

I N D E X

PORT COMMISSION
OF THE
PORT OF HOUSTON AUTHORITY
OF THE PORTS OF HARRIS COUNTY, TEXAS
March 23, 2026

Minute No.

Event/Action

General

Chairman Campo convened the in-person and virtual Port Commission meeting and provided opening remarks along with Port Commissioners

Minutes

2026-0323-01 Approve the minutes of the February 19, 2026 Port Commission meeting

Staff Reports

2026-0323-02 Charlie Jenkins presented a summary of selected financial and operational matters

Appearances

2026-0323-03(a) Chairman Campo introduced Jenni Peters, CAE, along with Julia Clark, PE, and Patrick Williams, PE, presenting The American Society of Civil Engineers' 2025 Texas Outstanding Civil Engineering Achievement, who addressed the Port Commission

2026-0323-03(b) Chairman Campo introduced Rick Noriega, ESGR State Chairman, and Cecil Macklin, Texas ESGR Eastern Region, presenting the Employers in Support of the Guard and Reserves (ESGR) Statement of Support (SOS), who addressed the Port Commission

2026-0323-03(c) Chairman Campo introduced Sarah Cinco, Public Citizen/Healthy Port Communities Coalition, who addressed the Port Commission

2026-0323-03(d) Chairman Campo introduced Carolyn Stone, Channelview Health & Improvement Coalition, who addressed the Port Commission

2026-0323-03(e) Chairman Campo introduced Theresa Blackwood, who addressed the Port Commission

2026-0323-03(f) Chairman Campo introduced Frederick Sunderman, PE, TLC Engineering, who addressed the Port Commission

Minute No.

Event/Action

F. Executive

- 2026-0323-04 Staff Report – Selected agenda items – Parker Harrison, Chief Legal Officer
- 2026-0323--05 Acknowledgment of a gift to the Port Authority under Section 5007.228 of the Special District Local Laws Code: 2025 Texas Outstanding Civil Engineering Achievement plaque
- 2026-0323-06 Approve the Amended Public Comment Policy of the Port Authority

G. External Affairs

- 2026-0323-07 Staff Report – Selected agenda items – Cam Rahmn-Spencer, Director, Government Relations
- 2026-0323-08 Professional services contract with The Browns Consulting for state governmental policy consulting and support
- 2026-0323-09 Professional services contract with Michael Toomey and Associates for state governmental policy consulting and support

H. Channel Infrastructure

- 2026-0323-10 Staff Report – Selected agenda items – Lori Brownell, Chief Channel Infrastructure Officer
- 2026-0323-11 New private road-rail grade crossing license to Watco Dock & Rail, LLC over the Industrial Lead Track near Industrial Road
- 2026-0323-12 Renewal of expiring Port Authority pipeline licenses for thirty-year terms for the following entities: Explorer Pipeline Company, Kinder Morgan Texas Pipeline LLC, and KM Liquids Terminals LLC; renewal of two expiring Port Authority pipeline licenses for ten-year terms for the following entity: Targa Downstream LLC
- 2026-0323-13 Marine construction permit to Exxon Mobil Corporation for the construction of a ship dock adjacent to the Houston Ship Channel and William Scott Survey, A-66
- 2026-0323-14 Marine construction permit to the City of Baytown for improvements to an existing stormwater outfall structure adjacent to the William Scott Survey, A-66

Minute No.

Event/Action

I. Commercial

- 2026-0323-15 Staff Report – Selected agenda items – Stephanie Sides Sembera, Director, Real Estate
- 2026-0323-16 Amendment to the lease with Cooper/Ports America, LLC for approximately 1.72 acres out of Block 12 at Barbours Cut Terminal to extend the term for five years, effective no earlier than May 1, 2026, at an annual base rent of \$96,503.79, subject to a 3% annual base rent escalation
- 2026-0323-17 Extended term of a month-to-month lease with TPC Group LLC, commencing April 1, 2026, for approximately 6 acres out of Block 3 at the Sims Bayou, at an annual base rent of \$298,701.65

J. Finance

- 2026-0323-18 Staff Report – Selected agenda items – Christopher Edwards, Deputy Chief Financial Officer
- 2026-0323-19 Amended investment policy for the Port of Houston Authority Restated Retirement Plan
- 2026-0323-20 Amended investment policy for the Port of Houston Authority Other Post-Employment Benefit Plan, an irrevocable trust established for other post-employment benefits
- 2026-0323-21 Authorization of JP Morgan Short Term Duration Bond R6 fund as a new investment manager for the Port of Houston Authority Restated Retirement Plan
- 2026-0323-22 Authorization of JP Morgan Short Term Duration Bond R6 fund as a new investment manager for the Port of Houston Authority Other Post-Employment Benefit Plan, an irrevocable trust established for other post-employment benefits
- 2026-0323-23 Termination of the investment management agreements with Fiduciary Management, Inc. for the Port of Houston Authority Restated Retirement Plan (Pension Plan) and Other Post Employment Benefit Plan (OPEB Plan)
- 2026-0323-24 Authorization of Newton Investment Management North America, LLC as a new large-cap value investment manager for the Port of Houston Authority Restated Retirement Plan

<u>Minute No.</u>	<u>Event/Action</u>
2026-0323-25	Authorization of Newton Investment Management North America, LLC as a new large-cap value investment manager for the Port of Houston Authority Other Post-Employment Benefit Plan, an irrevocable trust established for other post-employment benefits
	K. Infrastructure
2026-0323-26	Staff Report – Selected agenda items – Rich Byrnes, Chief Port Infrastructure Officer
2026-0323-27	Professional services contract for the splash zone engineering at Turning Basin Terminal to the top-ranked proposer Collins Engineers, Inc.
2026-0323-28	Amendment of professional services contract with Hatch Associates Consultants, Inc. to perform additional services associated with the design for the rehabilitation of Wharves 5 and 6 at Barbours Cut Terminal
2026-0323-29	Amendment of professional services contract with English + Associates Architects, Inc. to perform additional services associated with the design of telecommunication connectivity for the new Port Coordination Center building at Turning Basin Terminal
2026-0323-30	Change order with Orion Construction, LLC to perform additional work associated with the bulkhead and fender repairs at Wharves 20 and 21 at Turning Basin Terminal
	L. Maintenance
2026-0323-31	Staff Report – Selected agenda item – Nathan Fabian, Director, Port Cranes
2026-0323-32	Contract with Ambassador Services, LLC for the purchase of janitorial services at Barbours Cut Terminal and Bayport Container Terminal, using Harris County Department of Education's Choice Partners, a cooperative purchase program contract
2026-0323-33	Two-year contract to EVCO Partners, LP dba Burgoon Company for the purchase of miscellaneous shop supplies for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal, using the Texas Comptroller of Public Accounts, Texas Multiple Award Schedule
2026-0323-34	Contract with Doggett Heavy Machinery Services, the sole source provider, for the purchase of John Deere replacement parts for seventeen hybrid rubber-tired gantry cranes at Barbours Cut Terminal and Bayport Container

<u>Minute No.</u>	<u>Event/Action</u>
2026-0323-35	Two-year contract to Kalmar USA, Inc., Bromma Americas, the sole source provider, for the purchase of quarterly inspections and troubleshooting of Bromma spreaders and over-height frames at Barbours Cut Terminal and Bayport Container Terminal

M. Operations

2026-0323-36	Staff Report – Selected agenda item – Ryan Mariacher, Chief Port Operations Officer
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2026-0323-37	Amendment of Tariff Nos. 14 and 15 governing Barbours Cut Terminal and Bayport Container Terminal, effective May 1, 2026, to (i) clarify the Port Authority’s requirement of placards identifying certain battery-powered vehicles transported at the Port Authority’s container terminals, and (ii) reduce the free time allotted to loaded import refrigerated containers requiring power
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N. People

2026-0323-38	Staff Report – Selected agenda item – Carlecia Wright, Chief People Officer
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2026-0323-39	Amendment of professional services contract with Unicare Building Maintenance, Inc. to perform cleaning services within the Executive Office Building, Port Coordination Center, Central Maintenance buildings, Sam Houston Pavilion, and ten gatehouses at the Turning Basin Terminal for an additional three months
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O. Security and Emergency Operations

2026-0323-40	Staff Report – Selected agenda items – Amy Seymour, Chief Port Security and Emergency Operations Officer
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2026-0323-41	Purchase order to Motorola Solutions, Inc. for the purchase of land mobile radio equipment including radios, batteries, chargers, related hardware, and accessories for the Port Authority Operations, Maintenance, Port Security and Emergency Operations divisions, and International Longshoremen’s Association personnel, using the Houston-Galveston Area Council cooperative purchase program
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P. Strategy

2026-0323-42	Staff Report – Selected agenda items – Candice Armenoff, Chief Strategy Officer
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<u>Minute No.</u>	<u>Event/Action</u>
2026-0323-43	Professional services contract with HNTB Corporation for a freight mobility impact analysis

Q. Technology

2026-0323-44	Staff Report – Selected agenda item – Charles Thompson, Chief Information Officer
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2026-0323-45	Two-year purchase order to Trace3, LLC for purchase of Next Generation (NXGEN) INFOSEC network segmentation hardware, software subscriptions, and maintenance, using Texas Department of Information Resources cooperative purchase program utilizing 2024 Port Security Grant Funding
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2026-0323-46	Purchase order to ePlus Technology, inc., for purchase of networking equipment to support Barbours Cut Terminal West End, using Texas Department of Information Resources cooperative purchase program
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2026-0323-47	Change order with ePlus Technology, inc., for the purchase of networking equipment needed to support ship-to-shore cranes at Bayport Container Terminal, using Texas Department of Information Resources cooperative purchase program
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2026-0323-48	Purchase order to Tanches Global Management, Inc., for purchase of networking equipment to support the Port Coordination Center, using Texas Department of Information Resources cooperative purchase program
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R. Recess Open Meeting and Convene Executive Session

S. Reconvene Open Meeting

2026-0323-49	Authorize the Port Authority to enter into an agreement with Best Best & Krieger LLP on the terms discussed in Executive Session, and authorize the Chief Executive Officer to do all other things reasonable or necessary to give effect to the foregoing
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2026-0323-50	Authorize the Port Authority to enter into an agreement with BoyarMiller on the terms discussed in Executive Session, and authorize the Chief Executive Officer to do all other things reasonable or necessary to give effect to the foregoing
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2026-0323-51	Authorize the Port Authority to enter into an agreement with Roger Guenther on the terms discussed in Executive Session, and authorize the Chief Executive Officer to do all other things reasonable or necessary to give effect to the foregoing
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Minute No.

Event/Action

2026-0323-52

Authorize the Port Authority to enter into an agreement with Skyrock on the terms discussed in Executive Session, and authorize the Chief Executive Officer to do all other things reasonable or necessary to give effect to the foregoing

2026-0323-53

Authorize the Port Authority to adopt an amended meeting minutes format on the terms discussed in Executive Session, and authorize the Chief Executive Officer to do all other things reasonable or necessary to give effect to the foregoing

U. Closing Remarks by Chairman and Commissioners

V. Adjourn Meeting

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

**Houston, Texas
March 23, 2026**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on March 23, 2026, at 9:15 a.m., at the Port of Houston Authority Administrative Building, First Floor Boardroom, at 2960 Riverby Road, Houston, Texas 77020, and via Microsoft Teams. The following commissioners, staff, and counsel were present:

Ric Campo, Chairman
Michel Bechtel, Commissioner
Wendy Cloonan, Commissioner
Thomas Jones, Commissioner
Alan Robb, Commissioner
Charlie Jenkins, Chief Executive Officer
Parker Harrison, Chief Legal Officer
Eric Casey, Chief Operating Officer
Jessica Shaver, Chief Administration Officer
Kerrick Henny, Chief Government Relations Officer
Tim Finley, Chief Financial Officer
J. Kent Friedman, outside counsel

Chairman Campo began his opening remarks by congratulating Commissioners Cloonan and Jones on their reappointments to successive terms on the Port Commission and highlighting the upcoming Fleet Week celebration. He concluded by recognizing the Project 11 team and congratulating those involved on the award presentation honoring their work to enhance the efficiency and safety of the Houston Ship Channel.

(2026-0323-01) Chairman Campo called for a motion to approve the minutes of the February 19, 2026, Port Commission meeting. Commissioner Cloonan moved for approval, seconded by Commissioner Robb. The minutes were approved as written.

(2026-0323-02) Charlie Jenkins, Chief Executive Officer, presented a summary of selected financial and operational matters, including continued cargo growth and increases in overall tonnage.

Mr. Jenkins then highlighted the significance of the Port Authority-led portion of the Houston Ship Channel Expansion Project (Project 11), and recognized members of the American Society of Civil Engineers in attendance to present the 2025 Texas Outstanding Civil Engineering Achievement plaque to the Project 11: Houston Ship Channel Expansion, Segments 1–2 team in recognition of the work completed on the Port Authority-led portion of the project.

Mr. Jenkins yielded the floor to Colonel David Dake of the Army Corps of Engineers, who offered additional remarks regarding the Project 11 award.

Chairman Campo concluded the topic by noting that the project began during a period of misalignment among stakeholders but ultimately succeeded through strong collaboration among all stakeholders for the long-term economic benefit of the region.

(2026-0323-03) Appearances

(a) Chairman Campo recognized Jenni Peters, CAE, along with Julia Clark, PE, and Patrick Williams, PE, The American Society of Civil Engineers, who addressed the Port Commission.

Ms. Peters, Ms. Clark, and Mr. Williams of the American Society of Civil Engineers presented the 2025 Texas Outstanding Civil Engineering Achievement plaque to members of the Project 11 team in recognition of the Houston Ship Channel Expansion Project (Segments 1–2).

(b) Chairman Campo recognized Rick Noriega, ESGR State Chairman, and Cecil Macklin, Texas ESGR Eastern Region, who addressed the Port Commission.

Mr. Noriega and Mr. Macklin of the Employers Support of the Guard and Reserve (ESGR) presented a Statement of Support to the Port Authority in recognition of its support for employees serving in the National Guard and Reserve.

(c) Chairman Campo recognized Sarah Cinco, Public Citizen/Healthy Ports Communities Coalition, who addressed the Port Commission.

Ms. Cinco, representing Public Citizen and the Healthy Port Communities Coalition, addressed the Port Commission and expressed appreciation for the revised public comment policy and thanked Port staff for their responsiveness to community concerns.

(d) Chairman Campo recognized Carolyn Stone, Channelview Healthy & Improvement Coalition, who addressed the Port Commission.

Ms. Stone, representing the Channelview Health and Improvement Coalition, addressed the Port Commission and expressed concerns regarding the amended public comment policy and emphasized the importance of maintaining opportunities for community members to provide input on matters impacting surrounding communities.

(e) Chairman Campo recognized Theresa Blackwood, who addressed the Port Commission.

Ms. Blackwood, a Channelview resident, addressed the Port Commission and expressed concerns regarding recent changes to the public comment policy and the process by which those changes were communicated and approved.

(f) Chairman Campo recognized Frederick Sunderman, PE, TLC Engineering, who addressed the Port Commission.

Mr. Sunderman, representing TLC Engineering, addressed the Port Commission and expressed appreciation for the Port Authority's Port University program, noting its value in supporting small- and minority-owned businesses through increased access, networking opportunities, and engagement with Port staff and industry partners.

(2026-0323-04) Chairman Campo recognized Parker Harrison, Chief Legal Officer, to provide a report of selected Executive agenda items.

Ms. Harrison presented two items for consideration. First, she requested formal acknowledgment of the gift presented by the American Society of Civil Engineers to the Project 11 team, as required under applicable law for gifts above the statutory threshold.

Ms. Harrison then introduced Item F2, the proposed amendments to the Port Commission's public comment policy that was driven by increased public participation at Commission meeting and the Commission's need to conduct its business efficiently. She clarified what would change with the new policy and what would not, and confirmed that the new policy would take effect starting with the April Port Commission and Committee meetings.

(2026-0323-05) RCA F1 was presented, moved by Commissioner Bectchel, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA F1 PASSED.

(2026-0323-06) RCA F2 was presented, moved by Commissioner Bectchel, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA F2 PASSED.

(2026-0323-07) Chairman Campo recognized Cam Rahmn-Spencer, Director, Government Relations, to provide a report of selected External Affairs agenda items.

Mr. Spencer reported that the Port Authority continued to benefit from the use of state and federal legislative consultants to support its engagement with elected officials and government agencies at all levels.

Mr. Spencer requested the Port Commission's consideration and approval of Items G1 and G2: new contract terms for both state consultants.

(2026-0323-08) RCA G1 was presented, moved by Commissioner Robb, seconded by Commissioner Jones. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA G1 PASSED.

(2026-0323-09) RCA G2 was presented, moved by Commissioner Robb, seconded by Commissioner Jones. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA G2 PASSED.

(2026-0323-10) Chairman Campo recognized Lori Brownell, Chief Channel Infrastructure Officer, to provide a report of selected Channel Infrastructure agenda items.

Ms. Brownell then presented four Channel Infrastructure items for the Port Commission's consideration. She summarized requests related to a road-rail grade crossing, renewal of pipeline licenses, and the issuance of marine construction permits, including a permit associated with improvements to support petrochemical export operations along the Houston Ship Channel.

Ms. Brownell requested approval of the Channel Infrastructure agenda items H1 through H4.

(2026-0323-11) RCA H1 was presented, moved by Commissioner Robb, seconded by Commissioner Bechtel. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA H1 PASSED.

(2026-0323-12) RCA H2 was presented, moved by Commissioner Robb, seconded by Commissioner Bechtel. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA H2 PASSED.

(2026-0323-13) RCA H3 was presented, moved by Commissioner Robb, seconded by Commissioner Bechtel. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA H3 PASSED.

(2026-0323-14) RCA H4 was presented, moved by Commissioner Robb, seconded by Commissioner Bechtel. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA H4 PASSED.

(2026-0323-15) Chairman Campo recognized Stephanie Sides-Sempera, Director, Real Estate, to provide a report of selected Commercial agenda items.

Ms. Sembera provided a brief update on the Houston-area industrial real estate market, including a recent site selection meeting associated with a potential ship-to-shore crane manufacturing facility in the region.

Ms. Sembera then presented two Commercial agenda items for the Port Commission's approval, both related to real estate lease matters.

(2026-0323-16) RCA I1 was presented, moved by Commissioner Jones, seconded by Commissioner Robb. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA I1 PASSED.

(2026-0323-17) RCA I2 was presented, moved by Commissioner Jones, seconded by Commissioner Robb. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA I2 PASSED.

(2026-0323-18) Chairman Campo recognized Christopher Edwards, Deputy Chief Financial Officer to provide a report of selected Finance agenda items.

Mr. Edwards provided a brief overview of February financial performance, including commentary about impacts from and early successes of the recent go-live of NxGEN.

Mr. Edwards then presented Items J1 through J7 for the Commission's consideration, noting that the items related to the Port Authority's pension and other post-employment benefits (OPEB) plans. The items included recommendations arising from a periodic investment allocation study, as well as routine actions supporting the evaluation and performance of investment managers.

(2026-0323-19) RCA J1 was presented, moved by Commissioner Robb, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA J1 PASSED.

(2026-0323-20) RCA J2 was presented, moved by Commissioner Robb, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA J2 PASSED.

(2026-0323-21) RCA J3 was presented, moved by Commissioner Robb, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA J3 PASSED.

(2026-0323-22) RCA J4 was presented, moved by Commissioner Robb, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA J4 PASSED.

(2026-0323-23) RCA J5 was presented, moved by Commissioner Robb, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA J5 PASSED.

(2026-0323-24) RCA J6 was presented, moved by Commissioner Robb, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA J6 PASSED.

(2026-0323-25) RCA J7 was presented, moved by Commissioner Robb, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA J7 PASSED.

(2026-0323-26) Chairman Campo recognized Rich Byrnes, Chief Infrastructure Officer, to provide a report of selected Infrastructure agenda items.

Mr. Byrnes reported that the Infrastructure Division brought four items before the Commission totaling approximately \$1.5 million related to rehabilitation and long-term performance of Turning Basin assets, as well as the new Port Coordination Center and the Stevedore Support Building at the Barbours Cut Container Terminal. Mr. Byrnes requested approval of Items K1 through K4.

