THE STATE OF TEXAS §

COUNTY OF CAMERON §

BE IT REMEMBERED on the 19th day of February 2015, there was conducted a Special Meeting of the Cameron County Regional Mobility Authority, at the Joe G. Rivera and Aurora de la Garza County Annex thereof, in San Benito, Texas, for the purpose of transacting any and all business that may lawfully be brought before the same.

THE BOARD MET AT:	**PRESENT:**
10:30 Noon	______________
	CHAIRPERSON
	______________
	DIRECTOR
	DAVID N. GARZA
	DIRECTOR
	RUBEN GALLEGOS, JR. left at 11:45 a.m.
	DIRECTOR
	MARK ESPARZA
	DIRECTOR
	NAT LOPEZ
	DIRECTOR
	HORACIO BARRERA
	DIRECTOR
	______________
	Secretary
	DAVID E. ALLEX
	ABSENT
	MICHAEL SCAIEF
	ABSENT
	______________
	ABSENT

The Meeting was called to order by Vice Chairman Horacio Barrera, at 10:35 A.M. At this time, the Board considered the following matters as per RMA Agenda posted and filed for Record in the Office of the County Clerk on this 13th day of February 2015 at 9:51 A.M.

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA

Special Meeting of the Board of Directors
of the
Cameron County Regional Mobility Authority

Joe G. Rivera and Aurora de la Garza County Annex
1390 West I69E
San Benito, Texas 78586

Thursday, February 19, 2015

10:30 AM

PUBLIC COMMENTS:

1. **Public Comments**

ITEMS FOR DISCUSSION AND ACTION:

2. **Action Items**

   A. **Approval of Claims**

   B. **Discussion and Possible Action regarding financing options for Cameron County Regional Mobility Authority System Projects including SH 550 Direct Connector, East Loop, 281 Connector, SPI 2nd Access, Outer Parkway, FM 1925 and FM 509**

ADJOURNMENT:

Signed this 13th **day of February 2015**

[signature]

David E. Allex
Chairman

NOTE:
Participation by Telephone Conference Call – One or more members of the CCRMA Board of Directors may participate in this meeting through a telephone conference call, as authorized by Sec. 370.262, Texas Transportation Code. Each part of the telephone conference call meeting that by law must be open to the public shall be audible to the public at the meeting location and will be recorded. On conclusion of the meeting, the recording will be made available to the public.

PUBLIC COMMENTS

1 PUBLIC COMMENTS

Commissioner David A. Garza urged the Members of the Board to attend the next Texas Transportation Commission meeting and acknowledge the work of Chairman Houghton and Commissioner Underwood who will be leaving the Commission.

ACTION ITEMS

2-A Approval of Claims

The attached claims were presented to the Board of Directors for approval.

Mr. Pete Sepulveda, Jr., RMA Executive Director introduced the claims into the record.

Director Garza moved to approve the Claims. The motion was seconded by Secretary Gallegos and carried unanimously.

The Claims are as follows:

2-B Discussion and Possible Action regarding financing options for Cameron County Regional Mobility Authority System Projects including SH 550 Direct Connector, East Loop, 281 Connector, SPI 2nd Access, Outer Parkway, FM 1925 and FM 509

Mr. Pete Sepulveda, Jr., RMA Executive Director introduced the item and advised the Board the purpose of the item was to look at various financing options for the completion of the SH 550 Direct Connector Project , the back office operation, maintenance issues associated with the project and to update the Board on requests, both ones that have been made to the Texas Department of Transportation (TxDOT) and future requests associated with this Project. Mr. Sepulveda advised the Board that a request has been made to TxDOT to assume the costs and responsibilities of overlaying the portion of I69E/U.S. 77 under the SH 550 Direct Connectors. That would save the Cameron County Regional Mobility (CCRMA) approximately $900,000. Mr. Sepulveda also discussed other options and requests being made to TxDOT on Segment II of the SH 550 Project where the CCRMA has received $14.1 million from TxDOT, however, the preliminary cost estimate is $14.9 million. Efforts are underway to bring Project to within budget. Mr. Adrian Rincones, CCRMA Controller and Financial Officer, provided a status report on the back office operation. October 1, 2015 is the target date when the CCRMA will begin its in house back office operation.

Mr. Sepulveda introduced Mr. Dave Gordon with Estrada Hinojosa, CCRMA Financial Advisors. Mr. Gordon went over the attached presentation in detail and the Board, Staff and Financial Advisor had a detailed discussions on the financing options available to the CCRMA to complete the SH 550 Direct Connector Project.

Director Garza moved to proceed and request the Cameron County Commissioners Court that they sell completion bonds for the SH 550 Direct Connector Project in an amount not to exceed $4.5 million. The motion was seconded by Director Esparza and carried unanimously.

NOTE: Secretary Gallegos was not present for the vote he left at 11:45 A.M.

The Status Report is as follows:

ADJOURNMENT

There being no further business to come before the Board and upon motion by Director Scaief seconded by Director Esparza and carried unanimously the meeting was **ADJOURNED** at 12:11 P.M.

APPROVED this 26th day of March **2015.**

CHAIRMAN DAVID E. ALLEX

ATTESTED:
SECRETARY RUBEN GALLEGOS, JR.

2-A APPROVAL OF CLAIMS

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY

MEMORANDUM

TO: Chairman and Board Members

FROM: Pete Sepulveda, Jr. PSJ

RE: Claims – Item 2A

DATE: February 19, 2015

Attached are the Claims that are being presented for consideration and payment.

The Claims include:

- **Comptroller – Reimbursement for various office expenses and mileage for December 2014 and January 2015**
- **City of Brownsville – State of the City Address**
- **CTRMA – Toll System Maintenance & Monitoring for August, September, October, November and December 2014 and for January 2015**
- **Valeria Juarez – Reimbursement for postage**
- **Entravision – Univison Marketing Service for February 2015**
- **Executive Director – Travel for Legislative Meetings**
- **RGV Spotlight – Marketing Services for 2014 Annual Report**
- **TxDOT – Material Testing performed on the SH 550 Direct Connector and Material & Sign Inspection and Support Testing**

I recommend approval of the invoices.

