

THE STATE OF TEXAS §
COUNTY OF CAMERON §

BE IT REMEMBERED on the 4th day of March 2010, there was conducted a Special Meeting of the Cameron County Regional Mobility Authority, at the Dancy Courthouse, thereof, in Brownsville, Texas, for the purpose of transacting any and all business that may lawfully be brought before the same.

THE BOARD MET AT:

12:00 Noon

PRESENT:

DAVID E. ALEX
CHAIRPERSON

MICHAEL SCAIEF
DIRECTOR

RUBEN GALLEGOS, JR.
DIRECTOR

FRANK PARKER, JR.
DIRECTOR

VICTOR ALVAREZ
DIRECTOR

DAVID N. GARZA
DIRECTOR

YOLANDA VILLALOBOS
DIRECTOR

Secretary

ABSENT

ABSENT

ABSENT

The meeting was called to order by Chairman David E. Alex at 12:05 P.M. At this time, the Board considered the following matters as posted and filed for Record in the Office of the County Clerk on this March 1, 2010 at 10:15 A.M.:

AGENDA

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

**Dancy Courthouse
1100 E. Monroe Street
Brownsville, TX 78520**

Thursday, March 4, 2010

12:00 Noon

ACCEPTED FOR FILE
CAMERON COUNTY

2010 MAR -1 A 10:15

JOE G. RIVERA
COUNTY CLERK

I. Public Comments

CONSENT ITEMS:

- II. Consideration and Approval of the Minutes for February 16, 2010 Special Meeting and February 19, 2010 Special Meeting**

ITEMS FOR DISCUSSION AND ACTION:

- III. Presentation and Approval of FY 2009 Annual Audit Report**
- IV. Consideration and Approval of Agreement between the Cameron County Regional Mobility Authority and Francisco San Miguel**
- V. Consideration and Approval of Agreement between the Cameron County Regional Mobility Authority and Jesus Martin Pena**
- VI. Consideration and acknowledgment of GEC Report for the month of February 2010**
- VII. Consideration and Approval of Memorandum of Understanding between Cameron County Regional Mobility Authority and TransMontaigne Terminaling, Inc., for the West Rail Project**
- VIII. Consideration and Approval of Supplemental Work Authorization No. 2 to Work Authorization No. 23 for the Olmito Switchyard Project**
- IX. Consideration and Approval of Supplemental Work Authorization No. 4 to Work Authorization No. 16 for the West Rail Project**
- X. Consideration and Approval of Work Authorization No. 26 for the General Brandt Project**
- XI. Discussion and Possible Action regarding the submittal of Pass Through Financing Applications**
- XII. Consideration and Approval of Project Development Agreement between the Cameron County Regional Mobility Authority and the Texas Department of Transportation regarding the SH 550 Project**

EXECUTIVE SESSION ITEMS:

XIII. Executive Session:

- A. Consultation with, and advice from Legal Counsel concerning negotiations and related contract issues with the Texas Department of Transportation regarding the Cameron County Regional Mobility Authority's projects, specifically SH 550 Toll Project and other legal issues affecting the authority, Pursuant to V.T.C.A. Government Code, Section 551.071 (2)**
- B. Deliberation regarding real property concerning acquisition of Parcel 5, for the West Rail Project, pursuant to Vernon Texas Code Annotated (V.T.C.A.), Government Code, Section 551.072**
- C. Deliberation regarding real property concerning acquisition of Parcel 7, for the West Rail Project, pursuant to Vernon Texas Code Annotated (V.T.C.A.), Government Code, Section 551.072**
- D. Deliberation regarding real property concerning acquisition of Parcel 9, for the West Rail Project, pursuant to Vernon Texas Code Annotated (V.T.C.A.), Government Code, Section 551.072**

XIV. Action relative to Executive Session

- A. Possible Action**
- B. Possible Action**
- C. Possible Action**
- D. Possible Action**

XV. Adjournment

Signed this 1st day of March 2010



David E. Alex
Chairman

PUBLIC COMMENTS

I. PUBLIC COMMENTS

None were presented.

CONSENT ITEMS

ALL ITEMS UNDER THE CONSENT RMA AGENDA ARE HEARD COLLECTIVELY UNLESS OPPOSITION IS PRESENTED, IN WHICH CASE THE CONTESTED ITEM WILL BE CONSIDERED, DISCUSSED AND APPROPRIATE ACTION TAKEN SEPARATELY

Upon motion by Director Garza, seconded by Director Villalobos and carried unanimously, Item II listed below was approved as presented.

II. CONSIDERATION AND APPROVAL OF THE MINUTES FOR FEBRUARY 16, 2010, SPECIAL MEETING AND FEBRUARY 19, 2010, SPECIAL MEETING

ACTION ITEMS

III. PRESENTATION AND APPROVAL OF FY 2009 ANNUAL AUDIT REPORT

Mr. Carlos Barrera with Long Chilton, LLP, introduced the Audit Report to the Board. Mr. Barrera advised the Board that they had a clean opinion on the Audit. Mr. Barrera went over the Audit in detail.

Director Gallegos moved to approve the FY 2009 Annual Audit Report. The motion was seconded by Director Garza and carried unanimously.

The Report is as follows:

IV. CONSIDERATION AND APPROVAL OF AGREEMENT BETWEEN CAMERON COUNTY REGIONAL MOBILITY AUTHORITY AND FRANCISCO SAN MIGUEL

Mr. Sepulveda, RMA Coordinator, explained to the Board in detail the need to employ Mr. Francisco San Miguel to serve as support services for the Cameron County Regional Mobility Authority. Mr. Sepulveda further outlined the duties involved in this agreement.

Director Alvarez moved to approve the Agreement between Cameron County Regional Mobility Authority and Francisco San Miguel. The motion was seconded by Director Gallegos and carried unanimously.

The Agreement is as follows:

V. CONSIDERATION AND APPROVAL OF AGREEMENT BETWEEN CAMERON COUNTY REGIONAL MOBILITY AUTHORITY AND JESUS MARTIN PENA

Mr. Sepulveda, RMA Coordinator, explained to the Board in detail the need to employ Mr. Jesus Martin Pena to serve as support services for the Cameron County Regional Mobility Authority. Mr. Sepulveda further outlined the duties involved in this agreement.

Director Alvarez moved to approve the Agreement between Cameron County Regional Mobility Authority and Francisco San Miguel. The motion was seconded by Director Gallegos and carried unanimously.

The Agreement is as follows:

VI. CONSIDERATION AND ACKNOWLEDGMENT OF GEC REPORT FOR THE MONTH OF FEBRUARY 2010

Mr. Richard Ridings with HNTB, went over project by project and provided the Board an update of each project.

Director Gallegos moved to acknowledge the February 2010 GEC Report along with the status of the Cameron County Regional Mobility Authority projects. The motion was seconded by Director Parker and carried unanimously.

The Report is as follows:

VII. CONSIDERATION AND APPROVAL OF MEMORANDUM OF UNDERSTANDING BETWEEN CAMERON COUNTY REGIONAL MOBILITY AUTHORITY AND TRANSMONTAIGNE TERMINALING, INC., FOR THE WEST RAIL PROJECT

Mr. Pete Sepulveda, RMA Coordinator explained to the Board the need for a Memorandum of Understanding between Cameron County Regional Mobility Authority (CCRMA) and TransMontaigne. Mr. Sepulveda went into detail on the need to relocate and adjust pipelines owned by TransMontaigne that are located on real property owned or to be acquired by CCRMA for the construction of the West Rail Relocation Project.

Director Parker moved for approval of the Memorandum of Understanding with TransMontaigne Terminaling, Inc., for the West Rail Project. The motion was seconded by Director Alvarez and carried unanimously.

The MOU is as follows:

VIII. CONSIDERATION AND APPROVAL OF SUPPLEMENTAL WORK AUTHORIZATION NO. 2 TO WORK AUTHORIZATION NO. 23 FOR THE OLMITO SWITCHYARD PROJECT

Mr. Richard Ridings with HNTB, introduced the item and the need for the Supplemental. Mr. Ridings explained that additional work would be involved to include writing and publishing advertisement for the bidding of the project to include preparation of pre-bid meeting and reviewing all received bids. Mr. Sepulveda, RMA Coordinator explained to the Board that the additional work needed to be performed and asked that the Board consider and approve the Supplemental.

Director Garza moved to approve Supplemental Work Authorization No. 2 to Work Authorization No. 23 for the Olmito Switchyard Project. The motion was seconded by Director Alvarez and carried unanimously.

The Supplemental Work Authorization is as follows:

IX. CONSIDERATION AND APPROVAL OF SUPPLEMENTAL WORK AUTHORIZATION NO. 4 TO WORK AUTHORIZATION NO. 16 FOR THE WEST RAIL PROJECT

Director Gallegos motioned to **TABLE** this item. The motion was seconded by Director Garza and carried unanimously.

X. CONSIDERATION AND APPROVAL OF WORK AUTHORIZATION NO. 26 FOR THE GENERAL BRANDT PROJECT

Mr. Richard Ridings with HNTB, and Mr. Sepulveda, RMA Coordinator explained to the Board in detail the need for the Work Authorization which involved updating the Environmental Assessment Report to include securing permits, public notices and development of a conceptual mitigation plan and mitigation site identification all this in coordination with the Texas Department of Transportation.

Director Garza moved that Work Authorization No. 26 for the General Brandt Project be approved. The motion was seconded by Director Scaief and carried as follows:

AYE: Chairman Alex, Director Gallegos, Director Villalobos, Director Alvarez, Director Garza, and Director Scaief

NAY: Director Parker

ABSTAIN: none

The Work Authorization is as follows:

XI. DISCUSSION AND POSSIBLE ACTION REGARDING THE SUBMITTAL OF PASS THROUGH FINANCING APPLICATIONS

Director Alvarez moved to acknowledge the Discussion and Possible Action regarding the submittal of Pass Through Financing Applications. The East Loop Project and General Brandt Road Project would be submitted as Pass Through Applications. The motion was seconded by Director Scaief and carried unanimously.

XII. CONSIDERATION AND APPROVAL OF PROJECT DEVELOPMENT AGREEMENT BETWEEN THE CAMERON COUNTY REGIONAL MOBILITY AUTHORITY AND THE TEXAS DEPARTMENT OF TRANSPORTATION REGARDING THE SH 550 PROJECT

Mr. Sepulveda, RMA Coordinator explained to the Board the purpose of the Agreement.

Director Villalobos moved to approve the Project Development Agreement between the Cameron County Regional Mobility Authority and the Texas Department of Transportation for the SH 550 Project. The motion was seconded by Director Garza and carried unanimously.

The Agreement is as follows:

EXECUTIVE SESSION

Director Garza moved to go into Executive Session, the motion was seconded by Director Alvarez and carried unanimously, the Board met in Executive Session at 1:15 P.M. to discuss the following matters:

XIII. EXECUTIVE SESSION:

- A. CONSULTATION WITH, AND ADVISE FROM LEGAL COUNSEL CONCERNING NEGOTIATIONS AND RELATED CONTRACT ISSUES WITH THE TEXAS DEPARTMENT OF TRANSPORTATION REGARDING THE CAMERON COUNTY REGIONAL MOBILITY AUTHORITY'S PROJECTS, SPECIFICALLY SH 550 TOLL PROJECT AND OTHER LEGAL ISSUES AFFECTING THE AUTHORITY, PURSUANT TO V.T.C.A. GOVERNMENT CODE, SECTION 551.071(2)**
- B. DELIBERATION REGARDING REAL PROPERTY CONCERNING ACQUISITION OF PARCEL 5, FOR THE WEST RAIL PROJECT, PURSUANT TO VERNON TEXAS CODE ANNOTATED (V.T.C.A), GOVERNMENT CODE, SECTION 551.072**
- C. DELIBERATION REGARDING REAL PROPERTY CONCERNING ACQUISITION OF PARCEL 7, FOR THE WEST RAIL PROJECT, PURSUANT TO VERNON TEXAS CODE ANNOTATED (V.T.C.A), GOVERNMENT CODE, SECTION 551.072**
- D. DELIBERATION REGARDING REAL PROPERTY CONCERNING ACQUISITION OF PARCEL 9, FOR THE WEST RAIL PROJECT, PURSUANT TO VERNON TEXAS CODE ANNOTATED (V.T.C.A), GOVERNMENT CODE, SECTION 551.072**

Upon motion by Director Alvarez seconded by Director Garza and carried unanimously, the Board reconvened into Regular Session at 1:40 P.M. to discuss the following matters:

XIV. ACTION RELATIVE TO EXECUTIVE SESSION:

- A. CONSULTATION WITH, AND ADVISE FROM LEGAL COUNSEL CONCERNING NEGOTIATIONS AND RELATED CONTRACT ISSUES WITH THE TEXAS DEPARTMENT OF TRANSPORTATION REGARDING THE CAMERON COUNTY REGIONAL MOBILITY AUTHORITY'S PROJECTS, SPECIFICALLY SH 550 TOLL PROJECT AND OTHER LEGAL ISSUES AFFECTING THE AUTHORITY, PURSUANT TO V.T.C.A. GOVERNMENT CODE, SECTION 551.071(2)**

Upon motion by Director Garza, seconded by Director Parker and carried unanimously, the Board acknowledged Report of Counsel.

- B. DELIBERATION REGARDING REAL PROPERTY CONCERNING ACQUISITION OF PARCEL 5, FOR THE WEST RAIL PROJECT, PURSUANT TO VERNON TEXAS CODE ANNOTATED (V.T.C.A), GOVERNMENT CODE, SECTION 551.072**

Upon motion by Director Parker, seconded by Director Villalobos and carried unanimously, the Board approved value of \$25,000.00 for the right of way plus filing fees for Parcel 5 of the West Rail Project.

- C. DELIBERATION REGARDING REAL PROPERTY CONCERNING ACQUISITION OF PARCEL 7, FOR THE WEST RAIL PROJECT, PURSUANT TO VERNON TEXAS CODE ANNOTATED (V.T.C.A), GOVERNMENT CODE, SECTION 551.072**

Upon motion by Director Alvarez, seconded by Director Garza and carried unanimously, these items were **TABLED.**

- D. DELIBERATION REGARDING REAL PROPERTY CONCERNING ACQUISITION OF PARCEL 9, FOR THE WEST RAIL PROJECT, PURSUANT TO VERNON TEXAS CODE ANNOTATED (V.T.C.A), GOVERNMENT CODE, SECTION 551.072**

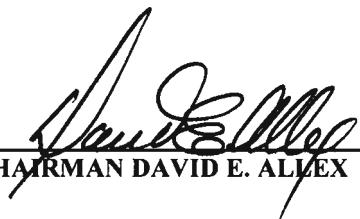
Upon motion by Director Alvarez, seconded by Director Garza and carried unanimously, these items were **TABLED.**

XV. ADJOURNMENT

There being no further business to come before the Board and upon motion by Director Parker, seconded by Director Villalobos and carried unanimously the meeting was **ADJOURNED** at 1:44 P.M.



APPROVED this 30th day of March, 2010.


CHAIRMAN DAVID E. ALEX

ATTESTED:


SECRETARY RUBEN GALLEGOS, JR.