(2026-0323-27) RCA K1 was presented. Commissioner Jones moved for staff's ranking of vendors and award a professional services contract to the top-ranked proposer – first, Collins Engineers, Inc., seconded by Commissioner Bechtel. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA K1 PASSED.

(2026-0323-28) RCA K2 was presented, moved by Commissioner Jones, seconded by Commissioner Bechtel. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA K2 PASSED.

(2026-0323-29) RCA K3 was presented, moved by Commissioner Jones, seconded by Commissioner Bechtel. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA K3 PASSED.

(2026-0323-30) RCA K4 was presented, moved by Commissioner Jones, seconded by Commissioner Bechtel. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA K4 PASSED.

(2026-0323-31) Chairman Campo recognized Nathan Fabian, Director, Port Cranes, to provide a report of selected Maintenance agenda items.

Mr. Fabian provided an overview of recent Maintenance activities and highlighted efforts to enhance operational efficiency, expand terminal capacity, and support sustainability goals through equipment upgrades and hybrid crane conversions.

Mr. Fabian then presented four Maintenance items for the Commission's consideration related to janitorial services, procurement of operational supplies, and specialized equipment maintenance and parts necessary to support terminal operations and crane reliability. Mr. Fabian requested approval of Items L1 through L4.

(2026-0323-32) RCA L1 was presented, moved by Commissioner Cloonan, seconded by Commissioner Jones. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA L1 PASSED.

(2026-0323-33) RCA L2 was presented, moved by Commissioner Cloonan, seconded by Commissioner Jones. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA L2 PASSED.

(2026-0323-34) RCA L3 was presented, moved by Commissioner Cloonan, seconded by Commissioner Jones. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA L3 PASSED.

(2026-0323-35) RCA L4 was presented, moved by Commissioner Cloonan, seconded by Commissioner Jones. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA L4 PASSED.

(2026-0323-36) Chairman Campo recognized Ryan Mariacher, Chief Port Operations Officer, to provide a report of selected Port Operations agenda items.

Mr. Mariacher provided a brief update on public terminal performance through February 2026.

Mr. Mariacher then presented Item M1, which included two proposed tariff revisions. The agenda Item clarified tariff language related to containerized hazardous cargo and reduced free time for refrigerated containers to align Port Authority practices with other major markets and support efficient cargo movement.

After a brief discussion about fog and other weather impacts and changes in cargo mix, Mr. Mariacher requested approval of item M1.

(2026-0323-37) RCA M1 was presented, moved by Commissioner Jones, seconded by Commissioner Bechtel. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA M1 PASSED.

(2026-0323-38) Chairman Campo recognized Carlecia Wright, Chief People Officer, to provide a report of selected People agenda items.

Ms. Wright provided a brief update on People Division activities and then presented Item N1, a short-term extension of an existing cleaning services contract to ensure continuity of services while staff completed a new competitive procurement process.

(2026-0323-39) RCA N1 was presented, moved by Commissioner Bechtel, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA N1 PASSED.

(2026-0323-40) Chairman Campo recognized Amy Seymour, Chief Port Security and Emergency Operations Officer, to provide a report of selected Security and Emergency Operations agenda items.

Ms. Seymour presented Item O1, which would support the phased replacement of aging radios used by operational, maintenance, and public safety personnel to ensure continued reliability for daily operations and emergency response.

(2026-0323-41) RCA O1 was presented, moved by Commissioner Bechtel, seconded by Commissioner Jones. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA O1 PASSED.

(2026-0323-42) Chairman Campo recognized Candice Armenoff, Chief Strategy Officer, to provide a report of selected Strategy agenda items.

Ms. Armenoff discussed the importance of key highway corridors supporting the Houston freight network and noted ongoing challenges related to funding and planning for critical infrastructure improvements.

She then presented Item P1, approval of a professional services contract to conduct a freight mobility impact analysis that would complement the Port Authority's recent economic impact study by evaluating the potential economic and supply chain impacts if key highway projects were not advanced.

Commissioner Jones asked for further clarification regarding the deliverable of the impact analysis for Item P1. Ms. Armenoff clarified that that the deliverable would be a written report, presentation, and an executive summary by the team to outline the negative

impacts to the region in terms of cargo flow and jobs if Highways 225 and 146 – and I-610 – did not meet their current project schedules.

(2026-0323-43) RCA P1 was presented, moved by Commissioner Jones, seconded by Commissioner Bechtel. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA P1 PASSED.

(2026-0323-44) Chairman Campo recognized Charles Thompson, Chief Information Officer, to provide a report of selected Technology agenda items.

Mr. Thompson reported that the Technology Division presented four items for the Commission's consideration, including one related to network security enhancements to strengthen system protections through improved access controls and segmentation, supported in part by Port Security Grant funding. He noted that the proposed initiatives align with the Port Authority's Information Technology Master Plan and support ongoing efforts to enhance system reliability, security, and operational efficiency. He requested approval of the Technology Division agenda items.

(2026-0323-45) RCA Q1 was presented, moved by Commissioner Bechtel, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA Q1 PASSED.

(2026-0323-46) RCA Q2 was presented, moved by Commissioner Bechtel, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA Q2 PASSED.

(2026-0323-47) RCA Q3 was presented, moved by Commissioner Bechtel, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA Q3 PASSED.

(2026-0323-48) RCA Q4 was presented, moved by Commissioner Bechtel, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. RCA Q4 PASSED.

At 10:43 a.m. Chairman Campo called for an Executive Session and asked Ms. Harrison to make the following announcement:

The Port Commission of the Port of Houston Authority of Harris County, Texas will now convene in a closed meeting, as permitted by the Texas Open Meetings Act and Government Code, to conduct a consultation with attorneys (*Section 551.071, Open Meetings Act*), including consultations regarding (1) proposed amendments to the agreements for legal services

with (a) Best Best & Krieger LLP, and (b) BoyarMiller, (2) the proposed agreement for legal support services with Skyrock, (3) Section 301 of the Trade Act of 1974 and 50 U.S.C.A. § 1701 et seq., and (4) certain Port Commission Governance items, and deliberate regarding (i) real estate (*Section 551.072, Open Meetings Act*) including deliberations regarding disposition of Galveston Bay vicinity property; (ii) economic development negotiations or incentives (*Section 551.087, Open Meetings Act*); (iii) employment and evaluation of public employees (*Section 551.074, Open Meetings Act*), including discussions regarding the engagement of the former Executive Director of Port Houston, and (iv) security-related matters (*Section 551.076, Open Meetings Act and Sections 418.175-418.183, Government Code*).

The Port Commission will reconvene in public session after the closed meeting is adjourned.

At 11:27 a.m., Chairman Campo reconvened the open meeting with the following Commissioners, staff, and counsel in attendance:

Ric Campo, Chairman
Michel Bechtel, Commissioner
Wendy Cloonan, Commissioner
Thomas Jones, Commissioner
Alan Robb, Commissioner
Charlie Jenkins, Chief Executive Officer
Parker Harrison, Chief Legal Officer
Eric Casey, Chief Operating Officer
Jessica Shaver, Chief Administration Officer
Kerrick Henny, Chief External Affairs Officer
Tim Finley, Chief Financial Officer
J. Kent Friedman, outside counsel

(2026-0323-49) Commissioner Cloonan moved to Authorize the Port Authority to enter into an agreement with Best Best & Krieger LLP on the terms discussed in Executive Session, and authorize the Chief Executive Officer to do all other things reasonable or necessary to give effect to the foregoing, seconded by Commissioner Robb. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. MOTION PASSED.

(2026-0323-50) Commissioner Bechtel moved to Authorize the Port Authority to enter into an agreement with BoyarMiller on the terms discussed in Executive Session, and authorize the Chief Executive Officer to do all other things reasonable or necessary to give effect to the foregoing, seconded by Commissioner Jones. Chairman

Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. MOTION PASSED.

(2026-0323-51) Commissioner Bechtel moved to Authorize the Port Authority to enter into an agreement with Roger Guenther on the terms discussed in Executive Session, and authorize the Chief Executive Officer to do all other things reasonable or necessary to give effect to the foregoing, seconded by Commissioner Jones. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. MOTION PASSED

(2026-0323-52) Commissioner Robb moved to Authorize the Port Authority to enter into an agreement with Skyrock on the terms discussed in Executive Session, and authorize the Chief Executive Officer to do all other things, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. MOTION PASSED

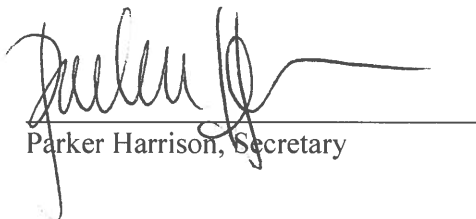
(2026-0323-53) Commissioner Cloonan moved to Authorize the Port Authority to adopt an amended meeting minutes format on the terms discussed in Executive Session, and authorize the Chief Executive Officer to do all other things reasonable or necessary to give effect to the foregoing, seconded by Commissioner Jones. Chairman Campo, and Commissioners Bechtel, Cloonan, Jones, and Robb voted Aye. Nays none. MOTION PASSED

At 11:31 a.m., Chairman Campo adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the March 23, 2026, meeting of the Port Commission of the Port of Houston Authority.



Ric Campo, Chairman



Parker Harrison, Secretary

F. EXECUTIVE

Subject	1. Acknowledgment of a gift to the Port Authority under Section 5007.228 of the Special District Local Laws Code: 2025 Texas Outstanding Civil Engineering Achievement plaque.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	Acknowledge the Port Authority’s acceptance of a gift to the Port Authority, i.e. 2025 Texas Outstanding Civil Engineering Achievement plaque, and further authorize the Chief Legal Officer to record the name of the donor, a description of the gift, and a statement of the purpose of the gift in the minutes of the Port Commission.

Category:
General

Department:
Legal

Staff Contact:
Parker Harrison

Background:
The Port Authority will be receiving a 14x20 cast metal plaque from the American Society of Civil Engineers. They will present the 2025 Texas Outstanding Civil Engineering Achievement plaque to the Project 11: Houston Ship Channel Expansion, Segments 1-2 team of Port Houston, U.S. Army Corps of Engineers, and Joint Venture of Gahagen & Bryant and AECOM.

This is a follow up to the award presentation at the September 2025 ASCE Texas Civil Engineering Conference (CECON) in San Marcos, Texas.

Staff Evaluation/Justification:
Section 5007.228 of the Special District Local Laws Code provides that the Port Authority may accept a gift valued at \$500 or more if the Port Commission acknowledges the acceptance of the gift within 90 days of its receipt.

The statute additionally provides that the Port Authority must record the name of the donor, a description of the gift, and a statement of the purpose of the gift in the minutes of the Port Commission.

The Legal Department recommends that the Port Commission acknowledge acceptance of this gift as provided above.

F. EXECUTIVE

Subject	2. Approve the Amended Public Comment Policy of the Port Authority.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, approve the Amended Public Comment Policy, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Legal

Staff Contact:

Parker Harrison

Background:

The Port Commission first adopted a Public Comment protocol in May 2007, and thereafter adopted revised Public Comment Policies in September 2015 and again in October 2022 by Minute Number 2022-1027-06.

Staff has proposed amendments to the Public Comment Policy to balance the desire for input on matters of interest to the community with the Port Commission's need to conduct the Port Authority's business in an orderly and efficient manner.

Following its review of this draft, the Governance Committee acted to recommend Port Commission approval of the revisions. The form of the document is attached.

Staff Evaluation/Justification:

Staff recommends that the Port Commission approve this amended policy in the form attached.

Port of Houston Authority

AMENDED PUBLIC COMMENT POLICY



A. Policy Statement.

1. It is the policy of the Port Commission of the Port of Houston Authority of Harris County, Texas (the "Port Authority") to encourage public comment at public meetings of the Port Commission and of its committees and task forces ("Public Meetings"), with regard to matters that relate to Port Authority affairs or within the authority of the Port Commission.

2. This Public Comment Policy (the "Policy") is intended to provide interested parties the opportunity to present their views, while permitting the Port Commission to conduct Public Meetings in an efficient and effective manner.

3. This Policy shall not prohibit public criticism of the Port Authority or Port Commission, including criticism of any of its acts, omissions, policies, procedures, programs, or services, provided that such public criticism is not otherwise prohibited by law.

4. The Port Authority urges interested parties to address Port Authority administrative, business, or related matters with Port Authority staff prior to requesting an appearance or speaking at a Public Meeting.

B. Advance Requests to Appear at a Public Meeting.

1. Interested parties must request in advance to appear on the agenda and speak at Public Meetings. Requests must be made to the office of the Chief Executive Officer of the Port Authority or Secretary of the Port Commission by telephone, mail, or email.

2. Such requests must be received no later than 12:00pm on the last business day before the scheduled date of the Public Meeting for which the appearance is requested. No requests will be accepted if made after that time.

3. Requestors are required to provide their name, organizational affiliation, contact information, and a brief description of the subject matter of their comments.

4. The Port Authority reserves the right to determine whether the appearance of an interested party is placed on the agenda of a Public Meeting.

5. Prior to the Public Meeting, the Port Authority will notify requestors whether their appearance has been added to the agenda and the length of time each requestor will have to address the Port Commission.

Public Comment Policy

March 2026

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C. Public Meeting Conduct.

1. Copies of the posted Port Commission meeting agenda are available near the entrance to the Public Meeting prior to its scheduled start, or the agenda will be electronically displayed on a meeting room screen.

2. The presiding Port Commissioner may announce the Port Authority's guidelines for conduct during the Public Meeting. Public Meetings are also subject to the requirements of the Texas Open Meetings Act (Texas Government Code Chapter 551).

3. The presiding Port Commissioner will generally conduct the Public Meeting in the order shown on the agenda and generally call speakers first in the order in which the requests are received.

4. Notwithstanding the foregoing:

a. The Port Authority reserves the right to move any public comment to a place on the agenda of the Public Meeting to better assure the efficient conduct of Port Commission business, provided that the opportunity to address the Port Commission regarding an item on the agenda of the Public Meeting shall occur before or during the Port Commission's consideration of the item; and

b. The Port Authority reserves the right to call speakers at a Public Meeting in such order as may be necessary or convenient for the conduct of Port Commission business.

5. Persons commenting at the Public Meeting may speak when the presiding Port Commissioner calls on them.

a. Speakers must appear in person and step up to the podium (or appear remotely as provided by law), and state their name and affiliation.

b. All public speakers making statements and responses to comments by the Port Commissioners, or to committee or task force members, must make their comments at the podium using the microphone provided.

c. Any additional information presented by the speaker should be in paper format, or if the meeting is conducted virtually, in .pdf format, and provided prior to the Public Meeting to the office of the Chief Executive Officer or Secretary, for distribution to the Port Commission, committee, or task force, and Port Authority staff. At least ten (10) copies of such information should be provided if in paper format.

Public Comment Policy

March 2026

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6. Permitted Speaking Time.

a. Permitted speaking time is determined by the number of properly registered public speakers at any given meeting.

b. If there are ten (10) or fewer registered public speakers at any given Public Meeting, each speaker may speak for up to three (3) minutes.

c. If there are more than ten (10) registered public speakers at any given Public Meeting, each speaker will be limited to one (1) minute.

d. If more than one member of a group has requested to speak, the group must select one representative to present its comments.

7. Unless the meeting is conducted virtually, a Port Authority staff member will time each speaker with a timer that clearly informs the presiding Port Commissioner and speakers of their elapsed or remaining speaking time. A Port Authority staff member may escort the speaker from the podium when the permitted time has elapsed or silence the speaker in remote attendance.

8. Comments should be addressed to the Port Commission as a whole, and no inquiries, requests, etc. may be asked of Port Commissioners or staff except through the presiding Port Commissioner. The presiding Port Commissioner may refer inquiries, requests, etc., to the Chief Executive Officer for handling and later response as appropriate.

9. The presiding Port Commissioner will close the public comment session after any speakers who are on the agenda have been given the opportunity to speak, subject to the following.

a. Persons attending a Public Meeting shall not delay, interrupt, or disrupt the proceedings, or refuse to obey the orders of the presiding Port Commissioner.

b. The presiding Port Commissioner may order persons who do not conduct themselves in an orderly and appropriate manner to leave the Public Meeting, and except as provided by law, deny them the opportunity to speak at that Public Meeting.

E. Policy Waivers. Except as provided by law, the Port Authority reserves the right to waive this Policy:

1. To accommodate the comments of persons and organizations invited by the Port Authority to speak at a Public Meeting; and

2. When necessary to conduct a Public Meeting efficiently and effectively.

Public Comment Policy

March 2026

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F. Reasonable Accommodations; Translation.

1. Persons with disabilities may contact the office of the Chief Executive Officer to request reasonable accommodations to participate in a Public Meeting. Such requests should be received at least seven (7) calendar days prior to the Public Meeting. If a request for accommodation has been submitted but due to circumstances is no longer needed, the requestor should promptly so notify the office of the Chief Executive Officer.

2. A member of the public who addresses the Port Commission through a translator shall be given at least twice the amount of time as a member of the public who does not require the assistance of a translator to ensure that non-English speakers receive the same opportunity to address the Port Commission.

G. Adoption. This Policy was adopted by the Port Commission on March 23, 2026, as evidenced by Minute No..

G. EXTERNAL AFFAIRS

Subject	1. Professional services contract with The Browns Consulting for state governmental policy consulting and support in an amount not to exceed \$66,000.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, authorize the Port Authority to enter into a one-year professional services contract with The Browns Consulting in an amount not to exceed \$66,000, effective April 1, 2026, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
Awards, Amendments & Change Orders

Department:
Government Relations

Staff Contact:
Cam Rahmn-Spencer/Kerrick Henny

Background:
The Port Authority currently contracts with Brown Consulting to consult on state policy priorities, assist in developing strategic plans and objectives, and facilitate effective communication with government officials and their staff.

Staff Evaluation/Justification:
Staff recommends that the Port Commission authorize a twelve-month contract with The Browns Consulting for continued state consulting and support services.

G. EXTERNAL AFFAIRS

Subject	2. Professional services contract with Michael Toomey and Associates for state governmental policy consulting and support in an amount not to exceed \$66,000.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action, Information
Recommended Action	The Port Commission, at its March 23, 2026 meeting, authorize the Port Authority to enter into a one year professional services contract with Michael Toomey and Associates in an amount not to exceed \$66,000, effective April 1, 2026, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Government Relations

Staff Contact:

Cam Rahmn-Spencer/Kerrick Henny

Background:

The Port Authority currently contracts with Michael Toomey and Associates to consult on state policy priorities, assist in developing strategic plans and objectives, and facilitate effective communication with government officials and their staffs.

Staff Evaluation/Justification:

Staff recommends that the Port Commission authorize a twelve-month contract with Michael Toomey and Associates for continued state consultant and support services.

H. CHANNEL INFRASTRUCTURE

Subject	1. New private road-rail grade crossing license to Watco Dock & Rail, LLC over the Industrial Lead Track near Industrial Road.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, authorize a new private road-rail grade crossing license to Watco Dock & Rail, LLC over the Industrial Lead Track near Industrial Road, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Infrastructure Real Property

Staff Contact:

Garry McMahan/Mollie Powell

Background:

Watco Dock & Rail, LLC, Port Authority File No. 2025-0434, has applied for a private road-rail grade crossing license over the Industrial Lead Track near Industrial Road, in the William P Harris and Robert Wilson Survey, A-21. The road would provide private road access to the adjacent Watco Dock & Rail, LLC facility.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Infrastructure Real Property Department and the Port Terminal Railroad Association. The license is subject to the Port Authority's usual terms and conditions for a ten-year license and a fee of \$9,111. The \$1,000 application fee and the \$10,000 as-built deposit have been paid.

Staff recommends approval.