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY

Invoices Selected for Payment - Claims to be Paid

Vendor ID	Vendor Name	Invoice Number	Cash Required	Invoice/Credit Description
Adrian	Adrian Rincones	AR 2.17.15	1,079.56	Reimbursement of Various Office Expenses
Adrian	Adrian Rincones	AR Dec 14 Mileage	58.24	Mileage Reimbursement for Adrian for Dec & Jan 2015
Adrian	Adrian Rincones	AR Jan 15 Mileage	98.33	Mileage Reimbursement for Adrian for Dec & Jan 2015
City of Brownsville	City of Brownsville Finance Department	2015-00000110	100.00	COB - State of The City Address
CTRMA	Central Texas Regional Mobility Authority	7290027470	4,835.34	Toll Systemt Maintenance & Monitoring August 14 - Jan 15
CTRMA	Central Texas Regional Mobility Authority	7290027877	4,835.34	Toll Systemt Maintenance & Monitoring August 14 - Jan 15
CTRMA	Central Texas Regional Mobility Authority	7290028211	4,835.34	Toll System Maintenance & Monitoring August 14 - Jan 15
CTRMA	Central Texas Regional Mobility Authority	7290028558	4,835.34	Toll System Maintenance & Monitoring August 14 - Jan 15
CTRMA	Central Texas Regional Mobility Authority	7290028986	4,835.34	Toll System Maintenance & Monitoring August 14 - Jan 15
CTRMA	Central Texas Regional Mobility Authority	7290029421	4,835.34	Toll System Maintenance & Monitoring August 14 - Jan 15
Emp Valeria Juarez	Valeria Juarez	VJ 2.18.15	14.59	Employee reimbursement for Postage
Entravision	Entravision Communications	Entavision Feb 2015	1,000.00	Univision Marketing Services for Feb 2015
PEDRO SEPULVE...	PEDRO SEPULVEDA JR.	PSJ 2.17.15	835.90	PSJ travel for Legislative meetings
RGV Spotlight	RGV Spotlight	INV-0A12954B-1	1,350.00	Marketing services for 2014 annual report
TxDot - Constructi...	Texas Department of Transportation - Construction Division	20130186	13,696.47	Material testing performed on the SH550 Direct Connector
TxDot - Constructi...	Texas Department of Transportation - Construction Division	20130250	6,951.42	Material testing performed on the SH550 Direct Connector
TxDot - Constructi...	Texas Department of Transportation - Construction Division	CST00000383	14,460.29	Material & Sign Inspection, and Support testing
Report Total			68,656.84	

2-B DISCUSSION AND POSSIBLE ACTION REGARDING FINANCING OPTIONS FOR CAMERON COUNTY REGIONAL MOBILITY AUTHORITY SYSTEM PROJECTS INCLUDING SH 550 DIRECT CONNECTOR, EAST LOOP, 281 CONNECTOR, SPI 2ND ACCESS, OUTER PARKWAY, FM 1925 AND FM 509

January Monthly Report

- **General Operations Support**
  - Direct Connector implementation
    - Complete onsite inventory audit with Schneider Electric – 100% complete
    - Review Schneider Electric Operations Test Procedures document – 100% complete
    - Attend weekly meetings, review action items, schedule
  - SH 550 Multi-protocol reader retrofit
    - Draft change order for board approval of associated costs – 100% complete
  - General Support
    - Compile and review December 2014 detailed transaction data – 100% complete
    - Compile and review January 2015 detailed transaction data - 75% complete
    - Research various October through December transaction data anomalies - 100% complete

- **International Bridge System Interoperability**
  - Project Plan – 100% complete (1st draft)
    - Develop overall Project Plan including management of scope, stakeholders, roles and responsibilities, change control, communications, risk, tasks and deliverables, and supporting project templates
  - Business Rules – 25% complete
    - Development of business rules document including initial framework and content, transaction, financial and process flow
  - Meeting with Cameron County and TRMI to discuss Cameron County Interoperabililty
  - Meeting with Pharr International Bridge and Pharr City Manager to discuss Pharr Interoperability
  - Compile October – December Pharr Bridge AVI data – 100% complete

- **Back Office System**
  - Site visits with State Road and Tollway Authority (SRTA) and Pocohontas Parkway
  - Structured Interview Questionnaire – 50% complete
    - In preparation for Business rules workshop
  - Project Plan – 20% complete
    - Development of overall Project Plan including management of scope, stakeholders, roles and responsibilities, change control, communications, risk, tasks and deliverables, and supporting project templates
  - Business Rules document – 10% complete
    - Development of business rules document including initial framework and content

- **Project Host Server**
  - Project Plan – 60% complete
    - Development of overall Project Plan including management of scope, stakeholders, roles and responsibilities, change control, communications, risk, tasks and deliverables, and supporting project templates
  - Initial scope discussions with Schneider Electric

faganconsulting.com

(512) 517-8053 • 16001 Spillman Ranch Loop • Austin, Texas 78738

February 19, 2015

CCRMA

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY

Board Workshop

ESTRADA • HINOJOSA

INVESTMENT BANKERS

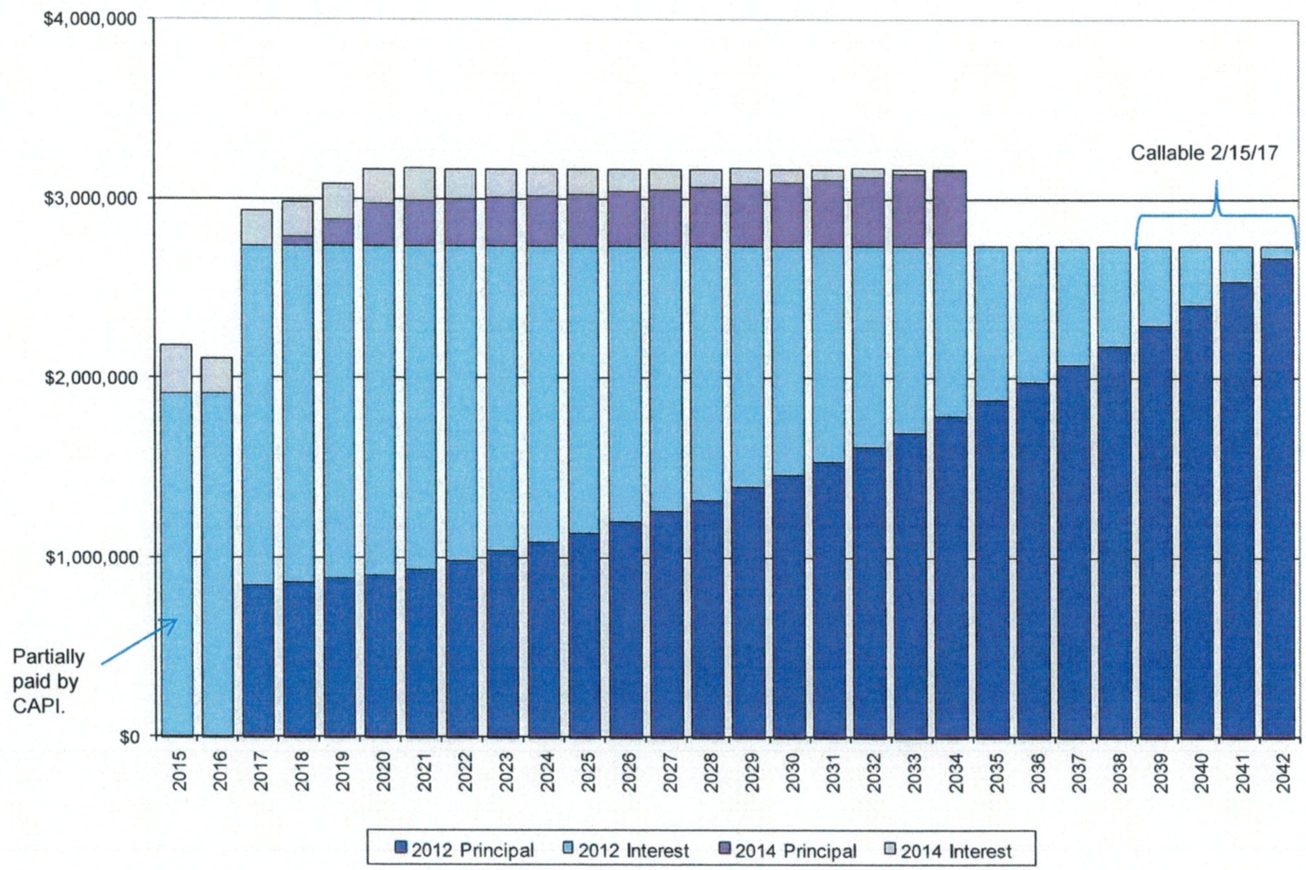
Dallas • Austin • Chicago • Houston • Miami • New York • San Antonio • San Diego

