION OF BOND COUNSEL."

## **OTHER INFORMATION**

### **Forward-Looking Statements**

The statements contained in this Private Placement Memorandum, including the cover page, appendices, and any other information or documents provided by the Issuer, that are not purely historical, are forward-looking statements, including statements regarding the Issuer's expectations, hopes, intentions, or strategies regarding the future. Holders and beneficial owners of the Obligations have placed reliance on forward-looking statements. All forward-looking statements included in this Private Placement Memorandum are based on information available to the Issuer on the date hereof. It is important to note that the Issuer's actual results could differ materially from those in such forward-looking statements.

### **No Rating**

The Issuer has made no application for contract ratings on the Obligations. As a result, the Obligations carry no rating.

## **LITIGATION**

### **General**

On the date of delivery of the Obligations to the initial purchaser thereof being the Texas Water Development Board (the "Purchaser"), the Issuer will execute and deliver a certificate to the effect that, except as disclosed herein, no litigation of any nature has been filed or is pending, as of that date, to restrain or enjoin the issuance or delivery of the Obligations or which would affect the provisions made for their payment or security or in any manner questioning the validity of the Obligations.

### **The Issuer**

There is no litigation, proceeding, inquiry, or investigation pending by or before any court or other governmental authority or entity (or, to the best knowledge of the Issuer, threatened) that adversely affects the power, authority or obligation of the Issuer to deliver the Obligations, the security for, or the validity of, the Obligations or the financial condition of the Issuer.

## **CONTINUING DISCLOSURE OF INFORMATION**

In the Official Action, the Issuer has made the following agreement for the benefit of the holders and beneficial owners of the Obligations. The Issuer is required to observe the agreement for so long as it remains obligated to advance funds to pay the Obligations. Under the agreement, the Issuer will be obligated to provide certain annual financial information and operating data, and timely notice of specified events, to the Municipal Securities Rulemaking Board. SEE "APPENDIX B – FORM OF OFFICIAL ACTION."

### **Compliance with Prior Undertakings**

During the past five years, the City has complied in all material respects with continuing disclosure agreements made by it in accordance with Rule 15c2-12.

Although the City timely filed annual financial disclosure information in compliance with its other obligations, regarding those bonds issued by the Lavaca-Navidad River Authority ("LNRA") and the Nueces River Authority ("NRA") having base CUSIP numbers of 670500 and 519383, respectively (for which the City is an obligated person, as such term is defined by Rule 15c2-12) the City, due to administrative oversight, inadvertently omitted these bonds' CUSIP numbers from its otherwise timely filed reports. The City has since filed this required information and for these LNRA and NRA bonds is now current with respect to all continuing disclosure obligations required to be made by the City in accordance with Rule 15c2-12. On June 7, 2013, the City filed a material event notice with the MSRB through EMMA regarding this matter.

The City recently changed its Fiscal Year-end from July 31 to September 30. The City filed notice of this event with the MSRB through EMMA on January 31, 2014.

On March 31, 2015, the City filed with the MSRB through EMMA its annual report for the period ending September 30, 2014 using unaudited information due to the incompleteness of the annual audit by such time. As required by its continuing disclosure obligations, the City supplemented this filing with its audited data on June 3, 2015.

On March 31, 2016, the City filed with the MSRB through EMMA its annual report for the period ending September 30, 2015 using unaudited information due to the incompleteness of the annual audit by such time. As required by its continuing disclosure obligations, the City supplemented this filing with its audited data on April 28, 2016.

On March 31, 2017, the City failed to file its audited annual report and financial statements; however, the City filed its unaudited annual report and financial statements by the filing deadline, in accordance with its obligations under Rule 15c2-12 and its continuing disclosure agreements.

#### **MISCELLANEOUS**

Any statements made in this Private Placement Memorandum involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Private Placement Memorandum nor any statement that may have been made verbally or in writing is to be construed as a contract with the owners of the Obligations.

The information contained above is neither guaranteed as to accuracy or completeness nor to be construed as a representation by the Issuer. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Private Placement Memorandum nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the Issuer or the Issuer from the date hereof.

The Private Placement Memorandum is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, as a whole or in part, for any other purpose.

#### **ADDITIONAL INFORMATION**

The Private Placement Memorandum speaks only as of its date and the information contained herein is subject to change. Descriptions of the Obligations and the Official Action and any other agreements and documents contained herein constitute summaries of certain provisions thereof and do not purport to be complete. This Private Placement Memorandum was approved by the Issuer.

\* \* \*

**APPENDIX A**  
**MATURITY SCHEDULE**

**CUSIP No. Prefix: 220245<sup>(1)</sup>**

<u>Maturity</u> <u>(July 15)</u>	<u>Amount (\$)</u>	<u>Interest</u> <u>Rate (%)</u>	<u>Yield (%)</u>	<u>CUSIP</u> <u>Suffix<sup>(1)</sup></u>
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				

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(1) CUSIP numbers are included solely for the convenience of the owners of the Obligations. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by CUSIP Global Market Intelligence. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. None of the Purchaser, the Issuer, nor the Financial Advisor is responsible for the selection or correctness of the CUSIP numbers set forth herein.