H. CHANNEL INFRASTRUCTURE

Subject	2. Renewal of expiring Port Authority pipeline licenses for thirty-year terms for the following entities: Explorer Pipeline Company, Kinder Morgan Texas Pipeline LLC, and KM Liquids Terminals LLC; renewal of two expiring Port Authority pipeline licenses for ten-year terms for the following entity: Targa Downstream LLC.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, authorize the Port Authority to renew expiring Port Authority pipeline licenses for thirty-year terms for the following entities: Explorer Pipeline Company, Kinder Morgan Texas Pipeline LLC, and KM Liquids Terminals LLC; approve the renewal of two expiring Port Authority pipeline licenses for ten-year terms for the following entity: Targa Downstream LLC; and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Infrastructure Real Property

Staff Contact:

Garry McMahan/Chris Gossett/Mollie Powell

Background:

The licensees listed below have applied to renew their licenses:

30-Year Term

Company	File No.	License Fee*
Explorer Pipeline Company	2006-0103	\$5,727
Kinder Morgan Texas Pipeline LLC	1986-0203	\$4,772
Kinder Morgan Texas Pipeline LLC	1986-0302	\$5,727
KM Liquids Terminals LLC	1996-0157	\$9,927
KM Liquids Terminals LLC	1997-0194	\$5,727
Total		\$31,880

*License fee is calculated for the first 10 years of the agreement for the 30-year term licenses.

10-Year Term

Company	File No.	License Fee*
Targa Downstream LLC	2006-0070	\$92,255
Targa Downstream LLC	2006-0322	\$92,255
Total		\$184,510

Staff Evaluation/Justification:

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

H. CHANNEL INFRASTRUCTURE

Subject	3. Marine construction permit to Exxon Mobil Corporation for the construction of a ship dock adjacent to the Houston Ship Channel and William Scott Survey, A-66.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, authorize the Port Authority to issue a marine construction permit to Exxon Mobil Corporation for the construction of a ship dock adjacent to the Houston Ship Channel and William Scott Survey, A-66, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
Permits/Licenses/Pipeline Easements

Department:
Channel Infrastructure Real Property

Staff Contact:
Garry McMahan/Mollie Powell

Background:
Exxon Mobil Corporation, Port Authority File No. 2026-0032, has applied for a marine construction permit to construct a ship dock, breasting dolphins, mooring dolphins, barge dolphins, walkways, concrete blocks, and a dredged area to -48.5 feet Mean Lower Low Water plus 2 feet of overdredge, adjacent to the Houston Ship Channel, and adjacent to the William Scott Survey, A-66.

The purpose of the proposed project would be to provide a dock facility to allow the load-out of petrochemical products to ships and barges accessible to the Houston Ship Channel for export to other marine terminals, both domestically and abroad. The dredged basin would be approximately 12.83 acres, removing approximately 420,000 cubic yards of dredged material, and the dock structure would total approximately 18,565 square feet.

This project was originally approved by Port Commission Minute No. 2025-0128-12. This item is being presented for approval again due to project modifications.

Staff Evaluation/Justification:
The application was reviewed and approved by the Port Authority’s Channel Infrastructure Real Property Department, the Channel Infrastructure Operations Department, and the Houston Pilots. The \$1,000 application fee and the \$10,000 as-built deposit have been paid.

Staff recommends approval.

H. CHANNEL INFRASTRUCTURE

Subject	4. Marine construction permit to the City of Baytown for improvements to an existing stormwater outfall structure adjacent to the William Scott Survey, A-66.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, authorize the Port Authority to issue a marine construction permit to the City of Baytown for improvements to an existing stormwater outfall structure adjacent to the William Scott Survey, A-66, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Infrastructure Real Property

Staff Contact:

Garry McMahan/Mollie Powell

Background:

The City of Baytown, Port Authority File No. 2026-0031, has applied for a marine construction permit for improvements to an existing stormwater outfall structure adjacent to the William Scott Survey, A-66.

The project would increase stormwater capacity by installing a new wing wall, riprap, and box culverts. According to the city, the current drainage system cannot withstand a 50% (two-year) storm event. The proposed improvements would increase capacity to withstand a 20% (five-year) storm event and bring the project into compliance with the City of Baytown's 2021 ordinance. The outfall structure would extend approximately thirty feet and would not impact navigable waters of the Houston Ship Channel.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Infrastructure Real Property department. The \$1,000 application fee and the \$10,000 as-built deposit have been paid.

Staff recommends approval.

I. COMMERCIAL

Subject	1. Amendment to the lease with Cooper/Ports America, LLC for approximately 1.72 acres out of Block 12 at Barbours Cut Terminal to extend the term for five years, effective no earlier than May 1, 2026, at an annual base rent of \$96,503.79, subject to a 3% annual base rent escalation.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, approve an amendment to the lease with Cooper/Ports America, LLC for approximately 1.72 acres out of Block 12 at Barbours Cut Terminal to extend the term for five years, effective no earlier than May 1, 2026, at an annual base rent of \$96,503.79, subject to a 3% annual base rent escalation, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Leases

Department:

Real Estate

Staff Contact:

Stephanie Sides Sembera/Radhika Ganatra

Background:

By Minute No. 2018-0416-08, the Port Commission approved a three-year lease with Cooper/Ports America, LLC (CPA) for approximately 1.72 acres out of Block 12 at Barbours Cut Terminal.

By Minute No. 2021-0323-35, the Port Commission approved an amendment to extend the lease term for five years. The property is used for a chassis and container yard.

CPA has now requested that the Port Authority extend the lease term for an additional five years and intends to continue to use the property for the purpose described above.

CPA and its predecessors have leased multiple properties from the Port Authority since the 1990s for various purposes, including importing and exporting steel products, general cargo, and other cargo. CPA currently holds a total of ten leases with the Port Authority.

Staff Evaluation/Justification:

Staff recommends that the Port Commission approve the proposed lease amendment under the terms described above.

I. COMMERCIAL

Subject	2. Extended term of a month-to-month lease with TPC Group LLC, commencing April 1, 2026, for approximately 6 acres out of Block 3 at the Sims Bayou, at an annual base rent of \$298,701.65.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, ratify the extended term of a month-to-month lease with TPC Group LLC, commencing April 1, 2026, for approximately 6 acres out of Block 3 at the Sims Bayou, at an annual base rent of \$298,701.65, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Leases

Department:

Real Estate

Staff Contact:

Stephanie Sides Sembera/Jarka Vochyan

Background:

The Port Authority previously leased approximately 6 acres in Block 3 at Sims Bayou to TPC Group, LLC, on successive one-year terms from March 2020 through March 2025, when it was converted to a month-to-month term. The current month-to-month lease expires on April 1, 2026. TPC's current annual base rent is approximately \$298,701.65, based on the premium rate for a month-to-month lease. TPC uses the property as a parking lot for vehicles for contract refinery personnel.

An amendment to the Texas Water Code adopted in the 2011 State of Texas legislative session requires that the Port Commission authorize month-to-month lease agreements in effect for more than one year.

Staff Evaluation/Justification:

Staff recommends that the Port Commission ratify the extended term of a month-to-month lease with TPC under the terms described above.

J. FINANCE

Subject	1. Amended investment policy for the Port of Houston Authority Restated Retirement Plan.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, adopt an amended investment policy for the Port of Houston Authority Restated Retirement Plan (Pension Plan), and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Treasury

Staff Contact:

Roland Gonzalez

Background:

Staff requested the Port Authority's retirement plans investment consultant, Mariner Institutional, LLC, to produce an asset/liability study for the Pension Plan and Other Post-Employment Benefits (OPEB) Plan. Milliman, the Port Authority's Actuary, provided Mariner with the required supporting data to generate the study. Staff reviewed the completed study in the fourth quarter of 2025.

The purpose of the study was to review the current target asset allocation of the Pension Plan and OPEB Plan and how each target asset allocation may impact the projected funded levels and cash contribution requirements, evaluate alternative investment strategies and target asset allocations, and estimate future total costs of each Plan.

By Minute 2025-1027-28, the Port Commission last adopted an amended investment policy for the Pension Plan, which states:

"To assure continued relevance of the guidelines, objectives, financial status, and capital markets expectations as established in this statement of investment policy...for the Port of Houston Authority Restated Retirement Plan...the Port Commission of the Port of Houston Authority of Harris County, Texas ... will endeavor to review the Policy at least annually."

Staff Evaluation/Justification:

Based on the current funded status of the Pension Plan, the results of the study, and future expected returns in the Pension Plan, staff and Mariner recommend the proposed amendments to the Pension Plan investment policy. The study includes a recommendation to slightly decrease allocation to equity and slightly increase the allocation to short-term-duration bonds.

The proposed amendments include:

- Reducing the total equity asset allocation by 10%;
- Increasing the total fixed income asset allocation by 10%;
- Add a new investment sector – Short Duration Fixed Income - to the asset allocation
- Revising the Overall Investment Objective (benchmark):
 - Decreasing:
 - S&P Index from 27.5% to 25.0%
 - Russell Midcap Index from 7.5% to 5.0%

Exhibit A

- Russell 2000 Index from 10.0% to 5.0%
- Adding Bloomberg US Government/Credit 1-3 Year of 10.0%; and
- Providing clarity in the event that a fixed-income security is downgraded below the minimum

The proposed investment policy changes comply with applicable statutes, including Chapter 802, Texas Government Code.

The Pension and Benefits Committee, staff, and Mariner recommend that the Port Commission adopt an amended investment policy for the Pension plan, as proposed.

Draft

**PORT OF HOUSTON AUTHORITY
RESTATED RETIREMENT PLAN**

STATEMENT OF INVESTMENT OBJECTIVES AND POLICY



ADOPTED FEBRUARY 19, 2026

MINUTE 2026-0219-

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I. PREAMBLE

The Port of Houston Authority Restated Retirement Plan (the “Plan” or “Pension Plan”) is a defined benefit retirement plan established by the Port of Houston Authority of Harris County, Texas (the “Plan Sponsor”) effective April 3, 1958. The Plan provides retirement benefits to eligible employees during their retirement years and to eligible dependents as specified in the Plan.

The Plan is a public retirement system subject to provisions of Chapter 802, Texas Government Code. As a governmental plan, it is not subject to the federal Employee Retirement Income Security Act of 1974 (“ERISA”) although many of its provisions comply with ERISA.

The Port Commission (the “Commission”), as the governing body of the Plan Sponsor, has “the fiduciary responsibility for assets of the system and has the duties of overseeing the investment and expenditure of funds of the system and the administration of benefits of the system.” The Commission is authorized to retain professional consultants and investment managers to assist in the investment of the Plan's assets. The Commission also establishes investment guidelines and evaluates investment manager performance.

All participants in the investment process shall undertake their responsibilities hereunder in a prudent and proactive fashion as described herein, in compliance with the Plan Sponsor's Code of Ethics, as amended from time to time, and adhering to applicable laws and regulations.

II. FIDUCIARY RESPONSIBILITIES

The Commission and its agents have a fiduciary responsibility to the participants and beneficiaries of the Plan regarding the investment of the Plan's assets.

In accordance with Section 802.203, Texas Government Code:

1. In making or supervising investments of the Plan, the Commission and each Investment Manager shall discharge its duties with respect to the Plan solely in the interest of the participants and beneficiaries and
 - (a) For the exclusive purpose of:
 - (i) Providing benefits to participants and their beneficiaries;
 - (ii) Defraying reasonable expenses of administering the Plan;
 - (b) With the care, skill, prudence, and diligence under the circumstances then prevailing that a Prudent Person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;
 - (c) By diversifying the investments of the Plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and
 - (d) In accordance with the documents and instruments governing the Plan insofar as such documents and instruments are consistent with the provisions of this section and section V of this document.
 2. In choosing and contracting for professional investment management services and in continuing the use of an Investment Manager, the Commission must act prudently and in the interest of the participants and beneficiaries of the Plan.
 3. The Commission is not liable for the acts or omissions of any Investment Manager it appoints in compliance with Section 802.204, Texas Government Code, nor is the Commission obligated to invest or otherwise manage any asset of the Plan subject to management by the Investment Manager.
-

III. PURPOSE

This statement of investment policy (the "Policy") is set forth by the Commission in order to:

- (a) Define and assign the responsibilities of all involved parties,
- (b) Establish a clear understanding for all involved parties of the investment goals and objectives for Plan assets,
- (c) Establish the Plan's Asset Allocation,
- (d) Offer guidance and limitations to all Investment Managers regarding the investment of Plan assets,
- (e) Establish a basis for evaluating investment results,
- (f) Ensure that Plan assets are managed in accordance with the requirements of applicable Texas law and, to the extent not inconsistent with Texas law, the Employee Retirement Income Security Act of 1974 ("ERISA") and regulations pertaining thereto, and
- (g) Establish the relevant investment horizon for which Plan assets will be managed.

In general, the purpose of this statement is to outline a philosophy and attitude which will guide the investment management of the assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

IV. ASSIGNMENT OF RESPONSIBILITY

Responsibility of the Commission

The Commission is charged by law with the responsibility for the management of the assets of the Plan. The Commission shall discharge its duties solely in the interest of the Plan participants and beneficiaries, with the care, skill, prudence and diligence under the circumstances then prevailing, that a Prudent Person, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims.

In addition, the Commission shall be responsible for ensuring the Plan investments are diversified to minimize the risk of large losses or the risk of a severe underfunding of pension liabilities, unless under the circumstances it is clearly prudent not to do so. Furthermore, the Commission shall be responsible for ensuring that Plan investments adhere to the policies, objectives and guidelines set forth in this Policy to the extent they are consistent with requirements of applicable law. The specific responsibilities of the Commission relating to the investment management of the Plan assets include:

1. Adhering to the guidelines as provided under applicable Texas law, and to the extent not inconsistent with applicable Texas law, ERISA.
 2. Projecting the Plan's financial needs, and communicating such needs to the Investment Manager(s) and Pension Consultant(s) on a timely basis.
 3. Determining the Plan's risk tolerance and investment horizon, and communicating these to the appropriate parties.
 4. Establishing reasonable and consistent investment objectives, policies and guidelines which will direct the investment of the Plan's assets.
 5. Prudently and diligently selecting qualified investment professionals, including Investment Manager(s), Pension Consultant(s), Actuarial Consultant(s), Custodian(s), and Trustee(s).
 6. Regularly evaluating the performance of the Investment Manager(s) to assure adherence to Policy guidelines and monitor investment objective progress.
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7. Developing and enacting proper control procedures (e.g., replacing Investment Manager(s) due to fundamental changes in investment management process, investment results or failure to comply with established guidelines, etc.).

Responsibility of the Pension and Benefits Committee

The Commission may appoint a committee or task force (the “Pension and Benefits Committee”) to provide advice and recommendations to the Commission and to assist the Commission in performing its responsibilities set forth above. If no Pension and Benefits Committee has been formally appointed, then the Commission shall serve as the Pension and Benefits Committee for purposes of this Policy.

Responsibility of the Pension Consultant

The Pension Consultant’s role is that of a non-discretionary advisor to the Commission and the Pension and Benefits Committee. Investment advice concerning the investment management of Plan assets will be offered by the Pension Consultant, and will be consistent with the investment objectives, policies, guidelines and constraints as established in this Policy. Specific responsibilities of the Pension Consultant include:

1. Assisting in the development and periodic review of the Policy.
 2. Assisting in developing an asset/liability model and appropriate liability index.
 3. Recommending the appropriate asset allocation and investment styles in order to meet the funds’ long-term objectives.
 4. Conducting Investment Manager searches when requested by Plan Sponsor staff, the Pension and Benefits Committee or Commission.
 5. Providing “due diligence”, or research, on the Investment Manager(s).
 6. Monitoring the performance of the Investment Manager(s) to provide Plan Sponsor staff, the Commission and the Pension and Benefits Committee with the ability to determine the progress toward the investment objectives.
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7. Communicating matters of policy, Investment Manager research, and Investment Manager performance to Plan Sponsor staff, the Pension and Benefits Committee and the Commission.
8. Reviewing Plan investment history, historical capital markets performance and the contents of this Policy with Plan Sponsor staff, any newly appointed members of the Commission and the Pension and Benefits Committee.

Responsibility of the Investment Manager(s)

Each Investment Manager will have full discretion to make all investment decisions for the Plan assets placed under its investment discretion and control, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this Policy and acting in accordance with the terms of any investment management agreement as may be executed by and between said Investment Manager and the Plan Sponsor. Specific responsibilities of the Investment Manager(s) include:

1. Exercising full discretionary investment management including decisions to buy, sell, or hold individual securities, and to alter asset allocation within the guidelines established in this Policy.
 2. Reporting, on a timely basis, quarterly investment performance results.
 3. Communicating any major changes to economic outlook, investment strategy, or any other factors which affect implementation of the investment process.
 4. Informing the Pension Consultant, Plan Sponsor staff, the Commission and the Pension and Benefits Committee regarding any qualitative change to investment management organization (e.g., changes in portfolio management personnel, ownership structure, investment philosophy, etc.).
 5. Voting proxies on behalf of the Plan, and communicating such voting records to Plan Sponsor staff, the Commission and/or Pension and Benefits Committee on a timely basis as may be requested.
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V. DELEGATION OF AUTHORITY

The Commission is a fiduciary under applicable Texas law and would be a fiduciary under ERISA if it applied to the Plan, and is responsible for directing and monitoring the investment management of Plan assets. As such, the Commission is authorized to delegate certain responsibilities to professional experts in various fields. These include, but are not limited to:

- (a) **Pension Consultant.** The Pension Consultant may assist the Commission in: establishing investment policy, objectives, and guidelines; selecting investment managers; reviewing such managers over time; measuring and evaluating investment performance; and other tasks as deemed appropriate. The Pension Consultant shall provide such assistance to the Pension and Benefits Committee in its advisory role to the Commission and/or directly to the Commission, upon request.
 - (b) **Investment Manager.** The Investment Manager has discretion to purchase, sell, or hold the specific securities that will be used to meet the Plan's investment objectives.
 - (c) **Custodian.** The Custodian may be a bank, depository trust company, or brokerage firm and will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Plan, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The Custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Plan accounts.
 - (d) **Trustee.** Consistent with requirements of applicable law, the Commission may appoint an outside bank trust department or depository trust company, to be Trustee. The Trustee will assume fiduciary responsibility for the administration of Plan assets. The Pension and Benefits Committee shall advise the Commission in its selection, removal and replacement of any Trustee.
 - (e) **Additional specialists** such as attorneys, auditors, actuaries, retirement plan consultants, and others may be employed by the Commission to assist in meeting its responsibilities and obligations to administer Plan assets prudently, and to assist
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the Pension and Benefits Committee in providing advice and recommendations in this regard.

- (f) **Plan Sponsor Staff** has responsibility for day-to-day management and administration of the Plan under the supervision and direction of the Commission, and in accordance with applicable state and federal laws, including supervising the Pension Consultant, Investment Managers, the Trustee, and any other parties engaged by the Commission.

The Commission does not reserve any control over investment decisions, with the exception of specific limitations described in this Policy. Investment Managers shall be held responsible and accountable to achieve the objectives herein stated. While it is not believed that the limitations will hamper Investment Managers, each Investment Manager should request modifications which it deems appropriate.

If such experts employed are also deemed to be fiduciaries under applicable Texas law, they must acknowledge such in writing. All expenses for such experts must be customary and reasonable, and will be borne by the Plan as deemed necessary.

VI. ASSET ALLOCATION

The Commission shall be responsible for allocation of the assets among Investment Managers as well as controlling the total Asset Allocation among stocks, bonds and cash. The Commission adopts the following Asset Allocation among stocks, bonds, other investments, and cash to serve as a general guideline in investing the Plan's assets.

ASSET CLASS	MINIMUM	TARGET	MAXIMUM
Large Cap Domestic Equity	17.5%	22.5%	27.5%
Mid Cap Domestic Equity	0.0%	5.0%	10.0%
Small Cap Domestic Equity	0.0%	5.0%	10.0%
International Equity	2.5%	7.5%	12.5%
Fixed Income	25.0%	30.0%	35.0%
Short Duration Fixed Income	5.0%	10.0%	15.0%
High Yield Fixed Income	0.0%	5.0%	10.0%
Bank Loans	0.0%	5.0%	10.0%
Real Estate	0.0%	5.0%	10.0%
Global Tactical Asset Allocation (GTAA)	0.0%	5.0%	10.0%
Cash and Equivalents	0.0%	0.0%	0.5%

The Commission will review the total Asset Allocation between Investment Managers and the overall Asset Allocation on a quarterly basis to keep the Asset Allocations of the various managers in line with the target Asset Allocation listed above. The need for balancing may also occur annually or more frequently due to contributions and distributions, or if there are price movements in the financial markets which cause an Asset Class to exceed or fall below the established guideline limits.