Discussion Topics

- SH 550 Near Term Cash Flow
- Potential Additional Financing for SH 550
- Financing Options for the East Loop
- Market Update

Cameron County SH 550 Bonds Debt Profile

- Below is the debt profile for the SH 550 bonds issued by the County on behalf of CCRMA.
- These bonds are secured by pass-through tolls, actual tolls (net of O&M) and vehicle registration fees (VRF).
- The VRF pledge is subordinate to the pledge to the VRF revenue bonds.



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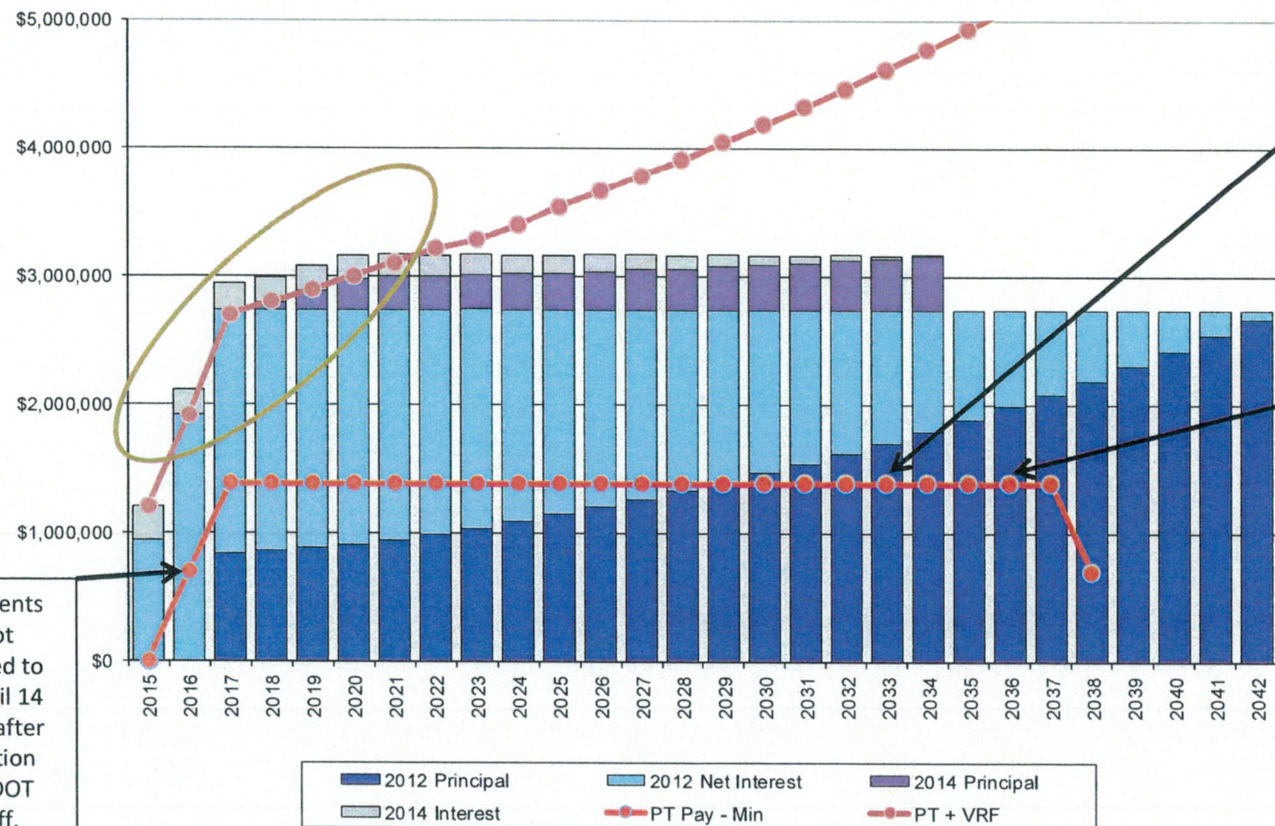
SH550 Debt – Sensitivity Analysis

- CCRMA should be able to cover the majority of the SH 550 debt service using only pass-through agreement payments (red line) and VRF revenue (based on historical growth) after VRF debt service (maroon line –> pass-through + VRF).

- All debt service is covered with a modest amount additional funds through about 2021.



Total PT payments will equal $30,470 which equals about 37% of the total debt service. Timing is uncertain.

Minimum PT payment covers about 44% of debt service through 2037.

PT payments are not scheduled to start until 14 months after completion and TxDOT sign-off.

Approx. 4,600 vehicles/day are required to be above the minimum PT payment. Currently at about 1,500.