**APPENDIX B**  
**FORM OF OFFICIAL ACTION**

**APPENDIX C**  
**FORM OF OPINION OF BOND COUNSEL**

**APPENDIX D**  
**PAYING AGENT/REGISTRAR AGREEMENT**

**APPENDIX E**  
**DRAW SCHEDULE**

# Project Location

County: Nueces

Primary: Y

County: Aransas

Primary: N

County: Bee

Primary: N

County: Jim Wells

Primary: N

County: Kleberg

Primary: N

County: San Patricio

Primary: N

County: Live Oak

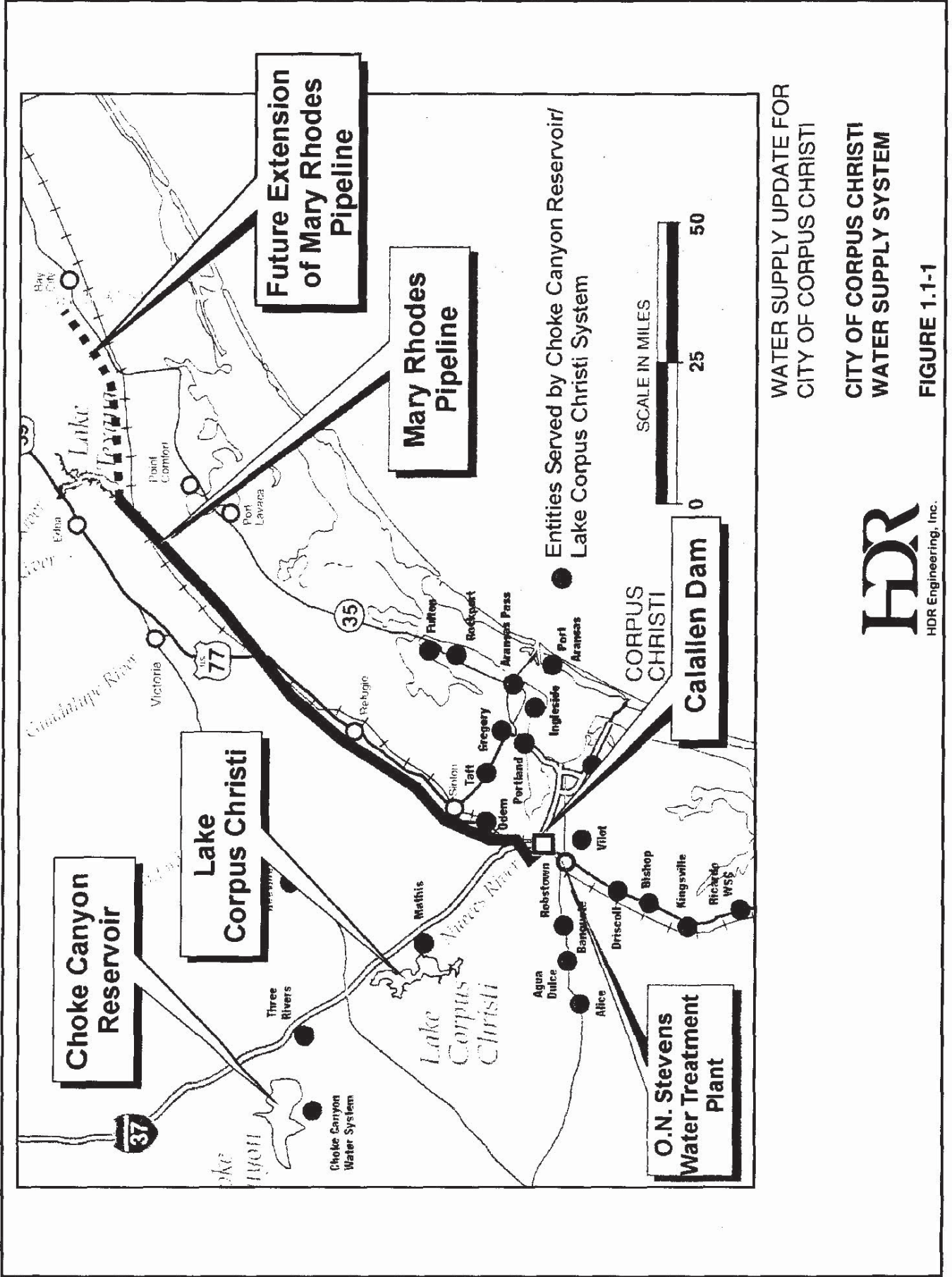
Primary: N

Can you locate your project to a specific address?: N

Project Latitude: 27.818803

Project Longitude: -97.436206





WATER SUPPLY UPDATE FOR  
CITY OF CORPUS CHRISTI

CITY OF CORPUS CHRISTI  
WATER SUPPLY SYSTEM



FIGURE 1.1-1

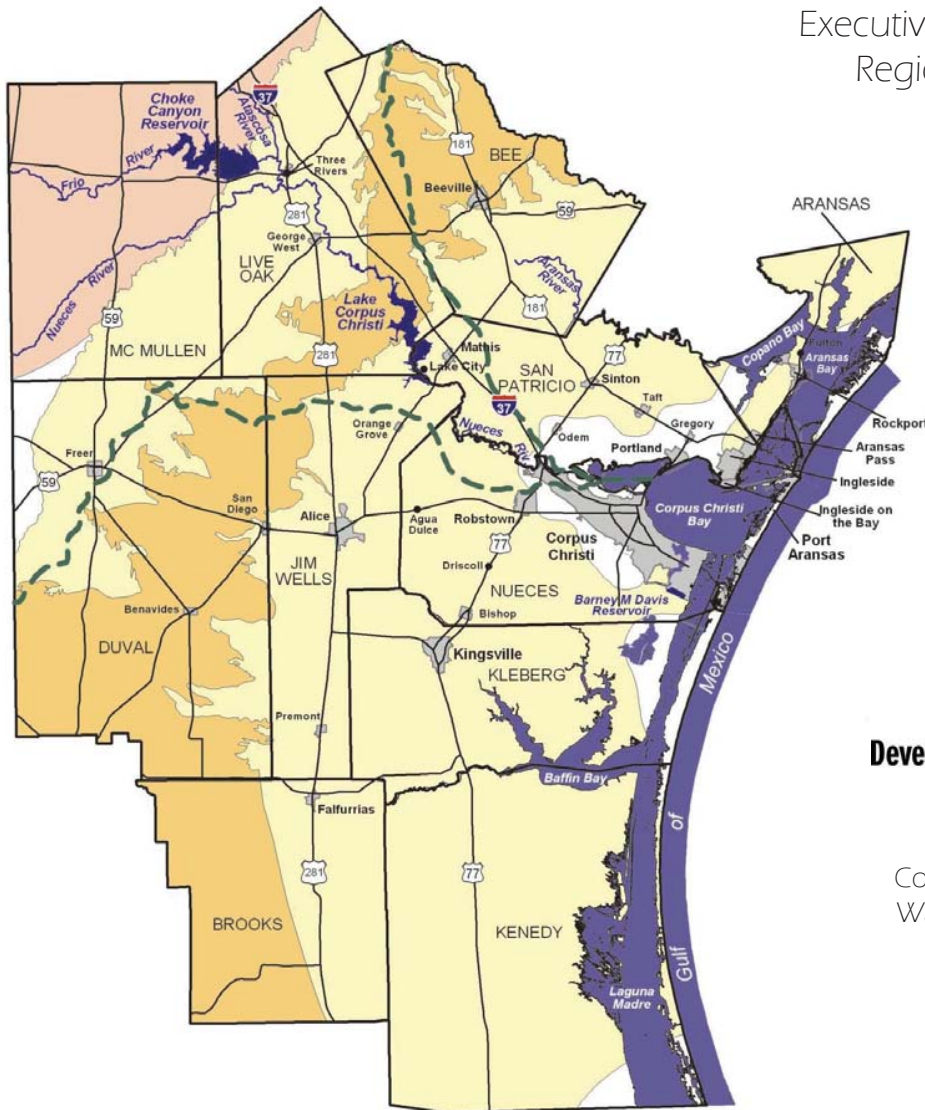
# Project Schedule

- a) Requested loan closing date: 11-17-2017
- b) Estimated date to submit environmental planning documents.: 07-31-2020
- c) Estimated date to submit engineering planning documents.: 09-30-2020
- d) Estimated date for completion of design.: 02-14-2021
- e) Estimated Construction start date for first contract.: 02-14-2025
- f) Estimated Construction end date for last contract: 02-14-2027

# Coastal Bend Regional Water Planning Area Region N

Executive Summary and  
Regional Water Plan

December 2015



*Prepared for:*



*Prepared by:*

Coastal Bend Regional  
Water Planning Group

*With administration by:*



*With technical assistance by:*

HDR Engineering, Inc.





**Table 2.2. (Continued)**  
**Coastal Bend Region Population (by City/County)**

City/County	Historical					Projections <sup>1</sup>					Percent Growth <sup>2</sup> 1980-10	Percent Growth <sup>2</sup> 2010-70
	1990	2000	2010	2020	2030	2040	2050	2060	2070	2080	1980-10	2010-70
EL OSO (P)	812	1,000	652	661	661	661	661	661	661	661	-1.09%	0.02%
GEORGE WEST	2,586	2,524	2,445	2,478	2,479	2,479	2,479	2,479	2,479	2,479	-0.28%	0.02%
MCCOY WSC (P)	185	443	169	172	172	172	172	172	172	172	-0.45%	0.03%
THREE RIVERS	1,889	1,878	1,848	1,874	1,874	1,874	1,874	1,874	1,874	1,874	-0.11%	0.02%
COUNTY-OTHER	4,084	6,464	6,417	6,499	6,504	6,504	6,504	6,504	6,504	6,504	2.29%	0.02%
<i>Live Oak County</i>	9,556	12,309	11,531	11,683	11,690	11,690	11,690	11,690	11,690	11,690	0.94%	0.02%
COUNTY-OTHER	817	851	707	734	734	734	734	734	734	734	-0.72%	0.06%
<i>McMullen County</i>	817	851	707	734	734	734	734	734	734	734	-0.72%	0.06%
AGUA DULCE	794	737	812	892	972	1,022	1,052	1,073	1,088	1,088	0.11%	0.49%
ARANSAS PASS (P)	22	70	14	15	16	17	18	18	18	18	-2.23%	0.42%
BISHOP	3,337	3,305	3,134	3,446	3,754	3,947	4,060	4,144	4,201	4,201	-0.31%	0.49%
CORPUS CHRISTI	257,453	277,450	305,215	335,657	365,599	384,420	395,440	403,638	409,129	409,129	0.85%	0.49%
DRISCOLL	688	825	739	812	885	930	957	977	990	990	0.36%	0.49%
NEJES COUNTY WSC			2,322	2,553	2,781	2,924	3,008	3,070	3,112	3,112	N/A	0.49%
PORT ARANSAS	2,233	3,370	3,480	3,827	4,168	4,383	4,508	4,602	4,664	4,664	2.24%	0.49%
RIVER ACRES WSC	2,130	2,750	2,421	2,662	2,899	3,049	3,136	3,201	3,245	3,245	0.64%	0.49%
ROBSTOWN	12,849	12,727	11,487	12,467	12,467	12,467	12,467	12,467	12,467	12,467	-0.56%	0.14%
COUNTY-OTHER	11,639	12,411	10,599	11,826	13,993	15,354	16,151	16,746	17,142	17,142	-0.47%	0.80%
<i>Nueces County</i>	291,145	313,645	340,223	374,157	407,534	428,513	440,797	449,936	456,056	456,056	0.78%	0.49%
ARANSAS PASS (P)	6,246	7,201	7,466	7,922	8,309	8,531	8,693	8,803	8,877	8,877	0.90%	0.29%
GREGORY	2,458	2,318	1,907	2,024	2,123	2,179	2,221	2,249	2,268	2,268	-1.26%	0.29%
INGLESIDE	5,696	9,388	9,387	9,961	10,445	10,726	10,930	11,068	11,161	11,161	2.53%	0.29%
INGLESIDE ON THE BAY	529	659	615	653	685	703	717	726	732	732	0.76%	0.29%
LAKE CITY	465	526	509	541	567	582	593	601	606	606	0.45%	0.29%
MATHIS	5,423	5,034	4,942	5,244	5,500	5,647	5,754	5,827	5,876	5,876	-0.46%	0.29%
ODEM	2,366	2,499	2,389	2,535	2,659	2,730	2,782	2,817	2,841	2,841	0.05%	0.29%
PORTLAND	12,224	14,827	15,099	16,021	16,803	17,252	17,580	17,802	17,953	17,953	1.06%	0.29%
RINCON WSC			3,243	3,441	3,609	3,706	3,776	3,824	3,856	3,856	N/A	0.29%
SINTON	5,549	5,676	5,665	6,011	6,305	6,473	6,596	6,680	6,736	6,736	0.10%	0.29%
TAFT	3,222	3,396	3,048	3,235	3,392	3,483	3,549	3,594	3,624	3,624	-0.28%	0.29%
COUNTY-OTHER	14,571	15,614	10,534	11,172	11,716	12,031	12,260	12,414	12,519	12,519	-1.61%	0.29%
<i>San Patricio County</i>	58,749	67,138	64,804	68,760	72,114	74,043	75,451	76,405	77,049	77,049	0.49%	0.29%
<b>Total For Region</b>	<b>492,829</b>	<b>541,184</b>	<b>564,604</b>	<b>614,790</b>	<b>661,815</b>	<b>692,982</b>	<b>714,908</b>	<b>731,481</b>	<b>744,544</b>	<b>744,544</b>	<b>0.68%</b>	<b>0.46%</b>

Notes:  
<sup>1</sup> Projections from Texas Water Development Board  
<sup>2</sup> Compound annual growth rate  
 (P) Partial





**Table 2.5.**  
**Coastal Bend Region Municipal Water Demand by City/County (ac-ft/yr)**

City/County	Historical		Projections <sup>1</sup>					
	2000	2010	2020	2030	2040	2050	2060	2070
Aransas Pass (P)	146	92	110	108	106	105	104	104
Fulton	261	236	278	279	275	275	275	275
Rockport	1,357	1,422	1,677	1,680	1,652	1,649	1,646	1,646
County-Other	1,550	2,236	1,446	1,415	1,362	1,347	1,342	1,342
<i>Aransas County</i>	<b>3,314</b>	<b>3,986</b>	<b>3,511</b>	<b>3,482</b>	<b>3,395</b>	<b>3,376</b>	<b>3,367</b>	<b>3,367</b>
Beeville	2,529	2,333	2,925	2,978	2,976	2,961	2,959	2,960
El Oso (P)	60	72	83	85	85	84	80	80
County-Other	1,631	3,658	2,725	2,761	2,751	2,724	2,720	2,721
<i>Bee County</i>	<b>4,220</b>	<b>6,062</b>	<b>5,733</b>	<b>5,824</b>	<b>5,812</b>	<b>5,769</b>	<b>5,759</b>	<b>5,761</b>
Falfurrias	1,661	1,346	1,677	1,712	1,755	1,813	1,865	1,915
County-Other	309	496	326	347	370	397	424	449
<i>Brooks County</i>	<b>1,970</b>	<b>1,842</b>	<b>2,003</b>	<b>2,059</b>	<b>2,125</b>	<b>2,210</b>	<b>2,289</b>	<b>2,364</b>
Benavides	315	327	236	242	250	259	266	272
Freer	624	584	650	672	691	717	737	754
San Diego (P)	471	509	724	746	765	791	813	832
County-Other	913	527	549	559	568	581	596	610
<i>Duval County</i>	<b>2,323</b>	<b>1,947</b>	<b>2,159</b>	<b>2,219</b>	<b>2,274</b>	<b>2,348</b>	<b>2,412</b>	<b>2,468</b>
Alice	5,281	3,443	4,192	4,425	4,643	4,912	5,175	5,421
Orange Grove	353	246	376	400	422	447	471	494
Premont	807	437	710	752	792	841	886	929
San Diego (P)	99	128	186	196	205	217	229	240
County-Other	2,022	1,939	2,634	2,764	2,890	3,047	3,207	3,360
<i>Jim Wells County</i>	<b>8,562</b>	<b>6,193</b>	<b>8,098</b>	<b>8,537</b>	<b>8,952</b>	<b>9,464</b>	<b>9,968</b>	<b>10,444</b>
County-Other	46	109	244	261	262	263	264	264
<i>Kenedy County</i>	<b>46</b>	<b>109</b>	<b>244</b>	<b>261</b>	<b>262</b>	<b>263</b>	<b>264</b>	<b>264</b>
Kingsville	4,440	3,202	4,232	4,483	4,738	5,025	5,336	5,636
Ricardo WSC	296	248	341	361	382	405	430	454
County-Other	679	583	601	637	679	728	773	817
<i>Kleberg County</i>	<b>5,415</b>	<b>4,033</b>	<b>5,174</b>	<b>5,481</b>	<b>5,799</b>	<b>6,158</b>	<b>6,539</b>	<b>6,907</b>
El Oso WSC (P)	189	166	143	139	137	135	129	129
George West	642	471	454	443	433	429	428	428
McCoy WSC	50	50	22	21	21	20	20	20
Three Rivers	425	316	325	316	309	305	305	305
County-Other	684	646	802	783	768	760	758	758
<i>Live Oak County</i>	<b>1,990</b>	<b>1,649</b>	<b>1,746</b>	<b>1,702</b>	<b>1,668</b>	<b>1,649</b>	<b>1,640</b>	<b>1,640</b>
County-Other	135	156	97	94	91	90	90	90
<i>McMullen County</i>	<b>135</b>	<b>156</b>	<b>97</b>	<b>94</b>	<b>91</b>	<b>90</b>	<b>90</b>	<b>90</b>
Agua Dulce	115	124	132	139	143	145	148	150
Aransas Pass (P)	12	2	3	3	3	3	3	3
Bishop	459	443	594	628	646	660	673	682