**III. PRESENTATION AND APPROVAL OF FY 2009
ANNUAL AUDIT REPORT**



**CAMERON COUNTY
REGIONAL MOBILITY AUTHORITY**

FINANCIAL REPORT

SEPTEMBER 30, 2009

**CAMERON COUNTY
REGIONAL MOBILITY AUTHORITY**

September 30, 2009

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Cameron County Regional Mobility Authority ("CCRMA") financial report presents our discussion and analysis of the CCRMA's financial performance during the fiscal year that ended September 30, 2009. Please read it in conjunction with the CCRMA financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- Assets exceeded total Liabilities by \$1,557,224 due to an increase in cash generated from the \$10 vehicle registration fee.
- Construction in progress totaled \$3.05 million or 67% of total assets which is made up of approximately \$1.20 million for the SPI Second Causeway Project, \$1.32 million for the West Loop Project and \$435,000 for State Highway 550.
- Total operating expenses were approximately \$982,000. 66% of operating expenses, were for professional services paid to HNTB Corporation for preliminary feasibility studies on the various projects planned by the CCRMA.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this annual report consists of two parts: management's discussion and analysis (this section), and the basic financial statements and notes to the financial statements.

The financial statements provide both long-term and short-term information about CCRMA's overall financial status. The financial statements also include notes which disclose additional information in relation to the financial statements.

The CCRMA's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units on an accrual basis. Under accrual accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred and depreciation of assets are recognized in the statements of revenues, expenses and changes in net assets. All assets and liabilities associated with the operation of the CCRMA are included in the statements of net assets.

The Statements of Net Assets provides a summary of CCRMA's financial and capital resources. The difference between CCRMA's assets and liabilities is one way to measure the financial health and/or position of CCRMA.

FINANCIAL ANALYSIS OF CCRMA

Net Assets

CCRMA's total net assets were \$1,557,224 at September 30, 2009. The analysis below focuses on the changes in net assets for CCRMA's activities. The significant changes between the current year and the prior year are due to the implementation of several new road projects. As a result of the new projects, an increasing trend of construction in process has occurred. A significant increase in current assets is due to amounts owed from the Texas Department of Transportation and the addition of the vehicle registration fee.

The decrease in liabilities from 2008 to 2009 is due to a decrease in the amount of work being done to the SPI Second Causeway Project and the West Loop Road Project. These projects are funded exclusively by Texas Department of Transportation (TXDOT) under a financial assistance agreement. The agreement states that CCRMA will oversee the feasibility studies of these projects, but will repay TXDOT if CCRMA issues debt to construct the road or generates revenue via a toll-way system. The total amount owed to TXDOT as of September 30, 2009 is \$2,620,237.

| Summary of Statement of Net Assets | | | |
|---|---------------------|-------------------|---------------------|
| September 30, 2009 | | | |
| | <u>2009</u> | <u>2008</u> | <u>2007</u> |
| Assets: | | | |
| Current assets | \$ 1,568,721 | \$ 1,561,738 | \$ 762,093 |
| Restricted assets | <u>3,055,158</u> | <u>2,698,175</u> | <u>971,876</u> |
| Total assets | 4,623,879 | 4,259,913 | 1,733,969 |
| Liabilities: | | | |
| Total liabilities | <u>3,066,655</u> | <u>3,963,501</u> | <u>1,908,851</u> |
| Net assets: | | | |
| Unrestricted | <u>1,557,224</u> | <u>296,412</u> | <u>(174,882)</u> |
| Total net assets | <u>\$ 1,557,224</u> | <u>\$ 296,412</u> | <u>\$ (174,882)</u> |

Changes in Net Assets:

Net assets changed as of September 30, 2009 by \$1,260,812. CCRMA generated total revenues of \$2,242,873 and total expenses of \$982,061. Expenditures increased by \$357,276 due to increases in professional service expenses, specifically for the State Highway 550 Project.

| Change in Net Assets | | | |
|--------------------------------------|---------------------|-------------------|---------------------|
| Year Ended September 30, 2009 | | | |
| | <u>2009</u> | <u>2008</u> | <u>2007</u> |
| Revenues: | | | |
| Interlocal revenues | \$ 62,326 | \$ 192,834 | \$ 994,952 |
| Vehicle registration fee | 2,178,015 | 896,919 | - |
| Other revenues | <u>2,532</u> | <u>6,326</u> | <u>8,186</u> |
| Total revenues | <u>2,242,873</u> | <u>1,096,079</u> | <u>1,003,138</u> |
| Expenses: | | | |
| Administrative | 159,535 | 93,907 | 67,117 |
| Professional services | <u>822,526</u> | <u>530,878</u> | <u>870,977</u> |
| Total expenses | <u>982,061</u> | <u>624,785</u> | <u>938,094</u> |
| Change in net assets | 1,260,812 | 471,294 | 65,044 |
| Net assets: | | | |
| Beginning of the year | <u>296,412</u> | <u>(174,882)</u> | <u>(239,926)</u> |
| End of the year | <u>\$ 1,557,224</u> | <u>\$ 296,412</u> | <u>\$ (174,882)</u> |

Capital Assets and Long Term Debt:

Capital Assets increased due to construction in process which constitutes 100% of total capital assets. Engineering costs for the feasibility studies on the SPI Second Causeway of \$194,115, \$23,091 for the West Loop Road Project, and \$140,581 for the State Highway 550 Project were capitalized as part of construction costs.

At year end, CCRMA had long-term debt of \$2,620,237. New long term debt resulted from financing of \$217,206 for continued work on the SPI Second Causeway Project and the West Loop Road Project.

CONTACTING CCRMA'S FINANCIAL MANAGEMENT

The financial report is designed to provide to customers, investors, and creditors with a general overview of the CCRMA's finances and to demonstrate CCRMA's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Cameron County Regional Mobility Authority, 1100 E. Monroe, Brownsville, Texas 78520.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cameron County Regional Mobility Authority
Brownsville, Texas

We have audited the accompanying financial statements of the governmental activities of Cameron County Regional Mobility Authority (Authority) as of and for the years ending September 30, 2009 and 2008, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Authority, as of September 30, 2009 and 2008, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2010 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 1 through 3 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Long Chilton, LLP". The script is cursive and fluid, with the letters "L", "C", and "P" being particularly prominent.

LONG CHILTON, LLP
Certified Public Accountants

Brownsville, Texas
February 24, 2010

Cameron County
Regional Mobility Authority

Statement of Net Assets
September 30, 2009 and 2008

| | 2009 | 2008 |
|---|---------------------|---------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 895,844 | \$ 789,151 |
| Due from other agencies | 118,548 | 657,184 |
| Due from other governments | 554,329 | 115,403 |
| Total current assets | <u>1,568,721</u> | <u>1,561,738</u> |
| Non-current Assets: | | |
| Capital assets | | |
| Construction in process | <u>3,055,158</u> | <u>2,698,175</u> |
| Total Assets | <u>\$ 4,623,879</u> | <u>\$ 4,259,913</u> |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities: | | |
| Accounts payable | \$ 196,418 | \$ 1,246,109 |
| Due to other governments | 250,000 | 75,000 |
| Total current liabilities: | <u>446,418</u> | <u>1,321,109</u> |
| Non-current Liabilities: | | |
| Due to other governments | - | 239,360 |
| Due to Texas Department of Transportation | 2,620,237 | 2,403,032 |
| Total non-current liabilities | <u>2,620,237</u> | <u>2,642,392</u> |
| Total Liabilities | <u>3,066,655</u> | <u>3,963,501</u> |
| Net Assets | | |
| Unrestricted | <u>1,557,224</u> | <u>296,412</u> |
| Total Liabilities and Net Assets | <u>\$ 4,623,879</u> | <u>\$ 4,259,913</u> |

The accompanying notes are an integral part of these financial statements.

Cameron County
Regional Mobility Authority

**Statements of Revenues, Expenditures
And Changes in Net Assets**

Years Ended September 30, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|----------------------------------|---------------------|-------------------|
| Operating Revenues | | |
| Vehicle registration fee | \$ 2,178,015 | \$ 896,919 |
| Interlocal revenue | <u>62,326</u> | <u>192,834</u> |
| Total Operating Revenue | <u>2,240,341</u> | <u>1,089,753</u> |
| Operating Expenses | | |
| Professional services | 584,131 | 285,219 |
| Engineering expense | 72,283 | 245,659 |
| Contractual services | 204,864 | 83,300 |
| Advertising | - | 949 |
| Education and training | - | 1,200 |
| Miscellaneous | 14,191 | - |
| Right of way expense | 69,647 | - |
| Office supplies | 346 | 160 |
| Travel | <u>36,599</u> | <u>8,298</u> |
| Total Operating Expense | <u>982,061</u> | <u>624,785</u> |
| Non-Operating Revenues | | |
| Interest income | <u>2,532</u> | <u>6,326</u> |
| Change in net assets | 1,260,812 | 471,293 |
| Net assets - beginning | 296,412 | (174,882) |
| Total net assets - ending | <u>\$ 1,557,224</u> | <u>\$ 296,412</u> |

The accompanying notes are an integral part of these financial statements.

Cameron County
Regional Mobility Authority

Statements of Cash Flow
Years Ended September 30, 2009 and 2008

| | 2009 | 2008 |
|--|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from vehicle registration fee | \$ 1,862,900 | \$ 813,664 |
| Receipts from interlocal agreements | 695,956 | 1,520,580 |
| Receipts from interest income | 2,532 | 6,326 |
| Payments to vendors | (2,314,114) | (1,353,490) |
| Net cash provided by (used in) operating activities | <u>247,274</u> | <u>987,080</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Acquisition for construction in process | (357,787) | (1,726,299) |
| Loan proceeds | 217,206 | 1,431,156 |
| Net cash (used) by capital and related financing activities | <u>(140,581)</u> | <u>(295,143)</u> |
| Net increase in cash and cash equivalents | 106,693 | 691,937 |
| Cash and Cash equivalents at beginning of year | 789,151 | 97,214 |
| Cash and Cash equivalents at end of year | <u>\$ 895,844</u> | <u>\$ 789,151</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | |
| Operating Income (Loss) | 1,260,812 | 471,294 |
| Change in assets and liabilities: | | |
| (Increase) in due from other governments | (438,926) | (18,199) |
| Decrease in due from other agencies | 538,635 | (89,508) |
| (Decrease) in accounts payable | (1,048,887) | 548,493 |
| (Decrease) in due to other governments - Non-current | (239,360) | |
| Increase in due to other governments - Current | <u>175,000</u> | <u>75,000</u> |
| Net cash flows provided by operating activities | <u>\$ 247,274</u> | <u>\$ 987,080</u> |

The accompanying notes are an integral part of these financial statements.

CAMERON COUNTY
REGIONAL MOBILITY AUTHORITY

Notes to Financial Statements
September 30, 2009

Note 1 – Organization and Summary of Significant Accounting Policies

The Cameron County Regional Mobility Authority (CCRMA) was created by the State of Texas on September 30, 2004. The CCRMA is authorized to construct, maintain, repair and operate turnpike projects at locations authorized by the State Department of Transportation. The CCRMA receives its revenues from tolls, fees and rents from the operation of turnpike projects. The CCRMA may issue revenue bonds for the purpose of paying the cost of turnpike projects. The CCRMA was formed through the efforts of Cameron County, Texas.

The financial statements of the Cameron County Regional Mobility Authority (CCRMA) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The CCRMA applies Financial Accounting Standards Board pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails, and all of the GASB pronouncements issued subsequently. The more significant of the CCRMA's accounting policies are described below:

- A. **Reporting Entity** – In evaluating how to define the CCRMA, for financial reporting purposes, management has determined that there are no entities over which the CCRMA exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the CCRMA. Since the CCRMA does not exercise significant influence or accountability over other entities, it has no component units.
- B. **Basis of Accounting** – The operations of the CCRMA are accounted for as an enterprise fund on an accrual basis in order to recognize the flow of economic resources. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, depreciation of assets is recognized and all assets and liabilities associated with the operation of the CCRMA are included in the Statement of Net Assets. Operating expenses for the CCRMA include the costs of administrative expenses and the costs of engineering studies. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.
- C. **Cash, Cash Equivalents, and Investments** – Cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. These deposits are fully collateralized or covered by federal deposit insurance.

CAMERON COUNTY
REGIONAL MOBILITY AUTHORITY

Notes to Financial Statements
September 30, 2009

Note 1 – Organization and Summary of Significant Accounting Policies – Continued

Investments are reported at fair value. The net change in fair value of investments is recorded on the Statements of Revenue, Expenses and Changes in Net Assets and includes the unrealized and realized gains and losses on investments.

- D. **Compensated Absences** – Vested or accumulated vacation leave is recorded as an expense and a liability as the benefits accrue to employees. There are no accumulating sick leave benefits that vest for which any liability must be recognized.
- E. **Capital Assets** – Capital assets, which include property, equipment and infrastructure assets, are reported at cost. Depreciation is computed on the straight-line method over the following estimated useful lives:

Road and bridges, 40 years
Improvements, 5-20 years
Buildings, 20-30 years
Equipment, 3-7 years

A full month's depreciation is taken in the month an asset is placed in service. When property and equipment are disposed, depreciation is removed from the respective accounts, and the resulting gain or loss, if any, is recorded in operations.

- F. **Grants and Contracts** – Revenues include charges paid by the recipients of the goods or services offered by the programs, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. The CCRMA considers all grant and contributions to be 100% collectible.
- G. **Income Taxes** – The CCRMA is an instrumentality of the State of Texas. As such, income earned in the exercise of its essential government functions is exempt from state or federal income taxes. Bond obligations issued by state and local governments are tax-exempt only if the issuers pay rebate to the federal government of the earnings on the investment of the proceeds of a tax-exempt issue in excess of the yield on such obligations and any income earned on such excess.
- H. **Classification of Operating and Non-operating Revenues and Expenses** – The CCRMA defines operating revenues and expenses as those revenues and expenses generated by a specified program offering either a good or service. This definition is consistent with GASB Statement No. 9 which defines operating receipts as cash receipts from customers and other cash receipts that do not result from transactions defined as capital and related financing, non-capital financing or investing activities.

CAMERON COUNTY
REGIONAL MOBILITY AUTHORITY

Notes to Financial Statements
September 30, 2009

Note 1 – Organization and Summary of Significant Accounting Policies – Continued

- I. **Subsequent Events** – Management has evaluated subsequent events through February 24, 2010 which is the date the financial statements were available to be issued.

Note 2 – Cash and Investments

Deposit and investment resources are exposed to risks that have the potential to result in losses that could impact the delivery of CCRMA's services. In March, 2003, the Governmental Accounting Standards Board (GASB) issued Statement No. 40, *Deposit and Investment Risk Disclosures*. Statement No. 40 updates the disclosure and reporting of custodial credit risk under GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, and also addresses other common risks, including credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. The provisions of Statement No. 40 require the additional disclosures presented in these notes but have no impact on the CCRMA's net assets.

Custodial Credit Risk

Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the CCRMA will not be able to recover its deposits or will not be able to recover its collateral securities that are in the possession of an outside party. While the Board has no formal policy specific to custodial credit risk, operating bank accounts are fully collateralized with pledged securities.

At September 30, 2009, the carrying amount of the CCRMA's cash and cash equivalents was \$895,844, of which 100% was in a business interest checking account as of September 30, 2009.

There is no limit on the amount the CCRMA may deposit in any one institution. However, the Federal Deposit Insurance Corporation only insures up to \$250,000 per institution. CCRMA is fully collateralized with pledged securities for amounts in excess of the FDIC limit for the year ended September 30, 2009.