SH 550 Additional Costs and Potential Funding Gap

Direct Connector	Direct Connector Construction	$ (4,012,322.82)	Includes CO#4, does not include possible CO for Milling Overlay which would be a reduction of 1.7MM
	Direct Connect ILA	$ (3,150,000.00)	Includes Fagan Coordination for ILA and operations testing
	Remaining Bond Project Funds	$ 4,690,879.21	
	Funding Shortfall	**$ (2,471,443.61)**	
Toll Equipment and Software	Toll Office Back Office System	$ (1,350,000.00)	Includes estimate for 2yrs operation testing and support
	Toll Host Server	$ (350,000.00)	Includes estimate for 2yrs operation testing and support
	Implementation costs		??
	Funding Shortfall	**$ (1,700,000.00)**	
Maintenance and Improvements	Embankment along SH550	$ (250,000.00)	Don't have an estimate on this cost yet
	Funding Shortfall	**$ (250,000.00)**	
Broe Group	Industrial Park Access	$ -	Need cost and revenue projections
Bridge Gap	SH550 Bridge Gap over UPRR	$ (14,911,266.31)	Estimate
	TX Transportation Commission VRF MO	$ 14,100,000.00	Not sure if this is the exact amount
	Funding Shortfall	**$ (811,266.31)**	
School Zone	SH550 Gap – School Zone	$ (5,000,000.00)	Estimate pending
	Brownsville MPO - SH550	$ 4,000,000.00	
	Funding Shortfall	**$ (1,000,000.00)**	
Total Potential Funding Gap		**$ (6,232,709.92)**	

Possible Financing and Cash Flow Options

- Work with the County to issue additional completion bonds
- Limit which projects are undertaken
- Obtain a lease for toll equipment and software
- Ask TxDOT for assistance
  - Start pass-through payments earlier than 14 months
  - Give the "extra 10%" on an accelerated basis or up-front
  - Get them to cover certain items
    - Shortfall on bridge gap
    - Overlay of I-69 approaches to SH 550
- Ask MPO to cover shortfall for school district
- Avoid/postpone some required payments (e.g., CAF, RSF, etc.)

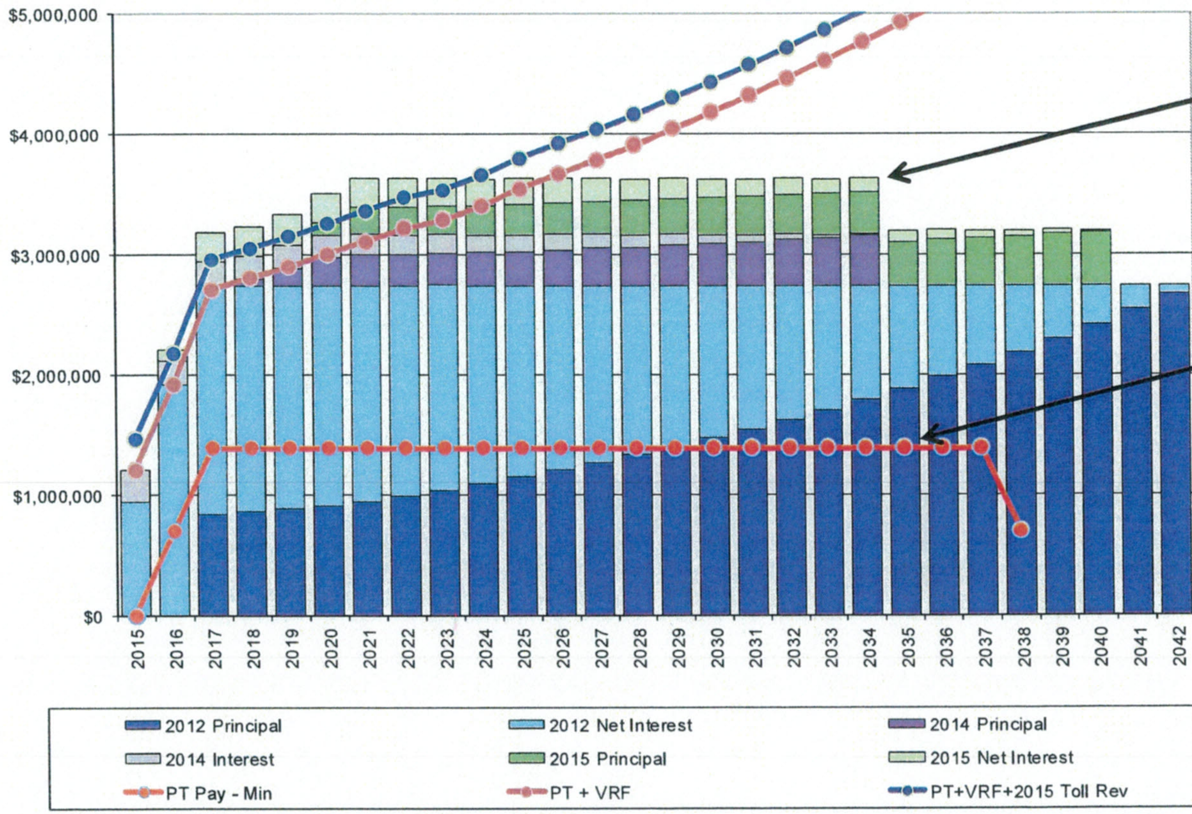
Debt-Related Funds and Requirements

SH 550			
	CAPI Funds	$ -	Used for 2/15/15 payment
	Operating Reserve Fund	$ 120,938.87	Two months of expenses
	Rate Stabilization Fund	$ 907,911.62	$1.6 million in 3 years - about $44k / month
	Repair & Replacement Fund	$ -	$2.4 million in 5 years after opening - about $40k / month
	Debt Service Fund	$ 150,000.00	Approximately $176k per month FY15/16
	Pass-Through Toll Accumulation Fund	$ -	PT payments above min to retire debt early
VRF Bonds			
	Debt Service Reserve Fund (2010A/2014)	$ 1,038,587.00	Restricted
	Debt Service Reserve Fund (2010B)	$ 1,218,154.00	Restricted
	Debt Service Fund	$ -	Approximately $151k per month
CCRMA Operating Fund		$ 3,745,479.00	Unrestricted
County Admin Fee Payments Required			
	2015	$ (300,000.00)	
	2016	$ (400,000.00)	
	2017	$ (500,000.00)	
	2018	$ (489,500.00)	Payments start to decline in 2018

As of 2/15/15

SH550 Debt – Sensitivity Analysis with New Completion Bonds

- CCRMA should be able to cover the majority of the SH 550 debt service using only pass-through agreement payments (red line) and VRF revenue (based on historical growth) after VRF debt service (maroon line –> pass-through + VRF).
- All debt service should be covered with a modest amount of toll revenue. The blue line below shows minimum pass-through payments, VRF revenue (after VRF debt service) and net toll revenue (not including CAF) fixed at 2015 expected values.



* Based on preliminary market rates, 2/17. Assumes $6.2 million of project funds and one year of CAPI.