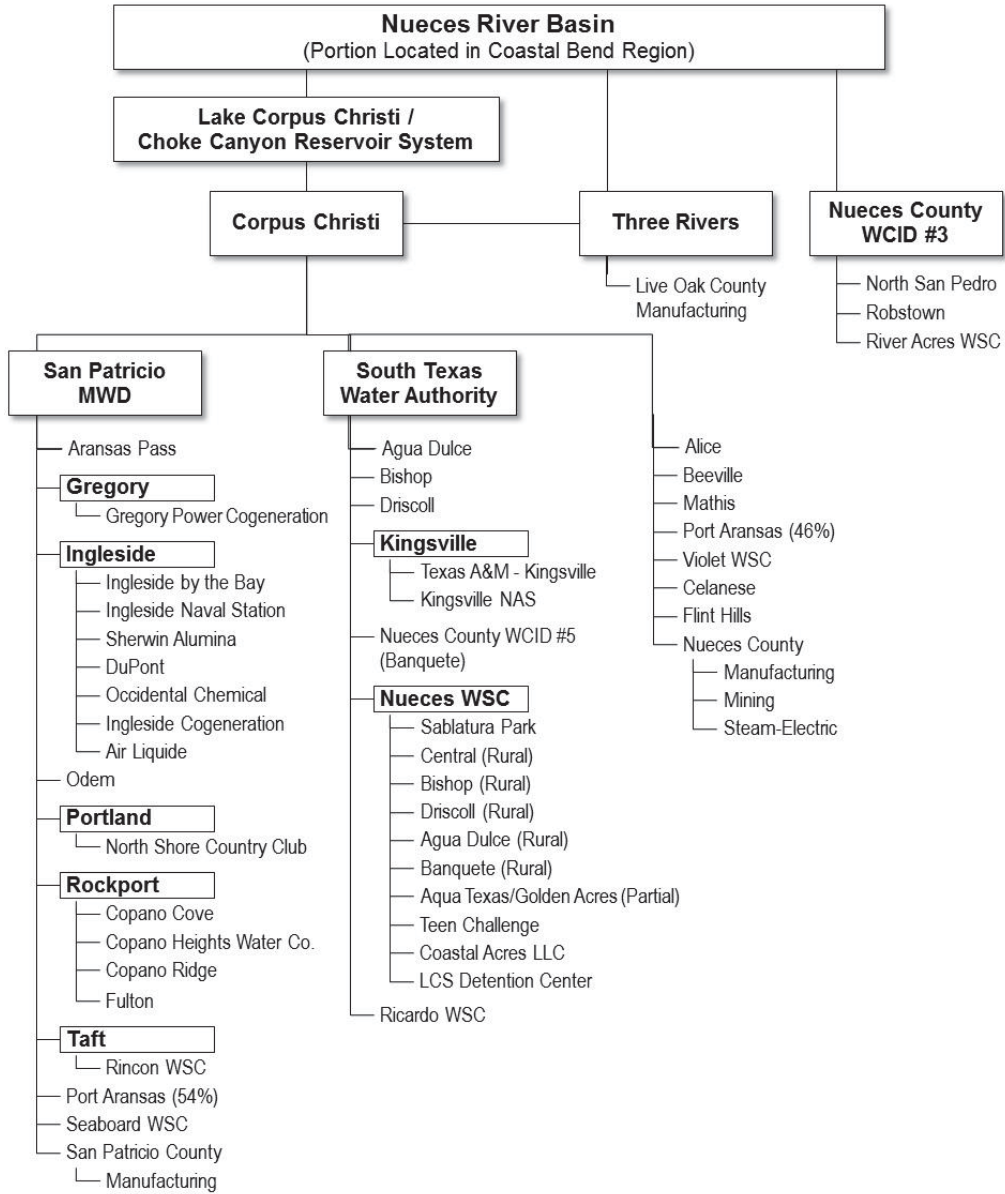
City/County	Historical		Projections <sup>1</sup>					
	2000	2010	2020	2030	2040	2050	2060	2070
Corpus Christi	55,629	67,323	64,816	68,931	71,270	72,680	74,064	75,058
Driscoll	97	105	105	110	113	114	116	118
Nueces WSC		143	333	355	368	376	383	388
Port Aransas	1,601	1,851	2,251	2,434	2,548	2,614	2,667	2,703
River Acres WSC <sup>2</sup>	314	357	426	450	463	470	479	486
Robstown <sup>2</sup>	2,153	2,919	2,957	2,897	2,848	2,843	2,839	2,839
County-Other	1,345	3,757	1,554	1,772	1,901	1,977	2,045	2,093
<i>Nueces County</i>	<i>61,725</i>	<i>77,024</i>	<i>73,171</i>	<i>77,719</i>	<i>80,303</i>	<i>81,882</i>	<i>83,417</i>	<i>84,520</i>
Aransas Pass (P)	1,210	949	1,131	1,148	1,149	1,155	1,167	1,176
Gregory	249	266	339	344	348	354	358	361
Ingleside	873	1,028	1,051	1,062	1,060	1,064	1,074	1,083
Ingleside On The Bay	74	69	77	78	78	78	79	79
Lake City	70	66	64	65	64	64	65	66
Mathis	671	668	670	676	672	679	685	691
Odem	319	235	379	384	384	387	391	394
Portland	1,976	2,046	2,631	2,684	2,698	2,718	2,747	2,770
Rincon WSC		442	346	355	359	363	366	369
Sinton	1,036	1,416	1,409	1,448	1,463	1,478	1,495	1,507
Taft	559	434	464	470	469	475	480	484
County-Other	1,836	1,234	1,584	1,609	1,647	1,674	1,691	1,705
<i>San Patricio County</i>	<i>8,873</i>	<i>8,853</i>	<i>10,145</i>	<i>10,323</i>	<i>10,391</i>	<i>10,489</i>	<i>10,598</i>	<i>10,685</i>
<b>Total for Region</b>	<b>98,573</b>	<b>111,854</b>	<b>112,081</b>	<b>117,701</b>	<b>121,072</b>	<b>123,698</b>	<b>126,343</b>	<b>128,510</b>

<sup>1</sup> Projections from Texas Water Development Board  
 (P) Partial  
<sup>2</sup> These entities rely on supplies delivered by NCWC&ID#3. NCWC&ID#3 diverts water from the Lower Nueces River and conveys supplies through an unlined canal. By lining the canals, the amount of water necessary for diversion by NCWC&ID#3 to meet customer needs could be reduced.

### 2.3.2 Manufacturing Water Demand

Manufacturing is an integral part of the Texas economy, and for many industries, water plays a key role in the manufacturing process. Some of these processes require direct consumption of water as part of the products; others consume very little water but use a large quantity for cleaning and cooling. Whether the water is a product component or used to transport waste heat and materials, it is considered manufacturing water use. The water-using manufacturers in the 11-county Coastal Bend Region are food processing, chemicals, petroleum refining, stone and concrete, fabricated metal, and electronic and electrical equipment. Of these industries present in the region, chemicals and petroleum refining are the largest and biggest water users.

The TWDB projected manufacturing water demand by using TWDB 2004-2008 Water Use Survey data, taking industry-specific water demand coefficients adjusted for water-use efficiencies (recycling/reuse), and applying them to growth trends for each industry. These growth trends assume expansion of existing capacity and building of new facilities and continuation of



**Figure 3.3.**  
**Major Surface Water Supply Contract Relationships in the Coastal Bend Region**

# Cost Estimates





**Project Budget Summary**  
**Corpus Christi**  
**51052 - Seawater Desalination**

Budget Items	This Commitment	TWDB Funds	Total
<b>Basic Engineering Services</b>			
Planning	\$1,411,000.00	\$1,411,000.00	\$1,411,000.00
<b>Subtotal for Basic Engineering Services</b>	<b>\$1,411,000.00</b>	<b>\$1,411,000.00</b>	<b>\$1,411,000.00</b>
<b>Special Services</b>			
Application	\$104,000.00	\$104,000.00	\$104,000.00
Project Management (by engineer)	\$373,000.00	\$373,000.00	\$373,000.00
Surveying	\$6,000.00	\$6,000.00	\$6,000.00
Testing	\$71,000.00	\$71,000.00	\$71,000.00
Water Distribution Modeling	\$324,000.00	\$324,000.00	\$324,000.00
<b>Subtotal for Special Services</b>	<b>\$878,000.00</b>	<b>\$878,000.00</b>	<b>\$878,000.00</b>
<b>Fiscal Services</b>			
Bond Counsel	\$28,000.00	\$28,000.00	\$28,000.00
Financial Advisor	\$27,938.00	\$27,938.00	\$27,938.00
Issuance Costs	\$750.00	\$750.00	\$750.00
<b>Subtotal for Fiscal Services</b>	<b>\$56,688.00</b>	<b>\$56,688.00</b>	<b>\$56,688.00</b>
<b>Contingency</b>			
Contingency	\$404,312.00	\$404,312.00	\$404,312.00
<b>Subtotal for Contingency</b>	<b>\$404,312.00</b>	<b>\$404,312.00</b>	<b>\$404,312.00</b>
<b>Total</b>	<b>\$2,750,000.00</b>	<b>\$2,750,000.00</b>	<b>\$2,750,000.00</b>

Texas Water Development Board Water Project Information							
A. Project Name <b>Seawater Desalination</b>		B. Project No. <b>E15117</b>		C. County <b>Nueces</b>		D. Regional Planning Group (A-P) <b>N</b>	
E. Program(s) <b>TWDB SWIFT - Pre-Design Funding</b>		F. Loan <input checked="" type="checkbox"/> : \$ <b>2,750,000</b> Principal Forgiveness <input type="checkbox"/> : \$ _____ Grant <input type="checkbox"/> : \$ _____		G. Loan Term: <b>30 years</b>			
H. Water Project Description: (Multiphase project, new or expansion; plant, well, storage, pump station, distribution system, etc) <b>This is a seawater desalination feasibility study for the Corpus Christi Regional Water System. The effort includes determining plant size, site, intake and concentrate discharge strategies, developing a source water characterization plan, evaluating regulatory requirements, selecting a project agency, determining project cost and utility rate strategies, and selecting a project procurement method</b>							
Attach map of service area affected by Project or other documentation.							
I. Is an Inter Basin Transfer potentially involved? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>			J. Is project located in a Groundwater District (If yes, identify District by name)? Yes <input checked="" type="checkbox"/> <u>Corpus Christi Aquifer Storage &amp; Recovery Conservation District</u> No <input type="checkbox"/>				
K. Service Area Projected Population for at least a 20 year period: (if different from Planning Area, discuss in separate attachment)	Current Population		Projected Population				
	Year:	<b>2017</b>	2020	2025	2030	2035	2040
	Population:	<b>600,281</b>	<b>614,790</b>	<b>638,303</b>	<b>661,815</b>	<b>677,399</b>	<b>692,982</b>
Project Design Year: (Year for which project will be sized)		<b>2020</b>		Design Population: (Population served by project on the design year)		<b>614,790</b>	
L. Is the proposed project included in a current Regional Water Plan? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Don't Know <input type="checkbox"/> (If Yes, please specify on what page in the Regional Water Plan - Regional Water Plan Page Number: <u>5D.9-1</u> )							
M. What type of water source is associated directly with the proposed project? Surface Water <input checked="" type="checkbox"/> Groundwater <input type="checkbox"/> Reuse <input type="checkbox"/>							
N. Will the project increase the volume of water supply? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>							
O. What volume of water is the project anticipated to deliver/ treat per year? <u>22,420</u> Acre-Feet/Year							
P. Current Water Supply Information							
Surface Water Supply Source / Provider Names <small>Lake Corpus Christi and Choke Canyon, Lake Texana and Colorado River ROR/ City of Corpus Christi</small>		Certificate No. <small>ADJ 21-3214, 21-2464, 16-2095 and 14-5434</small>		Source County <small>McAllen, Live Oak, Jim Wells, San Patricio, Jackson and Matag</small>		Annual Volume and Unit <b>485,668 Acre-Feet</b>	
Groundwater Source Aquifer <b>N/A</b>		Well Field location <b>N/A</b>		Source County <b>N/A</b>		Annual Volume and Unit <b>N/A</b>	
Q. Proposed Water Supply Associated Directly with the Proposed Project							
Surface Water Supply Source / Provider Names <small>Gulf of Mexico-Corpus Christi Bay/Nueces Bay / City of Corpus Christi</small>		Certificate No. <b>N/A</b>		Source County <b>N/A</b>		Annual Volume and Unit <b>22,420</b>	
Groundwater Source Aquifer <b>N/A</b>		Well Field location: <b>N/A</b>		Source County <b>N/A</b>		Annual Volume and Unit <b>N/A</b>	
R. Consulting Engineer Name <b>John Wolfhope, PE Freese and Nichols, Inc</b>			Telephone No. <b>361-561-6500</b>		E-mail address <b>John.Wolfhope@freese.com</b>		
S. Applicant Contact Name, Title <b>Steve Ramos, Water Resource Manager, City of Corpus Christi, Tx</b>			Telephone No. <b>361-826-3294</b>		E-mail address <b>EstebanR2@cctexas.com</b>		