Plan Sponsor staff is authorized to rebalance the portfolio, consistent with the above Asset Allocation guidelines, and may also maintain portfolio assets in money market accounts or other cash equivalents as deemed appropriate or necessary to cover Plan expenses and monthly benefit payment requirements.

VII. INVESTMENT OBJECTIVES

The primary objective is to maximize the rate of return on the Plan assets consistent with the preservation of the value of principal by investing in stocks, bonds and cash. The performance of the Plan assets will be evaluated against investment objectives set forth in this document for each Asset Class.

The Plan shall be managed with a philosophy of selecting and retaining individual Investment Managers who have excelled in their investment disciplines. The managers for the Plan assets shall have proven abilities in their disciplines (i.e., stocks, bonds, cash, etc.), with an ability to add value through active management in their respective market specialization. The investment objectives of the Plan are as follows:

- (a) The **Investment Managers**, when measured against other investment managers, should consistently rank in the top 33rd percentile of their most relevant universe of similar managers over the trailing three, five, and ten year periods. These criteria, along with risk-adjusted measurements such as standard deviation and the Investment Consultant's qualitative assessment, should be considered when selecting new investment managers.
 - (b) The **Overall Investment Objective** of the Plan is to outperform the return of a composite mix comprised of 20.5% of the S&P 500 Index, 5.0% of the Russell Midcap Index, 5.0% of the Russell 2000 Index, 7.5% of the MSCI EAFE Index, 37.5% of the Bloomberg US Aggregate Bond Index, 10.0% of Bloomberg US Government/Credit 1-3 Year, 5.0% of the Merrill Lynch High Yield Master II Constrained Index, and 5.0% of the NAREIT All REITS Total Return Index. This objective should be met over rolling five- and ten-year periods.
 - (c) The **Total Plan** rate of return should annually outperform, net of expenses, the actuarial return assumption as established by the Commission from time to time.
 - (d) The **Total Equity Portfolio** should achieve a total rate of return that exceeds the total return of the S&P 500 Index by 1.0%, net of expenses, over rolling five- and ten-year periods.
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- (e) The **Large Capitalization Equity Portfolio** should achieve a total rate of return that exceeds the total return of the S&P 500 Index by 1.0%, net of expenses, over rolling five- and ten-year periods.
 - (f) The **Large Capitalization Equity Index Portfolio** should achieve a total rate of return that matches the total return of the S&P 500 Index, gross of expenses, over rolling five- and ten-year periods.
 - (g) The **Middle Capitalization Equity Portfolio** should achieve a total rate of return that exceeds the total return of the Russell Mid Cap Index by 2.0%, net of expenses, over rolling five- and ten-year periods.
 - (h) The **Small Capitalization Equity Portfolio** should achieve a total rate of return that exceeds the total return of the Russell 2000 Index by 3.0%, net of expenses, over rolling five- and ten-year periods.
 - (i) The **International Equity Portfolio** should achieve a total rate of return that exceeds the total return of the Morgan Stanley Capital International Europe, Australasia, and the Far East (MSCI EAFE ND) Index by 1.5%, net of expenses, over rolling five- and ten-year periods.
 - (j) The **Total Fixed Income Portfolio** should achieve a total return, net of expenses, that exceeds the total rate of return of the Bloomberg US Aggregate Bond Index over rolling five- and ten-year periods.
 - (k) The **Total Short Duration Fixed Income Portfolio** should achieve a total return, net of expenses, that exceeds the total rate of return of the Bloomberg US Government/Credit 1-3 Year Index over rolling five- and ten-year periods.
 - (l) The **High Yield Fixed Income Portfolio** should achieve a total return, net of expenses, that exceeds the total rate of return of the Merrill Lynch High Yield Master II Constrained Index over rolling five- and ten-year periods.
 - (m) The **Bank Loan Portfolio** should achieve a total return, net of expenses, that exceeds the total rate of return of the Credit
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Suisse Leveraged Loan Index over rolling five- and ten-year periods.

- (n) The **Real Estate Portfolio** should achieve a total return, net of expenses, that exceeds the total rate of return of the FTSE NAREIT All REITS Total Return Index over rolling five- and ten-year periods.
- (o) The **Global Tactical Asset Allocation Portfolio** should achieve a total return, net of expenses, that exceeds the total rate of return of the 50% S&P 500 Index/50% Bloomberg US Aggregate Bond Index over rolling five- and ten-year periods.
- (p) **Cash and short term securities** should achieve relative performance better than 91-day U. S. Treasury Bills.

General Investment Principles

- (a) Investments shall be made solely in the interest of the participants and beneficiaries of the Plan for the exclusive purpose of providing benefits accrued thereunder and defraying the reasonable expenses of administration of the Plan.
 - (b) The Plan shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a Prudent Person acting in like capacity and familiar with such matters would use in the investment of a fund of like character and with like aims.
 - (c) Investment of the Plan shall be so diversified as to minimize the risk of large losses or the risk of a severe underfunding of pension liabilities, unless under the circumstances it is clearly prudent not to do so.
 - (d) The Commission may employ one or more Investment Managers of varying styles and philosophies to attain the Plan's objectives.
 - (e) Investments should be made in consideration of the future liability payout schedule such that no severe mismatch of assets versus liabilities develops.
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- (f) Cash is to be employed productively at all times, by investment in short-term cash equivalents to provide safety, liquidity, and return.

VIII. INVESTMENT GUIDELINES

The Investment Managers are expected to execute all transactions as efficiently as possible. There are no specific restrictions on portfolio turnover or preference for long or short term holding periods. The Commission does, however, anticipate that long-term performance will be enhanced by investment strategies, not trading strategies.

All securities transactions shall be effected through brokerage firms. Each Investment Manager shall ensure brokerage commissions paid by them for executions and other services that benefit the Investment Managers are reasonable. When Investment Managers direct commissions on behalf of the Plan, the direction shall be contingent upon the institution being competitive in both price and execution. The Commission retains the right to direct brokerage commissions.

The Pension Consultant and Investment Managers shall comply with the principles outlined below regarding **compensation**.

- (a) All contracts between the Plan Sponsor and Pension Consultant(s) shall be paid on a hard dollar basis (i.e., actual cash paid for services). All contracts between the Plan Sponsor and Investment Managers shall be paid on a hard dollar basis.
 - (b) Pension Consultant(s) shall not enter into any compensation arrangements with Investment Managers for any services to be provided relating to the Plan.
 - (c) Investment Managers may enter into special commission arrangements with brokerage firms whereby portions of the commissions paid to brokerage firms for executing securities transactions may be directed to a third party or retained by the brokerage firm, but only for the express purpose of obtaining research products and services that are directly related to the investment process. Investment Managers shall monitor such payments on a regular basis, and as may be requested periodically by the Plan Sponsor, shall certify that such payments are in compliance with Section 28(e) of the Securities and Exchange Act of 1934, and such products and services directly benefit the Plan.
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- (d) Reports shall be prepared by the Custodian and/or Investment Manager(s) at least quarterly indicating the transactions executed during the period. For other than direct transactions, the Investment Manager(s) shall have the discretion to execute transactions with the brokerage firm(s) of its choosing; however, its selection shall always be made in the best interest of the Plan.

The Plan assets may be invested in publicly traded common and preferred stocks, convertible bonds, and non-convertible fixed income securities, whether interest bearing or discount instruments, including money market instruments, subject to any restrictions herein specified. Any investments in mutual funds or other vehicles which may commingle instruments from various asset categories shall be subject to guidelines or restrictions specified in the fund prospectus or offering materials.

The assets of the Plan shall be invested in a manner consistent with generally accepted standards of fiduciary responsibility. The safeguards which would guide a Prudent Person shall be observed. All transactions undertaken on behalf of the Plan shall be for the sole benefit of the participants in the Plan and their beneficiaries.

The **domestic equity** portfolios should reflect the discretion of the Investment Manager(s) within the following constraints:

- (a) No options or financial futures shall be purchased unless approved in writing by the Commission.
 - (b) Aggregate investment Beta (versus the applicable benchmark) of the entire portfolio should not exceed 1.20 at any time.
 - (c) No private placements or venture capital investments should be purchased.
 - (d) The Plan's equity Investment Manager(s) shall vote all proxies in the best interest of the Plan without regard to social issues. The equity Investment Manager(s) shall provide a written report each year to discuss the general guidelines they followed in voting proxies during the year.
 - (e) No single security in each manager's portfolio will constitute more than 5% of the portfolio's equity allocation at the time of purchase, unless that security has a weighting of 5% or higher
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in the manager's respective benchmark index, nor will it be more than 10% of the equity allocation of the portfolio after accounting for price appreciation, unless that security has a weighting of 10% or higher in the manager's respective benchmark index.

- (f) Equity purchases are limited to stocks of companies with a minimum capitalization of \$200 million, unless approved by the Commission.
- (g) The funds shall remain fully invested in equities except for a nominal time between sales and repurchases.

The **international equity** portfolio should reflect the discretion of the Investment Manager(s) within the following constraints:

- (a) Investing internationally diversifies the overall Plan across the global equity markets. The international equity manager will invest in non-U.S. dollar denominated equity securities and/or American Depositary Receipts ("ADR's"). The manager is required to invest in a prudent manner and to operate under the restrictions indicated in their prospectus. These include: regional constraints, diversification requirements, and the type of securities held.
 - (b) No options or financial futures shall be purchased unless approved in writing by the Commission.
 - (c) Aggregate investment Beta (versus the applicable benchmark) of the entire portfolio should not exceed 1.20 at any time.
 - (d) No private placements or venture capital investments should be purchased.
 - (e) The Plan's equity Investment Manager(s) shall vote all proxies in the best interest of the Plan without regard to social issues. The equity Investment Manager(s) shall provide a written report each year to discuss the general guidelines they followed in voting proxies during the year.
 - (f) No single security in each Investment Manager's portfolio will constitute more than 5% of the portfolio's equity allocation at the time of purchase, nor will it be more than 10% of the
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equity allocation of the portfolio after accounting for price appreciation.

- (g) Equity purchases are limited to stocks of companies with a minimum capitalization of \$200 million, unless approved by the Commission.
- (h) The funds shall remain fully invested in equities except for a nominal time between sales and repurchases.

The **fixed income** portfolio should reflect the discretion of the Investment Manager(s) within the following constraints:

- a) The fixed income managers will manage their portfolios so that at least 80% of the portfolio shall be invested in Investment Grade bonds. The managers may, at their discretion, invest up to 20% of the portfolio in bonds rated below Investment Grade but not lower than "B-/B3". The bonds must be rated by either Moody's, Fitch or Standard and Poor's. In the case of split rated securities, the higher rating applies. The Investment Managers are not required to invest in securities rated below Investment Grade.

In the event a security is downgraded below the rating limitations stated above, the manager will exit the position within a reasonable timeframe and notify the Plan Sponsor.

- b) Total fixed income exposure, from any single issuer except U.S. Government, its agencies or instrumentalities, shall not exceed 10% of the total allocation of the portfolio, except below Investment Grade issuers, which shall not exceed 3% of the portfolio. No more than 10% of the fixed income portfolio shall be invested in preferred stock.
 - c) No options or financial futures shall be utilized unless approved in writing by the Commission.
 - d) The maximum effective Duration of the portfolio will be 120% of the Bloomberg US Aggregate Bond Index.
 - e) All interest and principal payments shall be swept, as received, into a money market or short duration fund for redeployment.
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The **short duration fixed income** portfolio should reflect the discretion of the Investment Manager(s) within the following constraints:

- a) The fixed income managers will manage their portfolios so that at least 80% of the portfolio shall be invested in Investment Grade bonds. The managers may, at their discretion, invest up to 20% of the portfolio in bonds rated below Investment Grade but not lower than "B". The bonds must be rated by either Moody's, Fitch or Standard and Poor's. The Investment Managers are not required to invest in securities rated below Investment Grade.
- b) Total fixed income exposure, from any single issuer except U.S. Government, its agencies or instrumentalities, shall not exceed 10% of the total allocation of the portfolio, except below Investment Grade issuers, which shall not exceed 3% of the portfolio.
- c) The maximum effective Duration of the portfolio will be 120% of the Bloomberg US Government/Credit 1-3 Year Index.
- d) All interest and principal payments shall be swept, as received, into a money market or short duration fund for redeployment.

The **high yield fixed income** portfolio should reflect the discretion of the Investment Manager(s) within the following constraints:

- a) The high yield fixed income managers will manage their portfolios so that at least 80% of the portfolio shall be invested in bonds rated below Investment Grade by either Moody's, Fitch or Standard and Poor's. The managers may, at their discretion, invest up to 20% of the portfolio in bonds rated Investment Grade by either Moody's, Fitch or Standard and Poor's. Investment in securities that are not rated shall not exceed 10% of the total assets of the portfolio, as determined at the time of the acquisition of any such investment.
 - b) Total fixed income exposure, from any single issuer except U.S. Government, its agencies or instrumentalities, shall not exceed 10% of the total allocation of the portfolio, except below Investment Grade issuers, which shall not exceed 3% of
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the portfolio. No more than 20% of the high yield fixed income portfolio shall be invested in preferred stock.

- c) No options or financial futures shall be utilized unless approved in writing by the Commission.
- d) The maximum effective Duration of the portfolio will be 120% of the Merrill Lynch High Yield Master II Constrained Index.
- e) All interest and principal payments shall be swept, as received, into a money market or short duration fund for redeployment.

The **bank loan** portfolio should reflect the discretion of the Investment Manager(s) within the following constraints:

- a) The bank loan managers should have portfolio characteristics similar to the Credit Suisse Leveraged Loan Index.
 - b) The bank loan managers will manage their portfolios so that at least 80% of the portfolio shall be invested in bonds rated below Investment Grade by either Moody's, Fitch or Standard and Poor's. The managers may, at their discretion, invest up to 20% of the portfolio in bonds rated Investment Grade by either Moody's, Fitch or Standard and Poor's. Investment in securities that are not rated shall not exceed 10% of the total assets of the portfolio, as determined at the time of the acquisition of any such investment.
 - c) Total fixed income exposure, from any single issuer except U.S. Government, its agencies or instrumentalities, shall not exceed 10% of the total allocation of the portfolio, except below Investment Grade issuers, which shall not exceed 3% of the portfolio. No more than 20% of the bank loan portfolio shall be invested in preferred stock.
 - d) No options or financial futures shall be utilized unless approved in writing by the Commission.
 - e) The maximum effective Duration of the portfolio will be 120% of the Credit Suisse Leveraged Loan Index.
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- f) All interest and principal payments shall be swept, as received, into a money market or short duration fund for redeployment.

The **real estate** portfolios should reflect the discretion of the Investment Manager(s) within the following constraints:

- (a) No options or financial futures shall be purchased unless approved in writing by the Commission.
- (b) Aggregate investment Beta (versus the applicable benchmark) of the entire portfolio should not exceed 1.20 at any time.
- (c) No private placements or venture capital investments should be purchased.
- (d) The Plan's real estate Investment Manager(s) shall vote all proxies in the best interest of the Plan without regard to social issues. The real estate Investment Manager(s) shall provide a written report each year to discuss the general guidelines they followed in voting proxies during the year.
- (e) No single security in each manager's portfolio will constitute more than 10% of the portfolio's allocation at the time of purchase, nor will it be more than 13% of the allocation of the portfolio after accounting for price appreciation.
- (f) The funds shall remain fully invested in real estate except for a nominal time between sales and repurchases.

The **global tactical asset allocation** portfolios should reflect the discretion of the Investment Manager(s) within the following constraints:

- (a) Aggregate investment Beta (versus the applicable benchmark) of the entire portfolio should not exceed 1.20 at any time.
 - (b) No private placements or venture capital investments should be purchased.
 - (c) Investment Manager(s) shall vote all proxies in the best interest of the Plan without regard to social issues. Investment Manager(s) shall provide a written report each year to discuss
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the general guidelines they followed in voting proxies during the year.

- (d) No single security in each manager's portfolio will constitute more than 5% of the portfolio's allocation at the time of purchase, nor will it be more than 10% of the allocation of the portfolio after accounting for price appreciation.
- (e) The funds shall remain fully invested except for a nominal time between sales and repurchases.

Money market instruments are debt securities with maturities of less than one year. Money market purchases should reflect the discretion of the Investment Managers within the following guidelines:

- (a) Investments can be made in money market instruments that are U.S. Government or agency obligations, repurchase agreements, collateralized by U.S. Government or agency securities, commercial paper, bankers' acceptances, certificates of deposit, Euro or Yankee Dollar obligations, or time deposits.
 - (b) Commercial paper shall be restricted to paper rated "A-2" or "P-2" or "F-2" or better and shall be limited such that any one commercial paper issuer shall not comprise more than 10% of the portfolio.
 - (c) Bankers' acceptances, Certificates of Deposit, Euro or Yankee Dollar obligations, and time deposits shall be made in the larger banks (ranked by assets) rated "AA" or better by Moody's or the equivalent by Fitch or Standard & Poor's and in conformance with all FDIC regulations concerning capital requirements.
 - (d) Investments may be in money market mutual funds that are regulated by the SEC and fully comply with rule 2a-7 of the Investment Company Act of 1940.
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IX. PORTFOLIO EVALUATION

On a quarterly basis:

- (a) The Investment Managers shall provide written reports to the Plan Sponsor and the Pension Consultant detailing performance for the most recent quarterly period as well as the current outlook of the equity and fixed income markets;
 - (b) The Pension Consultant shall monitor Investment Managers' performance and consistency with respect to the investment guidelines and objectives outlined in this Policy; and
 - (c) The Pension Consultant shall meet with Plan Sponsor staff, the Commission and/or Pension and Benefits Committee (whether in person or via conference call), and review the Investment Managers' performance relative to objectives set forth in this Policy.
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X. DEFINITIONS

ADR's	(American Depository Receipt) A negotiable certificate receipt issued, in dollars, by an American depository stating that a certain number of foreign securities have been deposited with an overseas branch of the depository or with a custodian. ADR's are traded on the New York and other U.S. stock exchanges.
Add Value	The margin by which an investment advisor can out-perform the relative index in a specific asset class.
Asset Allocation	Process by which the total plan is divided among the different asset classes.
Asset Class	Categories of investments that include equity securities, fixed income securities and cash equivalents.
Bank Loan	Floating rate corporate bonds that offer larger coupons compared to U.S. Treasury, Agency and investment grade corporate bonds with the added potential for price appreciation in the event of an improvement in the economy, or performance of the issuing company. Importantly, bank loans offer the added benefit of a shorter duration profile because of the frequent coupon resets.
Beta	A measure of an equity portfolio's risk level which indicates its sensitivity to changes in the S&P 500 equity index. A portfolio with a Beta greater than one is more volatile than the S&P 500 (e.g., a Beta of 1.20 indicates the portfolio is 20% more volatile than the S&P 500).
Cash	Instruments or investments of high quality and safety (e.g., money market funds, treasury bills, etc.). Maturity is usually less than one year.
Commission	The Port Commission of the Port of Houston Authority of Harris County, Texas, which shall serve as the governing body responsible for administration of the Plan as specified by applicable state or local law or ordinance.
Custodian	Any bank, depository trust company, or brokerage firm appointed by the Commission to serve as custodian over all or part of the Plan's assets.
Duration	A measure of a fixed income portfolio's risk level which indicates how sensitive a fixed income portfolio is to a change in interest rates. The longer a portfolio's duration is, the more volatile it will react to changes in interest rates. Duration is calculated by finding the net present value of all cash flows of a bond until maturity.