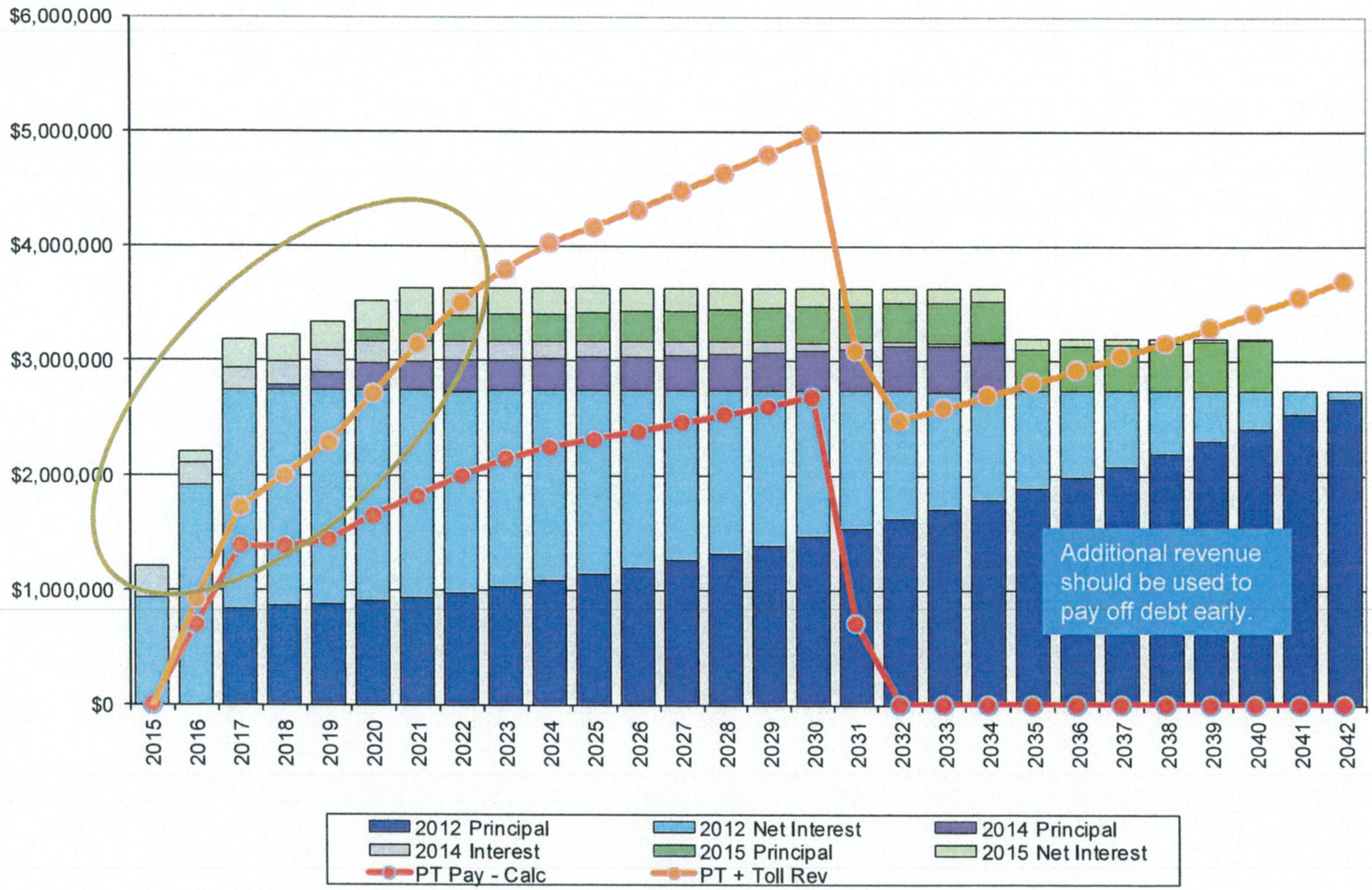
SH550 Debt - Toll Revenue Growth *Illustration*

- Ideally the debt would be covered by only pass-through payments and net toll revenue.
- We do not have a recent toll revenue growth study for SH550.
- The purpose of this slide is to *illustrate a scenario* using possible toll revenue growth assumptions to show that a subsidy may be required to support the debt service over the next several years. The subsidy could come from VRF or TRZ monies or other available funds.
- VRF revenue after VRF debt service for 2015 is expected to be about $1.2 million and TRZ revenue for 2015 is expected to be about $400k.
- CCRMA is already doing a number of things to increase toll revenue and reduce operating expenses, as you know.
- If traffic increases as shown, some debt would actually be paid off early (not shown) which could eliminate all or a portion of the required subsidy in the 2030's.

Illustration Assumptions								
FYE 9/30	Toll Rev	Toll Grth	O&M Exp	CAF	Net Toll Rev	PT Payments	Debt Service	Required VRF or TRZ $
2015	$ 553,472		55%	$ 300,000	$ (49,028)	$ -	$ 1,205,619	$ 1,254,647
2016	830,208	50%	25%	400,000	222,656	692,500	2,201,709	1,286,553
2017	1,037,760	25%	20%	500,000	330,208	1,385,000	3,183,781	1,468,573
2018	1,297,200	25%	15%	489,500	613,120	1,385,000	3,230,469	1,232,349
2019	1,556,640	20%	15%	478,750	844,394	1,439,222	3,328,906	1,045,291
2020	1,790,136	15%	15%	467,750	1,053,866	1,655,105	3,509,869	800,898
2021	1,969,150	10%	10%	456,500	1,315,735	1,820,615	3,628,631	492,281
2022	2,166,065	10%	10%	444,813	1,504,646	2,002,677	3,628,325	121,003
2023	2,317,689	7%	10%	432,563	1,653,358	2,142,864	3,626,944	-
2024	2,433,574	5%	10%	419,625	1,770,591	2,250,007	3,622,894	-
2025	2,506,581	3%	10%	406,063	1,849,860	2,317,508	3,626,188	-
2026	2,581,778	3%	10%	391,813	1,931,788	2,387,033	3,626,906	-
2027	2,659,232	3%	10%	376,813	2,016,496	2,458,644	3,626,206	-
2028	2,739,008	3%	10%	361,063	2,104,045	2,532,403	3,622,781	-
2029	2,821,179	3%	10%	344,500	2,194,561	2,608,375	3,629,981	-
2030	2,905,814	3%	10%	327,063	2,288,170	2,686,627	3,624,016	-
2031	2,992,988	3%	10%	308,750	2,384,940	706,420	3,623,525	532,165
2032	3,082,778	3%	10%	289,500	2,485,000	-	3,630,663	1,145,662
2033	3,175,261	3%	10%	269,250	2,588,485	-	3,621,600	1,033,115
2034	3,270,519	3%	10%	248,000	2,695,467	-	3,627,000	931,533
2035	3,368,635	3%	10%	225,625	2,806,146	-	3,196,300	390,154
2036	3,469,694	3%	10%	202,125	2,920,600	-	3,199,700	279,100
2037	3,573,785	3%	10%	177,375	3,039,031	-	3,197,500	158,469
2038	3,680,998	3%	10%	151,375	3,161,523	-	3,194,575	33,052
2039	3,791,428	3%	10%	124,063	3,288,223	-	3,200,450	-
2040	3,905,171	3%	10%	95,313	3,419,342	-	3,194,875	-
2041	4,022,326	3%	10%	65,125	3,554,969	-	2,737,000	-
2042	4,142,996	3%	10%	33,375	3,695,321	-	2,736,750	-
2043	4,267,286	3%	10%	-	3,840,557	-	-	-
2044	4,395,304	3%	10%	-	3,955,774	-	-	-

SH550 Debt - Toll Revenue Growth *Illustration* (cont'd)

- The graph below shows pro forma revenue and debt service based on the illustration from the previous page.