**CAMERON COUNTY
REGIONAL MOBILITY AUTHORITY**

**Notes to Financial Statements
September 30, 2009**

Note 3 – Capital Assets

The following schedule summarizes the capital assets of the CCRMA as of September 30, 2009:

| | <u>2008</u> | <u>Additions</u> | <u>Reclass</u> | <u>2009</u> |
|-------------------------------|---------------------|-------------------|-----------------|---------------------|
| Assets not being depreciated: | | | | |
| Construction in progress | <u>\$ 2,698,175</u> | <u>\$ 357,787</u> | <u>\$ (804)</u> | <u>\$ 3,055,158</u> |
| Net construction in progress | <u>\$ 2,698,175</u> | <u>\$ 357,787</u> | <u>\$ (804)</u> | <u>\$ 3,055,158</u> |

CCRMA construction in progress accounts had additions of \$194,115 for the Second Causeway Project, \$23,091 for the West Loop Project, and \$140,581 for the State Highway 550 for the year ended September 30, 2009.

Note 4 – Disaggregation of Receivable and Payable Balances

Receivables are comprised of 80% current intergovernmental receivables, and 20% of receivables due from the Texas Department Transportation at September 30, 2009. Payable balances are comprised of 15% of current payables to contractors and vendors at September 30, 2009. The remaining 85% of accounts payable represents long term debt. \$2,620,237 is owed to the Texas Department of Transportation.

Note 5 – Long-Term Debt

Changes in long-term obligations for the fiscal year ended September 30, 2009 are as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|--|------------------------------|-------------------|-------------------|---------------------------|--------------------------------|
| Due to Texas Department of Transportation | <u>\$ 2,403,032</u> | <u>\$ 217,206</u> | <u>\$ -</u> | <u>\$ 2,620,238</u> | <u>\$ -</u> |

**CAMERON COUNTY
REGIONAL MOBILITY AUTHORITY**

**Notes to Financial Statements
September 30, 2009**

Note 6 – Interlocal Agreements

Cameron County

On April 11, 2006 Cameron County (County) entered into an agreement with the Cameron County Regional Mobility Authority (CCRMA) whereby the County would provide a loan of \$250,000 for the purpose of assisting the CCRMA in its organizational efforts. In addition, Cameron County's Auditors office would process payroll for CCRMA. On May 23, 2006 County and CCRMA entered into agreement to prepare route analysis, schematic design, and environmental assessments to include a finding of no significant impact for the North Rail Relocation Project and the FM 509 extension between its current termination point and Expressway 77. The total funds required were \$688,268. CCRMA and Cameron County entered into an administrative agreement executed on September 18, 2007. The agreement stipulates that Cameron County would provide administrative services for CCRMA, and the County would be reimbursed \$68,000 by CCRMA.

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

To the Board of Directors
Cameron County Regional Mobility Authority
Brownsville, Texas

We have audited the financial statements of the governmental activities of the Cameron County Regional Mobility Authority (Authority) as of and for the year ended September 30, 2009 and have issued our report thereon dated February 24, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of the board of directors, management, others within the organization, state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Long Chilton, LLP

LONG CHILTON, LLP
Certified Public Accountants

Brownsville, Texas
February 24, 2010

**IV. CONSIDERATION ON APPROVAL OF AGREEMENT
BETWEEN THE CAMERON COUNTY REGIONAL
MOBILITY AUTHORITY AND FRANCISCO SAN
MIGUEL**

STATE OF TEXAS §
 §
COUNTY OF CAMERON §

CONTRACT FOR SERVICES

This is an agreement by and between the CAMERON COUNTY REGIONAL MOBILITY AUTHORITY (hereinafter called CCRMA) and FRANCISCO SAN MIGUEL (hereinafter called SAN MIGUEL).

In consideration of the mutual promises herein contained, the parties agree as follows:

PURPOSE OF REPRESENTATION

The CCRMA hereby employs SAN MIGUEL to serve as support services for the CCRMA. In providing support services, SAN MIGUEL will do the following: (1) assist in the toll system implementation with the Central Texas Regional Mobility Authority (CTRMA) and their vendor for the toll gantry at FM 1847/Railroad Crossing; (2) work closely with CTRMA and their vendor as the toll system is being installed; (3) be present during the testing of the system; (4) work with Bookkeeper and CTRMA to ensure that reports are properly being generated; (5) work with the Texas Turnpike Authority (TTA) on the marketing of the transponders; (6) keep CCRMA management informed on the progress of the toll system installation and run the system tests with CTRMA and their vendor.

COMPENSATION

In consideration of services to be rendered by SAN MIGUEL, the CCRMA hereby agrees to pay SAN MIGUEL an annual sum of \$3,600.00 to be paid in monthly installments of \$300.00 payable on the last day of each month. It is specifically understood and agreed that the CCRMA will not withhold any monies for purposes of taxes. All taxes due shall be paid by SAN MIGUEL as a self-employed person.

TERM

This agreement shall begin on March 1, 2010 and end on September 30, 2010 or until it is terminated by either party, upon thirty (30) days written notice. In the event that SAN MIGUEL

is not employed by Cameron County, this agreement is immediately null and void.

NOTICE

All notices to CCRMA shall be sent by certified or registered mail, addressed to: Cameron County Regional Mobility Authority, 1390 W Expressway 77, San Benito, Texas 78586, or at such other address as the CCRMA may otherwise designate. All notices to FRANCISCO SAN MIGUEL shall be sent certified or registered mail, addressed to: FRANCISCO SAN MIGUEL, 3300 S. Expressway 77, Brownsville, Texas 78520.

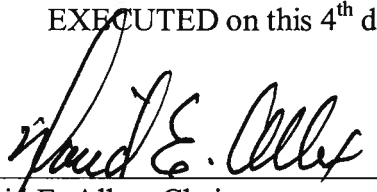
LAW AND VENUE

This agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Cameron County, Texas.

PRIOR AGREEMENTS SUPERSEDED

This agreement constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the within subject matter. This agreement may be modified at any time by mutual consent of the parties.

EXECUTED on this 4th day of March, 2010, at Brownsville, Cameron County, Texas.



David E. Allex, Chairman



Francisco San Miguel

**V. CONSIDERATION ON APPROVAL OF AGREEMENT
BETWEEN THE CAMERON COUNTY REGIONAL
MOBILITY AUTHORITY AND JESUS MARTIN PENA**

STATE OF TEXAS §
 §
COUNTY OF CAMERON §

CONTRACT FOR SERVICES

This is an agreement by and between the CAMERON COUNTY REGIONAL MOBILITY AUTHORITY (hereinafter called CCRMA) and JESUS MARTIN PENA (hereinafter called PENA).

In consideration of the mutual promises herein contained, the parties agree as follows:

PURPOSE OF REPRESENTATION

The CCRMA hereby employs PENA to serve as support services for the CCRMA. In providing support services, PENA will do the following: (1) assist in the toll system implementation with the Central Texas Regional Mobility Authority (CTRMA) and their vendor for the toll gantry at FM 1847/Railroad Crossing; (2) work closely with CTRMA and their vendor as the toll system is being installed; (3) be present during the testing of the system; (4) Set up and Supervise the Customer Service Operation (5) Supervise and work with Bookkeeper and CTRMA to ensure that reports are properly being generated; (5) Supervise and Coordinate efforts with the Texas Turnpike Authority (TTA) on the marketing of the transponders; (6) keep CCRMA management informed on the progress of the toll system installation and run the system tests with CTRMA and their vendor; (7) Supervise the IT Bookkeeping staff.

COMPENSATION

In consideration of services to be rendered by PENA, the CCRMA hereby agrees to pay PENA an annual sum of \$2,400.00 to be paid in monthly installments of \$200.00 payable on the last day of each month. It is specifically understood and agreed that the CCRMA will not withhold any monies for purposes of taxes. All taxes due shall be paid by PENA as a self-employed person.

TERM

This agreement shall begin on March 1, 2010 and end on September 30, 2010 or until it is terminated by either party, upon thirty (30) days written notice. In the event that PENA is not employed by Cameron County, this agreement is immediately null and void.

NOTICE

All notices to CCRMA shall be sent by certified or registered mail, addressed to: Cameron County Regional Mobility Authority, 1390 W Expressway 77, San Benito, Texas 78586, or at such other address as the CCRMA may otherwise designate. All notices to JESUS MARTIN PENA shall be sent certified or registered mail, addressed to: JESUS MARTIN PENA, 3300 S. Expressway 77, Brownsville, Texas 78520.

LAW AND VENUE

This agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Cameron County, Texas.

PRIOR AGREEMENTS SUPERSEDED

This agreement constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the within subject matter. This agreement may be modified at any time by mutual consent of the parties.

EXECUTED on this 4th day of March, 2010, at Brownsville, Cameron County, Texas.



David E. Allex, Chairman



Jesus Martin Pena

**VI. CONSIDERATION AND ACKNOWLEDGMENT OF GEC
REPORT FOR THE MONTH OF FEBRUARY 2010**

Pete Sepulveda Jr.
CCRMA Coordinator
Cameron County Regional Mobility Authority
1100 East Monroe Street
Brownsville, TX 78520

HNTB

February 26, 2010

Dear Mr. Sepulveda,

The following is a summary of our progress on the subject projects for the month of February 2010.

Project Management:

General GEC

- Prepared contract correspondence and monthly GEC progress report.
- Prepared & submitted CCRMA GEC Invoice for work performed on Work Authorization Nos. 7, 8, 13, 15, 16, 17, 21, 22, 23 and 25.
- Updated and submitted January 2010 GEC work authorization status report.
- On February 10, Richard Ridings provided support at the MPO meeting
- On February 11, Richard Ridings assisted Pete Sepulveda in giving a presentation on West Parkway to UT Brownsville board of directors.
- On February 16, Richard Ridings and Van Short attended the Special Board Meeting. Mr. Ridings presented various agenda items including the GEC report.
- On February 19, Richard Ridings and Eddie Garcia attended the Special Board Meeting. Mr. Ridings presented various agenda items at this meeting.
- Every Monday afternoon Richard Ridings, Loretta Schietinger, and other GEC staff conduct status meetings with Pete Sepulveda and David Garcia to discuss project budgets, financing, agreements, and schedules.
- HNTB continues to attend numerous meetings and correspond with RMA staff and others to support the RMA's efforts.

FM 509 Project (Work Authorization No. 5)

The FM 509 project is a relief route around the north and east areas of the City of Harlingen that would construct an extension of FM 509, in Cameron County, from US 77 to the Intersection with FM 508. The proposed facility would consist of a four-lane roadway with directions of travel separated by a center median. Dependent upon traffic projections, an interim facility with fewer lanes may initially be constructed. Interchanges or grade separations would be constructed at major thoroughfares. As proposed, the right-of-way would be 300-foot wide (usual) and sufficient to accommodate future transportation needs; however, any future improvements would be subject to environmental review. This could include bicycle and pedestrian facilities, general purpose lanes, truck lanes, or some combination of these modes.

- TxDOT notified CCRMA this project was placed on hold due to the projected low traffic counts on the proposed 300 foot transportation corridor. TxDOT transmitted new traffic numbers. Further discussion with TxDOT is pending before continuing the

environmental process for the recommended alignment of the proposed FM 509 route. HNTB is currently developing a Work Authorization for preliminary development of the Outer Loop. This project would provide a greater economic benefit to the area and establish a corridor along similar alignment yet would continue along the North side of Cameron County to the future SPI 2nd Access. FM 509 environmental studies, constraint data, Lidar survey data, and right of way information can be utilized for this endeavor.

West Parkway Project:

The proposed West Parkway is a new location facility and will provide a four-lane controlled access parkway with interchanges and connections at strategic locations and grade separation structures for several crossing streets in Brownsville. The majority of the project alignment falls within or in the vicinity of the existing Union Pacific Railroad right-of-way. Negotiations are underway to relocate the railroad and donate the right-of-way to the county for the project.

West Parkway EA/Schematic (Work Authorization No. 7):

This Work Authorization provides for the development of a Schematic and Environmental Assessment based on the project design developed by TxDOT and detailed in the value engineering report.

- Revisions to the schematic and EA due to design changes resulting from public comment and typical section changes will require additional study and design/work that is above and beyond the current scope of the approved Work Authorization.
- The Draft EA updates are on hold until changes related to the PI effort are agreed to by TxDOT and supplement is approved
- Detailed schematic work is on hold until discussions with TxDOT are complete and supplement is approved.

West Parkway Public Involvement (Work Authorization No. 18):

This Work Authorization provides community involvement services through a series of neighborhood meetings, focus group meetings, and one on one meetings to develop a two-way dialogue with the public to inform them of the need and purpose of the project and to gather their ideas on how the West Parkway can become a valuable community asset.

- This effort is complete and the contract is closed. No payment for this effort has been received.

West Rail (Work Authorization No. 16):

This Work Authorization provides additional professional services and deliverables for the West Rail Relocation project. Work includes utility coordination and evaluation, siphon extension design, DHS building site items, and surveying.

- Final plans, specifications and estimates have been submitted to TxDOT for processing.
- The West Rail project has a new project manager for TransMontaigne. HNTB is currently working with TransMontaigne for a smooth transition to the new project manager (John Phelps).
- HNTB provided additional information for the pre-construction notification as requested by USACE.
- HNTB addressed TxDOT comments regarding the plans, specifications, and estimates.
- A letting and contracting plan was developed and submitted to TxDOT for approval
- TxDOT approved the project for letting on February 25

West Rail Relocation International Coordination (Work Authorization No. 8):

This Work Authorization provides appropriate subconsultant(s) for staff coordination with the Mexican agencies to monitor and determine project schedules, permit requirements, funding technical agreements and design for the West Rail Relocation around Brownsville, Texas. The project plans will require approval by Secretaría de Comunicaciones y Transportes (SCT), Comisión Internacional de Limites Y Aguas (CILA) and Kansas City Southern Mexico (KCSM).

- Dr. de las Fuentes continues to facilitate discussions between the CNA (Comision Nacional de Aguas), CONAGUA and CILA as well as the SCT and the project's engineering staff on both sides of the border. All documents, plans and information have been submitted and Dr. de las Fuentes will continue to expedite CILA and CONAGUA approval through constant contact.
- SCT is asking for clarification on Bridge design changes that were required by Union Pacific. Dr. de las Fuentes is facilitating this effort.
- Through numerous February meetings, Dr. de las Fuentes has been directly involved in the negotiation proceedings between SCT, KCSM and UP.

TxDOT Project Development Agreement for I69 CDA (Work Authorization No. 13):

This Work Authorization provides support to the Authority and its Legal and Financial Advisors in the development of a Project Development Agreement (PDA) between the Authority and TxDOT concerning the development of the SH 550, West Parkway, and US 77 Improvements projects

- The revised Market Valuation was approved by the Commission and presented to the Brownsville MPO on February 10.
- A request for Primacy was submitted to TxDOT after MPO approval of MV terms.
- The draft SH 550 PDA reviewed and resubmitted to TxDOT for final negotiations. It is anticipated to be approved in March.
- The GEC continues to develop information and attend meetings as needed to support these discussions and to support continue implementation of SH 550, and the West Parkway project.

SH 550 Re-Evaluation (Work Authorization No. 15 & Supplements 1&2&3):

This Work Authorization provides professional services and deliverables in support of the CCRMA's development of the SH 550 toll project from US 77/83 to State Highway 48 and the proposed entrance to the Port of Brownsville. Work includes the preparation of an Environmental Assessment Re-evaluation focusing on the effects of tolling the project, preparation of a wetlands report, and development of a mitigation plan/Section 404 permit application. Supplements 2 & 3 included the mitigation design and re-evaluation of the EA to include the mitigation site.