Equities	Ownership interest possessed by shareholders in a corporation; stock as opposed to bonds.
ERISA	The Employee Retirement Income Security Act of 1974, any amendments thereto, and any regulations issued pertaining to ERISA.
Fiduciary	Any individual or group of individuals as defined in applicable Texas law and, to the extent not inconsistent with applicable Texas law, ERISA, section 3(21)(a).
Fixed Income	Any interest bearing or discounted government or corporate security that obligates the issuer to pay the holder a specified sum of money, usually at specified intervals, and to repay the principal amount of the loan at maturity. The Fixed Income portfolio may include preferred stock.
Global Tactical Asset Allocation (GTAA)	An investment strategy that attempts to exploit short-term market inefficiencies or long-term market trends by establishing positions in relatively attractive areas of the global investable universe. A GTAA strategy is capable of quickly implementing investment ideas to help tilt a portfolio for near-term opportunities or to preserve capital during market declines. Depending on strategy, investment approaches may diversify across asset classes, sector, countries, currencies, commodities, instruments, and capital structure.
Inflation	The rise in the prices of goods and services as measured by the Consumer Price Index ("CPI").
International Equity Portfolio	An equity portfolio composed of companies based outside of the United States.
Investment Consultant	The firm employed to consult on matters relating to the effective management of the Plan assets.
Investment Grade	Securities rated Baa3 or higher by Moody's Investor Service, or BBB- or higher by Standard and Poor's or Fitch Ratings.
Investment Horizon	The time period over which the investment objectives, as set forth in this statement, are expected to be met. The investment horizon for this Plan based on active lives is 11 years (duration) and on retired lives is 15 years (duration). This will not preclude the committee from reviewing manager performance over shorter periods of three to five years.

Investment Manager	An entity appointed in accordance with Section 802.204, Texas Government Code, that provides investment advice and/or manages investments for a fee. All Investment Managers shall be registered with the Securities and Exchange Commission and abide by the rules of the Investment Advisers Act of 1940.
Large Cap Equity Portfolio	An equity portfolio composed of large sized companies. Large capitalization portfolios buy stocks with market capitalizations generally above \$10.0 billion.
Long-term	An investment approach to the markets in which an investor seeks appreciation by evaluating securities over a complete business cycle, usually five to ten years.
Mid Cap Equity Portfolio	An equity portfolio composed of middle sized companies. Middle capitalization portfolios buy stocks with market capitalizations generally between \$2.0 billion and \$10.0 billion.
Pension and Benefits Committee	The committee appointed by the Commission pursuant to the Plan, which may serve as an advisor to the Commission and provide recommendations to the Commission from time to time concerning the administration and management of the Plan. If no committee is formally appointed, then the Commission shall serve as the Pension and Benefits Committee for purposes of this Policy.
Prudent Person	A fiduciary charged with utilizing the care, skill, prudence, and diligence that a prudent person who is familiar with such matters would use under the circumstances then prevailing.
Rate of Return	A return that includes appreciation (depreciation), realized capital gains (losses), and income. A quarterly return is computed and then chain-linked to calculate time-weighted rates of return for the periods under study.
Real Estate Investment Trust	A publicly traded security (also known as a REIT) that invests in real estate directly, either through properties or mortgages. REITs receive special tax considerations and typically offer investors high yields, as well as a highly liquid method of investing in real estate.
Securities	Marketable investment securities and instruments which are defined as acceptable in this statement.
Small Cap Equity Portfolio	An equity portfolio composed of small sized companies. Small capitalization portfolios buy stocks with market capitalizations generally up to \$2.0 billion.

Trustee	Any bank trust department or depository trust company appointed by the Commission to serve as trustee over all or part of the Plan assets.
Total Plan	Aggregate total of all assets in the Plan.

XI. POLICY REVIEW AND ADOPTION

To assure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this statement of investment policy (the "Policy") for the Port of Houston Authority Restated Retirement Plan (the "Plan"), the Port Commission of the Port of Houston Authority of Harris County, Texas (the "Commission") will endeavor to review the Policy at least annually.

The Commission officially finds, determines and declares that this Policy was reviewed, carefully considered, and adopted at a regular meeting of the Commission, and that a sufficient written notice of the date, hour, place and subject of this meeting was posted as required by the Open Meetings Act, Chapter 551, Texas Government Code, and that this meeting had been open to the public as required by law at all times during which this Policy was discussed, considered and acted upon and is herewith adopted. The Commission further ratifies, approves and confirms such written notice and the contents and posting thereof.

This Policy is adopted on February 19, 2026 and supersedes all previously adopted statements of investment policy with respect to the Plan.

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

ATTEST:

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

J. FINANCE

Subject	2. Amended investment policy for the Port of Houston Authority Other Post-Employment Benefit Plan, an irrevocable trust established for other post-employment benefits.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, adopt an amended investment policy for the Port of Houston Authority Other Post-Employment Benefit (OPEB) Plan, an irrevocable trust established for other post-employment benefits, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Treasury

Staff Contact:

Roland Gonzalez

Background:

Staff engaged the Port Authority's retirement plans investment consultant, Mariner Institutional, LLC, to produce an asset/liability study for the Pension Plan and Other Post-Employment Benefits (OPEB) Plan. Milliman, the Port Authority's Actuary, provided Mariner with the required supporting data to generate the study. Staff reviewed the completed study in the fourth quarter of 2025.

The purpose of the study was to review the current target asset allocation of the Pension Plan and OPEB Plan and how each target asset allocation may impact the projected funded levels and cash contribution requirements, evaluate alternative investment strategies and target asset allocations, and estimate future total costs of each Plan.

By Minute 2025-1027-30, the Port Commission last adopted an amended investment policy for the OPEB plan, which states:

"To assure continued relevance of the guidelines, objectives, financial status, and capital markets expectations as established in this statement of investment policy...for the OPEB Trust...the Port Commission of the Port of Houston Authority of Harris County, Texas...will endeavor to review the Policy at least annually."

Staff Evaluation/Justification:

Based on the current funded status of the Pension Plan, the results of the study, and future expected returns in the OPEB Plan, staff and Mariner recommend the proposed amendments. The study includes, in its conclusions, to slightly decrease in the allocation to Equity and slightly increase in the allocation to short term duration bonds.

The proposed amendments include:

- Reduce the total equity asset allocation by 10%
- Increase the total fixed income asset allocation by 10%
- Add a new investment sector – Short Duration Fixed Income - to the asset allocation
- Revise the Overall Investment Objective (benchmark):
 - Decrease in:

Exhibit A

- S&P Index from 27.5% to 25.0%
- Russell Midcap Index from 7.5% to 5.0%
- Russell 2000 Index from 10.0% to 5.0%
- Add Bloomberg US Government/Credit 1-3 Year of 10.0%
- Provide clarity in the event that a fixed-income security is downgraded below the minimum

The proposed investment policy changes comply with applicable statutes, including Chapter 802, Texas Government Code.

The Pension and Benefits Committee, staff, and Mariner recommend that the Port Commission adopt an amended investment policy for the OPEB plan, as proposed.

Clean

**PORT OF HOUSTON AUTHORITY
OPEB PLAN**

STATEMENT OF INVESTMENT OBJECTIVES AND POLICY



ADOPTED FEBRUARY 19, 2026

MINUTE 2026-0219-

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I. PREAMBLE

By Minute 2011-1025-11, the Port Commission (the "Commission"), as governing body of the PORT OF HOUSTON AUTHORITY OF HARRIS COUNTY, TEXAS (the "Plan Sponsor" or "Trust Sponsor"), adopted resolutions relating to the Trust Sponsor's participation in the PEB Trust of Texas, a multi-employer trust, to fund post-employment benefits other than pension benefits ("OPEB").

The Commission continues to desire to fund OPEB such as retiree medical, dental, vision, life insurance, long-term care, and similar benefits, as may be offered by the Trust Sponsor to its former employees and eligible dependents ("beneficiaries") under the terms and conditions of one or more plans or programs that may be maintained by the Trust Sponsor.

By Minute 2014-1028-34, the Commission (1) established a new, single-employer irrevocable trust (the "Plan", "Trust" or "OPEB Trust") at Compass Bank (now known as BBVA USA, the "Trustee"), (2) authorized the transfer of assets from the Trust Sponsor's account at the PEB Trust of Texas to the new Trust after receipt of a private letter ruling from the Internal Revenue Service confirming that the income in the Trust is excludable from federal income taxation under Section 115 of the Internal Revenue Code of 1986, as amended, and (3) designated certain individuals (each a "Plan Administrator") to act on behalf of the Trust Sponsor with respect to the Trust. By Minute 2018-1212-38, the Commission adopted an amended and restated Port of Houston Authority OPEB Plan document, effective January 1, 2019.

It is intended that the assets accumulated in the Trust would reduce the Trust Sponsor's OPEB obligations as determined by the Governmental Accounting Standards Board ("GASB").

The Commission is responsible for administration of the Trust and for the investment of the Trust's assets. The Commission is authorized to retain professional consultants and investment managers to assist in the investment of the Trust's assets. The Commission also establishes investment guidelines and evaluates investment manager performance.

All participants in the investment process shall undertake their responsibilities hereunder in a prudent and proactive fashion as described herein, in compliance with the Trust Sponsor's Code of Ethics, as amended from time to time, and adhering to applicable laws and regulations.

II. FIDUCIARY RESPONSIBILITIES

The Commission and its agents have a fiduciary responsibility to the participants and beneficiaries of the Trust regarding the investment of the Trust's assets.

1. In making or supervising investments of the Trust, the Commission and each Investment Manager shall discharge its duties with respect to the Trust solely in the interest of the participants and beneficiaries and
 - (a) For the exclusive purpose of:
 - (i) Providing benefits to participants and their beneficiaries;
 - (ii) Defraying reasonable expenses of administering the Trust;
 - (b) With the care, skill, prudence, and diligence under the circumstances then prevailing that a Prudent Person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;
 - (c) By diversifying the investments of the Trust so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and
 - (d) In accordance with the documents and instruments governing the Trust insofar as such documents and instruments are consistent with the provisions of this section and section V of this document.
 2. In choosing and contracting for professional investment management services and in continuing the use of an Investment Manager, the Commission must act prudently and in the interest of the participants and beneficiaries of the Trust.
 3. The Commission is not liable for the acts or omissions of any Investment Manager it appoints hereunder, nor is the Commission obligated to invest or otherwise manage any asset of the Trust subject to management by the Investment Manager.
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III. PURPOSE

This statement of investment policy (the "Policy") is set forth by the Commission in order to:

- (a) Define and assign the responsibilities of all involved parties,
- (b) Establish a clear understanding for all involved parties of the investment goals and objectives for Trust assets,
- (c) Establish the Trust's Asset Allocation,
- (d) Offer guidance and limitations to all Investment Managers regarding the investment of Trust assets,
- (e) Establish a basis for evaluating investment results,
- (f) Ensure that Trust assets are managed in accordance with the requirements of applicable Texas law and, to the extent not inconsistent with Texas law, the Employee Retirement Income Security Act of 1974 ("ERISA") and regulations pertaining thereto, and
- (g) Establish the relevant investment horizon for which Trust assets will be managed.

In general, the purpose of this statement is to outline a philosophy and attitude which will guide the investment management of the assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

IV. ASSIGNMENT OF RESPONSIBILITY

Responsibility of the Commission

The Commission is charged by law with the responsibility for the management of the assets of the Trust. The Commission shall discharge its duties solely in the interest of the Trust participants and beneficiaries, with the care, skill, prudence and diligence under the circumstances then prevailing, that a Prudent Person, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims.

In addition, the Commission shall be responsible for ensuring the Trust investments are diversified to minimize the risk of large losses or the risk of a severe underfunding of OPEB liabilities, unless under the circumstances it is clearly prudent not to do so. Furthermore, the Commission shall be responsible for ensuring that Trust investments adhere to the policies, objectives and guidelines set forth in this Policy to the extent they are consistent with requirements of applicable law. The specific responsibilities of the Commission relating to the investment management of the Trust assets include:

1. Adhering to the guidelines as provided under applicable Texas law, and to the extent not inconsistent with applicable Texas law, ERISA.
 2. Projecting the Trust's financial needs, and communicating such needs to the Investment Manager(s) and Investment Consultant(s) on a timely basis.
 3. Determining the Trust's risk tolerance and investment horizon, and communicating these to the appropriate parties.
 4. Establishing reasonable and consistent investment objectives, policies and guidelines which will direct the investment of the Trust's assets.
 5. Prudently and diligently selecting qualified investment professionals, including Investment Manager(s), Investment Consultant(s), Actuarial Consultant(s), Custodian(s), and Trustee(s).
 6. Regularly evaluating the performance of the Investment Manager(s) to assure adherence to Policy guidelines and monitor investment objective progress.
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7. Developing and enacting proper control procedures (e.g., replacing Investment Manager(s) due to fundamental changes in investment management process, investment results, or failure to comply with established guidelines, etc.).

Responsibility of the Pension and Benefits Committee

The Commission may appoint a committee or task force (the "Pension and Benefits Committee") to provide advice and recommendations to the Commission and to assist the Commission in performing its responsibilities set forth above. If no Pension and Benefits Committee has been formally appointed, then the Commission shall serve as the Pension and Benefits Committee for purposes of this Policy.

Responsibility of the Investment Consultant

The Investment Consultant's role is that of a non-discretionary advisor to the Commission and the Pension and Benefits Committee. Investment advice concerning the investment management of Trust assets will be offered by the Investment Consultant, and will be consistent with the investment objectives, policies, guidelines and constraints as established in this Policy. Specific responsibilities of the Investment Consultant include:

1. Assisting in the development and periodic review of the Policy.
 2. Assisting in developing an asset/liability model and appropriate liability index.
 3. Recommending the appropriate asset allocation and investment styles in order to meet the funds' long-term objectives.
 4. Conducting Investment Manager searches when requested by Plan Sponsor staff, the Pension and Benefits Committee or Commission.
 5. Providing "due diligence", or research, on the Investment Manager(s).
 6. Monitoring the performance of the Investment Manager(s) to provide Plan Sponsor staff, the Commission and the Pension and Benefits Committee with the ability to determine the progress toward the investment objectives.
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7. Communicating matters of policy, Investment Manager research, and Investment Manager performance to Plan Sponsor staff, the Pension and Benefits Committee and the Commission.
8. Reviewing Trust investment history, historical capital markets performance and the contents of this Policy with Plan Sponsor staff, any newly appointed members of the Commission and the Pension and Benefits Committee.

Responsibility of the Investment Manager(s)

Each Investment Manager will have full discretion to make all investment decisions for the Trust assets placed under its investment discretion and control, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this Policy and acting in accordance with the terms of any investment management agreement as may be executed by and between said Investment Manager and the Trust Sponsor. Specific responsibilities of the Investment Manager(s) include:

1. Exercising full discretionary investment management including decisions to buy, sell, or hold individual securities, and to alter asset allocation within the guidelines established in this Policy.
 2. Reporting, on a timely basis, quarterly investment performance results.
 3. Communicating any major changes to economic outlook, investment strategy, or any other factors which affect implementation of the investment process.
 4. Informing the Investment Consultant, Plan Sponsor staff, the Commission and the Pension and Benefits Committee regarding any qualitative change to investment management organization (e.g., changes in portfolio management personnel, ownership structure, investment philosophy, etc.).
 5. Voting proxies on behalf of the Trust, and communicating such voting records to Plan Sponsor staff, the Commission and/or Pension and Benefits Committee on a timely basis as may be requested.
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V. DELEGATION OF AUTHORITY

The Commission is a fiduciary under applicable Texas law and would be a fiduciary under ERISA if it applied to the Trust, and is responsible for directing and monitoring the investment management of Trust assets. As such, the Commission is authorized to delegate certain responsibilities to professional experts in various fields. These include, but are not limited to:

- (a) **Investment Consultant.** The Investment Consultant may assist the Commission in: establishing investment policy, objectives, and guidelines; selecting investment managers; reviewing such managers over time; measuring and evaluating investment performance; and other tasks as deemed appropriate. The Investment Consultant shall provide such assistance to the Pension and Benefits Committee in its advisory role to the Commission and/or directly to the Commission, upon request.
 - (b) **Investment Manager.** The Investment Manager has discretion to purchase, sell, or hold the specific securities that will be used to meet the Trust's investment objectives.
 - (c) **Custodian.** The Custodian may be a bank, depository trust company, or brokerage firm and will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Trust, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The Custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Trust accounts.
 - (d) **Trustee.** Consistent with requirements of applicable law, the Commission may appoint an outside bank trust department or depository trust company, to be Trustee. The Trustee will assume fiduciary responsibility for the administration of Trust assets. The Pension and Benefits Committee shall advise the Commission in its selection, removal and replacement of any Trustee.
 - (e) **Additional specialists** such as attorneys, auditors, actuaries, and others may be employed by the Commission to assist in meeting its responsibilities and obligations to administer Trust
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assets prudently, and to assist the Pension and Benefits Committee in providing advice and recommendations in this regard.

- (f) **Trust Sponsor Staff** has responsibility for day-to-day management and administration of the Trust under the supervision and direction of the Commission, and in accordance with applicable state and federal laws, including supervising the Investment Consultant, Investment Managers, the Trustee, and any other parties engaged by the Commission.

The Commission does not reserve any control over investment decisions, with the exception of specific limitations described in this Policy. Investment Managers shall be held responsible and accountable to achieve the objectives herein stated. While it is not believed that the limitations will hamper Investment Managers, each Investment Manager should request modifications which it deems appropriate.

If such experts employed are also deemed to be fiduciaries under applicable Texas law, they must acknowledge such in writing. All expenses for such experts must be customary and reasonable, and will be borne by the Trust as deemed necessary.

VI. ASSET ALLOCATION

The Commission shall be responsible for allocation of the assets among Investment Managers as well as controlling the total Asset Allocation among stocks, bonds and cash. The Commission adopts the following Asset Allocation among stocks, bonds, other investments, and cash to serve as a general guideline in investing the Trust's assets.

ASSET CLASS	MINIMUM	TARGET	MAXIMUM
Large Cap Domestic Equity	17.5%	22.5%	27.5%
Mid Cap Domestic Equity	0.0%	5.0%	10.0%
Small Cap Domestic Equity	0.0%	5.0%	10.0%
International Equity	2.5%	7.5%	12.5%
Fixed Income	25.0%	30.0%	35.0%
Short Duration Fixed Income	5.0%	10.0%	15.0%
High Yield Fixed Income	0.0%	5.0%	10.0%
Bank Loans	0.0%	5.0%	10.0%
Real Estate	0.0%	5.0%	10.0%
Global Tactical Asset Allocation (GTAA)	0.0%	5.0%	10.0%
Cash and Equivalents	0.0%	0.0%	0.5%

The Commission will review the total Asset Allocation between Investment Managers and the overall Asset Allocation on a quarterly basis to keep the Asset Allocations of the various managers in line with the target Asset Allocation listed above. The need for balancing may also occur annually or more frequently due to contributions and distributions, or if there are price movements in the financial markets which cause an Asset Class to exceed or fall below the established guideline limits.

Plan Sponsor staff is authorized to rebalance the portfolio, consistent with the above Asset Allocation guidelines, and may also maintain portfolio assets in money market accounts or other cash equivalents as deemed appropriate or necessary to cover Trust expenses and monthly benefit payment requirements.

VII. INVESTMENT OBJECTIVES

The primary objective is to maximize the rate of return on the Trust assets consistent with the preservation of the value of principal by investing in stocks, bonds and cash. The performance of the Trust assets will be evaluated against investment objectives set forth in this document for each Asset Class.