# Property Rights

a) Does the applicant currently own all the property rights, groundwater permits and surface water rights needed for this project?:

b) If all property rights, groundwater permits, and surface water rights, needed for this project have not yet been acquired, identify the rights and/or permits that will need to be acquired and provide the anticipated date by which the applicant expects to have acquired such rights and/or permits.

Type of Permit Water Right	Entity from which the right must be acquired	Acquired by lease or full ownership	Expected acquisition date	Permit / Water Right ID No.

# Permits & Easements

Are any major permits necessary for completion of the project?: N

Has the applicant obtained all necessary land and easements for the project?: N

Description of Land or Easement Permit	Entity from which the permit or right must be acquired	Acquired by lease or full ownership	Expected acquisition date	To Be Funded by TWDB (Yes/No)
N/A	N/A	OWN	02-14-2027	N

# Environmental Determination

Has a Categorical Exclusion (CE), Determination of No Effect, Finding of No Significant Impact (FONSI), Record of Decision (ROD), or any other environmental determination been issued for this project?: N

## CE/DNE

Is the project potentially eligible for a CE/ Determination of No Effect (DNE) because it involves only minor rehabilitation or the functional replacement of existing equipment?: N

# Adverse Environmental/Social Impacts

Are there potentially adverse environmental or social impacts that may require mitigation or extensive regulatory agency or public coordination (e.g. known impacts to properties eligible for listing on the National Register of Historic Places; potentially significant public controversy; need for an individual permit from the U.S. Army Corps of Engineers)?: N

# Associated PIF(s)

PIF number(s):

PIF ID #12193

## Additional Attachments

The following documents are attached after this page:

The following documents are attached after this page:

2017 0524 Signed sealed docs.pdf

Executed Agreement\_E15117 Base Agreement.pdf

### **Corpus Christi Seawater Desalination Study Synopsis**

Drought conditions experienced in Texas from 2011-2014 coupled with significant economic development in the Corpus Christi area prompted, among both public and private sector leaders, a desire to reduce the risk of water rationing or curtailment to industrial operations, concern that available water supply was impacting the competitiveness of the region in attracting new industry and expansions, and increased interest by all in diversifying and strengthening the region's water supply system through the development of a drought-proof source.

Based on these motivations, a collaborative effort was undertaken to evaluate the feasibility of developing a seawater desalination supply in the Coastal Bend region. Study participants (the Stakeholders) included the City of Corpus Christi, Corpus Christi Regional Economic Development Corporation, San Patricio Municipal Water District, Port of Corpus Christi, Chemours (formerly DuPont), OxyChem, Sherwin Alumina Company, LyondellBasell, CITGO, Flint Hills Resources, Valero, Topaz Power, AEP Texas, Cheniere Energy, and voestalpine Texas.

Lead consultant for the study was Freese and Nichols, Inc., supported by Jorge A. Arroyo; Water Globe Consultants, LLC; The Louis Berger Group, Inc.; The Banister Group, LLC; Assistant Energy Manager, LLC; Naismith Engineering, Inc.; and Olivarri & Associates, Inc.

Originally undertaken primarily to examine the feasibility of seawater desalination as a supplemental source of water for use by industry, over the course of the study period it became clear to the study participants that the real value of seawater desalination lay in its potential as a highly reliable, easily expandable, and drought proof source of water to reinforce and stabilize the overall regional water supply system.

The effort was initially organized into two phases. Phase 1 consisted of a detailed study to determine the feasibility of incorporating seawater desalination in the regional water supply system. As it was originally envisioned, at the conclusion of Phase 1 the Stakeholders would decide whether to proceed to Phase 2, project procurement. However, as the effort progressed, the Stakeholders determined a need for an intermediate Supplemental Project Definition step to validate certain key assumptions and technical factors - project organization, financing, cost allocation and rate determination, source water characterization, environmental compliance, and siting - necessary to support a decision to proceed with the construction of a desalination facility.

Phase 1 of the effort was financed by the 15 participants. While the fundamental goal - determining the economic feasibility of developing seawater desalination as a drought-proof supplement to the regional system and the basis for providing a non-interruptible water supply for industry - was shared among these participants, specific information regarding local water body characteristics, preferred location, size, management, financing, permitting implications, and the timing of developing a seawater desalination plant needed to be explored. To identify individual expectations and coalesce interests, Phase 1 was designed to progressively focus in on collective identification and selection of key project features.

The first step in the study consisted of a review of existing technical information and adoption of key project assumptions. The assumptions addressed identification of prospective customers, estimates of current and projected water needs, requirements for water supply reliability, options for project procurement, and other relevant items. In the second step, these assumptions were used to formulate various configuration scenarios which assessed plant locations, production capacities, product water quality, and water delivery methods. These more detailed project profiles were discussed in depth during a two-day workshop that led to a preliminary identification of key project management and configuration preferences.

Summaries of these preferences are included in the following sections.

**Configuration:**

Study goals included evaluating potential sites throughout the Corpus Christi Bay area, focusing on the Corpus Christi Inner Harbor and La Quinta Channel, and selecting one representative site in each location (one in Nueces County and one in San Patricio County) for the purposes of developing cost estimates on which to base an economic feasibility assessment.

Additionally, the study group took an initial look at Harbor Island as a potential site due to its proximity to the Gulf of Mexico and relative ease of access for concentrate discharge directly to the Gulf. However, lack of water system distribution infrastructure at the present time, and the estimated cost of installing such infrastructure, resulted in a condition where costs for this location were assessed to be very similar to costs at the La Quinta location with concentrate discharge to the Gulf of Mexico, so no separate cost estimate was developed. The study group does recognize the potential of this location, particularly for larger size facilities, and will continue to include it as a potential site as subsequent work regarding water quality assessment and detailed site selection is

completed.

Study participants considered a wide array of project options: a plant or plants ranging in capacity from 10 to 30 million gallons per day (MGD), water quality meeting standards for industrial process water or drinking water, and delivery directly to the industrial customers or wheeled through existing municipal water distribution networks. Overall, preliminary cost estimates for 6 desalination plant options (4 @ 20 MGD and 2 @ 10 MGD), 12 distribution pipeline arrangements, and a Gulf discharge pipeline option were prepared and evaluated.

After considering these options, the Stakeholders selected a configuration consisting of two 10 MGD seawater desalination plants with each plant constructed with the necessary intake and discharge infrastructure to accommodate expansion to 30 MGD. This change in approach from one 20 MGD (expandable) to two 10 MGD (expandable) plants was based on changes in demand growth expectations, the cost of constructing a separate distribution system to transport untreated product water to the industrial facilities, and the water utilities' ability to absorb a 20 MGD increase in daily supply without incurring economic challenges.

To lend realism to the cost estimates, actual available sites were chosen and used to anchor all the project costs for the alternatives considered in this study. That said, the sites chosen for this study are merely representative of several potential sites in the vicinity of the two demand areas, and should not be construed as the actual sites on which a desalination facility would be constructed. More detailed site selection work is needed before a final site is determined.

The Inner Harbor location is in the vicinity of the Avery Point Turning Basin in Corpus Christi. This plant is planned as a 40-percent recovery facility having an average daily output of 10 MGD of water meeting drinking water standards.

The La Quinta Channel location is in the vicinity of the OxyChem complex in Ingleside. This plant is planned as a 45-percent recovery facility having an average daily output of 10 MGD of water meeting drinking water standards (for cost estimating consistency purposes).

Both facilities would deliver water to existing water distribution networks to be comingled with non-desalinated water. The Inner Harbor facility would deliver treated water directly to the Corpus Christi water distribution system. The La Quinta facility could deliver either untreated or treated water to the San Patricio Municipal Water District's complex for integration with its existing

industrial and potable water distribution networks.

Based on demand growth expectations at the time of their workshop, the Stakeholders indicated a preference to start with a single 10 MGD plant; a second plant to be added in the future in response to increased demand. A decision as to the location of the first plant to be developed was not made.

**Organizational Structure:**

A Local Governmental Corporation (LGC) is the preferred organizational structure to procure, contract, and implement a project. The LGC could be either an existing legal entity, or a new entity, and could be chartered to include industrial stakeholder representation on the LGC's board of directors. Early in the pre-procurement planning phase, the LGC will need to make a formal determination regarding project delivery method. This decision, in turn, would determine the financing options available for the project.

**Pre-Procurement Planning:**

Project planning activities need to be implemented prior to project procurement and would include designation (or formation) of an LGC, development of rate impact studies, preparation of water and power purchase agreements, site selection studies, and the completion of environmental permitting studies. Pre-procurement planning would also involve securing land rights and rights to use existing facilities, as well as access to public and private infrastructure. This approach commonly referred to as "late exit," would enable stakeholders to closely manage this definitional stage of development. Potentially, an application for State-subsidized financing available through the Texas Water Development Board could be pursued by the LGC to fund this pre-procurement planning.

**Financing Approach:**

Funding options range from 100 percent public to 100 percent private funding, or a blend of both; and could include both debt and equity components.

Any detailed discussion regarding the most desirable plan to finance a project depends on a number of fundamental project development decisions, most of which were beyond the scope of this effort. That being the case, the study group limited its work to evaluating the relative impact on cost of a purely publicly funded project and a purely privately funded project. Based on this preliminary



review, which showed private financing resulted in water that was approximately \$1.00 per 1000 gallons more expensive than public funding, the public financing option was preferred.

Public financing is an option available to political subdivisions of the state pursuing projects recommended in the State Water Plan, including LGCs. However, project financing is impacted by the project delivery method chosen. Therefore, the LGC will need to consider its options closely and assess how the selected project delivery method will affect the final determination regarding project funding. To qualify for SWIFT funding, the LGC would need to own the project's facilities, which will limit the project delivery methods that can be used.

For the study, it was assumed that the project delivery method would be one where the public entity retains ownership of the project and is, therefore, eligible to use public financing. Project capital cost estimates are based on SWIFT financing with a 30-year loan period at an interest rate of 3 percent.