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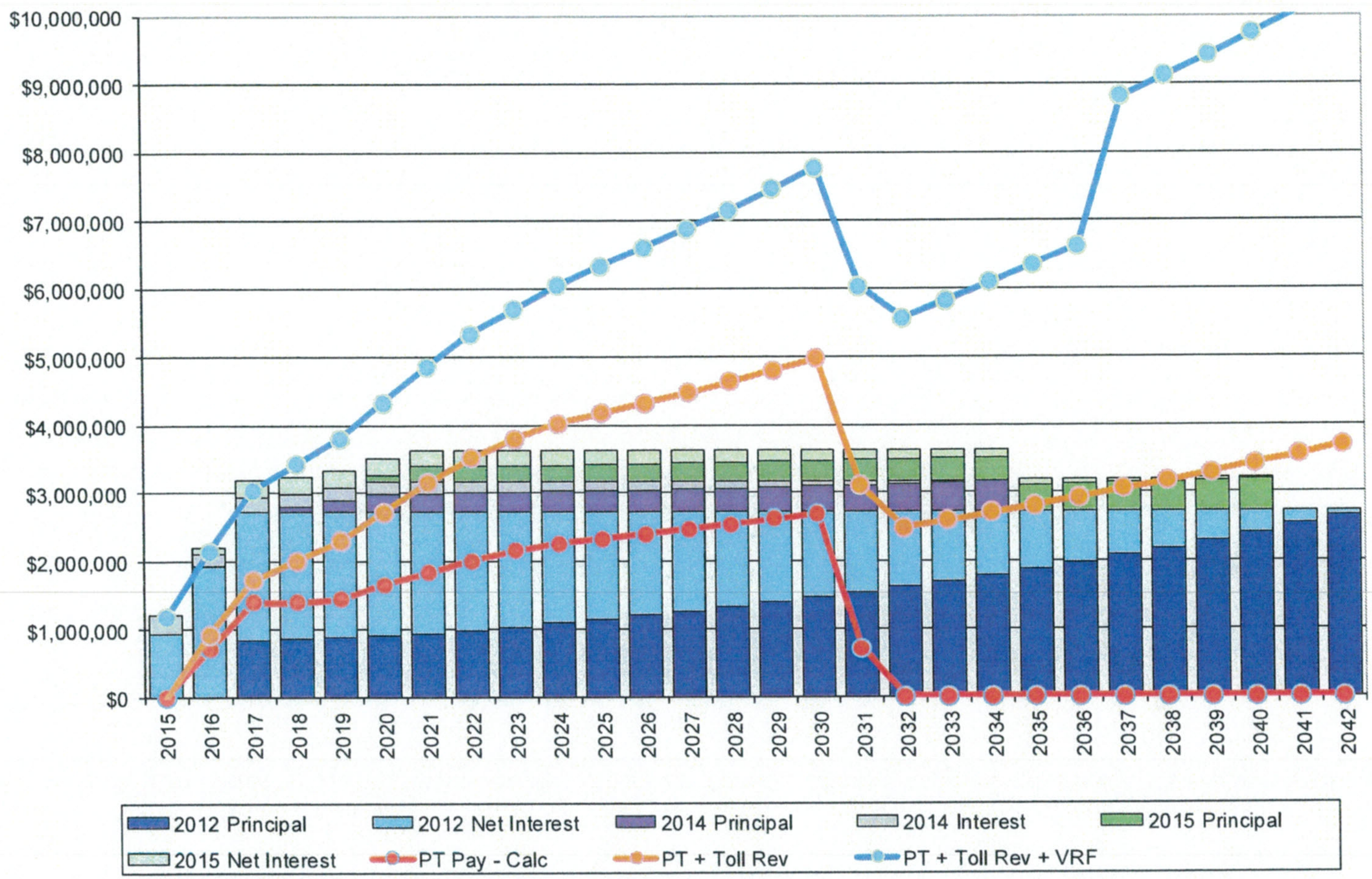
SH550 Debt - Toll Revenue Growth *Illustration* (cont'd)

- The graph below includes pro forma VRF revenue after debt service. Current VRF debt service is paid through 2036.



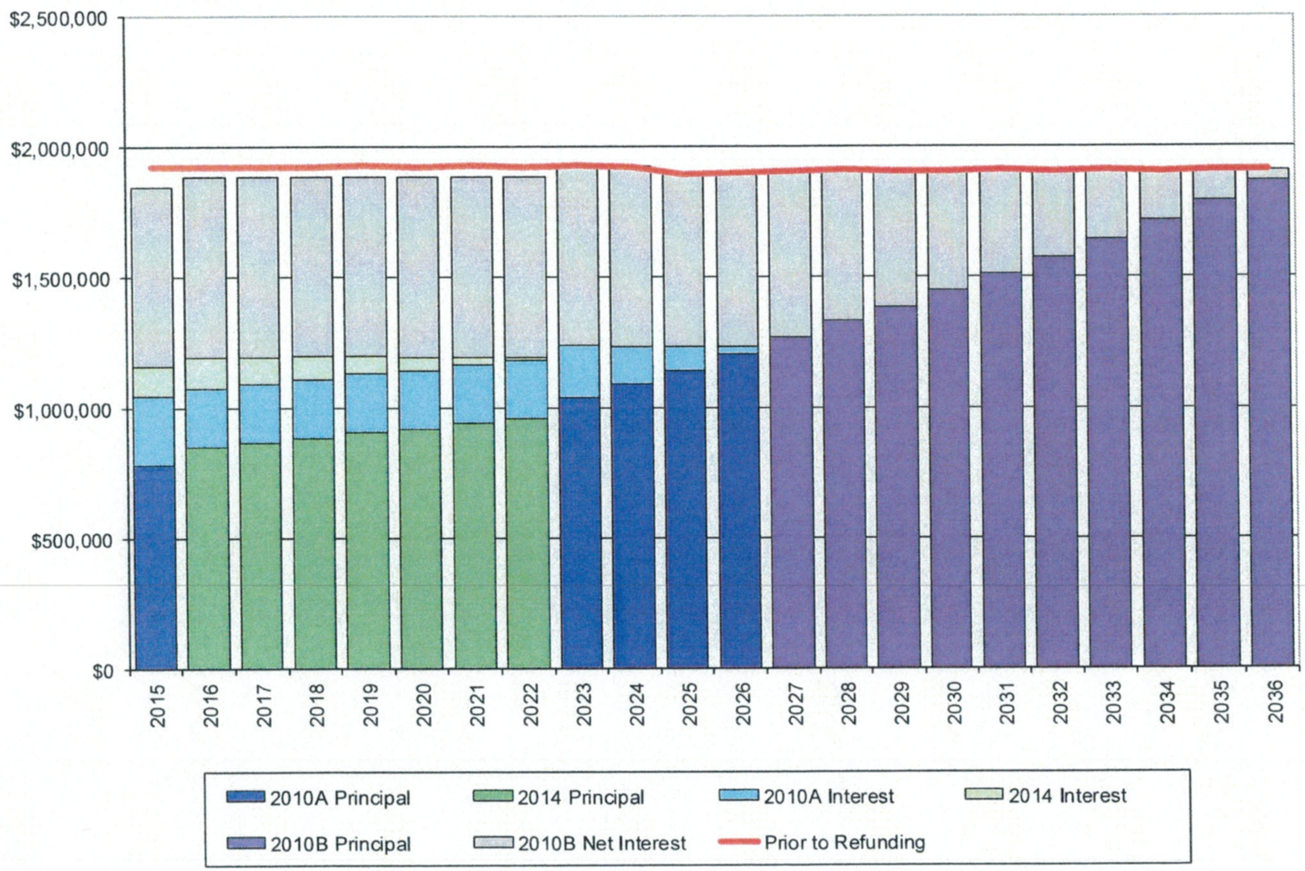
2042 "Term Bond"