The Trust shall be managed with a philosophy of selecting and retaining individual Investment Managers who have excelled in their investment disciplines. The managers for the Trust assets shall have proven abilities in their disciplines (i.e., stocks, bonds, cash, etc.), with an ability to add value through active management in their respective market specialization. The investment objectives of the Trust are as follows:

- (a) The **Investment Managers**, when measured against other investment managers, should consistently rank in the top 33rd percentile of their most relevant universe of similar managers over the trailing three, five, and ten year periods. These criteria, along with risk-adjusted measurements such as standard deviation and the Investment Consultant's qualitative assessment, should be considered when selecting new investment managers.
 - (b) The **Overall Investment Objective** of the Trust is to outperform the return of a composite mix comprised of 20.5% of the S&P 500 Index, 5.0% of the Russell Midcap Index, 5.0% of the Russell 2000 Index, 7.5% of the MSCI EAFE Index, 37.5% of the Bloomberg US Aggregate Bond Index, 10.0% of Bloomberg US Government/Credit 1-3 Year, 5.0% of the Merrill Lynch High Yield Master II Constrained Index, and 5.0% of the NAREIT All REITS Total Return Index. This objective should be met over rolling five- and ten- year periods.
 - (c) The **Total Trust** rate of return should annually outperform, net of expenses, the actuarial return assumption as established by the Commission from time to time.
 - (d) The **Total Equity Portfolio** should achieve a total rate of return that exceeds the total return of the S&P 500 Index by 1.0%, net of expenses, over rolling five- and ten- year periods.
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- (e) The **Large Capitalization Equity Portfolio** should achieve a total rate of return that exceeds the total return of the S&P 500 Index by 1.0%, net of expenses, over rolling five- and ten-year periods.
 - (f) The **Large Capitalization Equity Index Portfolio** should achieve a total rate of return that matches the total return of the S&P 500 Index, gross of expenses, over rolling five- and ten-year periods.
 - (g) The **Middle Capitalization Equity Portfolio** should achieve a total rate of return that exceeds the total return of the Russell Mid Cap Index by 2.0%, net of expenses, over rolling five- and ten-year periods.
 - (h) The **Small Capitalization Equity Portfolio** should achieve a total rate of return that exceeds the total return of the Russell 2000 Index by 3.0%, net of expenses, over rolling five- and ten-year periods.
 - (i) The **International Equity Portfolio** should achieve a total rate of return that exceeds the total return of the Morgan Stanley Capital International Europe, Australasia, and the Far East (MSCI EAFE ND) Index by 1.5%, net of expenses, over rolling five- and ten-year periods.
 - (j) The **Total Fixed Income Portfolio** should achieve a total return, net of expenses, that exceeds the total rate of return of the Bloomberg US Aggregate Bond Index over rolling five- and ten-year periods.
 - (k) The **Total Short Duration Fixed Income Portfolio** should achieve a total return, net of expenses, that exceeds the total rate of return of the Bloomberg US Government/Credit 1-3 Year Index over rolling five- and ten-year periods.
 - (l) The **High Yield Fixed Income Portfolio** should achieve a total return, net of expenses, that exceeds the total rate of return of the Merrill Lynch High Yield Master II Constrained Index over rolling five- and ten-year periods.
 - (m) The **Bank Loan Portfolio** should achieve a total return, net of expenses, that exceeds the total rate of return of the Credit
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Suisse Leveraged Loan Index over rolling five- and ten- year periods.

- (n) The **Real Estate Portfolio** should achieve a total return, net of expenses, that exceeds the total rate of return of the FTSE NAREIT All REITS Total Return Index over rolling five- and ten-year periods.
- (o) The **Global Tactical Asset Allocation Portfolio** should achieve a total return, net of expenses, that exceeds the total rate of return of the 50% S&P 500 Index/50% Bloomberg US Aggregate Bond Index over rolling five- and ten- year periods.
- (p) **Cash and short term securities** should achieve relative performance better than 91-day U. S. Treasury Bills.

General Investment Principles

- (a) Investments shall be made solely in the interest of the participants and beneficiaries of the Trust for the exclusive purpose of providing benefits accrued thereunder and defraying the reasonable expenses of administration of the Trust.
 - (b) The Trust shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a Prudent Person acting in like capacity and familiar with such matters would use in the investment of a fund of like character and with like aims.
 - (c) Investment of the Trust shall be so diversified as to minimize the risk of large losses or the risk of a severe underfunding of OPEB liabilities, unless under the circumstances it is clearly prudent not to do so.
 - (d) The Commission may employ one or more Investment Managers of varying styles and philosophies to attain the Trust's objectives.
 - (e) Investments should be made in consideration of the future liability payout schedule such that no severe mismatch of assets versus liabilities develops.
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- (f) Cash is to be employed productively at all times, by investment in short-term cash equivalents to provide safety, liquidity, and return.

VIII. INVESTMENT GUIDELINES

The Investment Managers are expected to execute all transactions as efficiently as possible. There are no specific restrictions on portfolio turnover or preference for long or short term holding periods. The Commission does, however, anticipate that long-term performance will be enhanced by investment strategies, not trading strategies.

All securities transactions shall be effected through brokerage firms. Each Investment Manager shall ensure brokerage commissions paid by them for executions and other services that benefit the Investment Managers are reasonable. When Investment Managers direct commissions on behalf of the Trust, the direction shall be contingent upon the institution being competitive in both price and execution. The Commission retains the right to direct brokerage commissions.

The Investment Consultant and Investment Managers shall comply with the principles outlined below regarding **compensation**.

- (a) All contracts between the Plan Sponsor and Investment Consultant(s) shall be paid on a hard dollar basis (i.e., actual cash paid for services). All contracts between the Plan Sponsor and Investment Managers shall be paid on a hard dollar basis.
 - (b) Investment Consultant(s) shall not enter into any compensation arrangements with Investment Managers for any services to be provided relating to the Trust.
 - (c) Investment Managers may enter into special commission arrangements with brokerage firms whereby portions of the commissions paid to brokerage firms for executing securities transactions may be directed to a third party or retained by the brokerage firm, but only for the express purpose of obtaining research products and services that are directly related to the investment process. Investment Managers shall monitor such payments on a regular basis, and as may be requested periodically by the Plan Sponsor, shall certify that such payments are in compliance with Section 28(e) of the Securities and Exchange Act of 1934, and such products and services directly benefit the Trust.
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- (d) Reports shall be prepared by the Custodian and/or Investment Manager(s) at least quarterly indicating the transactions executed during the period. For other than direct transactions, the Investment Manager(s) shall have the discretion to execute transactions with the brokerage firm(s) of its choosing; however, its selection shall always be made in the best interest of the Trust.

The Trust assets may be invested in publicly traded common and preferred stocks, convertible bonds, and non-convertible fixed income securities, whether interest bearing or discount instruments, including money market instruments, subject to any restrictions herein specified. Any investments in mutual funds or other vehicles which may commingle instruments from various asset categories shall be subject to guidelines or restrictions specified in the fund prospectus or offering materials.

The assets of the Trust shall be invested in a manner consistent with generally accepted standards of fiduciary responsibility. The safeguards which would guide a Prudent Person shall be observed. All transactions undertaken on behalf of the Trust shall be for the sole benefit of the participants in the Trust and their beneficiaries.

The **domestic equity** portfolios should reflect the discretion of the Investment Manager(s) within the following constraints:

- (a) No options or financial futures shall be purchased unless approved in writing by the Commission.
 - (b) Aggregate investment Beta (versus the applicable benchmark) of the entire portfolio should not exceed 1.20 at any time.
 - (c) No private placements or venture capital investments should be purchased.
 - (d) The Trust's equity Investment Manager(s) shall vote all proxies in the best interest of the Trust without regard to social issues. The equity Investment Manager(s) shall provide a written report each year to discuss the general guidelines they followed in voting proxies during the year.
 - (e) No single security in each manager's portfolio will constitute more than 5% of the portfolio's equity allocation at the time of purchase, unless that security has a weighting of 5% or higher
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in the manager's respective benchmark index, nor will it be more than 10% of the equity allocation of the portfolio after accounting for price appreciation, unless that security has a weighting of 10% or higher in the manager's respective benchmark index.

- (f) Equity purchases are limited to stocks of companies with a minimum capitalization of \$200 million, unless approved by the Commission.
- (g) The funds shall remain fully invested in equities except for a nominal time between sales and repurchases.

The **international equity** portfolio should reflect the discretion of the Investment Manager(s) within the following constraints:

- (a) Investing internationally diversifies the overall Trust across the global equity markets. The international equity manager will invest in non-U.S. dollar denominated equity securities and/or American Depositary Receipts ("ADR's"). The manager is required to invest in a prudent manner and to operate under the restrictions indicated in their prospectus. These include: regional constraints, diversification requirements, and the type of securities held.
 - (b) No options or financial futures shall be purchased unless approved in writing by the Commission.
 - (c) Aggregate investment Beta (versus the applicable benchmark) of the entire portfolio should not exceed 1.20 at any time.
 - (d) No private placements or venture capital investments should be purchased.
 - (e) The Trust's equity Investment Manager(s) shall vote all proxies in the best interest of the Trust without regard to social issues. The equity Investment Manager(s) shall provide a written report each year to discuss the general guidelines they followed in voting proxies during the year.
 - (f) No single security in each Investment Manager's portfolio will constitute more than 5% of the portfolio's equity allocation at the time of purchase, nor will it be more than 10% of the
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- equity allocation of the portfolio after accounting for price appreciation.
- (g) Equity purchases are limited to stocks of companies with a minimum capitalization of \$200 million, unless approved by the Commission.
 - (h) The funds shall remain fully invested in equities except for a nominal time between sales and repurchases.

The **fixed income** portfolio should reflect the discretion of the Investment Manager(s) within the following constraints:

- a) The fixed income managers will manage their portfolios so that at least 80% of the portfolio shall be invested in Investment Grade bonds. The managers may, at their discretion, invest up to 20% of the portfolio in bonds rated below Investment Grade but not lower than "B-/B3". The bonds must be rated by either Moody's, Fitch or Standard and Poor's. In the case of split rated securities, the higher rating applies. The Investment Managers are not required to invest in securities rated below Investment Grade.

In the event a security is downgraded below the rating limitations stated above, the manager will exit the position within a reasonable timeframe and notify the Plan Sponsor.

- b) Total fixed income exposure, from any single issuer except U.S. Government, its agencies or instrumentalities, shall not exceed 10% of the total allocation of the portfolio, except below Investment Grade issuers, which shall not exceed 3% of the portfolio. No more than 10% of the fixed income portfolio shall be invested in preferred stock.
 - c) No options or financial futures shall be utilized unless approved in writing by the Commission.
 - d) The maximum effective Duration of the portfolio will be 120% of the Bloomberg US Aggregate Bond Index.
 - e) All interest and principal payments shall be swept, as received, into a money market or short duration fund for redeployment.
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The **short duration fixed income** portfolio should reflect the discretion of the Investment Manager(s) within the following constraints:

- a) The fixed income managers will manage their portfolios so that at least 80% of the portfolio shall be invested in Investment Grade bonds. The managers may, at their discretion, invest up to 20% of the portfolio in bonds rated below Investment Grade but not lower than "B". The bonds must be rated by either Moody's, Fitch or Standard and Poor's. The Investment Managers are not required to invest in securities rated below Investment Grade.
- b) Total fixed income exposure, from any single issuer except U.S. Government, its agencies or instrumentalities, shall not exceed 10% of the total allocation of the portfolio, except below Investment Grade issuers, which shall not exceed 3% of the portfolio.
- c) The maximum effective Duration of the portfolio will be 120% of the Bloomberg US Government/Credit 1-3 Year Index.
- d) All interest and principal payments shall be swept, as received, into a money market or short duration fund for redeployment.

The **high yield fixed income** portfolio should reflect the discretion of the Investment Manager(s) within the following constraints:

- a) The high yield fixed income managers will manage their portfolios so that at least 80% of the portfolio shall be invested in bonds rated below Investment Grade by either Moody's, Fitch or Standard and Poor's. The managers may, at their discretion, invest up to 20% of the portfolio in bonds rated Investment Grade by either Moody's, Fitch or Standard and Poor's. Investment in securities that are not rated shall not exceed 10% of the total assets of the portfolio, as determined at the time of the acquisition of any such investment.
 - b) Total fixed income exposure, from any single issuer except U.S. Government, its agencies or instrumentalities, shall not exceed 10% of the total allocation of the portfolio, except below Investment Grade issuers, which shall not exceed 3% of
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the portfolio. No more than 20% of the high yield fixed income portfolio shall be invested in preferred stock.

- c) No options or financial futures shall be utilized unless approved in writing by the Commission.
- d) The maximum effective Duration of the portfolio will be 120% of the Merrill Lynch High Yield Master II Constrained Index.
- e) All interest and principal payments shall be swept, as received, into a money market or short duration fund for redeployment.

The **bank loan** portfolio should reflect the discretion of the Investment Manager(s) within the following constraints:

- a) The bank loan managers should have portfolio characteristics similar to the Credit Suisse Leveraged Loan Index.
 - b) The bank loan managers will manage their portfolios so that at least 80% of the portfolio shall be invested in bonds rated below Investment Grade by either Moody's, Fitch or Standard and Poor's. The managers may, at their discretion, invest up to 20% of the portfolio in bonds rated Investment Grade by either Moody's, Fitch or Standard and Poor's. Investment in securities that are not rated shall not exceed 10% of the total assets of the portfolio, as determined at the time of the acquisition of any such investment.
 - c) Total fixed income exposure, from any single issuer except U.S. Government, its agencies or instrumentalities, shall not exceed 10% of the total allocation of the portfolio, except below Investment Grade issuers, which shall not exceed 3% of the portfolio. No more than 20% of the bank loan portfolio shall be invested in preferred stock.
 - d) No options or financial futures shall be utilized unless approved in writing by the Commission.
 - e) The maximum effective Duration of the portfolio will be 120% of the Credit Suisse Leveraged Loan Index.
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- f) All interest and principal payments shall be swept, as received, into a money market or short duration fund for redeployment.

The **real estate** portfolios should reflect the discretion of the Investment Manager(s) within the following constraints:

- (a) No options or financial futures shall be purchased unless approved in writing by the Commission.
- (b) Aggregate investment Beta (versus the applicable benchmark) of the entire portfolio should not exceed 1.20 at any time.
- (c) No private placements or venture capital investments should be purchased.
- (d) The Trust's real estate Investment Manager(s) shall vote all proxies in the best interest of the Trust without regard to social issues. The real estate Investment Manager(s) shall provide a written report each year to discuss the general guidelines they followed in voting proxies during the year.
- (e) No single security in each manager's portfolio will constitute more than 10% of the portfolio's allocation at the time of purchase, nor will it be more than 13% of the allocation of the portfolio after accounting for price appreciation.
- (f) The funds shall remain fully invested in real estate except for a nominal time between sales and repurchases.

The **global tactical asset allocation** portfolios should reflect the discretion of the Investment Manager(s) within the following constraints:

- (a) Aggregate investment Beta (versus the applicable benchmark) of the entire portfolio should not exceed 1.20 at any time.
 - (b) No private placements or venture capital investments should be purchased.
 - (c) Investment Manager(s) shall vote all proxies in the best interest of the Plan without regard to social issues. Investment Manager(s) shall provide a written report each year to discuss
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the general guidelines they followed in voting proxies during the year.

- (d) No single security in each manager's portfolio will constitute more than 5% of the portfolio's allocation at the time of purchase, nor will it be more than 10% of the allocation of the portfolio after accounting for price appreciation.
- (e) The funds shall remain fully invested except for a nominal time between sales and repurchases.

Money market instruments are debt securities with maturities of less than one year. Money market purchases should reflect the discretion of the Investment Managers within the following guidelines:

- (a) Investments can be made in money market instruments that are U.S. Government or agency obligations, repurchase agreements, collateralized by U.S. Government or agency securities, commercial paper, bankers' acceptances, certificates of deposit, Euro or Yankee Dollar obligations, or time deposits.
 - (b) Commercial paper shall be restricted to paper rated "A-2" or "P-2" or "F-2" or better and shall be limited such that any one commercial paper issuer shall not comprise more than 10% of the portfolio.
 - (c) Bankers' acceptances, Certificates of Deposit, Euro or Yankee Dollar obligations, and time deposits shall be made in the larger banks (ranked by assets) rated "AA" or better by Moody's or the equivalent by Fitch or Standard & Poor's and in conformance with all FDIC regulations concerning capital requirements.
 - (d) Investments may be in money market mutual funds that are regulated by the SEC and fully comply with rule 2a-7 of the Investment Company Act of 1940.
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IX. PORTFOLIO EVALUATION

On a quarterly basis:

- (a) The Investment Managers shall provide written reports to the Trust Sponsor and the Investment Consultant detailing performance for the most recent quarterly period as well as the current outlook of the equity and fixed income markets;
 - (b) The Investment Consultant shall monitor Investment Managers' performance and consistency with respect to the investment guidelines and objectives outlined in this Policy;
and
 - (c) The Investment Consultant shall meet with Plan Sponsor staff, the Commission and/or Pension and Benefits Committee (whether in person or via conference call), and review the Investment Managers' performance relative to objectives set forth in this Policy.
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X. DEFINITIONS

ADR's	(American Depository Receipt) A negotiable certificate receipt issued, in dollars, by an American depository stating that a certain number of foreign securities have been deposited with an overseas branch of the depository or with a custodian. ADR's are traded on the New York and other U.S. stock exchanges.
Add Value	The margin by which an investment advisor can out-perform the relative index in a specific asset class.
Asset Allocation	Process by which the total Trust is divided among the different asset classes.
Asset Class	Categories of investments that include equity securities, fixed income securities and cash equivalents.
Bank Loan	Floating rate corporate bonds that offer larger coupons compared to U.S. Treasury, Agency and investment grade corporate bonds with the added potential for price appreciation in the event of an improvement in the economy, or performance of the issuing company. Importantly, bank loans offer the added benefit of a shorter duration profile because of the frequent coupon resets.
Beta	A measure of an equity portfolio's risk level which indicates its sensitivity to changes in the S&P 500 equity index. A portfolio with a Beta greater than one is more volatile than the S&P 500 (e.g., a Beta of 1.20 indicates the portfolio is 20% more volatile than the S&P 500).
Cash	Instruments or investments of high quality and safety (e.g., money market funds, treasury bills, etc.). Maturity is usually less than one year.
Commission	The Port Commission of the Port of Houston Authority of Harris County, Texas, which shall serve as the governing body responsible for administration of the Trust as specified by applicable state or local law or ordinance.
Custodian	Any bank, depository trust company, or brokerage firm appointed by the Commission to serve as custodian over all or part of the Trust's assets.
Duration	A measure of a fixed income portfolio's risk level which indicates how sensitive a fixed income portfolio is to a change in interest rates. The longer a portfolio's duration is, the more volatile it will react to changes in interest rates. Duration is calculated by finding the net present value of all cash flows of a bond until maturity.

Equities	Ownership interest possessed by shareholders in a corporation; stock as opposed to bonds.
ERISA	The Employee Retirement Income Security Act of 1974, any amendments thereto, and any regulations issued pertaining to ERISA.
Fiduciary	Any individual or group of individuals as defined in applicable Texas law and, to the extent not inconsistent with applicable Texas law, ERISA, section 3(21)(a).
Fixed Income	Any interest bearing or discounted government or corporate security that obligates the issuer to pay the holder a specified sum of money, usually at specified intervals, and to repay the principal amount of the loan at maturity. The Fixed Income portfolio may include preferred stock.
Global Tactical Asset Allocation (GTAA)	An investment strategy that attempts to exploit short-term market inefficiencies or long-term market trends by establishing positions in relatively attractive areas of the global investable universe. A GTAA strategy is capable of quickly implementing investment ideas to help tilt a portfolio for near-term opportunities or to preserve capital during market declines. Depending on strategy, investment approaches may diversify across asset classes, sector, countries, currencies, commodities, instruments, and capital structure.
Inflation	The rise in the prices of goods and services as measured by the Consumer Price Index ("CPI").
International Equity Portfolio	An equity portfolio composed of companies based outside of the United States.
Investment Consultant	The firm employed to consult on matters relating to the effective management of the Trust assets.
Investment Grade	Securities rated Baa3 or higher by Moody's Investor Service, or BBB- or higher by Standard and Poor's or Fitch Ratings.
Investment Horizon	The time period over which the investment objectives, as set forth in this statement, are expected to be met. The investment horizon for this Trust based on active lives is 13 years (duration) and on retired lives is 14 years (duration). This will not preclude the committee from reviewing manager performance over shorter periods of three to five years.