- GEC continued to coordinate with Corps of Engineers, the Port of Brownsville and TxDOT to refine the mitigation plan/advance the permit application.
- GEC continued to develop agreements for the donation of the mitigation property.
- On January 25, 2009, GEC and SREG met with Texas Commission on Environmental Quality to discuss Section 401 water quality certification requirements associated with Section 404 permit.
- GEC prepared responses to resource agency comments regarding detailed mitigation plan.
- On January 27, 2010, GEC met with Corps of Engineers, Authority, TxDOT and FHWA to discuss status of permit application, draft responses to agency comments and next steps.

- On January 28, 2010, GEC and SREG participated in conference call with Corps of Engineers to further discuss and refine responses to agency comments. GEC conducted site visit and data collection necessary to prepare environmental re-evaluation for SH 550 mitigation site.
- GEC prepared and submitted environmental re-evaluation for SH 550 mitigation site.
- GEC responded to TxDOT comments on SH 550 environmental re-evaluation for mitigation site, mitigation plans were revised to include additional protection, more planting, and additional signs and fencing.
- The revised mitigation plans were incorporated into an addendum for the TxDOT bid documents for SH 550.
- The FHWA approved the environmental re-evaluation for SH 550 mitigation site in anticipation of FHWA review.

SH 550 Toll Systems Integration and Design (Work Authorization No. 21 & Sup 1 & 2):

This Work Authorization provides professional services and deliverables in support of the CCRMA's tolling of the SH 550 from US 77/83 to State Highway 48 and the proposed entrance to the Port of Brownsville. Work includes the preparation of plans, specifications, and estimates for gantry, signing, conduit, and paving required for tolling of the main lanes. These will be included in the design package that TxDOT is currently completing and plans on letting using ARRA funds early in 2010. Supplement 1 to this WA includes the development of gantry and signage plans for change order into the current project under construction at the FM 1847 overpass as well as developing a plan for toll systems integration and customer service center implementation. Supplement 2 to this WA includes the development of interlocal agreements with CTRMA and TTA for the toll system implementation and TxTAG customer service.

There have been numerous meetings with CTRMA, TTA, the Port of Brownsville, and county staff in preparation for Toll System Implementation and TxTAG marketing for SH 550 including:

- Organized and coordinated February 8th meetings in Austin between CCRMA and CTRMA, Texas Tollway Authority (TTA) and Municipal Services Bureau (MSB)
- Developed Operations overview presentations in support of partnership meetings
- Continued coordination with TTA re: Operational Processes to Support CCRMA Toll Operations
- Continued coordination with MSB re: Operational Processes to Support CCRMA Toll Operations
- Continued coordination with CTRMA re: Operational Processes to Support CCRMA Toll Operations
- Acquired and reviewed cash handling procedures for Camino Columbia toll road and discussed operational processes with local toll operations lead in Laredo
- Completed development and review of Scope of Work and Terms for Toll Transaction Processing ILA
- Continued coordination of required ILA's with CCRMA outside counsel
- Organized and coordinated February 16th and 17th meetings in Brownsville with Cameron County Bridge Crossing Operations Team, Law Enforcement, Breeden McCumber and the Port
- Toured operational support facilities in Brownsville
- Located facilities for communications infrastructure to support Toll System Operations
- Provided Applicable RMA Texas transportation code to Cameron County Sheriff
- Developed CCRMA Organizational Chart and job descriptions.

- Began formal Toll System Implementation technical meetings for the coordination of the toll system schedule, equipment procurement, installation, design, interfaces with TTA/MSB, operations and testing.
- Continued the coordination and approval of toll system long lead items with CTRMA/Caseta
- Completed initial integrated toll implementation schedule with CTRMA
- Developed Operations and Maintenance cost template using the agreed upon organizational structure, task to be finalized in March

South Padre Island Second Access Phase 3A (Work Authorization No. 17):

This Work Authorization provides engineering and environmental services associated with the development and advancement of the NEPA process for the proposed South Padre Island (SPI) 2nd Access Project in Cameron County, Texas. The proposed Project will provide important congestion relief for the Queen Isabella Memorial Causeway. The proposed SPI 2nd Access Project will also serve as a critical alternative evacuation route from the island in times of disaster, hurricanes, and other emergencies. The tasks associated with the Project will include the development of the necessary environmental documentation, corridor alternatives assessments, and related public involvement activities.

This Work Authorization continues the environmental and corridor alternatives assessment tasks necessary to advance the project to a selection of a Recommended Preferred Alternative and ultimately to a Record of Decision (ROD). After the selection of a Preferred Alternative a supplement for schematic design will be required.

- Initial Draft Environmental Impact Statement (DEIS) was submitted on November 9, 2009.
- TxDOT has not yet reviewed the document. URS has been contracted to review. Once comments are received, an adjustment in the schedule will be required.
- The Biological Assessment and Archeological Surveys subcontracts were authorized. Work will begin when ROE has been obtained.
- Coordination continues with sea grass experts to evaluate possible development of a shading model to help determine possible impacts caused by the shade of the bridge.
- A DVD was prepared and forwarded to TxDOT with the electronic files of the DEIS submittal.
- Refinement of the construction cost estimates and schedule has begun for the recommended preferred alternative.
- Development of the schematic phase scope and fee are underway. Anticipate to be presented to the board for approval in March or April.

Olmito Switchyard PS&E (Work Authorization No. 23 & Supplement No. 1):

This Work Authorization provides for the production of Plans, Specifications, and Estimates for the construction of addition rail and repair facilities in the Olmito Switchyard. Rail and grading plans were prepared to meet a March letting schedule. The repair facilities (RIP) will be included in a second set of plans for letting at a later date.

Rail and Grading Plans:

- GEC prepared letting and contracting plan for the grading and track plans
- TxDOT approved the grading and track plans for letting.
- GEC is preparing for PreBid meeting and preparing advertisements. (supplemental work)

RIP Facility plans

- UPRR provided comments of final design submittal. GEC is incorporating these comments into plans and specifications
- The 30% plans for the RIP facility were submitted to UPRR for review.
- Comments are starting to be received regarding 30% review with GEC incorporating comments into final plans set.
- GEC continues to develop plans to 60% submittal level
- Developing supplemental to perform work on local permit, off-site utilities, and north access road.
- Developing supplemental to perform construction inspection for Olmito Yard and RIP

SH 550 PS&E (Work Authorization No. 24):

This Work Authorization provides engineering services for the preparation of plans, specifications and estimates (PS&E) for the construction of SH 550 tolled mainlanes between existing frontage road lanes from US 77/83 to 0.5 mile north of FM 3248. The work will be performed in two phases as follows:

Phase 1 – Prepare a design summary report (DSR), typical sections, design layout, and preliminary cost estimate for the proposed SH 550 tolled mainlanes.

Phase 2 – Prepare PS&E package for letting based on approved typical sections and design layout from Phase 1.

- Began work on Phase 1
- Requested from TxDOT the Schematics and all existing information on US 77 in the vicinity of the SH 550 tie-in.
- Work next month will include completing Phase 1 and presenting a scope to complete the PS&E

Port Access Road (Work Authorization No. 25):

This Work Authorization provides engineering services associated with the development of plans, specifications, and estimates for the construction of a new access drive from SH 48 into the Port of Brownsville. The CCRMA will construct the new \$2.5 M entrance into the Port of Brownsville in exchange for the donation of the SH 550 Port Spur ROW. TxDOT had initiated design of this entrance road but stopped design at an approximately 60% level of completion. The GEC has obtained TxDOT design files and will utilize them to complete a PS&E package for CCRMA letting in March

- Met with BRG railroad on February 10 to discuss plans and coordinate design issues.
- Preparing draft contract documents for the letting and construction.
- Anticipate receiving 90% plan submittal review comments from CCRMA/Cameron County.
- Additional effort to coordinate utility conflicts and adjustments is required.

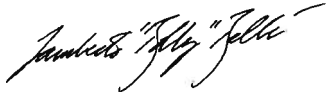
Consultant Management:

- Continued coordination with subconsultants.

Agency Coordination:

- Conducted ongoing discussions with CCRMA staff, TxDOT staff, TTA staff and subconsultants for preparation of SPI 2nd Access Project, West Parkway Project, SH 550, North Rail, and West Rail Project.

Best regards,

A handwritten signature in black ink, appearing to read "Lamberto 'Bobby' Balli". The signature is stylized with a large, sweeping initial 'L' and a cursive 'B'.

Lamberto "Bobby" Balli, P.E.
Associate Vice President

cc: David Garcia
Van Short P.E.
Richard Ridings, P.E.

February Status Report

HNTB

| | | |
|--------------------|----------------------------|--|
| Project | | FM 509 |
| Work Authorization | <input type="checkbox"/> 5 | Route Studies and Environmental |
| Supplemental | <input type="checkbox"/> 1 | ICI Analysis |
| Supplemental | <input type="checkbox"/> 2 | Development of Reasonable Alternatives |

| | |
|----------------|------------|
| WA Cost: \$ | 656,210.00 |
| SA Cost: \$ | 40,358.00 |
| SA Cost: \$ | 10,826.00 |
| Total Cost: \$ | 707,394.00 |

Description: The FM 509 project is a relief route around the north and east areas of the City of Harlingen that would construct FM 509, in Cameron County, from US 77 to the intersection with FM 508. the proposed facility would consist of a four-lane roadway with directions of travel separated by a center median. Dependent upon traffic projections, an interim facility with fewer lanes may initially be constructed. Interchanges or grade separations would be constructed at major thoroughfares. As proposed, the right-of-way would be 300-feet wide (usual) and sufficient to accommodate future transportation needs; however, any future improvements would be subject to environmental review. This could include bicycle and pedestrian facilities, general purpose lanes, truck lanes or some combination of these modes.

Scope: Develop Route and Environmental Studies for the Cameron County Regional Mobility Authority.

Deliverables: Drawing of the Conceptual Corridor Alternatives. Line Diagrammatic Schematic Drawings. Environmental Assessment Document required for obtaining a Finding of No Significant Impact (FONSI)

Project Activity

Environmental

Status: Project On-Hold

Recent Activity: None

Upcoming Activity: on hold

Outstanding Issues: on hold

Design Status: Complete

| Task | Status | Date of Anticipated Completion | % Complete |
|---|----------|--------------------------------|------------|
| FM 509 Data Assembly and Review | Complete | Complete | 100% |
| FM 509 Route Alternative Studies | Complete | Complete | 100% |
| FM 509 Development of Reasonable Alter. | Complete | Complete | 100% |
| FM 509 Evaluation and Viable Alter. | Complete | Complete | 100% |
| Notice to Proceed | Complete | Complete | 100% |
| Data Collection | Complete | Complete | 100% |
| Need and Purpose | Complete | Complete | 100% |
| Alternatives Analysis | Complete | Complete | 100% |
| Field Investigations | Complete | Complete | 100% |
| Resource Agency Mtgs. | Ongoing | Complete | 50% |
| Constraints map | Complete | Complete | 100% |
| Social/Economic Investigations | Complete | Complete | 100% |
| Natural Environment Investigations | Complete | Complete | 100% |
| Cultural Resources | Complete | TBD | 95% |
| Report Preparation | on hold | TBD | 95% |
| Public Involvement | on hold | TBD | 60% |
| Supp 1: Envir. Assessment Doc. Prepar. | Complete | Complete | 100% |
| Supp 1: Indirect Impacts | Complete | Complete | 100% |
| Supp 1: Cumulative Impacts | Complete | Complete | 100% |
| Supp 1: Surveying/Mapping | Complete | Complete | 100% |
| Supp 1: Light Detection and Ranging | Complete | Complete | 100% |
| Supp 2: Deve. Reasonable Alternatives | Complete | Complete | 100% |

| | | | | |
|--------------------|----------------|----------------------------|----------|----------------|
| WA Amount: \$ | 707,394.00 | Outstanding Invoice Number | Days Old | Invoice Amount |
| Billed To Date: \$ | 686,172.18 | | | |
| Paid To Date: \$ | 686,172.18 | | | |
| Unpaid Balance: \$ | - | | | |
| Funding Source: | Cameron County | | | |

Total: \$ -

February Status Report

HNTB

| | | |
|--------------------|---------------------------------------|---------------------------------|
| Project | West Parkway | |
| Work Authorization | <input checked="" type="checkbox"/> 7 | Route Studies and Environmental |
| Supplemental | <input checked="" type="checkbox"/> 1 | Public Involvement and ENV |
| Supplemental | <input type="checkbox"/> | |
| WA Cost: | \$ | 1,471,763.00 |
| SA Cost: | \$ | 98,862.00 |
| SA Cost: | | |
| Total Cost: | \$ | 1,570,625.00 |

Description: The West Parkway project is a proposed new location, four-lane controlled access expressway with interchanges and connections at strategic locations and grade separation structures for several crossing streets in Brownsville. The majority of the project alignment falls within or in the vicinity of the existing Union Pacific Railroad right-of-way. Negotiations are underway to relocate the railroad and donate the right-of-way to the county for the project.

Scope: Develop Route and Environmental Studies for the Cameron County Regional Mobility Authority

Deliverable: Develop Route and Environmental Studies for the Cameron County Regional Mobility Authority. Conceptual typical section Summary of preliminary conceptual design criteria. Overlay of identified major utilities onto conceptual layouts. Overlay of conceptual ROW requirements onto conceptual layouts. Final Traffic Technical Memorandum. Draft and Final Intermediate Level (Level 2) Toll Feasibility Report (Level 2 funding matrix. Environmental Assessment Document required for obtaining a Finding of No Significant Impact (FONSI))

| Project Activity | |
|-----------------------|--|
| Environmental | |
| Status: | Awaiting approval of supplement |
| Recent Activity: | Public Meeting Report submission |
| Upcoming Activity: | Updating and revising EA based on public comments and design changes. |
| Outstanding Issues: | Supplement needs approval |
| Design | |
| Status: | Awaiting approval of supplement |
| Recent Activity: | Began Schematic preparation |
| Upcoming Activity: | Prepare Schematic |
| Outstanding Issues: | Significant changes in Typical Section and access - need supplement to address |
| Other: Traffic | |
| Status: | On Hold |
| Recent Activity: | On Hold |
| Upcoming Activity: | Revise Microsimulation based on new schematic |
| Outstanding Issues: | 3d animation is recommended - need supplement for this effort |

| Task | Status | Date of Anticipated Completion | % Complete |
|---|----------------------------|--------------------------------|------------|
| Conceptual Design | Complete | Complete | 100% |
| Intermediate-level (level 2) Toll Feasibility | Draft Level 2 TFS complete | | 80% |
| Innovative Financing Support | Ongoing | TBD | 20% |
| Traffic Analysis and Microsimulation | On hold | TBD | 80% |
| Geometric Schematic | assessing revisions | TBD | 65% |
| Environmental Assessment Report | on hold | TBD | 80% |
| West Loop Public Involvement Activities | awaiting Public Hearing | TBD | 70% |
| Surveying and Aerial Mapping | Complete | Complete | 100% |
| Surveying | Complete | Complete | 100% |
| Aerial Mapping | Complete | Complete | 100% |
| Right of Entry | Complete | Complete | 100% |
| Supp 1: Inter.Level Toll Feasibility Study | Complete | Complete | 100% |
| Supp 1: Environmental Assessment | assessing revisions | TBD | 80% |
| Supp 1: Public Involvement | complete | TBD | 100% |

| WA Amount: | \$ | 1,570,625.00 | Outstanding Invoice Number | Days Old | Invoice Amount |
|-------------------------|---------------------------|--------------|----------------------------|----------|----------------|
| Billed To Date: | \$ | 1,448,615.45 | 32-40619-PL-007 | 406 | \$ 37,823.88 |
| Paid To Date: | \$ | 1,348,236.22 | 33-40619-PL-007 | 378 | \$ 9,184.30 |
| Unpaid Balance: | \$ | 100,379.23 | 36-40619-PL-007 | 315 | \$ 9,212.11 |
| | | | 38-40619-PL-007 | 276 | \$ 9,205.52 |
| Total Accrued Interest: | \$ | 1,918.37 | 40-40619-PL-007 | 224 | \$ 9,202.27 |
| | | | 42-40619-PL-007 | 148 | \$ 10,011.86 |
| Funding Source: | TxDOT Toll Equity Funding | | 46-40619-PL-007 | 77 | \$ 6,524.30 |
| | | | 47-40619-PL-007 | 35 | \$ 4,613.86 |
| | | | 48-40619-PL-007 | 14 | \$ 4,601.13 |
| Total: | | | | | \$ 100,379.23 |

February Status Report



| | | |
|--------------------|---|--------------------------------|
| Project | | West Rail Relocation |
| Work Authorization | 8 | International Advisor Services |
| Supplemental | 1 | International Advisor Services |
| Supplemental | 2 | International Advisor Services |
| Supplemental | 3 | International Advisor Services |
| Supplemental | 4 | International Advisor Services |
| Supplemental | 5 | International Advisor Services |

| | | |
|-------------|----|------------|
| WA Cost: | \$ | 186,579.00 |
| SA Cost: | \$ | 67,264.00 |
| SA Cost: | \$ | 67,163.00 |
| SA Cost: | \$ | 67,163.00 |
| SA Cost: | \$ | 67,939.00 |
| SA Cost: | \$ | 67,939.00 |
| Total Cost: | \$ | 524,047.00 |

Description: The West Rail Relocation project provides appropriate subconsultant (s) for staff coordination with the Mexican agencies to monitor and determine project schedules, permit requirements, funding technical agreements and design for the West Rail Relocation around Brownsville, Texas. This subconsultant is Arturo de las Fuentes of Caminos Y Puentes Internacionales. The project plans will require approval by Secretaria de Comunicaciones y Transportes (SCT), Comision Internacional de Limits Y Aguas (CILA) and Kansas City Southern Mexico (KCSM).