- Total principal of $9.925 million maturing from 2/15/2039 through 2/15/2042
- 5.0% coupon
- Annual interest payments of $496,250
- Callable 2/15/2017
- Was sold with a short call to allow for early pre-payment of debt with pass-through payments
- Will likely be refundable economically with fixed rate debt within next 2 years
- Could possibly be refunded as variable rate debt or with another short call

Date	Principal	Coupon	Interest	Total Debt Service	Annual Total
2/15/2015			248,125.00	248,125.00	
8/15/2015			248,125.00	248,125.00	496,250.00
...			...	...	
...			...	...	...
2/15/2037			248,125.00	248,125.00	
8/15/2037			248,125.00	248,125.00	496,250.00
2/15/2038			248,125.00	248,125.00	
8/15/2038			248,125.00	248,125.00	496,250.00
2/15/2039	2,300,000	5.000	248,125.00	2,548,125.00	
8/15/2039			190,625.00	190,625.00	2,738,750.00
2/15/2040	2,415,000	5.000	190,625.00	2,605,625.00	
8/15/2040			130,250.00	130,250.00	2,735,875.00
2/15/2041	2,540,000	5.000	130,250.00	2,670,250.00	
8/15/2041			66,750.00	66,750.00	2,737,000.00
2/15/2042	2,670,000	5.000	66,750.00	2,736,750.00	
8/15/2042			0.00	0.00	2,736,750.00
	9,925,000		12,933,375.00	22,858,375.00	22,858,375.00

VRF Revenue Bonds Debt Service

- The remaining 2010A Bonds are callable on 2/15/2020 and can be advance refunded ahead of their call date.
- The 2010B Bonds (BABs) are also callable on 2/15/2020 but cannot be advance refunded.
- The 35% BABs interest subsidy on the 2010B bonds was cut by 7.3% through 2024 due to sequestration (as shown).



Cash Flow Savings from 2014 Refunding
$ 78,731
39,125
41,900
37,150
39,688
39,150
41,525
39,000
$ 356,269

PV Savings
$ 335,506
5.39%

Vehicle Registration Fee History

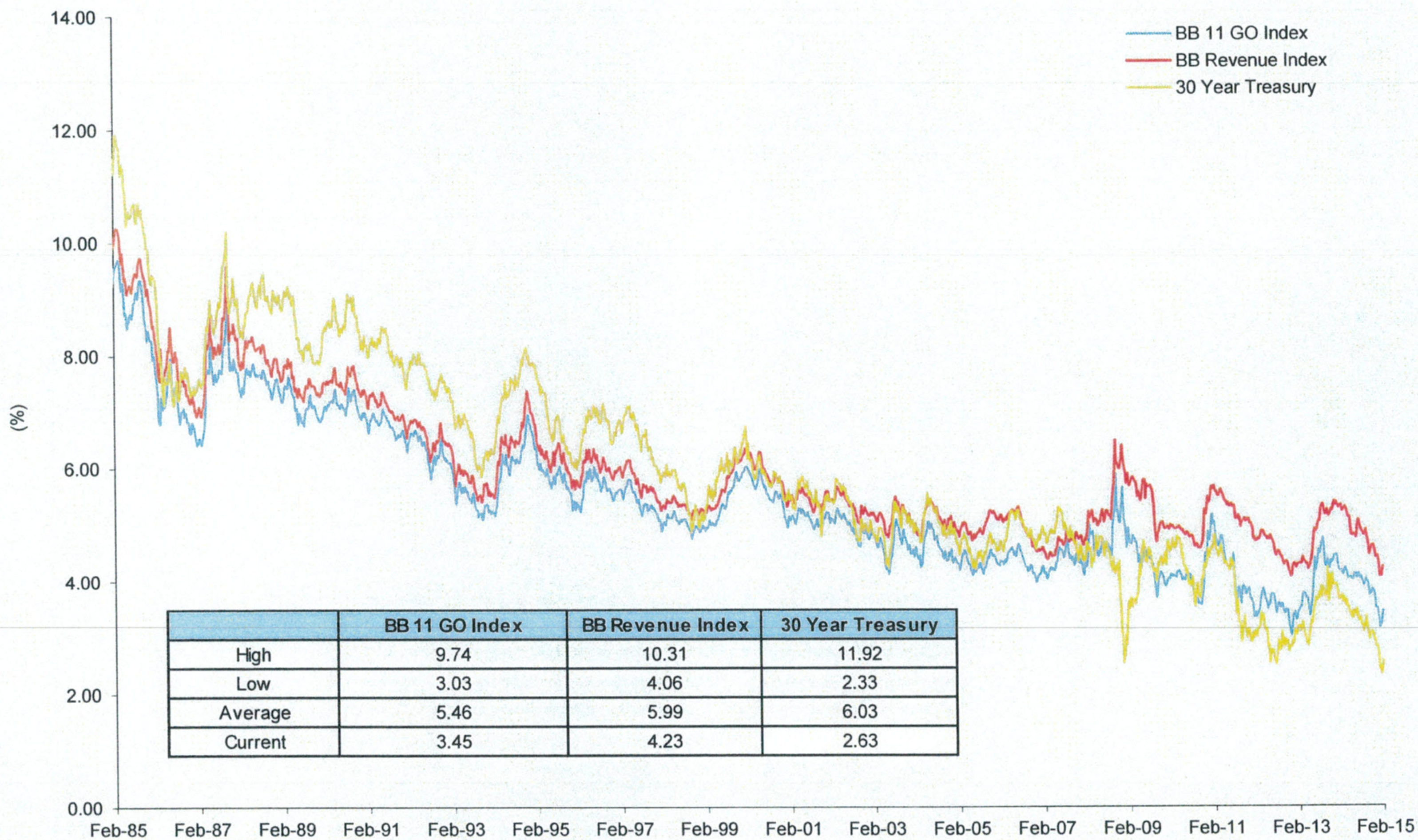
FYE	Total VRF Revenue	Growth	
2010	$ 2,567,458.68		
2011	2,626,973.35	2.32%	
2012	2,800,570.00	6.61%	
2013	2,843,840.00	1.55%	
2014	2,929,190.00	3.00%	
2015E	3,027,321.62	3.35%	estimated
2015 Debt Service	1,844,554.48		
Approx. Rev Remaining	1,182,767.14		