**Cost of Water:**

Avery Point Plant: \$4.02/1,000 gal (produce \$3.78; deliver \$0.24)

La Quinta Plant: \$3.97/1,000 gal (produce \$3.76; deliver \$0.21)

Average delivered cost of water if both facilities constructed: \$3.99/1,000 gal.

Cost estimates assume project development, administration, and organizational costs at \$8 million for a 10 MGD plant, a power utility rate of 5¢/kWh, a loan period of 30 years at an interest rate of 3 percent, and include a 25 percent construction contingency factor.

Cost estimates could change 10 to 25 percent during the pre-procurement phase as specifications, plant siting, intake, outfall, potential use of existing infrastructure, power supply conditions, and other factors are defined.

**Cost Recovery and Rate Impact:**

The timing and size of the project is extremely important and can be managed to substantially diminish, or even eliminate, the potential for public utility revenue losses and impact to the retail customer base. The study group assessed rate impact for a 10-MGD facility under a variety of demand scenarios, but did not proceed beyond a generalized preliminary estimate of potential cost

impact to industrial users. Using a blended cost approach (water from existing supplies plus water from a desalination supply) the cost per 1000 gallons of water fell within the \$3.25 to \$3.15 range depending on demand level with higher demand resulting in an overall lower cost.

**Conclusion:**

A reliable water supply is critical to the economic viability and vitality of the Coastal Bend region. Recognizing this, study participants examined a wide variety of alternatives for the development of a seawater desalination project to provide a highly reliable source of water to industrial users and others in the region, and determined that such a project could be viable, especially if this drought proof supply is used to replace the 10 percent curtailment of industrial demand in the event of a severe drought.

Based on the results of this study, seawater desalination in the Coastal Bend could produce water at approximately \$4.00 per 1000 gallons. Using a blended rate approach, the delivered cost for water from a 10 MGD desalination facility could be within roughly \$0.25 (or 8 percent) per 1000 gallons of the price presently experienced by Corpus Christi industrial water customers for treated water.

However, these conclusions are based on only a preliminary analysis and include some underlying assumptions (some related to organizational and technical issues, some related to the quantity and location of potential new demands), which now need to be further examined and vetted to provide additional assurance that the estimated costs can be achieved, and to ensure that project location, sizing and timing are optimal.

This package of supplemental project definition activities – which includes Local Governmental Corporation concept development; negotiation of terms for uninterruptible water; water rate development; water quality characterization and environmental impact assessments necessary for permit application, detailed site evaluation and selection; development of concentrate management strategies; the refinement of designs and cost estimates, and other necessary planning activities – is the subject of an application which has been prepared for deferred loan funding from the Texas Water Development Board’s SWIFT program.

**Postscript:**

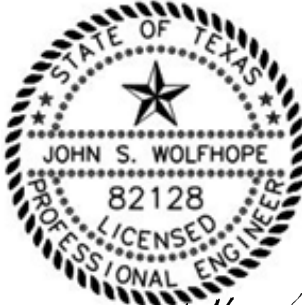
The City of Corpus Christi City Council committed to this regional seawater desalination collaborative initiative on 25 April 2017 with the passage of a resolution authorizing formal submission of the SWIFT application addressing the above mentioned supplemental project definition activities for consideration by the Texas Water Development Board.



*John S. Wolfhope*  
5-25-17

## Summary of Fees

<b>Basic Services Fees</b>	<b>Budget</b>
1. Securing funding for Supplemental Project Definition Activities	\$168,000
2. Cost Allocation and Rate Strategy Recommendation	\$164,000
3. Local Government Corporation Recommendation	\$308,000
4. Project Procurement Methodology Recommendation	\$157,000
5. Concentrate Management Strategies	\$72,000
6. Site Selection Recommendation	\$814,000
7. Water Infrastructure Integration Plan	\$429,000
8. Source Water Characterization Plan	\$93,000
9. Assist with procurement of funding for Project Procurement	\$168,000
10. Outreach	\$84,000
<b>Subtotal Basic Services Fees</b>	<b>\$2,457,000</b>
<b>Additional Services Fees (Allowance)</b>	
Detailed Concentrate Discharge Modelling	TBD
Assist Project Participants with developing methodology to value contributed assets such as land, power and other project-related infrastructure: and, determine cost distribution methodologies or allocate project revenue requirements (payments);	TBD
Additional Public Outreach and Involvement;	TBD
Mapping/GIS;	TBD
Environmental Reviews/Evaluation	TBD
Prepare LGC Operating Principles and Procedures	TBD
Prepare LGC Pre-Water-Sales Budget	TBD
LGC and Water Utilities review a draft LGC-Water Utilities Agreements	TBD
<b>Sub-Total Additional Services Fees Authorized</b>	<b>TBD</b>



*John S. Wolfhope*  
5-25-17



# City of Corpus Christi

## CAPITAL PROGRAMS

P.O. Box 9277  
Corpus Christi  
Texas 78469-9277  
Phone 361-826-3500  
Fax 361-826-3501  
www.cctexas.com

### Construction Inspection

4917 Holly Road  
Corpus Christi  
Texas 78411  
Phone 361-826-3555  
Fax 361-826-3520

### Survey

4917 Holly Road  
Corpus Christi  
Texas 78411  
Phone 361-826-3555  
Fax 361-826-3520

May 14, 2015

John S. Wolfhope, P. E.  
Freese & Nichols, Inc.  
800 North Shoreline Boulevard, Suite 1600N  
Corpus Christi, Texas, 78401

RE: City of Corpus Christi Owner's Representative Services for  
Industrial Seawater Desalination (Project No. E15117)

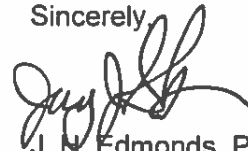
Dear Mr. Wolfhope:

Enclosed is executed Contract for Professional Services for the above referenced City project, and is for an amount not to exceed \$347,745.

Please proceed per the Contract for Professional Services.

Invoices should reference the above Project Name and Number as shown, and submitted to my attention to the City of Corpus Christi, Department of Capital Programs, P. O. Box 9277, Corpus Christi, TX 78469

Sincerely,

 FOR  
J. N. Edmonds, P.E.,  
Director of Capital Programs

JE:vp  
Encl.

cc: Valerie H. Gray, P. E., Executive Director of Public Works  
J. H. Edmonds, P. E., Director of Capital Programs  
Jerry J. Shoemaker, P. E., Senior Program Manager  
Jiangang Deng, P. E., Project Manager  
Senona Casas, Management Aide  
Clarissa Johnson, Contracts and Funds Administrator  
Velma Peña, Contracts and Funds Administrator  
Jennifer Ramirez, Contracts and Funds Administrator  
Angie Menchaca, Contracts and Funds Administrator

## CONTRACT FOR PROFESSIONAL SERVICES

The City of Corpus Christi, a Texas home rule municipal corporation, P.O. Box 9277, Corpus Christi, Nueces County, Texas 78469-9277 (CITY) acting through its duly authorized City Manager or designee, Port Industries of Corpus Christi (PICC) acting through its duly authorized agent/representative, and the Corpus Christi Regional Economic Development Corporation (CCREDC) acting through its duly authorized agent/representative, hereby contract with **Freese & Nichols, Inc.**, a Texas corporation, 800 North Shoreline Boulevard, Suite 1600N, Corpus Christi, Nueces County, Texas 78401, ("**Consultant**" or "**Engineer**"), and hereby agree as follows:

### 1. SCOPE OF PROJECT City of Corpus Christi Owner's Representative Services for Industrial Seawater Desalination Project No. E15117.

### 2. SCOPE OF SERVICES

Consultant hereby agrees, at its own expense, to perform services in accordance with Exhibit "A." In addition, Consultant will provide monthly status updates (project progress or delays, Gantt charts presented with monthly invoices) and provide services, as described in **Exhibit "A"** to complete the Project. Work will not begin on Additional Services until requested by the Consultant (provide breakdown of costs, schedules), **and** written authorization is provided by the Director of Engineering Services.

Consultant services under this contract will evaluate implementation of an industrial seawater desalination supply and, as an option, develop a Request for Proposals for a desalination facility; and, provide assistance in the selection, contracting and delivery of an Industrial Desalination Facility.

### 3. ORDER OF SERVICES

Consultant agrees to begin work on those authorized Basic Services for this contract upon receipt of the Notice to Proceed from the Director of Engineering Services. Work will not begin on any phase or any Additional Services until requested in writing by Consultant and written authorization is provided by the Director of Engineering Services. The anticipated schedule of the preliminary phase, design phase, bid phase, and construction phase is shown on **Exhibit "A."** This schedule is not to be inclusive of all additional time that may be required for review by the City staff and may be amended by or with the concurrence of the Director of Engineering Services.

The Director of Engineering Services may direct Consultant to undertake additional services or tasks provided that no increase in fee is required. Services or tasks requiring an increase of fee will be mutually agreed and evidenced in writing as an amendment to this contract. Consultant shall notify the City of Corpus Christi within three (3) days of notice if tasks requested requires an additional fee.

### 4. INDEMNITY AND INSURANCE

Consultant agrees to the mandatory contract indemnification and insurance requirements as set forth in **Exhibit "B."**

## 5. FEE

Consultant will receive a fee, as described in Exhibit "A," for providing services authorized, a total fee not to exceed \$347,745.00, (Three Hundred Forty Seven Thousand, Seven Hundred and Forty Five Dollars and 00/100 Dollars). City is responsible for payment to Consultant up to \$50,000 only; PICC is responsible for payment to Consultant up to \$150,000 only; and CCREDC is responsible for payment to Consultant up to \$150,000 only. Order of payment will be such that the City issues the last fee payments, up to \$50,000 only. Monthly invoices will be submitted to the City in accordance with City procedures for payment processing.

## 6. TERMINATION OF CONTRACT

The City may, at any time, with or without cause, terminate this contract upon seven days written notice to the Consultant at the address of record. In this event, the Consultant will be compensated for its services on all stages authorized based upon Consultant and City's estimate of the proportion of the total services actually completed at the time of termination.

## 7. LOCAL PARTICIPATION

The City Council's stated policy is that City expenditures on contracts for professional services be of maximum benefit to the local economy. To the greatest extent possible, the Consultant agrees to make a good faith effort to have as much of the work as possible performed by a labor force residing within the Corpus Christi Metropolitan Statistical Area (MSA).

## 8. ASSIGNABILITY

Consultant will not assign, transfer or delegate any of its obligations or duties in this contract to any other person without the prior written consent of the City, except for routine duties delegated to personnel of the Consultant staff. If the Consultant is a partnership, then in the event of the termination of the partnership, this contract will inure to the individual benefit of such partner or partners as the City may designate. No part of the Consultant fee may be assigned in advance of receipt by the Consultant without written consent of the City.

The City will not pay the fees of expert or technical assistance and consultants unless such employment, including the rate of compensation, has been approved in writing by the City.

## 9. OWNERSHIP OF DOCUMENTS

All documents including contract documents (plans and specifications), record drawings, contractor's field data, and submittal data will be the sole property of the City and the Project Partners, may not be used again by the Consultant without the express written consent of the Director of Engineering Services. However, the Consultant may use standard details that are not specific to this project. The City agrees that any modification of the plans will be evidenced on the plans, and be signed and sealed by a professional engineer prior to re-use of modified plans.

10. DISCLOSURE OF INTEREST

Consultant further agrees, in compliance with City of Corpus Christi Ordinance No. 17112, to complete, as part of this contract, the *Disclosure of Interests* form.

CITY OF CORPUS CHRISTI

  
Ronald L. Olson  
City Manager

Date

1 May 2015

FREESE & NICHOLS, INC.