Scope: Provide professional services and deliverables required for project administration and coordination for the Cameron County Regional Mobility Authority

Deliverable: Monthly Project Progress Reports and meeting minutes that details activities performed by task (Spanish and English versions will be provided). Monthly invoice/billings with list of tasks performed and products delivered per invoice billing cycle (English version will be provided). Project schedule and timeline for agency approval (Spanish and English version will be provided).

Project Activity

International Advisory Services

Status: Ongoing

Recent Activity: detailed report available

Upcoming Activity: -

Outstanding Issues:

Design

Status: -

Recent Activity: -

Upcoming Activity: -

Outstanding Issues: -

Other: Project Administration

Status: Continued efforts on project administration and coordination

Recent Activity: Coordination of Mexican Agencies and presentation of Project Report to the Binational Committee -

Upcoming Activity: Continued efforts on project administration and coordination

Outstanding Issues: -

| Task | | Status | Date Anticipated Completion | % Complete |
|------------------------|----------------|----------------------------|-----------------------------|----------------|
| International Services | | Continuing | Continuing | 90% |
| WA Amount: | \$ 524,047.00 | Outstanding Invoice Number | Days Old | Invoice Amount |
| Billed To Date: | \$ 479,503.51 | | | |
| Paid To Date: | \$ 479,503.51 | | | |
| Unpaid Balance: | \$ - | | | |
| Funding Source: | Cameron County | | | |
| | | Total: | \$ | - |



| | | |
|--------------------|-----------|---|
| Project | | <u>South Padre Island Second Access</u> |
| Work Authorization | <u>12</u> | <u>Route Studies and Environmental</u> |
| Supplemental | <u>1</u> | <u>Economic Study</u> |
| Supplemental | | |

WA Cost: \$ 1,211,320.00

SA Cost: \$ 339,518.00

SA Cost: _____

Total Cost: \$ 1,550,838.00

Description: The South Padre Island Second Access project provides engineering and environmental services associated with the development and advancement of the National Environmental Policy Act (NEPA) process. The tasks associated with the project will include the development of an environmental impact statement, alternatives development and evaluation, and related public involvement activities.

Scope: Develop Route and Design, Environmental, Public Involvement, Field Surveying and Photogrammetry studies.

Deliverable: Effort involved in conducting three Public Meetings and associated TWG meetings listed in Project Development Plan and as approved in Phase 2. Preliminary Study Methodology Memorandum. Draft and final preliminary alternative layouts. Draft and final conceptual typical sections and layouts of the reasonable corridor alternatives. Draft technical memorandum. Existing Conditions Assessment summary document. Data Collection Summary Document. Writing of initial Chapters of the NEPA Document.

Project Activity

Environmental

| | |
|---------|---------------------|
| Status: | This phase complete |
|---------|---------------------|

Recent Activity: This phase complete

Upcoming Activity: Work Authorization is complete

Outstanding Issues: Outstanding invoices

Design

| | |
|----------------|---------------------|
| Status: | This phase complete |
|----------------|---------------------|

Recent Activity: This phase complete

Upcoming Activity: Work Authorization is Complete

| | |
|---------------------|----------------------|
| Outstanding Issues: | Outstanding invoices |
|---------------------|----------------------|

Economic Study

| | |
|----------------|---------------------|
| Status: | This phase complete |
|----------------|---------------------|

Recent Activity: This phase complete

| | |
|--------------------|--------------------------------|
| Upcoming Activity: | Work Authorization is complete |
|--------------------|--------------------------------|

| | |
|---------------------|----------------------|
| Outstanding Issues: | Outstanding invoices |
|---------------------|----------------------|

| Task | | | Status | Date of Anticipated Completion | % Complete |
|---|---------------------------|----------------------------|-------------------------|--------------------------------|------------|
| Data Collection/Existing Condition Assessment | | | Complete | complete | 100% |
| Corridor Alter. Assessment & Documentation | | | Complete | complete | 100% |
| Intermediate-Level Toll Feasibility Study | | | Methodology complete | complete | 100% |
| Economic Study Phase 2 | | | Complete | complete | 100% |
| Environmental Impact Statement (EIS) Phase 2 | | | Chapters 1,2,3 complete | complete | 100% |
| Affected Environmental | | | Draft complete | complete | 100% |
| Environmental Consequences | | | Not in Phase 2 | complete | 100% |
| Public Involvement and CSS | | | Complete | complete | 100% |
| Field Surveying and Photogrammetry | | | Complete | Complete | 100% |
| WA Amount: | \$ 1,550,838.00 | Outstanding Invoice Number | Days Old | Invoice Amount | |
| Billed To Date: | \$ 1,550,838.00 | 32-40619-PL-012 | 406 | \$ 46,065.79 | |
| Paid To Date: | \$ 1,222,366.66 | 33-40619-PL-012 | 378 | \$ 15,053.31 | |
| Unpaid Balance: | \$ 328,471.34 | 35-40619-PL-012 | 350 | \$ 216,310.61 | |
| | | 36-40619-PL-012 | 315 | \$ 51,041.63 | |
| Total Accrued Interest | \$ 9,896.65 | | | | |
| | | | | | |
| Funding Source: | TxDOT Toll Equity Funding | | | | |
| | | | | | |
| | | | | \$ 328,471.34 | |

February Status Report

HNTB

Project PDA Coordination and Negotiation Support
 Work Authorization ☒ 13 _____
 Supplemental ☐ _____
 Supplemental ☐ _____

WA Cost: \$ 790,903.00
 SA Cost: _____
 SA Cost: _____
 Total Cost: \$ 790,903.00

Description: This Work Authorization provides support to the Authority and its Legal and Financial Advisors in the development of a Project Development Agreement (PDA) between the Authority and TxDOT concerning the development of the Port Spur, West Loop, and US 77 Improvements projects

Scope: Support the CCRMA in negotiations with TxDOT and ZAI/ACS, and assist in the development of a Project Development Agreement (PDA) for SH 550, West Parkway, and US 77 Improvements

Deliverable: Engineering support in the development of a PDA

Project Activity

CDA and Proposal Review

Status: PDA for SH 550 is under review and negotiation -

Recent Activity: Reviewed PDA and commented. Having weekly meetings with RMA staff

Upcoming Activity: Complete PDA and get TxDOT and CCRMA approval

Outstanding Issues:

Project Development Agreement

Status: Meetings have been held with TTA to develop a PDA for SH 550 as an initial start to negotiations

Recent Activity: PDA development underway by TTA

Upcoming Activity: continue meetings

Outstanding Issues:

| Task | | Status | Date of Anticipated Completion | % Complete |
|---|---------------|----------------------------|--------------------------------|----------------|
| Design Review | | initiated | | 10% |
| Specification Review | | initiated | | 1% |
| CDA Requirements/Terms/Risk Assessment | | initiated | | 25% |
| | | | | % |
| Draft Technical Requirements/Obligations | | Not Started | | 5% |
| Draft Operations/Tolling Obligations | | Started PDA | | 5% |
| Draft Reporting/Maintenance Obligations | | Started PDA | | 5% |
| Final Reviews, Recommendations, and Presentations | | Not Started | | 0% |
| | | | | % |
| WA Amount: | \$ | Outstanding Invoice Number | Days Old | Invoice Amount |
| Billed To Date: | \$ 790,903.00 | 38-40619-PL-013 | 276 | \$ 2,436.20 |
| Paid To Date: | \$ - | 39-40619-PL-013 | 259 | \$ 6,391.38 |
| Unpaid Balance: | \$ 116,143.62 | 40-40619-PL-013 | 224 | \$ 10,691.84 |
| | | 41-40619-PL-013 | 193 | \$ 7,544.08 |
| Total Accrued Interest | \$ 413.71 | 42-40619-PL-013 | 148 | \$ 8,683.80 |
| | | 43-40619-PL-013 | 130 | \$ 4,716.28 |
| Funding Source: | | 44-40619-PL-013 | 105 | \$ 7,650.43 |
| | | 46-40619-PL-013 | 77 | \$ 36,912.17 |
| | | 47-40619-PL-013 | 35 | \$ 16,658.91 |
| | | 48-40619-PL-013 | 14 | \$ 14,458.53 |
| | | | Total: | \$ 116,143.62 |

February Status Report

HNTB

| | | |
|--------------------|----|---------------------------|
| Project | | SH 550 Re-Evaluation |
| Work Authorization | 15 | Environmental Studies |
| Supplemental | 1 | Re-Evaluation |
| Supplemental | 2 | Individual Permit |
| Supplemental | 3 | Env Site Plan Development |

| | | |
|-------------|----|------------|
| WA Cost: | \$ | 402,102.00 |
| SA Cost: | \$ | 41,694.00 |
| SA Cost: | \$ | 153,932.00 |
| SA Cost: | \$ | 45,304.00 |
| Total Cost: | \$ | 643,032.00 |

Description: The SH 550 Re-Evaluation project provides professional services and deliverables in support of the CCRMA's development of the SH 550 toll project from US 77/83 to SH 48 and the proposed entrance to the Port of Brownsville. The focus of the re-evaluation will be on the effects of tolling the project. Supplements focus on developing mitigation plans and permit approval.

Scope: Project Management and Social, Economic and Environmental studies for the AUTHORITY. Environmental Activity necessary for obtaining Re-evaluation clearance for a tolled roadway. Development of plans for mitigation site.

Deliverable: Environmental Activity necessary for obtaining Re-evaluation clearance for a tolled roadway

| Project Activity | |
|----------------------|---|
| Environmental | |
| Status: | EA re-evaluation has been approved. Continue to work with the Corps on getting 404 permit. |
| Recent Activity: | Several meetings were held with Corps to discuss Mitigaion plan. Draft agreements with Port of Brownsville were prepared. Continue to work on agreement |
| Upcoming Activity: | Respond to comments and Obtain permits. |
| Outstanding Issues: | |
| Design | |
| Status: | updated PS&E mitigation plans per requested changes to add fencing, more planting, signage, and other items. |
| Recent Activity: | Provide support during letting |
| Upcoming Activity: | Letting |
| Outstanding Issues: | |
| Other | |
| Status: | - |
| Recent Activity: | - |
| Upcoming Activity: | - |
| Outstanding Issues: | - |

| Task | Status | Date of Anticipated Completion | % Complete |
|---|----------------------------|--------------------------------|----------------|
| Environmental Assessment Doc. Preparation | Complete | complete | 100% |
| Wetland Delineation, Permitting and Mitigation (supplement 2) | Ongoing | end of February | 98% |
| Public Involvement | Complete | September | 100% |
| PS&E plans for TxDOT (supplement 3) | complete | complete | 100% |
| Re-evaluation of EA for mitigation property (supplement 3) | complete | complete | 100% |
| WA Amount: \$ 643,032.00 | Outstanding Invoice Number | Days Old | Invoice Amount |
| Billed To Date: \$ 559,893.08 | 48-40619-PL-015 | 14 | \$ 63,400.20 |
| Paid To Date: \$ 496,492.88 | | | |
| Unpaid Balance: \$ 63,400.20 | | | |
| Funding Source: County License Plate Fees | | | |
| | | Total: \$ | 63,400.20 |

February Status Report



| | |
|--------------------|------------------|
| Project | West Rail Design |
| Work Authorization | 16 |
| Supplemental | 1 |
| Supplemental | 2 |

| | |
|----------------|------------|
| WA Cost: \$ | 179,683.00 |
| SA Cost: \$ | 138,732.00 |
| SA Cost: \$ | 5,882.00 |
| Total Cost: \$ | 324,297.00 |

Description: This work authorization includes additional items to the scope of the West Rail Relocation project. The West Rail Relocation is a six-mile new rail section that moves the existing rail through Brownsville and Matamoros west of the cities. As part of this project, a new bridge across the border crosses the Rio Grande River. Coordination involves the County, TxDOT, UPRR, DHS, and utility owners.

Scope: Utility coordination and evaluation, siphon extension design and PS&E, DHS building site items, survey.

Deliverable: Utility estimates, design, and resolution; siphon extension plans, specifications, and estimates; utility hookups for DHS building; and stakes and survey data items.