Investment Manager	An entity appointed hereunder that provides investment advice and/or manages investments for a fee. All Investment Managers shall be registered with the Securities and Exchange Commission and abide by the rules of the Investment Advisers Act of 1940.
Large Cap Equity Portfolio	An equity portfolio composed of large sized companies. Large capitalization portfolios buy stocks with market capitalizations generally above \$10.0 billion.
Long-term	An investment approach to the markets in which an investor seeks appreciation by evaluating securities over a complete business cycle, usually five to ten years.
Mid Cap Equity Portfolio	An equity portfolio composed of middle sized companies. Middle capitalization portfolios buy stocks with market capitalizations generally between \$2.0 billion and \$10.0 billion.
Pension and Benefits Committee	The committee appointed by the Commission pursuant to the Trust, which may serve as an advisor to the Commission and provide recommendations to the Commission from time to time concerning the administration and management of the Trust. If no committee is formally appointed, then the Commission shall serve as the Pension and Benefits Committee for purposes of this Policy.
Prudent Person	A fiduciary charged with utilizing the care, skill, prudence, and diligence that a prudent person who is familiar with such matters would use under the circumstances then prevailing.
Rate of Return	A return that includes appreciation (depreciation), realized capital gains (losses), and income. A quarterly return is computed and then chain-linked to calculate time-weighted rates of return for the periods under study.
Real Estate Investment Trust	A publicly traded security (also known as a REIT) that invests in real estate directly, either through properties or mortgages. REITs receive special tax considerations and typically offer investors high yields, as well as a highly liquid method of investing in real estate.
Securities	Marketable investment securities and instruments which are defined as acceptable in this statement.
Short Duration Fixed Income	The US Short-Term Bond category is typically defined as all US investment grade bonds with maturities from 1-3 years.

Small Cap Equity Portfolio	An equity portfolio composed of small sized companies. Small capitalization portfolios buy stocks with market capitalizations generally up to \$2.0 billion.
Trustee	Any bank trust department or depository trust company appointed by the Commission to serve as trustee over all or part of the Trust assets.
Total Trust	Aggregate total of all assets in the Trust.

XI. POLICY REVIEW AND ADOPTION

To assure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this statement of investment policy (the "Policy") for the OPEB Plan (the "Plan"), the Port Commission of the Port of Houston Authority of Harris County, Texas (the "Commission") will endeavor to review the Policy at least annually.

The Commission officially finds, determines and declares that this Policy was reviewed, carefully considered, and adopted at a regular meeting of the Commission, and that a sufficient written notice of the date, hour, place and subject of this meeting was posted as required by the Open Meetings Act, Chapter 551, Texas Government Code, and that this meeting had been open to the public as required by law at all times during which this Policy was discussed, considered and acted upon and is herewith adopted. The Commission further ratifies, approves and confirms such written notice and the contents and posting thereof.

This Policy is adopted on February 19, 2026 and supersedes all previously adopted statements of investment policy with respect to the Plan.

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

ATTEST:

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

Minute 2026-0219-

J. FINANCE

Subject	3. Authorization of JP Morgan Short Term Duration Bond R6 fund as a new investment manager for the Port of Houston Authority Restated Retirement Plan.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, authorize JP Morgan Short Term Duration Bond R6 (JSDUX) fund as a new investment manager for the Port of Houston Authority Restated Retirement (Pension) Plan, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Treasury

Staff Contact:

Roland Gonzalez

Background:

Staff engaged the Port Authority's retirement plans investment consultant, Mariner Institutional, LLC, to produce an asset/liability study for the Pension Plan. Milliman, the Port Authority's Actuary, provided Mariner with the required supporting data to generate the study. Staff reviewed the completed study in the fourth quarter of 2025.

The purpose of the study was to review the current target asset allocation of the Pension Plan and how the target asset allocation may impact the projected funded levels and cash contribution requirements, evaluate alternative investment strategies and target asset allocations, and estimate future total costs of each Plan, based on current capital markets assumptions.

Staff Evaluation/Justification:

Based on the current funded status of the Pension Plan, results of the study, and future expected returns in the Pension Plan, the study proposed changes to the Pension Plan's asset allocation "to slightly decrease the allocation to Equity and slightly increase the allocation to Fixed Income". The fixed income investment sector would be Short Term Duration Fixed Income, a proposed new investment sector.

Based on historical performance and risk/reward analysis provided through Mariner's U.S. Short Term Bonds search, the recommended action is believed to be in the best interest of the beneficiaries of the Pension Plan. Staff and Mariner would reallocate assets formally managed by other investment managers to this new applicable investment manager, in accordance with the asset allocation and other parameters specified in the investment policy.

JP Morgan Short Term Duration Bond R6 (JSDUX) fund is a mutual fund with highly correlated returns, risk, and reward, with its benchmark (Bloomberg 1-3 year U.S. Government/Credit Index), and low management fees.

The Pension and Benefits Committee, staff, and Mariner recommend that the Port Commission approve and authorize the termination of the referenced investment agreements for the Pension Plan.

J. FINANCE

Subject	4. Authorization of JP Morgan Short Term Duration Bond R6 fund as a new investment manager for the Port of Houston Authority Other Post-Employment Benefit Plan, an irrevocable trust established for other post-employment benefits.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, authorize JP Morgan Short Term Duration Bond R6 (JSDUX) fund as a new investment manager for the Port of Houston Authority Other Post-Employment Benefit (OPEB) Plan, an irrevocable trust established for other post-employment benefits, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Treasury

Staff Contact:

Roland Gonzalez

Background:

Staff engaged the Port Authority's retirement plans investment consultant, Mariner Institutional, LLC, to produce an asset/liability study for the Other Post-Employment Benefit (OPEB) Plan. Milliman, the Port Authority's Actuary, provided Mariner with the required supporting data to generate the study. Staff reviewed the completed study in the fourth quarter of 2025.

The purpose of the study was to review the current target asset allocation of the OPEB Plan and how the target asset allocation may impact the projected funded levels and cash contribution requirements, evaluate alternative investment strategies and target asset allocations, and estimate future total costs of each Plan, based on current capital markets assumptions.

Staff Evaluation/Justification:

Based on the current funded status of the OPEB Plan, results of the study, and future expected returns in the OPEB Plan, the study proposed changes to the OPEB Plan's asset allocation "to slightly decrease the allocation to Equity and slightly increase the allocation to Fixed Income". The fixed income investment sector would be Short Term Duration Fixed Income, a proposed new investment sector.

Based on historical performance and risk/reward analysis provided through Mariner's U.S. Short Term Bonds search, the recommended action is believed to be in the best interest of the beneficiaries of the OPEB Plan. Staff and Mariner would reallocate assets formally managed by other investment managers to this new applicable investment manager, in accordance with the asset allocation and other parameters specified in the investment policy.

JP Morgan Short Term Duration Bond R6 (JSDUX) fund is a mutual fund with highly correlated returns, risk, and reward, with its benchmark (Bloomberg 1-3 year U.S. Government/Credit Index), and low management fees.

The Pension and Benefits Committee, staff, and Mariner recommend that the Port Commission approve and authorize the termination of the referenced investment agreements for the OPEB Plan.

J. FINANCE

Subject	5. Termination of the investment management agreements with Fiduciary Management, Inc. for the Port of Houston Authority Restated Retirement Plan (Pension Plan) and Other Post Employment Benefit Plan (OPEB Plan).
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, authorize the termination of the investment management agreements with Fiduciary Management, Inc. for the Port of Houston Authority Restated Retirement Plan (Pension Plan) and Other Post Employment Benefit Plan (OPEB Plan), and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Treasury

Staff Contact:

Roland Gonzalez

Background:

By Minute No. 2005-0929-12, the Port Commission awarded a professional services contract to Fiduciary Management, Inc. (Fiduciary) as a large-cap investment manager for a portion of the Port Authority's Restated Retirement Plan (Pension Plan) assets.

By Minute No. 2012-0124-33, the Port Commission authorized an agreement with Fiduciary as a large-cap investment manager for a portion of the Other Post Employment Benefit Plan (OPEB Plan) assets.

The Port Authority's retirement plans investment consultant, Mariner International, LLC, reviews and monitors the Port Authority's investment manager performance continually, including the performance of Fiduciary, and provides the Port Authority with reports on each investment manager's performance. Staff provides these investment performance reports to the Port Commission and Pension and Benefits Committee for their quarterly review.

Beginning in the second quarter of 2025, Mariner placed Fiduciary on alert status for various reasons; Fiduciary has continued on alert status to date.

Staff Evaluation/Justification:

As part of the ongoing review of the Pension Plan and OPEB Plan investments and long-term performance, staff and Mariner recently recommended to the Pension and Benefits Committee the termination of the investment management agreements for both plans, with Fiduciary. Based on historical performance and risk/reward analysis provided by Mariner's analytics, the recommended action is believed to be in the best interest of the two plans' beneficiaries. In such an event, staff and Mariner would reallocate assets formally managed by Fiduciary to a new investment manager, in accordance with the asset allocation and other parameters specified in the investment policies.

The Pension and Benefits Committee, staff, and Mariner recommend that the Port Commission approve and authorize the termination of the referenced investment agreements for the Pension and OPEB Plans.

J. FINANCE

Subject	6. Authorization of Newton Investment Management North America, LLC as a new large-cap value investment manager for the Port of Houston Authority Restated Retirement Plan.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, authorize Newton Investment Management North America, LLC as a new large-cap value investment manager for the Port of Houston Authority Restated Retirement (Pension) Plan, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Treasury

Staff Contact:

Roland Gonzalez

Background:

The Port Authority's retirement plans investment consultant, Mariner Institutional, LLC, reviews, monitors, and provides the Port Authority reports on the Restated Retirement Plan (Pension Plan) and each investment manager's performance on a quarterly basis, and the staff provides these investment performance reports to the Port Commission and the Pension and Benefits Committee for its quarterly review.

Staff and Mariner recently requested that the Pension and Benefits Committee recommend Port Commission authorization to terminate the investment management agreement with Fiduciary Management, Inc. In connection with this request, Mariner performed a large-cap value manager search and performance comparison of five large-cap value investment managers for the Port Authority's consideration for its Pension Plan, to identify, select, and propose a replacement manager, if warranted.

Staff Evaluation/Justification:

Staff and Mariner additionally recommended to the Pension and Benefits Committee that it recommend that the Port Commission appoint Newton Investment Management North America, LLC, as a new large-cap value investment manager for the Pension Plan, to replace the incumbent.

Based on historical performance and risk/reward analysis provided through Mariner's large-cap value search, the recommended action is believed to be in the best interest of the beneficiaries of the Pension Plan. Staff and Mariner would reallocate assets formally managed by the incumbent to this new applicable investment manager, in accordance with the asset allocation and other parameters specified in the investment policy.

The Pension and Benefits Committee, staff, and Mariner recommend that the Port Commission authorize the account for a new investment manager for the Pension Plan as provided above.

J. FINANCE

Subject	7. Authorization of Newton Investment Management North America, LLC as a new large-cap value investment manager for the Port of Houston Authority Other Post-Employment Benefit Plan, an irrevocable trust established for other post-employment benefits.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, authorize Newton Investment Management North America, LLC as a new large-cap value investment manager for the Port of Houston Authority Other Post-Employment Benefit (OPEB) Plan, an irrevocable trust established for other post-employment benefits, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Treasury

Staff Contact:

Roland Gonzalez

Background:

The Port Authority's retirement plans investment consultant, Mariner Institutional, LLC, reviews, monitors, and provides the Port Authority reports on the Other Post-Employment Benefit Plan (OPEB Plan) and each investment manager's performance on a quarterly basis, and staff provides these investment performance reports to the Port Commission and the Pension and Benefits Committee for its quarterly review.

Staff and Mariner recently requested that the Pension and Benefits Committee recommend Port Commission authorization to terminate the investment management agreement with Fiduciary Management, Inc. In connection with this request, Mariner performed a large-cap value manager search and performance comparison of five large-cap value investment managers for the Port Authority's consideration for its OPEB Plan, to identify, select, and propose a replacement manager, if warranted.

Staff Evaluation/Justification:

Staff and Mariner additionally recommended to the Pension and Benefits Committee that it recommend that the Port Commission appoint Newton Investment Management North America, LLC, as a new large-cap value investment manager for the OPEB Plan, to replace the incumbent.

Based on historical performance and risk/reward analysis provided through Mariner's large-cap value search, the recommended action is believed to be in the best interest of the beneficiaries of the OPEB Plan. Staff and Mariner would reallocate assets formally managed by the incumbent to this new applicable investment manager, in accordance with the asset allocation and other parameters specified in the investment policy.

The Pension and Benefits Committee, staff, and Mariner recommend that the Port Commission authorize the account for a new investment manager for the OPEB Plan as provided above.

K. INFRASTRUCTURE

Subject	1. Professional services contract in an amount not to exceed \$167,558, for the splash zone engineering at Turning Basin Terminal to the top-ranked proposer Collins Engineers, Inc.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, approve staff's ranking of vendors and award a professional services contract in an amount not to exceed \$167,558 for the splash zone engineering at Turning Basin Terminal to the top-ranked proposer Collins Engineers, Inc., and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective MARITIME ECONOMIC DEVELOPMENT - CARGO Maximize Capacity and Regional Competitiveness

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Craig J. Kasper, P.E.

Background:

This project comprises the engineering and design of specialized marine coatings and repairs to steel bulkhead systems and other wharf structural elements within the splash zone area for Wharves 25 through 32 at Turning Basin Terminal.

Staff anticipates returning to the Port Commission at a future meeting for authority to include construction phase services in the contract.

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

Staff Evaluation/Justification:

On December 3, 2025, five RFQ responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the RFQ.

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to Collins Engineers, Inc., the most highly qualified provider, for the splash zone engineering at Turning Basin Terminal, and act as otherwise described above.

K. INFRASTRUCTURE

Subject	2. Amendment of professional services contract with Hatch Associates Consultants, Inc. to perform additional services associated with the design for the rehabilitation of Wharves 5 and 6 at Barbours Cut Terminal, in an amount not to exceed \$104,043.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, amend a professional services contract with Hatch Associates Consultants, Inc. to perform additional services associated with design for the rehabilitation of Wharves 5 and 6 at Barbours Cut Terminal in an amount not to exceed \$104,043, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective MARITIME ECONOMIC DEVELOPMENT - CARGO Maximize Capacity and Regional Competitiveness

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Craig J. Kasper, P.E.

Background:

By Minute No. 2021-0525-17, the Port Commission awarded a professional services contract to Hatch Associates Consultants, Inc. to perform work associated with design for the rehabilitation of Wharves 4, 5, and 6 at Barbours Cut Terminal.

This proposed amendment would include revisions to the project documents to modify the project boundary and phasing plan to align with the current program schedule for wharf and container yard rehabilitations. The additional design scope includes:

- Detailing the underground utility work and tie-ins between the final phase of the current Container Yards 6 and 7 construction and future Wharves 5 and 6 rehabilitation, and
- Rate escalation fee for consultant's services.

Staff anticipates returning to the Port Commission to request authority to include construction phase services in the contract.

Staff Evaluation/Justification:

Staff has reviewed Hatch Associates Consultants, Inc.'s proposal and found it to be fair and reasonable, and recommends that the Port Commission approve the proposed amendment.

K. INFRASTRUCTURE

Subject	3. Amendment of professional services contract with English + Associates Architects, Inc. to perform additional services associated with the design of telecommunication connectivity for the new Port Coordination Center building at Turning Basin Terminal, in an amount not to exceed \$259,992.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, amend a professional services contract with English + Associates Architects, Inc. to perform additional services associated with the design of telecommunication connectivity for the new Port Coordination Center building at Turning Basin Terminal, in an amount not to exceed \$259,992, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective MARITIME ECONOMIC DEVELOPMENT - CARGO Maximize Capacity and Regional Competitiveness

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Craig J. Kasper, P.E.

Background:

By Minute No. 2022-0927-41, the Port Commission awarded a professional services contract to English + Associates Architects, Inc. for design of the new Port Coordination Center (PCC) building at Turning Basin Terminal.

This proposed amendment would include the following:

- Design of telecommunication infrastructure to facilitate connectivity between the Port IT network and the new PCC building upon completion,
- Design of telecommunication infrastructure to relocate the existing Turning Basin Terminal network hub from the Executive Office Building to the new PCC building, and
- Provide additional design details within the new PCC building necessary for low-voltage and security system connectivity.

Staff anticipates returning to the Port Commission to request authority to include construction phase services in the contract.

Staff Evaluation/Justification:

Staff has reviewed English + Associates Architects, Inc.'s proposal and found it to be fair and reasonable, and recommends that the Port Commission approve the proposed amendment.

K. INFRASTRUCTURE

Subject	4. Change order with Orion Construction, LLC to perform additional work associated with the bulkhead and fender repairs at Wharves 20 and 21 at Turning Basin Terminal, in an amount not to exceed \$937,208.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, approve a change order with Orion Construction, LLC to perform additional work associated with the bulkhead and fender repairs at Wharves 20 and 21 at Turning Basin Terminal, in an amount not to exceed \$937,208, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective MARITIME ECONOMIC DEVELOPMENT - CARGO Maximize Capacity and Regional Competitiveness

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Craig J. Kasper, P.E.

Background:

By Minute No. 2024-1210-23, the Port Commission awarded a contract to Orion Construction, LLC to perform the bulkhead and fender repairs at Wharves 20 and 21 at Turning Basin Terminal for \$9,281,420.

This proposed change order addresses approximately forty linear feet of the existing bulkhead at Wharf 21 that is in conflict with the proposed alignment of the new steel sheetpile bulkhead system. This scope of work includes:

- Additional underwater demolition,
- Additional excavation behind the existing bulkhead system,
- Demolition of existing wharf structural elements,
- New structural steel elements, and
- Additional backfill materials for the new bulkhead system.

This is the twelfth change order to this contract, for a total change order value to date of \$9,050,921, which is 97.5% of the total contract value.

Staff Evaluation/Justification:

Port Authority staff has reviewed the proposal submitted by Orion Construction, LLC, and found it to be fair and reasonable, and recommends that the Port Commission authorize this change order.

L. MAINTENANCE

Subject	1. Contract with Ambassador Services, LLC for the purchase of janitorial services at Barbours Cut Terminal and Bayport Container Terminal, using Harris County Department of Education's Choice Partners, a cooperative purchase program contract, in an amount not to exceed \$1,200,000.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, award a three-year contract to Ambassador Services, LLC for the purchase of janitorial services at Barbours Cut Terminal and Bayport Container Terminal, using Harris County Department of Education's Choice Partners, a cooperative purchase program contract, in an amount not to exceed \$1,200,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective MARITIME ECONOMIC DEVELOPMENT - CARGO Maximize Capacity and Regional Competitiveness

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Michael Gignac

Background:

By Minute No. 2022-0524-32, the Port Commission awarded a three-year contract to Ambassador Services, LLC for janitorial services at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$1,200,000. Approximately 130,000 square feet of the Port Authority's office building space and facilities require daily professional cleaning services. Buildings include terminal administration buildings, maintenance facilities, gate operations offices, driver services buildings, and other terminal support offices.

Staff Evaluation/Justification:

The Director of Strategic Sourcing has determined that procuring contracts for professional janitorial services at Barbours Cut Terminal and Bayport Container Terminal through the Harris County Department of Education's (HCDE) Choice Partners is the method that both satisfies competitive purchase requirements and provides the best value to the Port Authority.

The Maintenance department has determined that the best availability, price, and contract terms for these services are provided by Ambassador Services, LLC, under the pricing schedule in the vendor's contract with HCDE, in a total amount not to exceed \$1,200,000.

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

L. MAINTENANCE

Subject	2. Two-year contract to EVCO Partners, LP dba Burgoon Company for the purchase of miscellaneous shop supplies for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal, using the Texas Comptroller of Public Accounts, Texas Multiple Award Schedule, in an amount not to exceed \$1,000,000.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, award a two-year contract to EVCO Partners, LP dba Burgoon Company for the purchase of miscellaneous shop supplies for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal, using the Texas Comptroller of Public Accounts, Texas Multiple Award Schedule, in an amount not to exceed \$1,000,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Nathan Fabian

Background:

By Minute No. 2024-0722-33, the Port Authority awarded a two-year contract to EVCO Partners, LP dba Burgoon Company in an amount not to exceed \$800,000 for the purchase of miscellaneous shop supplies for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal, using the Texas Comptroller of Public Accounts, Texas Multiple Award Schedule (TXMAS). The current contract is set to expire soon, with less than 26% of funds remaining.

The Port Authority operates multiple maintenance departments at these facilities. These departments provide daily support to port operations by maintaining equipment and facilities, and supplies such as essential tools, operational support supplies, electrical, hydraulic components, pumps, small motors, and valves, which are needed to properly maintain Port Authority assets.