  
John S. Wolfhope, P.E.

Date

4-21-15

RECOMMENDED

  
Gustavo Gonzalez, P. E.  
Assistant City Manager  
Public Works & Utilities

Date

4.28.15

  
Mark Van Vleck, P. E.  
Executive Director of Utilities

Date

4/27/15

  
Valerie H. Gray, P. E.  
Executive Director of Public Works

Date

4/29/15

APPROVED

  
Office of Management  
and Budget

Date

4/24/15

APPROVED AS TO LEGAL FORM

  
Veronica Ocasio  
Assistant City Attorney  
for City Attorney

Date

4-24-15

PORT INDUSTRIES OF CORPUS CHRISTI

  
Robert Barger  
President

Date

4-22-15

**CORPUS CHRISTI REGIONAL ECONOMIC DEVELOPMENT CORPORATION**

  
Iain D. Vasey  
CEO/President

5/14/15  
Date

Project Name City of Corpus Christi Owner's Representative Services for Industrial Seawater Desalination

Project No. E15117

Accounting Unit 4010-30030-075

Account 530000

Account Category 30000

Fund Name Water Fund

Encumbrance No. \_\_\_\_\_



**EXHIBIT "A"**  
**CITY OF CORPUS CHRISTI, TEXAS**

**CITY OF CORPUS CHRISTI OWNER'S REPRESENTATIVE SERVICES  
FOR INDUSTRIAL SEAWATER DESALINATION**

**Project No. E15117**

The City of Corpus Christi (CITY), Corpus Christi Regional Economic Development Corporation, San Patricio Municipal Water District, Port of Corpus Christi, DuPont, OxyChem, Sherwin Alumina Company, Lyondell Bassell, Citgo, Flint Hills Resources, Valero, Topaz Power, AEP Texas, Cheniere Energy, and Voestalpine Texas (Stakeholders) agreed to partner to assess and consider implementation of industrial seawater desalination supplies. The City has engaged Freese and Nichols Inc. ("Consultant" or "Engineer") as the Owner's Representative to evaluate implementation of an industrial seawater desalination supply and, as an option, develop a Request for Proposals for a desalination facility; and, provide assistance in the selection, contracting and delivery of an Industrial Desalination Facility.

**I. SCOPE OF SERVICES**

**A. BASIC SERVICES**

**1. Phase I – Feasibility. The Consultant will:**

- a) Within five days of receipt of a notice to proceed, in coordination with the Stakeholders' Project Managers, prepare a meeting agenda and schedule a kick-off meeting to discuss project approach, project assumptions and project schedule; distribute data collection forms; define and identify membership of the Stakeholders' Steering Committee and the Technical Working Group Committee; and, provide meeting minutes within five working days of the meeting.
- b) Provide data collection and evaluation to prepare Industrial Desalination Project Assumptions.
- c) Prepare an Industrial Desalination Project Assumptions Memorandum including the following:
  - i. Desalinated Water Users (Product Water Demand – Quantity and Duration of Water Use; Water Quality Specifications, Existing Source of Water Supply and Current Product Water Costs; Water Reliability Expectations; Delivery Regime and Requirements – point/s of delivery and the required pressure and flow).
  - ii. Based on existing information developed through the Corpus Christi Desalination Demonstration Project, alternative Project Site Locations and Product Water Delivery Routes to Desalinated Water Users;
  - iii. Based on existing information developed through the Corpus Christi Desalination Demonstration Project, Potential Non-monetary Contributions to the Project Offered by Each Industrial User such as:
    - Land for Construction of the Desalination Project;
    - Low-cost electricity generated by the Industrial User/s (quantity, voltage, location and unit price);
    - Use of Existing Intake/s, Outfall/s, Product Water Storage Tanks, Pump Stations or other Facilities of the Industrial Users which Could be Incorporated into this Project;
    - Rights-of-Way for location of the intake, outfall and product water delivery pipelines.
  - iv. Site accessibility
  - v. Use of Rights-of-Way
  - vi. Alternative Power Supply Sources and Collocation Considerations.
  - vii. Project Staging – Alternative Project Sizes and Stages of Project Implementation.

- viii. Project organizational structures, contractual relationships and commitments required;
- ix. Plant Ownership, Sponsor and Transfer Option
- x. Sponsor Retained Risks
- xi. Alternative Funding Sources and Public Private Partnerships
- xii. Water Banking and Water Trading
- xiii. Alternative Project Delivery methods.
- d) Distribute draft of Industrial Desalination Project Assumptions Memorandum to members of the Technical Working Group and solicit Stakeholders' Project Managers to provide a consolidated set of comments no later than five days from the date of distribution of the Memorandum.
- e) Meet with Stakeholders Steering Committee to present and confirm project assumptions, and provide outline of Phase I deliverables; provide meeting minutes to attendees within five working days of the meeting; and, solicit statement confirming Project Assumptions.
- f) Upon receipt of statement of confirming Project Assumptions, based on existing information developed through the Corpus Christi Desalination Demonstration Project, prepare two Industrial Desalination Project Profiles (Project Profiles), one located in San Patricio County and one located in the Inner Harbor Channel in Corpus Christi, each including the following:
  - i. Project sponsor determination
  - ii. Plant siting
  - iii. Source water quality
  - iv. Product water quality specifications
  - v. Plant capacity availability factor
  - vi. Product Water Delivery System
  - vii. Intake configuration, including opportunities to use existing permitted intakes
  - viii. Outfall configuration, including opportunities to use existing permitted outfalls
  - ix. Power supply considerations, including integration with existing co-generation facilities
  - x. Environmental and permitting considerations
  - xi. Integration to existing delivery system and water banking
  - xii. Estimated desalination plant capital costs for 10, 20, and 30 million gallons per day production capacities.
  - xiii. Estimated capital costs for water delivery infrastructure for 10, 20, and 30 million gallons per day production capacities.
  - xiv. Project Sponsor's organization
  - xv. Ownership and transferability considerations
  - xvi. Key Contracts and Summary of Terms Required
  - xvii. Financing approach
  - xviii. Project Total Financed Cost for a 20 million gallons per day facility
  - xix. Cost of delivered water for a 20 million gallons per day facility
  - xx. Rate impact considerations
  - xxi. Distribute Project Profiles to members of the Technical Working Group and solicit Stakeholders' Project Managers to provide a consolidated set of comments no later than five days from the date of distribution of the Project Profiles.
- g) Meet with Stakeholders Steering Committee to present and solicit comments on project profiles; and, provide meeting minutes to attendees within five working days of the meeting.
- h) In coordination with the Stakeholders' Project Managers, schedule meetings with stakeholders to discuss and obtain feedback on technical and policy considerations; and, provide meeting minutes to attendees within five working days of the meetings:
  - i. Facility size and location

- ii. Facility ownership and transferability
  - iii. Facility Integration and water banking
  - iv. Power supply and co-generation
  - v. Use of existing infrastructure and land to accommodate project implementation
  - vi. Project financing
- i) Prepare Project Definition Recommendation Memorandum and request for authorization to proceed with the development of an Industrial Desalination Project Definition Package.
  - j) Upon receipt of authorization to proceed, prepare draft of the Industrial Desalination Project Definition Package to include, in addition to the elements described in the project profiles, a revised cost estimate to reflect a specific financing method, and a list of the necessary contractual agreements (Joint Powers agreement, wholesale water purchase agreement, water purchase agreement, project power supply agreement; access agreements, agreements for use of existing infrastructure; right-of-way agreements; land lease agreements); environmental permits and associated studies; and other supporting documents (geotechnical survey, pilot results, water quality data, bathymetric survey, legal descriptions of the sites and easements) required to procure and implement the project.
  - k) Distribute draft Industrial Desalination Project Definition Package to members of the Technical Working Group and solicit Stakeholders' Project Managers to provide a consolidated set of comments no later than five days from the date of distribution.
  - l) Hold a review meeting with the Technical Working Group to discuss comments on the draft Industrial Desalination Project Definition Package.
  - m) Assimilate review comments of the draft Industrial Desalination Project Definition Package and prepare final Industrial Desalination Project Definition Package.
  - n) Meet with Stakeholders Steering Committee to present summary of the final Industrial Desalination Project Definition Package and facilitate project Go-No-Go decision; and, provide meeting decisions summary.
  - o) Based on the results of Phase I, prepare a revised scope of work, schedule and budget for Phase II, Component A, Project Procurement and Contracting, Component B, Financial Close, and Component C, Project Delivery.

**2. Phase I – Feasibility.** City Staff will perform or provide:

- a) Coordinate communication with the Stakeholders' Steering Committee and Stakeholders' Technical Working Group.
- b) Provide access to all records and information developed under the City of Corpus Christi Desalination Demonstration Project.
- c) Facilitate communication and information pertaining to the City's Strategic Water Planning activities.

**3. Phase II – Component A: Project Procurement and Contracting.** The Consultant will:

- a) Schedule a meeting with a Stakeholders Procurement Committee to present and discuss the following:
  - i. Key Project Procurement Requirements
  - ii. Procurement Schedule
  - iii. Key Contracts and Summary of Terms
  - iv. Summary of Contractual Agreements between the Project Participants, which have to be executed prior to Issuance of Request for Proposal (RFP) for project implementation.
  - v. Agreements needed for RFP.
  - vi. Finalizing Land Rights, Licenses, Access Agreements, Lease Agreements
  - vii. Development of Target Vendor Contact list

- viii. Draft Outline of Request for Qualifications and list of associated attachments
  - ix. Industrial Desalination Project Definition Package
  - x. Best Value Selection Criteria
  - xi. Draft permitting plan, requisite support studies, and pro forma project schedule
  - xii. Scope, schedule and budget for completion of technical support studies needed to be completed prior to the preparation of the request for proposal (RFP) for the desalination project:
    - Site and Pipeline Route Survey and Legal Descriptions
    - Bathymetric Survey of Intake and Outfall Area
    - Geotechnical Survey
    - Site Hazardous Material Investigation
    - Site and Pipeline Subsurface Utility Survey
    - Water Quality Data Collection
  - xiii. Assist in developing best permitting approach by scheduling and attending meetings with the applicable agencies to define permitting requirements.
- b) Prepare and submit a draft Request for Qualifications (RFQ) Package to the Stakeholders Procurement Committee for review and comment. Including:
- i. Introduction and General Information
  - ii. Description of the Project
  - iii. Procurement Process and Schedule
  - iv. Vendor Selection Criteria and Weight given to each including:
    - Technical Performance Specifications (Design, Build, operate)
    - Financial - Life-Cycle Costs
    - Financing Approach
  - v. Vendor Qualification Requirements
  - vi. Business and Financial Submittal Requirements
  - vii. Reference Submittal Requirements
  - viii. Contract Term Sheet
  - ix. Draft Risk Matrix
  - x. Draft WPA Contract Term Sheet
- c) Incorporate review comments of the draft RFQ Package and prepare a final RFQ Package for issuance.
- d) Hold Pre-RFQ Issuance meeting to solicit market feedback
- e) Advertise, Post Notice (if necessary) and Issue RFQ
- f) Schedule a pre-submittal meeting with potential responders to provide a briefing on the project, the procurement schedule, record and address questions from attendees, and conduct a site tour.
- g) Solicit submittals of Statement of Qualifications (SOQs) from Potential Contractors.
- h) Review SOQs from respondents; prepare a Fact Findings & Review Summary for each response using the criteria published in the RFQ; provide a listing of deficiencies or omissions for each submission; prepare a memorandum of the deficiencies and omissions and request for additional information, if needed, to be sent by City to each proposer. The memorandum will identify any pass or failure of mandatory requirements and any recommendations as to declaring proposers non-responsive.
- i) Conduct independent diligence (technical and financial) on proposer teams, references, their key personnel, their referenced projects, past project performance.
- j) Coordinate and facilitate the efforts of the Stakeholders Selection Committee for the purpose of ranking and short listing of vendor teams.
- k) Prepare a vendor evaluation guidance document for the Stakeholders Selection Committee's use to assist with their review of the vendor qualifications