Project Activity

Utility Coordination and Evaluation

| | |
|----------------------------|---|
| Status: | Ongoing |
| Recent Activity: | Coordination with TransMontaigne on estimate of pipeline design |
| Upcoming Activity: | Cameron County to discuss agreements with TransMontaigne; continued coordination with TransMontaigne; begin setting up other utility agreements |
| Outstanding Issues: | Unpaid invoices |

Siphon Extension Design

| | |
|----------------------------|------------------|
| Status: | Complete |
| Recent Activity: | Complete |
| Upcoming Activity: | letting in March |
| Outstanding Issues: | Unpaid invoices |

DHS Building Items

| | |
|----------------------------|------------------------------|
| Status: | complete |
| Recent Activity: | Complete |
| Upcoming Activity: | Prepare for letting in March |
| Outstanding Issues: | Unpaid invoices |

Supplement Items (design, noise, mitigation,)

| | |
|----------------------------|---|
| Status: | Awaiting USACE approval of mitigation plans |
| Recent Activity: | Changes to mitigation plan addressed. |
| Upcoming Activity: | Prepare for letting in March |
| Outstanding Issues: | Unpaid invoices |

| Task | Status | Date of Anticipated Completion | % Complete |
|--|---------|--------------------------------|------------|
| Project Management | Ongoing | TBD | 100% |
| Utility Coordination and Evaluation | Ongoing | TBD | 99% |
| Siphon Extension Design | Ongoing | TBD | 100% |
| DHS Building Items | Ongoing | TBD | 100% |
| Supplement items (design, noise, mitigation) | Ongoing | TBD | 100% |

| WA Amount: \$ | 324,297.00 | Outstanding Invoice Number | Days Old | Invoice Amount |
|----------------------------------|------------|----------------------------|----------|-------------------|
| Billed To Date: \$ | 321,522.36 | 38-40619-PL-016 | 276 | \$ 62,889.05 |
| Paid To Date: \$ | - | 39-40619-PL-016 | 259 | \$ 44,920.75 |
| Unpaid Balance: \$ | 321,522.36 | 40-40619-PL-016 | 224 | \$ 17,968.30 |
| | | 42-40619-PL-016 | 148 | \$ 50,311.24 |
| Total Accrued Interest \$ | 2,261.38 | 45-40619-PL-016 | 93 | \$ 86,013.84 |
| | | 46-40619-PL-016 | 77 | \$ 49,375.22 |
| Funding Source: | | 47-40619-PL-016 | 35 | \$ 5,705.54 |
| | | 48-40619-PL-016 | 14 | \$ 4,338.42 |
| Total: \$ | | | | 321,522.36 |

February Status Report

HNTB

Project South Padre Island Phase 3A

Work Authorization 17

Supplemental 1 Affected Env & Env Consequences

Supplemental

WA Cost: \$ 2,965,831.00

SA Cost: \$ 165,885.00

SA Cost: \$

Total Cost: \$ 3,131,716.00

Description: This Work Authorization provides engineering and environmental services associated with the development and advancement of the NEPA process for the proposed South Padre Island (SPI) 2nd Access Project in Cameron County, Texas. The proposed Project will provide important congestion relief for the Queen Isabella Memorial Causeway. The proposed SPI 2nd Access Project will also serve as a critical alternative evacuation route from the island in times of disaster, hurricanes, and other emergencies. The tasks associated with the Project will include the development of the necessary environmental documentation, corridor alternatives assessments, and related public involvement activities.

Scope: Prepare preliminary engineering, DEIS, Public Hearing, and FEIS

Deliverable: This Work Authorization continues remaining environmental and corridor alternatives assessment tasks necessary to advance the project to a selection of a Recommended Preferred Alternative and ultimately to a Record of Decision (ROD). After the selection of a Preferred Alternative a supplement for schematic design will be required.

Project Activity**Environmental**

Status: DEIS under review

Recent Activity: Ongoing conversations with Sea Grass experts on shading model. Obtain Right of Entry for Biological assessment for Piping Plover.

Upcoming Activity: DEIS will be revised/resubmitted upon receipt of comments; Biological Assessment and Archeologic survey to begin.

Outstanding Issues: Schedule slip due to delays in agency reviews

Status: Completed preliminary Engineering - awaiting supplement for Schematic development

Recent Activity: update cost estimates and schedule for recommended preferred alignment

Upcoming Activity: Prepare scope for Schematic Development. Continue coordination with Environmental.

Outstanding Issues: obtain approval of schematic scope and fee

Economic Study

Status: completed draft economic study submitted in December

Recent Activity: coordinate with DEIS

Upcoming Activity: Respond to comments

Outstanding Issues:

| Task | Status | Date of Anticipated Completion | % Complete |
|---|------------------------|--------------------------------|------------|
| Data Collection/Existing Conditional Analysis | complete | | 100% |
| Preliminary Engineering Services | on-going | | 98% |
| Geometric Layout (Schematic Plan) Development (SWA) | NA | NA | NA |
| Value Engineering Participation | NA | NA | NA |
| Traffic Volume Development | NA | NA | NA |
| Innovative Financing Support | NA | NA | NA |
| Traffic Operational Analysis | NA | NA | NA |
| Economic Study | complete | | 100% |
| Environmental Impact Statement | on-going | | 65% |
| Affected Environment and Environmental Consequences | on-going | | 65% |
| Public Involvement | Public hearing in 2010 | | 0% |
| Field Surveying (SWA) | NA | NA | NA |

| WA Amount: | \$ | 2,965,831.00 | Outstanding Invoice Number | Days Old | Invoice Amount |
|-------------------------|----|--------------|----------------------------|----------|-----------------|
| Billed To Date: | \$ | 2,023,060.61 | 38-40619-PL-017 | 276 | \$ 32,942.42 |
| Paid To Date: | \$ | 98,671.23 | 39-40619-PL-017 | 259 | \$ 65,884.84 |
| Unpaid Balance: | \$ | 1,924,389.38 | 40-40619-PL-017 | 224 | \$ 230,596.94 |
| | | | 41-40619-PL-017 | 193 | \$ 133,875.78 |
| Total Accrued Interest: | \$ | 10,835.20 | 42-40619-PL-017 | 148 | \$ 670,468.92 |
| Funding Source: | | | 43-40619-PL-017 | 130 | \$ 274,602.18 |
| | | | 44-40619-PL-017 | 105 | \$ 147,347.98 |
| | | | 46-40619-PL-017 | 77 | \$ 126,553.56 |
| | | | 47-40619-PL-017 | 35 | \$ 189,715.72 |
| | | | 48-40619-PL-017 | 14 | \$ 52,401.04 |
| Total: | | | | | \$ 1,924,389.38 |

February Status Report

HNTB

Project West Parkway Study - Public Involvement
 Work Authorization ☒ 18 _____
 Supplemental ☐ _____
 Supplemental ☐ _____

WA Cost: \$ 431,119.00
 SA Cost: \$ (43,928.00)
 SA Cost: _____
 Total Cost: \$ 387,191.00

Description: The West Parkway project is a proposed new location, four-lane controlled access expressway with interchanges and connections at strategic locations and grade separation structures for several crossing streets in Brownsville. The majority of the project alignment falls within or in the vicinity of the existing Union Pacific Railroad right-of-way. Negotiations are underway to relocate the railroad and donate the right-of-way to the county for the project.

Scope: The purpose of this task is to determine corridor issues and implement an informed consent process with community residents and business leaders impacted by the West Parkway project. This will be accomplished through the development of informational materials to be presented in newsletters and through the media as well as conducting neighborhood meetings, small focus group meetings, and most importantly, individual stakeholder meetings. Efforts will culminate in a second public meeting and a corridor outreach report to accompany and support the West Parkway EA findings and recommendation.

Deliverable: Updated project database; display ads; opinion editorial pieces; editorial board meeting; project newsletters; neighborhood meeting materials; neighborhood meetings summary memo; small group focus meeting materials; small group focus meetings memo; individual stakeholder meeting notes; public meeting materials; corridor issues outreach report

Project Activity

Public and Media Relations

Status: Complete
 Recent Activity: Task complete
 Upcoming Activity: Task complete
 Outstanding Issues: None to date

Corridor Issues Determination

Status: Complete
 Recent Activity: complete

Upcoming Activity: Complete
 Outstanding Issues:

Public Meeting

Status: Task complete
 Recent Activity: none - task complete
 Upcoming Activity: none - task complete
 Outstanding Issues:

| Task | Status | Date of Anticipated Completion | % Complete |
|-------------------------------|----------|--------------------------------|------------|
| Public and Media Relations | complete | 11/30/2009 | 100% |
| Corridor Issues Determination | complete | 11/30/2009 | 100% |
| Public Meeting | complete | 11/30/2009 | 100% |

| WA Amount: | \$ | 387,191.00 | Outstanding Invoice Number | Days Old | Invoice Amount |
|------------------------|----|------------|----------------------------|----------|----------------|
| Billed To Date: | \$ | 387,191.00 | 38-40619-PL-018 | 276 | \$ 6,182.06 |
| Paid To Date: | \$ | 18,111.33 | 39-40619-PL-018 | 259 | \$ 9,273.09 |
| Unpaid Balance: | \$ | 369,079.67 | 40-40619-PL-018 | 224 | \$ 30,910.30 |
| | | | 41-40619-PL-018 | 193 | \$ 56,605.10 |
| Total Accrued Interest | \$ | 1,927.27 | 42-40619-PL-018 | 148 | \$ 86,772.60 |
| | | | 43-40619-PL-018 | 130 | \$ 21,418.99 |
| | | | 44-40619-PL-018 | 105 | \$ 82,107.58 |
| | | | 46-40619-PL-018 | 77 | \$ 31,373.96 |
| | | | 47-40619-PL-018 | 35 | \$ 44,435.99 |
| Funding Source: | | | | | |
| Total: | | | | | \$ 369,079.67 |

HNTB

| | | |
|-------------|----|-----------|
| WA Cost: | \$ | 25,115.00 |
| SA Cost: | | |
| SA Cost: | | |
| Total Cost: | \$ | 25,115.00 |

Deliverable: Statement of Continuous Activity for FHWA review and approval

GEC Program Management

Outstanding Issues:

Outstanding Issues:

Outstanding Issues:

| | | | | |
|-----------------|--------------|----------------------------|----------|----------------|
| WA Amount: | \$ 25,115.00 | Outstanding Invoice Number | Days Old | Invoice Amount |
| Billed To Date: | \$ 24,927.81 | | | |
| Paid To Date: | \$ 24,927.81 | | | |
| Unpaid Balance: | \$ - | | | |
| | | | | |
| | | | | |
| Funding Source: | | | | |

Total: \$

February Status Report



| | | |
|--------------------|----|---|
| Project | | SH 550 Toll Implementation |
| Work Authorization | 21 | Port Spur Sign and Gantry design |
| Supplemental | 1 | Overpass change order, Toll imp, PI efforts |
| Supplemental | 2 | Development of ILA |

| | |
|----------------|------------|
| WA Cost: \$ | 63,369.00 |
| SA Cost: \$ | 304,561.00 |
| SA Cost: \$ | 224,425.00 |
| Total Cost: \$ | 592,355.00 |

Description: SH 550 is being designed and constructed by TxDOT. Currently the plans do not have Toll facilities included. To reduce the number of change orders and/or reconstruction in the area of gantry construction, TxDOT has agreed to incorporate gantry, signage and conduits into the plan set for letting in early 2010. Supplement 1 incorporates gantry plans into the existing TxDOT contract for the Overpass of FM 1847 which will be open in March, it also included procurement of the tolling for this overpass. Supplement 2 provides support for developing agreements with CTRMA and TTA on tolling initiation.

Scope: Develop gantry, signage, and conduit plans, specs, and estimates to insert into TxDOT PS&E set in time for letting. Supplement 1 added design of FM 1847 gantry and toll system implementation efforts. Supplement 2 added development of agreements.

Deliverable: PS&E for gantry, signage and conduits, Change order documents for FM 1847, Toll System implementation plans, tours of toll agencies, PI efforts in preparation for FM 1847 tolling. ILA for system integration, collections, and maintenance and support in setting up local CSS.

Project Activity

Toll Implementation

| | |
|----------------------------|--|
| Status: | ILA on System integraton was executed - coordination continues |
| Recent Activity: | Final ILA for system integration was executed. Started draft of operations/ collections ILA. Met with CTRMA, TTA, and county Staff in preparation for tolling and toll marketing |
| Upcoming Activity: | Complete operations/collections ILA with CTRMA. Instigate marketing plan and begin setting up sites for TxTAG distribution and customer service. |
| Outstanding Issues: | |

Design

| | |
|----------------------------|--|
| Status: | Gantry design for spur letting and overpass changeorder |
| Recent Activity: | AFA for change order was approved at Feb board meeting. Contractor has ordered supplies. |
| Upcoming Activity: | Coordinate with TxDOT on any final addendum and letting documents for SH 550 spur |
| Outstanding Issues: | |

Public Involvement

| | |
|----------------------------|--|
| Status: | Brochure for tolling and Frequently asked questions completed |
| Recent Activity: | Meetings with TTA on coordiantion with TxTag marketing. Finalized marketing plan |
| Upcoming Activity: | initiate marketing efforts |
| Outstanding Issues: | |

| Task | Status | Date of Anticipated Completion | % Complete |
|------------------------------------|----------|--------------------------------|------------|
| Gantry and Conduit design | complete | October | 100% |
| Signing Design | complete | October | 100% |
| Estimates | complete | October | 100% |
| Toll implementation Procurement | complete | December | 100% |
| Toll ILA development and oversight | ongoing | June | 40% |
| Public Involvement | ongoing | May | 50% |

| WA Amount: \$ | 592,355.00 | Outstanding Invoice Number | Days Old | Invoice Amount |
|------------------------|------------|----------------------------|----------|----------------|
| Billed To Date: \$ | 405,823.10 | 40-4061-PL-021 | 224 | \$ 5,069.52 |
| Paid To Date: \$ | - | 41-40619-PL-021 | 193 | \$ 46,893.06 |
| Unpaid Balance: \$ | 405,823.10 | 42-40619-PL-021 | 148 | \$ 36,340.62 |
| | | 43-40619-PL-021 | 130 | \$ 58,868.80 |
| Total Accured Interest | \$ 969.80 | 44-40619-PL-021 | 105 | \$ 36,793.00 |
| Funding Source: | | 46-40619-PL-021 | 77 | \$ 73,586.00 |
| | | 47-40619-PL-021 | 35 | \$ 73,586.00 |
| | | 48-40619-PL-021 | 14 | \$ 74,686.10 |
| Total: \$ | | | | 405,823.10 |

February Status Report

HNTB

Project TIGER Grant Application
 Work Authorization ☒ 22 _____
 Supplemental ☐ _____
 Supplemental ☐ _____

WA Cost: \$ 56,243.00
 SA Cost: _____
 SA Cost: _____
 Total Cost: \$ 56,243.00

Description: Based on the criteria identified by the DOT for applying for a Transportation Investment Generating Economic Recovery (TIGER) discretionary grant, it was decided by the CCRMA to submit an application for CCRMA's Railroad Relocation Projects including West Rail Relocation and North Rail switch yards.

Scope: CONSULTANT will prepare the TIGER grant application based on the requirements and guidance provided in the June 17 Federal Register Notice. CONSULTANT will develop the final formatting and graphical layout of the application prior to submittal.

Deliverable: The application will consist of a maximum of 25 pages and corresponding appendices, in keeping with the guidelines within the Federal Register Notice. The final application deliverable must be completed and submitted to FHWA by September 15, 2009. CONSULTANT will be responsible for developing the reproducible electronic email copy of the application required for submittal in the Federal Register Notice guidelines. CONSULTANT will also produce up to five (5) hard copies to provide to the AUTHORITY for their internal use and distribution.

Project Activity

Application development

Status: Completed application

Recent Activity: Completed application. Submitted on September 11.