East Loop

- Project Cost: approximately $72.62 million
- Non-tolled facility - therefore all funds must come from other sources
- Existing Pass-Through Agreement with TxDOT finalized on 12/21/10
  - Total reimbursement of $37.95 million
  - After financing, equals only about $25 - 30 million
- Current gap of about $50 million
- May require reducing scope, phasing or value engineering
- TxDOT
  - New Pass-Through Agreement
  - Other reimbursement agreement
  - Other funds (Prop 12 or other funds grant, MPO, etc.)
- Other potential partners – Cameron County, City of Brownsville, Port of Brownsville
- VRF - Additional $10 fee produces about $3 million per year
  - Leverages to approximately $30 million with debt issuance
  - Plus residual revenue of approximately $1 million / year
- Overweight vehicle fee
  - Current fee produces about $1+ million per year

Market Update

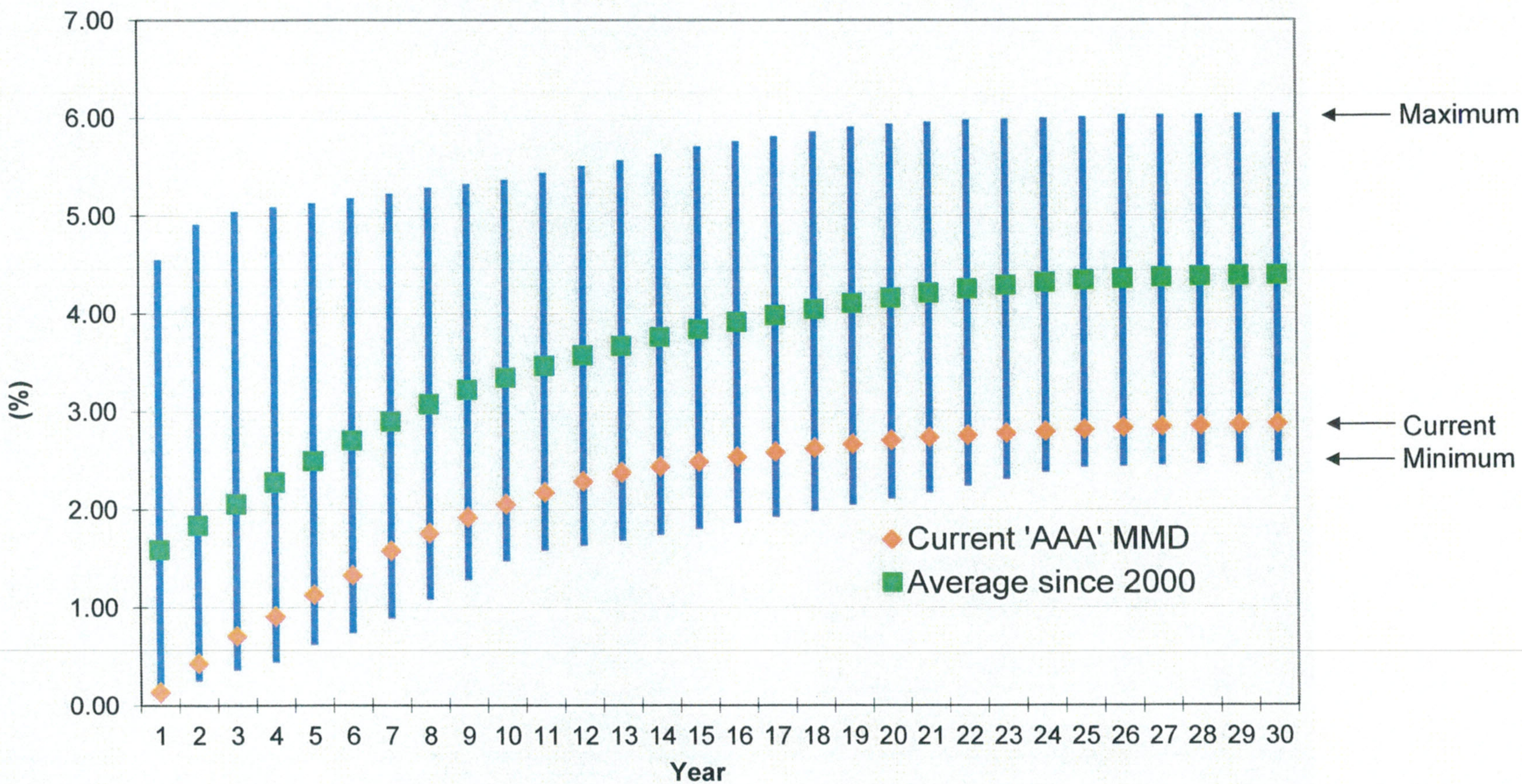
Bond Buyer Indices vs. 30 Year Treasury: 30 Year History



	BB 11 GO Index	BB Revenue Index	30 Year Treasury
High	9.74	10.31	11.92
Low	3.03	4.06	2.33
Average	5.46	5.99	6.03
Current	3.45	4.23	2.63

Source: Bond Buyer

'AAA' MMD History Since 2000



Maturity	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
% of time above current MMD	97%	76%	75%	80%	85%	88%	87%	88%	89%	89%	89%	89%	89%	89%	90%	91%	91%	91%	92%	92%	93%	93%	94%	95%	96%	96%	96%	96%	96%	96%

As of 2/17/2015

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