Staff Evaluation/Justification:

The Director of Strategic Sourcing has determined that procuring the two-year purchase agreement for miscellaneous shop supplies through TXMAS is the method that both satisfies competitive purchase requirements and provides the best value to the Port Authority.

The Maintenance department has determined that the best availability, price, and contract term for the items needed are provided by EVCO Partners, LP dba Burgoon Company, under the pricing schedule obtained from that vendor's contract with TXMAS, and is therefore recommending this purchase.

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

L. MAINTENANCE

Subject	3. Contract with Doggett Heavy Machinery Services, the sole source provider, for the purchase of John Deere replacement parts for seventeen hybrid rubber-tired gantry cranes at Barbours Cut Terminal and Bayport Container Terminal, in an amount not to exceed \$400,000.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, award a two-year contract to Doggett Heavy Machinery Services, the sole source provider, for the purchase of John Deere replacement parts for seventeen hybrid rubber-tired gantry (RTG) cranes at Barbours Cut Terminal and Bayport Container Terminal, in an amount not to exceed \$400,000, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective MARITIME ECONOMIC DEVELOPMENT - CARGO Maximize Capacity and Regional Competitiveness

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Nathan Fabian

Background:

By Minute No. 2024-0306-29, the Port Commission awarded a two-year contract to Doggett Heavy Machinery Services in the amount not to exceed \$400,000 for the purchase of John Deere engine parts for hybrid rubber-tired gantry (RTG) cranes at Barbours Cut Terminal and Bayport Container Terminal. The current contract is set to expire in March 2026.

The Port Authority currently owns a total of seventeen hybrid RTG cranes at Barbours Cut Terminal and Bayport Container Terminal, each of which is equipped with John Deere forestry engines. Captive spare and replacement parts for these units would be purchased through this contract as needed, to minimize equipment downtime and provide acceptable levels of service to operations. The Port Authority also owns various industrial equipment equipped with John Deere engines and components, for which captive spare and replacement parts will be sourced from this contract.

Staff Evaluation/Justification:

Section 60.412 of the Water Code provides that a purchase for an item that can be obtained only from one source is exempt from certain procurement requirements of the Water Code. Port Authority staff has received a written statement from the manufacturer confirming that Doggett Heavy Machinery Services is the sole source for replacement parts for John Deere forestry engine parts in the United States.

Staff recommends that the Port Commission award a two-year contract to Doggett Heavy Machinery Services for the purchase of John Deere replacement parts for seventeen hybrid RTG cranes at Barbours Cut Terminal and Bayport Container Terminal.

L. MAINTENANCE

Subject	4. Two-year contract to Kalmar USA, Inc., Bromma Americas, the sole source provider, for the purchase of quarterly inspections and troubleshooting of Bromma spreaders and over-height frames at Barbours Cut Terminal and Bayport Container Terminal, in an amount not to exceed \$300,000.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, award a two-year contract to Kalmar USA, Inc., Bromma Americas, the sole source provider, for the purchase of quarterly inspections and troubleshooting of Bromma spreaders and over-height frames at Barbours Cut Terminal and Bayport Container Terminal, in an amount not to exceed \$300,000, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective MARITIME ECONOMIC DEVELOPMENT - CARGO Maximize Capacity and Regional Competitiveness

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Nathan Fabian

Background:

By Minute No. 2024-0326-28, the Port Commission awarded a two-year contract to Kalmar USA Inc., Bromma Americas, in an amount not to exceed \$285,000 for the purchase of quarterly inspection services for Bromma spreaders and over-height attachments at Barbours Cut Terminal and Bayport Container Terminal.

The Port Authority currently owns a total of 199 spreaders and 19 over-height frame attachments, with an additional 30 spreaders arriving in 2026, manufactured by Bromma. Since 2012, periodic inspections by Bromma technicians have been performed at both Barbours Cut Terminal and Bayport Container Terminal.

Given the importance that spreaders and over-height frame attachments have in container crane operations, it is advantageous to have a contract in place to assist the Port Authority in the routine inspection of these units and minimize crane downtime. The current contract is set to expire in March 2026.

Staff Evaluation/Justification:

Section 60.412 of the Water Code provides that a purchase for an item that can be obtained only from one source is exempt from certain procurement requirements of the Water Code. Port Authority staff has received a written statement from the manufacturer confirming that to Kalmar USA, Inc., Bromma Americas is the sole authorized source for service, training, parts, and repairs for Bromma equipment in the United States.

Staff recommends that the Port Commission approve a two-year contract with Kalmar USA, Inc., Bromma Americas for the purchase of quarterly inspections and troubleshooting of Bromma spreaders and over-height frames, beginning April 1, 2026, and ending March 31, 2028, in an amount not to exceed \$300,000.

M. OPERATIONS

Subject	1. Amendment of Tariff Nos. 14 and 15 governing Barbours Cut Terminal and Bayport Container Terminal, effective May 1, 2026, to (i) clarify the Port Authority's requirement of placards identifying certain battery-powered vehicles transported at the Port Authority's container terminals, and (ii) reduce the free time allotted to loaded import refrigerated containers requiring power.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, (i) amend Tariffs 14 and 15 to clarify the Port Authority's requirement of placards identifying certain battery-powered vehicles transported at the Port Authority's container terminals, and (ii) to reduce the free time allotted to loaded import refrigerated containers requiring power effective May 1, 2026, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Operations

Staff Contact:

Ryan Mariacher

Background:

The rules concerning dangerous cargo in the Port Authority's Tariffs are intended to promote safe handling and minimize risks of fire, explosions, or environmental disasters. Under Tariff Nos. 14 and 15, the Port Authority is empowered to issue such directives or regulations as it deems necessary to ensure the safe handling of hazardous cargo. To clarify the Port Authority's requirement of placards identifying certain battery-powered vehicles transported at the Port Authority's container terminals, staff recommends amending Tariff Nos. 14 and 15.

This amendment to the Tariffs is intended to be consistent with updated classifications for Class 9 materials under the International Maritime Dangerous Goods (IMDG) Code, which is promulgated by a specialized agency of the United Nations (UN).

Staff recommends that Tariff Nos. 14 and 15 be updated to state that all cargo classified as UN 3556 (vehicle, lithium-ion battery powered), UN 3557 (vehicle, lithium metal battery powered), and UN 3558 (vehicle, sodium-ion battery powered) requires placards with the applicable UN identification number on all four sides of the container. Placards signal risks associated with lithium-ion batteries, sodium-ion batteries, and lithium metal batteries, and related products. In the event of an accident, these placards alert emergency personnel to the presence of hazardous materials, guiding safe response strategies.

Additionally, to best promote efficient operations and the fluid movement of cargo, the Port Authority manages its terminals to minimize container dwell time, i.e., the period that containers spend within its container yard. One of its tools for doing so is the imposition of container demurrage (i.e., storage) charges after the expiration of "free time." Currently, refrigerated containers are allotted the same amount of free time as non-refrigerated containers under the Tariffs.

Staff now proposes revising Tariff Nos. 14 and 15 to provide that loaded import refrigerated containers requiring power shall be stored free of charge for four days, except that any unit requiring delivery and receipt to an authorized Bayport Container Terminal or Barbours Cut Terminal freight handler for U. S.

Exhibit A

Customs examination and/or any unit requiring United States Department of Agriculture (USDA) inspection shall be stored free of charge for an additional three days, for a total of seven days. Free time would begin with the first 6:00 a.m. after receipt.

This update to the Tariffs would not affect the rates charged for electrical power supplied to refrigerated containers, which shall continue to be charged at rates described in Subrule No. 090 of Tariff 14 and Subrule No. 091 of Tariff 15 (additional services). All loaded reefers are required to remain on the chassis while stored on the terminal.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve the above amendment for Tariff Nos. 14 and 15.

N. PEOPLE

Subject	1. Amendment of professional services contract with Unicare Building Maintenance, Inc. to perform cleaning services within the Executive Office Building, Port Coordination Center, Central Maintenance buildings, Sam Houston Pavilion, and ten gatehouses at the Turning Basin Terminal, in an amount to not exceed \$70,764.30 for an additional three months.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, approve an amendment with Unicare Building Maintenance, Inc. for continued cleaning services at the Executive Office Building, Port Coordination Center, Central Maintenance buildings, Sam Houston Pavilion, and ten gatehouses at the Turning Basin Terminal, in an amount not to exceed \$70,764.30 for an additional three months, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

People

Staff Contact:

Carlecia Wright

Background:

By Minute No. 2021-0223-42, the Port Commission authorized an agreement with Unicare Building Maintenance Inc. for the cleaning of Turning Basin Terminal facilities for an initial three-year term. By Minute No. 2024-0229-51, the Port Commission authorized the extension of the contract for an additional two years, ending March 30, 2026.

The parties subsequently amended the contract to add cleaning services (i) for a modular building with seven offices, two restrooms, and a break room for Next Generation (NXGEN) ERP employees, (ii) shampoo Executive Office Building lobby rugs to address water that entered the lobby in connection with Hurricane Beryl, (iii) clean carpets in the Sergeant's Office and Port Coordination Center (PCC) Training Room to address twenty-four-hour traffic, and (iv) to clean various additional maintenance locations.

Approximately 100,000 square feet of Port Authority office building space and facilities at the Turning Basin Terminal require daily professional cleaning services, including the Executive Office Building, Central Maintenance, PCC, Sam Houston Pavilion, and ten gatehouses. Port Authority staff has determined that combining services for all buildings and facilities at the Turning Basin Terminal into a single agreement is economically and administratively beneficial to the Port Authority.

The Port Authority now seeks to further amend the contract by extending the term for an additional three months, ending June 30, 2026. Such an amendment would increase the overall not-to-exceed amount of the contract, including all amendments thereto, to \$1,207,803.91.

In preparation for expiration of the current agreement, Port Authority staff is developing a new solicitation that will consolidate cleaning services across multiple facilities into a single competitively procured contract. This approach will allow the Port Authority to evaluate service levels, operational needs, and cost efficiencies across the Turning Basin facilities and other locations.

Staff Evaluation/Justification:

Staff have been satisfied with the performance of Unicare at the Turning Basin Terminal facilities and believe Unicare's prices for the additional months are fair and reasonable.

Staff recommends the Port Commission approve the proposed amendment with Unicare.

O. SECURITY AND EMERGENCY OPERATIONS

Subject	1. Purchase order to Motorola Solutions, Inc. for the purchase of land mobile radio equipment including radios, batteries, chargers, related hardware, and accessories for the Port Authority Operations, Maintenance, Port Security and Emergency Operations divisions, and International Longshoremen's Association personnel, using the Houston-Galveston Area Council cooperative purchase program, in an amount not to exceed \$800,000.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, approve a purchase order to Motorola Solutions, Inc. for the purchase of land mobile radio equipment including radios, batteries, chargers, related hardware, and accessories for the Port Authority Operations, Maintenance, Port Security and Emergency Operations divisions, and International Longshoremen's Association personnel, using the Houston-Galveston Area Council cooperative purchase program, in an amount not to exceed \$800,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	MARITIME ECONOMIC DEVELOPMENT Facilitate safe navigation and grow maritime commerce within the Houston Ship Channel complex.

Category:

Awards, Amendments & Change Orders

Department:

Emergency Management

Staff Contact:

William Buck

Background:

Motorola Land Mobile Radio (LMR) equipment, including handheld, mobile, and base stations, is used daily by Port Authority maintenance and operations personnel, crane operators, Information Technology personnel, and clerks to accomplish daily tasks safely and efficiently. The Port Security and Emergency Operations division, including contract security, police, and fire departments, uses Motorola LMR equipment to maintain security at all terminals and respond to incidents and other emergencies. Authentic Motorola parts and accessories are required to service the LMR equipment, while maintaining spare parts for proactive support, which comprise the vast majority of the approximately 1,500 radios in use.

Staff Evaluation/Justification:

The Director of Strategic Sourcing has determined that procuring LMR equipment through the Houston-Galveston Area Council cooperative purchase program is the method that both satisfies competitive purchase requirements and provides the best value to the Port Authority and staff has determined that the best price for this equipment can be offered in this fashion.

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

P. STRATEGY

Subject	1. Professional services contract with HNTB Corporation for a freight mobility impact analysis, in an amount to not exceed \$300,000.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, approve a professional services contract with HNTB Corporation for a freight mobility impact analysis in an amount not to exceed \$300,000, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable and necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Seaport Connectivity/Strategy

Staff Contact:

Callie Barnes/Candice Armenoff

Background:

In 2024, the Texas Department of Transportation (TxDOT) completed a Planning and Environmental Linkages (PEL) Study for the State Highway (SH) 225/I-610 corridor (SH 225: from I-610 to SH 146; and I-610: from I-10 East to I-45 South). The PEL Study and the Port Authority's Seaport Connectivity team have determined that one of the most critical needs to support the Port Authority's continued success and regional freight mobility is roadway improvements. The Port Authority needs added capacity along the SH 225 corridor as well as acceleration of the SH 146 widening construction project. SH 225 is a TxDOT facility, and while the Port Authority typically does not focus on TxDOT facilities, SH 225 and SH 146 are both critical for the region's mobility to support the Port Authority's projected doubling within the next decade. The region is already behind schedule with the SH 225 project to keep up with future projected demand. SH 146 construction is causing so much congestion along SH 146 and Port Road; freight trucks cannot exit Bayport Container Terminal on any typical day.

Challenges with implementing these roadway improvements include identifying funding to initiate project development activities (environmental/schematic process) and accelerated construction. Additional issues include timelines associated with the project development and detailed design process, as well as implementation/construction. Without initiating the environmental/schematic phase of SH 225 immediately, the lack of regional mobility would impact the Port Authority's anticipated growth, and in turn, would impact the Gross Domestic Product (GDP) of the City of Houston, region, state, and nation. Therefore, the Port Authority has been strongly advocating for SH 225 project development funding and acceleration of SH 146 construction. A study showing the negative impacts on the Port Authority, City of Houston, region, state, and nation if the SH 225 and SH 146 projects are not initiated and eventually constructed would significantly enhance the advocacy efforts.

Under the proposed agreement, HNTB Corporation would conduct an economic impact analysis to: (i) quantify impacts of construction delay on the Port Authority, regional economy, State of Texas, and national supply chains over the next three years; and (ii) quantify the economic, operational, and schedule risks of deferring immediate initiation environmental and schematic work on SH 225 and SH 146.

Staff Evaluation/Justification:

The Strategy division has determined that HNTB Corporation has the competence, knowledge, and qualifications to complete the work, including the national expertise in the maritime industry, economic modeling, and roadway project development.

Exhibit A

Staff recommends the Port Commission approve a contract with HNTB Corporation in an amount not to exceed \$300,000.

Q. TECHNOLOGY

Subject	1. Two-year purchase order to Trace3, LLC for purchase of Next Generation (NXGEN) INFOSEC network segmentation hardware, software subscriptions, and maintenance, using Texas Department of Information Resources cooperative purchase program, in an amount not to exceed \$525,000, utilizing 2024 Port Security Grant Funding.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, issue a purchase order to Trace3, LLC for purchase of Next Generation (NXGEN) INFOSEC network segmentation hardware, software subscriptions, and maintenance, using Texas Department of Information Resources cooperative purchase program, in an amount not to exceed \$525,000, utilizing 2024 Port Security Grant Funding, determine that this procurement method provides the best value to the Port Authority, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Charles Thompson

Background:

The Port Authority is seeking to purchase network segmentation hardware, software, and maintenance as part of its Next Generation (NXGEN) INFOSEC cybersecurity modernization initiative. Network segmentation is a critical security control that maps network communications and enforces access controls, ensuring only approved systems can communicate, helping to protect Information Technology (IT) and Operational Technology (OT) systems, and aligning the Port Authority with evolving U.S. Coast Guard cybersecurity expectations for maritime facilities.

The project is funded through a 2024 Port Security Grant (PSG) from the Department of Homeland Security (DHS) and requires a 25% local match. The rollout would occur over twenty-four months, May 1, 2026 – April 30, 2028.

Staff Evaluation/Justification:

The Director of Strategic Sourcing has determined that procuring NXGEN INFOSEC network segmentation hardware, software subscriptions, and maintenance services through the Texas Department of Information Resources (DIR) purchasing program is the method that both satisfies competitive purchase requirements and provides the best value to the Port Authority.

The IT department has determined that the best availability, price, and contract term for the item needed is provided by Trace3, LLC under the pricing schedule obtained from that vendor's contract with DIR and is therefore recommending this purchase.

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

Q. TECHNOLOGY

Subject	2. Purchase order to ePlus Technology, inc., for purchase of networking equipment to support Barbours Cut Terminal West End, using Texas Department of Information Resources cooperative purchase program, in an amount not to exceed \$120,000.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, issue a purchase order to ePlus Technology, inc., for the purchase of networking equipment to support Barbours Cut Terminal West End, using Texas Department of Information Resources cooperative purchase program, in an amount not to exceed \$120,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Charles Thompson

Background:

The Port Authority is seeking to obtain networking equipment needed to support Barbours Cut Terminal West End for port operations.

The Texas Department of Information Resources (DIR) is a department of the State of Texas and has cooperative purchasing programs that may be used by the Port Authority.

Staff Evaluation/Justification:

The Director of Strategic Sourcing has determined that procuring network hardware through the Texas DIR purchasing program is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

The Information Technology (IT) department has determined that the best availability, price, and contract term for the item needed is provided by ePlus Technology, inc., under the pricing schedule obtained from that vendor's contract with DIR and is therefore recommending this purchase.

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

Q. TECHNOLOGY

Subject	3. Change order with ePlus Technology, inc., for the purchase of networking equipment needed to support ship-to-shore cranes at Bayport Container Terminal, using Texas Department of Information Resources cooperative purchase program, in an amount not to exceed \$82,363.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, approve a change order with ePlus Technology, inc., for the purchase of networking equipment needed to support ship-to-shore cranes at Bayport Container Terminal, using Texas Department of Information Resources cooperative purchase program, in an amount not to exceed \$82,363, determine that this procurement method provides the best value to the Port Authority, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Charles Thompson

Background:

After an informal procurement process, the Port Authority issued Purchase Order No. 250098 on February 27, 2026, in the amount of \$77,637.64 to ePlus Technology, inc., for the purchase of Barbours Cut Terminal ship-to-shore (STS) crane network equipment and components.

This proposed change order is to purchase the STS crane network equipment and components for the Bayport Container Terminal.

This is the first change order to this purchase order and is 64% of the original purchase order value. The total value of expenditures under this agreement exceeds the \$100,000 threshold requiring Port Commission approval.

The Texas Department of Information Resources (DIR) is a department of the State of Texas, and has cooperative purchasing programs which may be used by the Port Authority.

Staff Evaluation/Justification:

The Director of Strategic Sourcing has determined that procuring network hardware through the Texas DIR purchasing program is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

The Information Technology (IT) department has determined that the best availability, price, and contract term for the item needed is provided by ePlus Technology, inc., under the pricing schedule obtained from that vendor's contract with DIR, and is therefore recommending this purchase.

Accordingly, staff recommends that the Port Commission authorize this change order.

Q. TECHNOLOGY

Subject	4. Purchase order to Tanches Global Management, Inc., for purchase of networking equipment to support the Port Coordination Center, using Texas Department of Information Resources cooperative purchase program, in an amount not to exceed \$180,000.
Meeting	Mar 23, 2026 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 23, 2026 meeting, issue a purchase order to Tanches Global Management, Inc., for the purchase of networking equipment to support the Port Coordination Center, using Texas Department of Information Resources cooperative purchase program, in an amount not to exceed \$180,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Charles Thompson

Background:

The Port Authority is seeking to obtain networking equipment needed to support the Port Coordination Center.

The Texas Department of Information Resources (DIR) is a department of the State of Texas, and has cooperative purchasing programs which may be used by the Port Authority.

Staff Evaluation/Justification:

The Director of Strategic Sourcing has determined that procuring network hardware through the Texas DIR purchasing program is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

The Information Technology (IT) department has determined that the best availability, price, and contract term for the item needed is provided by Tanches Global Management, Inc., under the pricing schedule obtained from that vendor's contract with DIR, and is therefore recommending this purchase.

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