Upcoming Activity: DOT selection by February 2010

Outstanding Issues:

Status:

Recent Activity:

Upcoming Activity:

Outstanding Issues:

Other

Status:

Recent Activity:

Upcoming Activity:

Outstanding Issues:

| Task | Status | Date of Anticipated Completion | % Complete |
|----------------------------|----------|--------------------------------|------------|
| Project Admin and meetings | complete | 9/15/2009 | 100% |
| Prepare nomination forms | complete | complete | 100% |
| Prepare application | complete | 9/11/2009 | 100% |
| | | | |
| | | | |

| WA Amount: | \$ | 56,243.00 | Outstanding Invoice Number | Days Old | Invoice Amount |
|-----------------|----|------------|----------------------------|----------|----------------|
| Billed To Date: | \$ | 56,243.00 | | | |
| Paid To Date: | \$ | 60,849.49 | | | |
| Unpaid Balance: | \$ | (4,606.49) | | | |
| | | | | | |
| | | | | | |
| Funding Source: | | | | | |
| Total: | | | | | \$ - |

February Status Report

HNTB

| | | |
|--------------------|----|-------------------------------|
| Project | | Olmito Switchyard PS&E |
| Work Authorization | 23 | Olmito Track and grading PS&E |
| Supplemental | 1 | Olmito RIP and Lighting PS&E |
| Supplemental | | |

| | | |
|-------------|----|------------|
| WA Cost: | \$ | 145,519.00 |
| SA Cost: | \$ | 183,763.00 |
| SA Cost: | | |
| Total Cost: | \$ | 329,282.00 |

Description: This Work Authorization is to provide plans, specifications, and estimates (PS&E) for the Union Pacific Railroad (UPRR) Olmito Yard expansion. The construction of these additional tracks will allow the UPRR to relocate their current yard operations from Harlingen to Olmito.

Scope: Design and preparation of PS&E for the Olmito Yard expansion, not including the repair-in-place (RIP) facility and lighting. This includes track, drainage, construction sequencing, SWPPP, bid package, specifications, quantities, construction estimate, and schedule. Supplement includes the RIP facility and Lighting PS&E (separate PS&E letting Package)

Deliverable: Olmito Switchyard PS&E package, including mylar sheets, bid package, estimate, and construction schedule.

Project Activity

Olmito Switchyard PS&E

| | |
|----------------------------|--|
| Status: | Yard Bid Package being prepared for advertisement. RIP: at 45% |
| Recent Activity: | Yard: Obtained approval for advertisement and preparing Bid Package. RIP: submitted 30% and starting to receive comments as progress continues for the 60% submittal. |
| Upcoming Activity: | Yard: advertise Bid Package. RIP: geotechnical borings and survey work to begin, 60% submittal. Prepare Supplemental for Construction Inspection and a Supplemental for permits, off-site utilities, and north access road |
| Outstanding Issues: | N/A |

| Task | Status | Anticipated Completion | % Complete |
|--|------------------|------------------------|------------|
| Olmito Switchyard PS&E | | | |
| Coordination with County, UPRR, and TxDOT | Ongoing | TBD | 90% |
| Coordination of Field Survey | Complete | Complete | 100% |
| Project Control Plans | Complete | Complete | 100% |
| Railroad Track Plans and Profiles | Complete | Complete | 100% |
| Construction Sequencing | Complete | Complete | 100% |
| Drainage Plans and Profiles | Complete | Complete | 100% |
| SWPPP | Complete | Complete | 100% |
| Bid Package, Specifications, Quantities, and Estimates | peparing package | 2/25/2010 | 99% |
| Pre-bid Conference and Requests for Information | Not Started | march | 0% |
| Field Surveys | Complete | Complete | 100% |

Olmito RIP PS&E

| | | | |
|--|-------------|--|------|
| Coordination with County and UPRR | Ongoing | | 70% |
| Coordination of Geotechnical Borings | Complete | | 100% |
| Project Control Plans | Ongoing | | 95% |
| Railroad Track Plans and Profiles | Ongoing | | 95% |
| Construction Sequencing | Ongoing | | 30% |
| Drainage Plans and Profiles | Ongoing | | 80% |
| SWPPP | Ongoing | | 40% |
| RIP Facility Building, Crew Modular Building, and Structural Plans | Ongoing | | 20% |
| RIP Facility and Crew Modular Mechanical and Plumbing Plans | Ongoing | | 60% |
| Power and Lighting Plans | Ongoing | | 15% |
| Bid Package, Specifications, Quantities, and Estimates | Not Started | | 0% |
| Pre-bid Conference and Requests for Information | Not Started | | 0% |
| Geotechnical Studies | Not Started | | 0% |
| Field Surveys (Olmito Yard) | Complete | | 100% |
| Field Surveys (UPRR/RVSC Harlingen Yard) | Not Started | | 0% |

| | | | | | |
|------------------------|----|------------|-----------------------------------|-----------------|-----------------------|
| WA Amount: | \$ | 329,282.00 | Outstanding Invoice Number | Days Old | Invoice Amount |
| Billed To Date: | \$ | 177,906.03 | 48-40619-DS-023 | 14 | \$ 36,752.60 |
| Paid To Date: | \$ | 141,153.43 | | | |
| Unpaid Balance: | \$ | 36,752.60 | | | |
| | | | | | |
| | | | | | |
| Funding Source: | | | | | |
| Total: | | | | | \$ 36,752.60 |

February Status Report

HNTB

Project SH 550 PS&E
 Work Authorization ☒ 24 PS&E Phase 1
 Supplemental ☐
 Supplemental ☐

WA Cost: \$ 39,243.00
 SA Cost:
 SA Cost:
 Total Cost: \$ 39,243.00

Description: This Work Authorization provides engineering services associated with the development of plans, specifications, and estimates for the SH 550

Scope: This Work Authorization provides engineering services associated with the development of plans, specifications, and estimates for the SH 550. Phase 1 is the initial scoping efforts. Phase 2 will include survey, geotech, design, specifications, and estimates.

Deliverable: Phase 1: general exhibit of limits of design, typical section, preliminary cost estimate, determination of Geotechnical needs
 Phase 2: Survey, geotechnical, Final Plans, Specifications, and Estimates

Project Activity

| | | |
|----------------------------|---|---------------------|
| Design | Status: | Initiated Phase 1 - |
| Recent Activity: | Collected data, conducted field reviews and set up sheets | |
| Upcoming Activity: | Complete exhibits and cost estimate, conduct meeting with CCRMA and TxDOT to go over Design summary report; submit scope and fee to complete PS&E | |
| Outstanding Issues: | N/A | |

| Task | | Status | Anticipated Completion | % Complete |
|------------------------|--------------|-----------------------------------|------------------------|-----------------------|
| Design | | | | |
| Phase 1 effort | | ongoing | March | 5% |
| General Administration | | na | | 0% |
| survey | | na | | 0% |
| Geotechnical Studies | | na | | 0% |
| 30% plans | | na | | 0% |
| 65% plans | | na | | 0% |
| 90% plans | | na | | 0% |
| letting documents | | na | | 0% |
| WA Amount: | \$ 39,243.00 | Outstanding Invoice Number | Days Old | Invoice Amount |
| Billed To Date: | \$ - | | | |
| Paid To Date: | \$ - | | | |
| Unpaid Balance: | \$ - | | | |
| | | | | |
| | | | | |
| Funding Source: | | | | |
| Total: | | | | \$ - |

February Status Report

HNTB

Project Port Entrance Road
 Work Authorization ☒ 25 PS&E development and letting support
 Supplemental ☐ _____
 Supplemental ☐ _____

WA Cost: \$ 157,214.00

SA Cost: _____

SA Cost: _____

Total Cost: \$ 157,214.00

Description: This Work Authorization provides engineering services associated with the development of plans, specifications, and estimates for the construction of a new access drive from SH 48 into the Port of Brownsville. The CCRMA will construct the new \$2.5 M entrance into the Port of Brownsville in exchange for the donation of the SH 550 Port Spur ROW. TxDOT had initiated design of this entrance road but

Scope: This Work Authorization provides engineering services associated with the development of plans, specifications, and estimates for the construction of a new access drive from SH 48 into the Port of Brownsville. The CCRMA will construct the new \$2.5 M entrance into the Port of Brownsville in exchange for the donation of the SH 550 Port Spur ROW. TxDOT had initiated design of this entrance road but stopped design at an approximately 60% level of completion. The GEC has obtained TxDOT design files and will utilize them to complete a PS&E package for CCRMA letting in March.

Deliverable: Pre-Final Plans, Specifications, and Estimates. Final Plans, Specifications, and Estimates with CCRMA comments addressed, ten (10 copies and one (1) PDF on CD. Issued for Construction plans, including incorporate Agenda, as needed.

Project Activity

Port entrance Road

Status: 90% plans submitted to CCRMA and Port of Brownsville for review.

Recent Activity:

- Met with Port of Brownsville on January 29 to submit plans and coordinate design issues.
- Performed site visit and photo reconnaissance on January 29.
- Met with Rio Grande Railroad company to discuss crossing issues

Upcoming Activity:

- Complete utility design and coordination - supplemental work
- Finalize draft contract documents for the letting and construction for CCRMA review.

Outstanding Issues: N/A

| Task | | Status | Anticipated | % Complete |
|--|---------------|----------------------------|-------------|----------------|
| Port Entrance Road | | | | |
| Project Management and Coordination | | Ongoing | | 10% |
| General Administration | | Ongoing | | 10% |
| Review Roadway Design Criteria | | Ongoing | | 95% |
| Cost Estimate and Specifications | | Ongoing | | 90% |
| Plans | | Ongoing | | 90% |
| Bid Package Items | | Ongoing | | 60% |
| Prepare for and Host Pre-Bid Meeting | | | | 0% |
| Receive Bids and Host Bid Opening | | | | 0% |
| Certify Bids | | | | 0% |
| Contract Execution to Awarded Contractor | | | | 0% |
| WA Amount: | \$ 157,214.00 | Outstanding Invoice Number | Days Old | Invoice Amount |
| Billed To Date: | \$ 70,746.30 | 48-40619-DS-025 | 21 | \$ 70,746.30 |
| Paid To Date: | \$ - | | | |
| Unpaid Balance: | \$ 70,746.30 | | | |
| | | | | |
| | | | | |
| Funding Source: | | | | |
| Total: | | | | \$ 70,746.30 |

**VII. CONSIDERATION AND APPROVAL OF
MEMORANDUM OF UNDERSTANDING BETWEEN
CAMERON COUNTY REGIONAL MOBILITY
AUTHORITY AND TRANSMONTAIGNE
TERMINALING, INC., FOR THE WEST RAIL PROJECT**

MEMORANDUM OF UNDERSTANDING

**AN AGREEMENT FOR COMPLETION OF THE
WEST RAIL RELOCATION PROJECT IN CAMERON COUNTY, TEXAS**

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) made and entered into as of this the ____ day of _____ 2010, by and between the **CAMERON COUNTY REGIONAL MOBILITY AUTHORITY** (the “**CCRMA**”) and **TRANSMONTAIGNE TERMINALING, INC.** (“**TRANSMONTAIGNE**”).;

WITNESSETH:

WHEREAS, **TRANSMONTAIGNE** is the owner of certain pipelines and related easements in Cameron County, Texas, and said easements are held by **TRANSMONTAIGNE** for the purpose of constructing, operating, maintaining, repairing, relocating, and removing said pipelines (the “Existing Pipelines”); and

WHEREAS, the Existing Pipelines and the Easements are located on real property owned or to be acquired by **CCRMA**; and

WHEREAS, **CCRMA** as fee simple owner of said real property subject to the Easement, desires to utilize a portion of the real property over which the Existing Pipelines are located for the purpose of installing, operating, maintaining, and removing certain railroad improvements for the construction of the West Rail Relocation Project (the “Project”). A true and correct legal description of the real property subject to the Easement is attached hereto and incorporated by reference as Exhibit “B” (the “Property”); and

WHEREAS, completing the Project requires **TRANSMONTAIGNE** and **CCRMA** to relocate the Pipelines in one location, and to adjust the pipelines in four other locations; and

WHEREAS, **CCRMA** has agreed to pay, out of the Project, **TRANSMONTAIGNE’s** actual cost of relocating and/or adjusting the pipelines; and

WHEREAS, the parties wish to memorialize their understanding as of the date of this document, to allow **TRANSMONTAIGNE** to complete engineering plans and to provide for the orderly progress of the Project.

NOW, THEREFORE, the parties hereto have agreed and do hereby agree as follows:

—ATTORNEY/CLIENT PRIVILEGED AND CONFIDENTIAL DRAFT—
EXEMPT FROM DISCLOSURE PURSUANT TO §§ 552.105 AND 552.111
OF THE TEXAS PUBLIC INFORMATION ACT

1. **Engineering.** Upon execution of this MOU, **TRANSMONTAIGNE** shall be authorized to obtain any and all necessary engineering services, including final design and cost estimates, for relocating and/or adjusting the pipelines, in anticipation of completing the Project. **CCRMA** shall reimburse **TRANSMONTAIGNE** its actual cost of engineering services, in an amount not to exceed \$40,000.00.
2. **Pipeline Relocation Agreement.** **TRANSMONTAIGNE** and the **CCRMA** shall enter into a Pipeline Relocation Agreement, which will govern **TRANSMONTAIGNE's** relocation of its pipelines in those areas where it is operationally unfeasible to have the pipelines occupy the same location as the Project.
3. **Joint Use Agreement.** The **CCRMA** and **TRANSMONTAIGNE** shall enter into a Joint Use Agreement, which will govern the adjustment of **TRANSMONTAIGNE's** pipelines in those areas where the Project and the pipelines can occupy a joint location, and will also describe the respective rights and obligations under the Project on the Property.
4. **Project Schedule.** In order to complete the project in a timely manner, the parties agree to use their best efforts to meet the following schedule:
 - a. April 1 2010 – receive estimate of construction costs;
 - b. May 1 2010 – Approval of engineering by all parties;
 - c. June 1 2010 – Bidding and letting;
 - d. July 1 2010 – Notice to proceed for Construction
5. **Further Documentation.** While this MOU does not constitute a full and final agreement between the parties, each party recognizes that the other party intends to rely on this document in incurring expenses and making decisions in furtherance of the Project. Therefore, the parties agree to act in good faith to negotiate and execute the Relocation Agreement, Joint Use Agreement, and other necessary documents to complete the Project. However, nothing in this MOU authorizes **TRANSMONTAIGNE** to incur any expense for which it expects to be reimbursed by **CCRMA**, other than the engineering services described in Paragraph 1 above, without execution of the Joint Use or Relocation Agreements, or unless otherwise authorized in writing by **CCRMA**.

—ATTORNEY/CLIENT PRIVILEGED AND CONFIDENTIAL DRAFT—
EXEMPT FROM DISCLOSURE PURSUANT TO §§ 552.105 AND 552.111
OF THE TEXAS PUBLIC INFORMATION ACT

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be executed by their officer, thereunto duly authorized, as of the day and year first herein written.

CAMERON COUNTY REGIONAL
MOBILITY AUTHORITY

TRANSMONTAIGNE TERMINALING, INC.



David E. Allex, Chairman

By: _____

Attested by: _____


Secretary

Date: March 4, 2010

Acknowledgement

STATE OF TEXAS §
 §
COUNTY OF CAMERON §

This instrument was acknowledged before me on this _____ day of _____ 2010, by DAVID E. ALLEX in his capacity as Chairman of the **CAMERON COUNTY REGIONAL MOBILITY AUTHORITY** and on behalf of said Authority.

Notary Public in and for the State of Texas

STATE OF TEXAS §
 §
COUNTY OF CAMERON §

This instrument was acknowledged before me on the _____ day of _____ 2010, by _____, in his/her capacity as _____ of the **TRANSMONTAIGNE TERMINALING, INC.** and on behalf of said Authority.