- l) Provide assistance to the Stakeholders Selection Committee to evaluate and score the Statements of Qualifications (SOQ) and determine the short list. The Consultant will meet with Stakeholder Selection Committee to review SOQs, address comments and answer questions. The Stakeholder Selection Committee will make final scoring adjustments and compile composite scores to determine the recommended short-list for Stakeholder approval.
- m) Prepare a memorandum summarizing the results of the Stakeholders Selection committee's individual vendor evaluations and ranking.
- n) Schedule a meeting with a Stakeholders Procurement Committee to present and discuss the following:
  - i. Outline and components of the Request for Proposal (RFP) providing an overview of the project, its schedule, required service term, evaluation and selection criteria, proposal submission requirements and proposals forms
  - ii. Draft List of RFP Appendices
  - iii. Draft List of Exhibits or project reports and data
  - iv. Draft Outline of Water Purchase Agreement to be include in in the RFP including:
    - Draft Project Technical Scope and Specifications
    - Draft Permitting Requirements identifying responsible parties for their satisfactory procurement
    - Draft Outline of O&M Performance Requirements
    - Draft Mechanical Completion & Acceptance Test Procedures
    - Asset Transfer Requirements Draft Design/Construction Submittal/Operational Requirements
    - Draft Technical, Cost and Financial Proposal Submittal Requirements
    - Draft Agreement for Engineering, Procurement and Construction Services
    - Draft Agreement for Operation and Maintenance Services
- o) Conduct interim progress briefings and policy review meetings with Stakeholders Procurement Committee.
- p) After receipt of one consolidated set of Stakeholders' Draft RFP comments, prepare and submit a draft RFP Package to the Stakeholders Procurement Committee for final review and comment.
- q) Incorporate Stakeholders' review comments on the draft RFP Package and provide a final RFP Package for issuance.
- r) Upon notice to proceed, issue Draft RFP Proposal to Shortlisted Vendors.
- s) Hold In-confidence meetings with each shortlisted vendor to discuss technical concepts, alternatives and other technical or financial matters, explain requirements and to solicit written comments on desired changes to the Draft RFP and WPA documents.
- t) Prepare a summary of vendors' comments and schedule a meeting with the Stakeholders Procurement Committee to present recommended modifications to Draft RFP and Water Purchase Agreement (WPA) documents.
- u) Prepare final RFP and WPA documents for issuance.
- v) Provide assistance as needed to issue the RFP in accordance to applicable legal requirements.
- w) Coordinate site access availability for vendors, if required, for the plant site diligence and testing.
- x) If required, prepare a pilot testing protocol for vendor use.
- y) Schedule a Pre-Proposal meeting for potential proposers to address questions from short listed attendees, discuss key instructions, RFP requirements and procurement schedule; questions regarding the RFP will be transmitted in writing (and/or email) and responded to all short listed vendors in writing; develop responses in coordination with the Stakeholders Procurement Committee.

- z) Assist with scheduling confidential proposer meetings as needed to discuss technical concepts, alternatives and other technical matters.
- aa) Assist in preparing RFP addendums, if needed, to incorporate suggested comments or exceptions resulting from discussions or comments received from RFP proposers.
- bb) Assist with coordination and oversight of vendor piloting, if required.
- cc) Prepare a pilot test report summarizing the results of vendor piloting and compliance with RFP piloting requirements, if required.
- dd) Review and evaluate bid submissions and prepare review summaries of each submission, and prepare a report summarizing the submittal's Responsiveness, Completeness of Submissions, Material Changes in Vendor Teams or Qualifications, Review Vendor Responses to Contract Documents, Technical Approach, Identify Material Discrepancies between Vendor Proposals and RFP, and provide Life-Cycle Cost Best-Value Evaluation model. Report to provide a listing of deficiencies or omissions for each submission; prepare letters of the deficiencies and omissions, and request for additional information and clarifications to be sent to each proposer.
- ee) If applicable and consistent with applicable law, evaluate proposals and prepare ranking report.
- ff) Issue any request for clarifications and evaluate responses
- gg) Prepare interview agenda, protocol, and prepare sample questions, and coordinate logistics for interviews; assist the Stakeholder Procurement Committee in conducting interviews of selected the proposers.
- hh) Coordinate and site visits to referenced projects
- ii) Prepare a vendor evaluation guidance document for the Stakeholders Procurement Committee's use to assist with their review of the vendor qualifications
- jj) Meet with the Stakeholder Procurement Committee to assess the responses and determine best value and finalize evaluation, discuss results of interview, perform final proposal scoring and develop a recommendation for best value proposal.
- kk) Prepare a Post RFP Delivered Cost of Water estimate
- ll) Prepare a draft Memorandum of Procurement Recommendation to the Stakeholders Steering Committee for concurrence and notification of winning proposer.
- mm) Assist with contract negotiations and development of interim or comprehensive agreement for Stakeholder approval.
- nn) Assist with development or review of Project Finance model
- oo) Diligence Investors in project
- pp) Financial Diligence of deal structure.
- qq) Develop final contractual delivered cost of water
- rr) Finalize terms for Financial Close
- ss) Finalize Water Purchase Agreements
- tt) Execute Water Purchase Agreements and all attendant contracts

4. **Phase II – Component A: Project Procurement and Contracting.** City Staff will perform or provide:

- a) Coordination of communication with the Stakeholders and Stakeholders' Technical Working Group.

5. **Phase II – Component B: Project Financial Close.** The Consultant will:

- a) Assist with negotiating with bond underwriters and investors.
- b) Provide support in Financial Close with Bond Rating agencies.
- c) Conduct briefings with Sponsor stakeholder Procurement Committee
- d) Assist with Financial Closing

6. **Phase II – Component B: Project Financial Close.** City Staff will perform or provide:
- a) Coordination of communication with the Stakeholders and Stakeholders’ Technical Working Group.
7. **Phase II – Component C: Project Delivery.** The Consultant will:
- a) Assist with obtaining remaining legal entitlements needed for project implementation (such as rights of way; land lease, electricity supply; encroachment permits; existing facility use agreements, etc.)
  - b) Assist with design basis and permitting of any agency asset improvements needed for interconnecting projects
  - c) Assist with project implementation kick-off including conducting chartering meeting ;
  - d) The first phase of the Contractor's work will be the design/permitting work for the project or the Development Period. Consultant will provide design development management and administration, monitoring and reporting of the identified services that are required of under the applicable controlling agreement. Consultant will provide Development Period services such as assuring performance and/or any technical specifications for design and permitting are being followed, provide design review input and ensure controlling agreement criteria compliance.
  - e) Review Design-Builders Design QA/QC program for design and construction management.
  - f) Provide Program Management as needed to oversee project including:
    - i. Maintain record file of design review submitted items such as design review comments, permit review comments, correspondence, and submittals;
    - ii. Maintain relevant project records, correspondence, and submittals. Facilitate rapid access to project records for Sponsor agency;
    - iii. Prepare ongoing action item log and review schedule progress and payment achievements;
    - iv. Prepare and distribute monthly progress reports, including design and permitting status, performance assessment, schedule status, and problem area identification;
    - v. Review, make recommendation for payment and process progress payments; and;
    - vi. Attend regularly scheduled development meetings with Contractor, appropriate subcontractors, and Sponsor agency representatives, and distribute minutes to review schedule, action items, status of changes, submittals, problems, safety, and requests for information (RFIs), or change requests to contract conditions.
  - g) Review Contractor Project Implementation and Construction Site Mobilization Plan
  - h) Review All Project Design Deliverables as Per Contractual Requirements
  - i) Review Project Construction Plan
  - j) Review Project Operations and Plant Dispatching
  - k) Review Plant Commissioning and Acceptance Testing Plans
  - l) Track Project Implementation and Provide Regular Updates to the Project Sponsors
  - m) Review Monthly Progress Reports and Requests for Payment prepared by the Contractor
  - n) Review Project Requests for design changes;
  - o) Assist with Contract Dispute Resolutions as Needed
  - p) Oversee Plant Commissioning and Acceptance Testing
  - q) Review Acceptance Testing Report
  - r) Complete Final Review of Project Completion Status
  - s) Ensure that project closeout deliverables include, as a minimum, the following:
    - i. O&M Manuals and vendor manuals including PM program and schedules.
    - ii. Startup/Shutdown Standard Operating Procedures for the plant
    - iii. Bound copies of warranties and guarantees
    - iv. Equipment installation compliance certifications from equipment manufacturers
    - v. Certificate of occupancy or completion

- vi. Permits and clearances letters from regulatory agencies
- vii. Plant O&M Manual updates
- viii. Record Drawings as required
- ix. Contractor's Warranty
- t) Issue Certificate of Final Completion.

8. **Phase II- Component C: Project Delivery.** City Staff will perform or provide:

- a) Coordination of communication with the Stakeholders and Stakeholders' Technical Working Committee.

**B. ADDITIONAL SERVICES**

This section defines the scope of additional services that may only be included as part of this contract if authorized by the Director of Engineering Services. A/E may not begin work on any services under this section without specific written authorization by the Director of Engineering Services. Fees for Additional Services are an allowance for potential services to be provided and will be negotiated by the Director of Engineering Services as required. The A/E shall, with written authorization by the Director of Engineering Services, perform the following:

1. Assist Project Participants to develop functional sponsor organizations, governance principles, and agreements needed to meet requirements to sponsor a non-recourse financed (PPP) project.
2. Develop Interim Funding Agreements, and as may be applicable; develop Joint Powers agreements, wholesale water purchase agreements, project power supply agreements; site access licenses or agreements, agreements for use of existing infrastructure; right-of-way licenses or agreements; land lease agreements.
3. Assist Project Participants with developing methodology to value contributed assets such as land, power and other project-related infrastructure: and, determine cost distribution methodologies or allocate project revenue requirements (payments).
4. Prepare financial assistance applications to pursue alternative State or Federal sources of funding.
5. Evaluate Agency System improvements required for interconnecting water supplies and facilitating water banking and water supply trading.
6. Water quality data collection, sampling, and laboratory analyses above and beyond what is included in Phase II Scope of Work.
7. Public Outreach and Involvement
8. Mapping/GIS
9. Environmental Reviews/Evaluation

**II. SCHEDULE**

Days to Deliverable/Activity	Activity
30 days from receipt of Notice to Proceed	Industrial Desalination Project Assumptions Memorandum
30 days from receipt of statement confirming Project Assumptions	Industrial Desalination Project Profiles
10 days from completion of Project Profiles and Technical and Policy Considerations Meetings	Project Definition Recommendation Memorandum and request of authorization to prepare Project Definition Package



30 days from receipt of authorization to prepare Project Definition Package	Industrial Desalination Project Definition Package
10 days from completion of Go-No-Go Decision Meeting	Go-No-Go Meeting Decisions Summary
30 days from Go-No-Go Decision	Revised scope of work, schedule and budget for Phase II, Component A, Project Procurement and Contracting, Component B, Financial Close, and Component C, Project Delivery

**iii. FEES**

- A. Fee for Basic Services.** The City will pay the A/E a fixed fee for providing for all "Basic Services" authorized as per the table below. The fees for Basic Services will not exceed those identified and will be full and total compensation for all services outlined in Section I.A.1 above, and for all expenses incurred in performing these services. The fee for this project is subject to the availability of funds. The Engineer may be directed to suspend work pending receipt and appropriation of funds. For services provided in Section I.A.1, A/E will submit monthly statements for basic services rendered. In Section I.A.1, the statement will be based upon A/E's estimate (and with City's concurrence) of the proportion of the total services actually completed at the time of billing. City will make prompt monthly payments in response to A/E's monthly statements.
- B. Fee for Additional Services.** For services authorized by the Director of Engineering Services under Section I.B. "Additional Services," the City will pay the A/E a not-to-exceed fee as per the table below:

**Summary of Fees**

<b>Basic Services Fees</b>	
1. Project Feasibility	\$347,745
2. Project Procurement	TBD
3. Financing Close	TBD
4. Project Delivery	TBD
<b>Subtotal Basic Services Fees</b>	
<b>Additional Services Fees (Allowance)</b>	
1. Assist Project Participants to develop functional sponsor organizations, governance principles, and agreements needed to meet requirements to sponsor a non-recourse financed (PPP) project.	TBD
2. Develop Interim Funding Agreements; develop Joint Powers agreements, wholesale water purchase agreements, project power supply agreements; site access licenses or agreements, agreements for use of existing infrastructure; right-of-way licenses or agreements; land lease agreements.	TBD
3. Assist Project Participants with developing methodology to value contributed assets such as land, power and other project-related infrastructure: and, determine cost distribution methodologies or allocate project revenue requirements (payments).	TBD
4. Prepare financial assistance applications to pursue alternative State or Federal sources of funding.	TBD
5. Evaluate Agency System improvements required for interconnecting water supplies or wheeling and facilitating water banking and water supply trading.	TBD
6. Water quality data collection, sampling, and laboratory analyses above and beyond what is included in Phase II Scope of Work.	TBD
7. Public Outreach and Involvement	TBD
8. Mapping/GIS	TBD
9. Environmental Reviews/Evaluation	TBD
<b>Sub-Total Additional Services Fees Authorized</b>	<b>TBD</b>
<b>Total Authorized Fee</b>	<b>TBD</b>

**Exhibit "B"**  
**Mandatory Requirements**

**INDEMNIFICATION**

**Consultant shall fully indemnify, hold harmless, and defend the City of Corpus Christi and its officials, officers, agents, employees, volunteers, directors and representatives ("Indemnitee") from and against any and all claims, damages, liabilities or costs, including reasonable attorney fees and defense costs, caused by or resulting from an act of negligence, intentional tort, intellectual property infringement, or failure to pay a subcontractor or supplier committed by Consultant or its agent, consultant under contract or another entity over which Consultant exercises control while in the exercise of rights or performance of the duties under this agreement. This Indemnification does not apply to any liability resulting from the negligent acts or omissions of the City of Corpus Christi or its employees, to the extent of such negligence.**

**Consultant must, at City's option, defend Indemnitee and with counsel satisfactory to the City Attorney.**

**Consultant must advise City in writing within 24 hours of any claim or demand against City or Consultant known to Consultant related to or arising out of Consultant's activities under this Agreement.**



SUPPLIER NUMBER  
TO BE ASSIGNED BY CITY  
PURCHASING DIVISION

### CITY OF CORPUS CHRISTI DISCLOSURE OF INTEREST

City of Corpus Christi Ordinance 17112, as amended, requires all persons or firms seeking to do business with the City to provide the following information. **Every question must be answered.** If the question is not applicable, answer with "NA". See reverse side for Filing Requirements, Certifications and definitions.

COMPANY NAME: Freese and Nichols, Inc.

P. O. BOX: \_\_\_\_\_

STREET ADDRESS: 800 N. Shoreline, Suite 1600N CITY: Corpus Christi ZIP: 78401

FIRM IS: 1. Corporation  2. Partnership   
4. Association  5. Other  3. Sole Owner

#### DISCLOSURE QUESTIONS

If additional space is necessary, please use the reverse side of this page or attach separate sheet.

1. State the names of each "employee" of the City of Corpus Christi having an "ownership interest" constituting 3% or more of the ownership in the above named "firm."

Name N/A Job Title and City Department (if known)  
\_\_\_\_\_  
\_\_\_\_\_

2. State the names of each "official" of the City of Corpus Christi having an "ownership interest" constituting 3% or more of the ownership in the above named "firm."

Name N/A Title  
\_\_\_\_\_  
\_\_\_\_\_

3. State the names of each "board member" of the City of Corpus Christi having an "ownership interest" constituting 3% or more of the ownership in the above named "firm."

Name N/A Board, Commission or Committee  
\_\_\_\_\_  
\_\_\_\_\_

4. State the names of each employee or officer of a "consultant" for the City of Corpus Christi who worked on any matter related to the subject of this contract and has an "ownership interest" constituting 3% or more of the ownership in the above named "firm."

Name N/A Consultant  
\_\_\_\_\_  
\_\_\_\_\_


**FILING REQUIREMENTS**

If a person who requests official action on a matter knows that the requested action will confer an economic benefit on any City official or employee that is distinguishable from the effect that the action will have on members of the public in general or a substantial segment thereof, you shall disclose that fact in a signed writing to the City official, employee or body that has been requested to act in the matter, unless the interest of the City official or employee in the matter is apparent. The disclosure shall also be made in a signed writing filed with the City Secretary. [Ethics Ordinance Section 2-349 (d)]

**CERTIFICATION**

I certify that all information provided is true and correct as of the date of this statement, that I have not knowingly withheld disclosure of any information requested; and that supplemental statements will be promptly submitted to the City of Corpus Christi, Texas as changes occur.

Certifying Person: Ron Guzman, P. E. Title: Principal  
(Type or Print)

Signature of Certifying Person:  Date: 1.6.15

**DEFINITIONS**

- a. "Board member." A member of any board, commission, or committee appointed by the City Council of the City of Corpus Christi, Texas.
- b. "Economic benefit". An action that is likely to affect an economic interest if it is likely to have an effect on that interest that is distinguishable from its effect on members of the public in general or a substantial segment thereof.
- c. "Employee." Any person employed by the City of Corpus Christi, Texas either on a full or part-time basis, but not as an independent contractor.
- d. "Firm." Any entity operated for economic gain, whether professional, industrial or commercial, and whether established to produce or deal with a product or service, including but not limited to, entities operated in the form of sole proprietorship, as self-employed person, partnership, corporation, joint stock company, joint venture, receivership or trust, and entities which for purposes of taxation are treated as non-profit organizations.
- e. "Official." The Mayor, members of the City Council, City Manager, Deputy City Manager, Assistant City Managers, Department and Division Heads, and Municipal Court Judges of the City of Corpus Christi, Texas.
- f. "Ownership Interest." Legal or equitable interest, whether actually or constructively held, in a firm, including when such interest is held through an agent, trust, estate, or holding entity. "Constructively held" refers to holdings or control established through voting trusts, proxies, or special terms of venture or partnership agreements."
- g. "Consultant." Any person or firm, such as engineers and architects, hired by the City of Corpus Christi for the purpose of professional consultation and recommendation.

# Associated PIF PDF

The following document is for associated PIF #12193

# Texas Water

## Development Board

OLA ID 623352

PIF No. 12193

Entity Name: Corpus Christi

Project Name: Seawater Desalination and  
Variable Salinity Program

### TABLE OF CONTENTS

General Information

Contact Information

Service Area

Project Description

Document - WaterSystemList

Readiness to Proceed to Construction

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# General Information

Project Information

Funding Type: SWIFT

# Contact Information

County: Nueces

Entity Contact Information	Engineering Firm Contact Information
Name of Entity: Corpus Christi	Name of New Entity:
Prefix: Mr.	Prefix:
First Name: Mark	First Name:
Last Name: Van Vleck	Last Name:
Addr 1: 1201 Leopard Street	Addr 1:
Addr 2:	Addr 2:
City: Corpus Christi	City:
State: TX	State:
Zip: 78401-2120	Zip:
Phone: (361) 826-3235	Phone:
Fax:	Fax:
Suffix: P.E.	Suffix:
OrgName:	OrgName:
DeptName:	DeptName:
Title: Assistant City Manager	Title:
Email: markw@cctexas.com	Email:
	Firm Name:
Make Changes: Y	Make Changes: Y
No Entity TxWISE Id	No Engineering TxWISE Id

# Service Area

Population Served: 500,000

# Project Description

Project Name: Seawater Desalination and Variable Salinity Program

Where can Project be found in the most recent Regional Water Plan?

Project listed on page: : 5D.9-1

Capital costs on page: : 5D.9-10



Region: N - COASTAL BEND

Phase(s) Applied For

Planning: Y

Acquisition: N

Design: N

Construction: N

Emergency

Applicant/entity's water supply will last less than 180 days.: N

Water Supply need occurs earlier than anticipated in the State Water Plan: N

Applicant has received or applied for Federal emergency funding.: N

None of the above.: Y

Agricultural Efficiency Project?: N

Estimated average annual residential water bill: \$165

Annual Median Household Income: \$42,903

Project will produce water: Y

Project will conserve water: N

Please provide the volume of water anticipated to be produced or conserved by the project per decade:

2020	2030	2040	2050	2060	2070
0	22420	22420	22420	22420	22420

Project will address water loss: N

Project Long Desc: A Consortium of industrial and municipal stakeholders has completed a feasibility study for the implementation of a seawater desalination plant in the Corpus Christi Bay Area. The intent of the Consortium is to conduct project definition and planning studies for implementing a full-scale seawater desalination project. This funding application is to address those preparation and definition activities which will include recommendation of a project implementation agency, a plant siting evaluation, infrastructure integration planning, source water characterization, economic impact and cost modeling, public outreach, analysis of concentrate management methods, evaluation of cost allocation strategies, evaluation and selection of a project procurement methodology.

**Please attach a list of all water systems served by the proposed project.**

The City of Corpus Christi is a Regional Water Supplier. The water systems served by the proposed project include, but are not limited to:

The City of Corpus Christi  
San Patricio Municipal Water District  
Alice Water Authority  
Beeville Water Supply District  
City of Mathis  
Nueces County Water Improvement District No. 4  
South Texas Water Authority  
Violet Water Supply Corporation  
The City of Odem  
The City of Taft  
The City of Portland  
The City of Gregory  
The City of Ingleside  
The City of Aransas Pass  
The City of Port Aransas  
The City of Rockport  
The City of Fulton

# Readiness to Proceed to Construction

Preliminary planning or design work (30% of total project) has been completed or is not required.:  
N

Applicant is prepared to begin implementation or construction within 18 months of application  
deadline.: N

Applicant has acquired all water rights associated with the proposed project, or none will be  
required.: N

# Estimated Costs

TWDB Requested Amount

Low-Interest Loan Amount:

Deferred Loan Amount: \$2750000.00

Board Participation Amount:

Local Contribution Amount:

Other Amount:

Other Desc:

Total Estimated Project Costs: \$2750000.00

## Submittal

I, NO SUBMITTED NAME ENTERED, as the designated authorized representative of the Corpus Christi, hereby approve and authorize the submission of this project information form to the Texas Water Development Board. I certify that all information contained herein is true and correct to the best of my knowledge. I understand the failure to submit a complete project information form by the stated deadlines may result in the withdrawal of the form without review.

Submitted by: NO SUBMITTED NAME ENTERED

Telephone Number: NO SUBMIT PHONE NUMBER ENTERED

Submitted date: NO SUBMIT DATE ENTERED