Notary Public in and for the State of Texas

**VIII. CONSIDERATION AND APPROVAL OF
SUPPLEMENTAL WORK AUTHORIZATION NO. 2 TO
WORK AUTHORIZATION NO. 23 FOR OLMITO
SWITCHYARD PROJECT**

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY
General Engineering Consultant Services

SUPPLEMENTAL WORK AUTHORIZATION NO. 2
TO WORK AUTHORIZATION NO. 23
UPRR Olmito Yard PS&E

This Supplemental Work Authorization No. 2 to Work Authorization No. 23 is made pursuant to the terms and conditions of the Base Contract, effective February 16, 2006, hereinafter identified as the "Agreement", entered into by and between Cameron County Regional Mobility Authority (the "AUTHORITY"), and HNTB Corporation (the "CONSULTANT").

Part 1. The CONSULTANT will provide the following engineering services:

The responsibilities of the CONSULTANT are amended to include the efforts detailed in Exhibit B.

Part 2. The Lump Sum amount payable for services performed under this Supplemental Work Authorization No. 2 to Work Authorization No. 23 is **\$41,632.00**, which increases the total amount payable from \$329,282.00 to \$370,914.00. A fee schedule used to establish the amount payable is attached hereto as Exhibit D. The CONSULTANT may alter the compensation distribution between individual phases, tasks or work assignments to be consistent with the services actually rendered, within the total lump sum amount.

The lump sum includes compensation for the services, subconsultant costs, if any, and appropriate factors for labor, overhead, profit and reimbursable expenses.

Although the CONSULTANT recognizes and accepts the ordinary risks and/or benefits of a lump sum fee structure, the parties agree to negotiate adjustment of the lump sum amount if there has been, or is to be, a material change in the: (a) scope, complexity or character of the services or the project; (b) conditions under which the services are required to be performed; or (c) duration of the services, if a change in the schedule warrants such adjustment in accordance with the terms of this Agreement.

Part 3. Payment to the CONSULTANT for the services is not amended with this supplement.

Supplemental Work Authorization No. 2
Work Authorization No. 23

Part 4. This Supplemental Work Authorization No. 2 to Work Authorization No. 23 is effective as of February 19, 2010 and shall extend the termination date from March 15, 2010 to August 31, 2010, unless extended by a Supplemental Work Authorization.

Part 5. This Supplemental Work Authorization No. 2 to Work Authorization No. 23 does not waive the parties' responsibilities and obligations provided under the Agreement.

CONSULTANT
HNTB Corporation

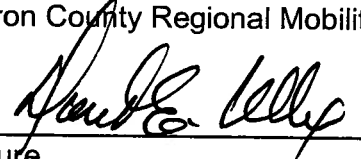
By: 
Signature

Richard L. Ridings, P.E.
Printed Name

Vice President
Title

3/4/10
Date

AUTHORITY:
Cameron County Regional Mobility Authority

By: 
Signature

David E. Allex
Printed Name

Chairman
Title

3/4/10
Date

LIST OF EXHIBITS

- Exhibit B - Services to be Provided by the Consultant
- Exhibit C - Work Schedule
- Exhibit D - Fee Schedule

**X. CONSIDERATION AND APPROVAL OF WORK
AUTHORIZATION NO. 26 FOR THE GENERAL
BRANDT PROJECT**

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY
General Engineering Consultant Services

WORK AUTHORIZATION NO. 26
General Brant

This Work Authorization No. 26 is made pursuant to the terms and conditions of the Base Contract, effective February 16, 2006, hereinafter identified as the "Agreement", entered into by and between Cameron County Regional Mobility Authority (the "AUTHORITY"), and HNTB Corporation (the "CONSULTANT").

Part 1. The CONSULTANT will provide the following engineering services:

Support the AUTHORITY in the preparation of a categorical exclusion and processing of a Section 404 permit (including development of a conceptual mitigation plan). The responsibilities of the AUTHORITY, the CONSULTANT and the schedule are further detailed in Exhibits A, B, and C.

Part 2. Without modification, the amount payable for services performed under this Lump Sum Work Authorization No. 26 is **\$208,639.00**. A fee schedule used to establish the amount payable is attached hereto as Exhibit D. The CONSULTANT may alter the compensation distribution between individual phases, tasks or work assignments to be consistent with the services actually rendered, within the total lump sum amount.

The lump sum includes compensation for the services, subconsultant costs, if any, and appropriate factors for labor, overhead, profit and reimbursable expenses.

Although the CONSULTANT recognizes and accepts the ordinary risks and/or benefits of a lump sum fee structure, the parties agree to negotiate adjustment of the lump sum amount if there has been, or is to be, a material change in the: (a) scope, complexity or character of the services or the project; (b) conditions under which the services are required to be performed; or (c) duration of the services, if a change in the schedule warrants such adjustment in accordance with the terms of this Agreement.

Part 3. Payment to the CONSULTANT for the services established under this Work Authorization No. 26 shall be made in accordance with the Agreement.

Part 4. This Work Authorization No. 26 is effective as of February 16, 2010 and shall terminate March 1, 2011, unless extended by a Supplemental Work Authorization.

Part 5. This Work Authorization No. 26 does not waive the parties' responsibilities and obligations provided under the Agreement.

Part 6. This Work Authorization No. 26 is hereby accepted and acknowledged below.

CONSULTANT
HNTB Corporation

By: 
Signature

Richard L Ridings, P.E
Printed Name

Vice President
Title

3/4/10
Date

AUTHORITY:
Cameron County Regional Mobility Authority

By: 
Signature

David E. Allex
Printed Name

Chairman
Title

3/4/10
Date

LIST OF EXHIBITS

- Exhibit A - Services to be Provided by the Authority
- Exhibit B - Services to be Provided by the Consultant
- Exhibit C - Work Schedule
- Exhibit D - Fee Schedule

**XII. CONSIDERATION AND APPROVAL OF PROJECT
DEVELOPMENT AGREEMENT BETWEEN THE
CAMERON COUNTY REGIONAL MOBILITY
AUTHORITY AND THE TEXAS DEPARTMENT OF
TRANSPORTATION REGARDING THE SH 550
PROJECT**

STATE OF TEXAS §

COUNTY OF CAMERON §

**SH 550 TOLL
PROJECT DEVELOPMENT AGREEMENT
For a Project Partially Funded by the
American Recovery and Reinvestment Act of 2009 Project
On-System**

THIS AGREEMENT, by and between the **TEXAS DEPARTMENT OF TRANSPORTATION**, an agency of the State of Texas, as authorized by the Texas Transportation Commission, hereinafter identified as "TxDOT," and the **CAMERON COUNTY REGIONAL MOBILITY AUTHORITY**, a political subdivision of the State of Texas, hereinafter identified as the "Authority," is executed to be effective this _____ day of _____, 2010.

WITNESSETH

WHEREAS, on June 27, 2004, Cameron County (the "County") petitioned the Texas Transportation Commission (the "Commission") for authorization to form the Cameron County Regional Mobility Authority pursuant to provisions of the Texas Transportation Code; and

WHEREAS, in Minute Order No. 109788 adopted by the Commission on September 30, 2004, the Commission authorized the creation of the Authority; and

WHEREAS, the Authority now operates pursuant to Chapter 370 of the Texas Transportation Code (the "RMA Act") and 43 TEX. ADMIN. CODE §26.01 *et seq.* (the "RMA Rules"), as well as its own policies and procedures; and

WHEREAS, the Authority is charged with funding and developing transportation projects throughout the region to provide innovative transportation solutions, promote economic development, and improve the quality of life for residents of the region; and

WHEREAS, TxDOT and the Authority have been cooperatively developing Phase 1 of the SH 550 project, comprised of: **Segment 1**, being a toll facility from approximately 1.1 miles west of FM 1847 to approximately 0.7 miles east of FM 1847 and consisting of two tolled lanes in each direction and crossing the Union Pacific Railroad tracks and FM 1847; **Segment 2**, being a toll facility 1.060 miles in length and consisting of one tolled lane in each direction extending 0.7 miles north of FM 3248 to the vicinity of Old Port Isabel Road; and **Segment 3**, being a toll facility extending from the vicinity of Old Port Isabel Road to SH 48 at the Port of Brownsville entrance, extending approximately 2.866 miles and consisting of one tolled lane in each direction, all of which are depicted on Attachment

“A” (for purposes of this Agreement, the term “Project” will refer to all 3 segments of Phase 1 unless otherwise indicated); and

WHEREAS, the Project forms the initial phase of the “**Ultimate Configuration**” of SH 550, comprised of two additional phases which, when completed, will consist of three tolled lanes in each direction, and two-lane nontolled frontage roads providing access to adjacent properties where appropriate, over a length of approximately 9.6 miles and terminating at SH 48 at the Port of Brownsville on the east and US 77/83 on the west; grade separated interchanges at SH 48, FM 3248, FM 1847, Old Port Isabel Road and Old Alice Road, as well as grade separations at all intersecting railroads; fully directional southbound to eastbound and westbound to northbound direct connections with US 77/83; and tolling equipment and facilities for electronic toll collection; and

WHEREAS, TxDOT is funding the design, construction and supervision of work in connection with FM 511 that is necessary to enable the implementation of the Project; and

WHEREAS, the Commission adopted Minute Order 111504 dated August 28, 2008, ordering that the segment of FM 511 from US 77 / US 83 to Old Port Isabel Road be re-designated as State Highway 550, and a new location roadway be constructed as State Highway 550, from Old Port Isabel Road to the proposed Port of Brownsville entrance, a distance of approximately 2.866 miles; and

WHEREAS, in Minute Order No. 112079 adopted by the Commission on December 17, 2009, the Commission designated the addition of tolled mainlanes on SH 550 from US 77/83 to SH 48 as a toll project on the state highway system pursuant to Section 228.051 of the Texas Transportation Code; and

WHEREAS, a formal waiver of development of a market valuation for the Project pursuant to Section 228.0111(f-1) of Senate Bill 792 (“SB 792”) enacted by the 80th Texas Legislature was implemented by execution of a market valuation waiver agreement between TxDOT and the Authority dated September 9, 2009, and

WHEREAS, under the terms of the market valuation waiver agreement, the Authority agreed to present certain policies related to the terms and conditions for the development, construction, and operation of a toll project to the Brownsville Metropolitan Planning Organization (the “MPO”) for its consideration pursuant to Section 228.011(g); and

WHEREAS, the terms and conditions were approved by the MPO on September 23, 2009, enabling the Authority to formally consider its option to develop the Project as provided by Section 228.0111(g), and

WHEREAS, on September 23, 2009 the Authority took appropriate action as required by Section 228.0111(g) and exercised the first option to develop, finance, construct, and operate the Project as a toll project under the terms and conditions approved by the MPO; and

WHEREAS, on February 4, 2010, TxDOT and the Authority executed an amended market

valuation waiver agreement to reflect that the market valuation covered the entirety of Ultimate Configuration and which includes amended terms and conditions (the "Terms and Conditions") reflecting the expanded scope of the limits covered by the market valuation waiver agreement; and

WHEREAS, on February 10, 2010, the MPO approved the Terms and Conditions as amended by the amended market valuation agreement, such amended Terms and Conditions included herewith as Attachment "B"; and

WHEREAS, on February 16, 2010, the Authority took appropriate action as required by Section 228.0111(g) to exercise the Authority's option to develop, finance, construct, and operate the Ultimate Configuration under the Terms and Conditions as a project on the state highway system; and

WHEREAS, federal law establishes federally funded programs for transportation improvements to implement its public purposes; and

WHEREAS, the Texas Transportation Code, Sections 201.103 and 222.052 establish that TxDOT shall design, construct and operate a system of highways in cooperation with local governments; and

WHEREAS, the Commission adopted Minute Order 111808 dated May 28, 2009, authorizing TxDOT to proceed with development and contract award for various highway improvement projects, including the construction of the improvements comprising Segments 2 and 3 of Phase 1 of the SH 550 project, and to commit to this work \$36,492,200 of funding made available under the provisions of the American Recovery and Reinvestment Act of 2009 ("ARRA"); and,

WHEREAS, because the ARRA funding is being used for the costs of a toll facility, the provisions of Section 222.103, Transportation Code and 43 TAC §§27.50-27.58 (the "toll equity provisions") apply, and pursuant to the requirements of the toll equity provisions, the Authority submitted a request for financing in support of the construction of the Project; and

WHEREAS, in Minute Order Nos. 112080 and 112119, adopted by the Commission on December 17, 2009 and January 28, 2010, respectively, the Commission granted preliminary and final approval of the request for financing in the amount of \$36,492,200, in the form of a grant, for payment of the costs of constructing the Project; and

WHEREAS, in Minute Order No. 112013 dated October 29, 2009, the Commission authorized the Authority to make improvements to the state highway system in connection with a project on SH 550, and authorized the Executive Director to enter into a project development agreement with the CCRMA; and

WHEREAS, in Minute Order No. 112158, dated February 25, 2010, the Commission extended the limits of SH 550 as previously delineated in Minute Order No 112013, and authorized the Executive Director to enter into a project development agreement with the Authority for the Ultimate Configuration of the Project; and

WHEREAS, prior to or at such time that the Ultimate Configuration is completed it is anticipated that the Authority will own the rights to the toll revenue collected on the Project and the Ultimate Configuration unless otherwise set forth in this Agreement, and will maintain and operate the tolled lanes and related facilities; and TxDOT will own, maintain and operate the non-tolled frontage roads and will own the right-of-way upon which the tolled lanes and nontolled lanes are located, and the parties anticipate taking such actions as are required to transfer ownership of facilities and property as necessary to achieve the relative ownership of revenues, facilities and property as provided for above; and

WHEREAS, should conditions warrant, the parties reserve the right to amend this agreement in the future to consider taking the Project off of the state highway system and transferring the right-of-way and subsequent facilities to the Authority; and

WHEREAS, the Authority's Board of Directors has previously expressed support for improving US 77 to interstate standards (the "I-69 Project"), and it is the Authority's intent to consider utilizing, to the extent legally permissible, a portion of excess revenues from the Project to support the future I-69 Project; and

WHEREAS, this Agreement is necessary and desirable to clarify the relationships between TxDOT and the Authority in connection with the development, design, construction, operation and maintenance of the Project and, eventually, the Ultimate Configuration, as well as for the utilization of the ARRA funding for payment of a portion of the Project's construction costs.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements of the parties hereto, to be by them respectively kept and performed as hereinafter set forth, it is agreed as follows:

DEFINITIONS

Final Acceptance shall occur when the requirements for Substantial Completion have been satisfied, all Punch List items have been performed to the reasonable satisfaction of the Authority, design documents and final construction plans are made available to the Authority, and all necessary governmental approvals, including FHWA approval of Final Acceptance, have been obtained.

Existing Configuration means the configuration of roads in the vicinity of the Project following

completion of an existing project, currently underway with the following components:

CSJ 0684-01-046 grading, structures and surfacing work extending 7.34 miles from US 77 / 83 to FM 3248, with a contract amount of \$32,444,671;

CSJ 0684-01-057 grading, base, structures work extending 0.42 miles at UPRR west of FM 1847, with a contract amount of \$4,578,394; and

CSJ 0684-01-063 grading, structures and surfacing work extending 1.96 miles from 0.87 miles east of FM 3248 to SH 48, with a contract amount of \$7,127,346 (this component of the existing project consists of a roadway that remains as FM 511. It is not intended to be tolled and will not be maintained or operated by the Authority).

On completion of the above construction projects, the Existing Configuration will include:

a) toll lanes from approximately 1.1 miles west of FM 1847 to approximately 0.7 miles east of FM 1847 including an overpass at the Union Pacific Railroad west of FM 1847 and an overpass at FM 1847; and

b) widening of the existing roadway (FM 511) to four lanes between US 77/83 and SH 48 that will, on its completion, convert an existing two lane facility into a divided four lane facility with a wide median that is designed to accommodate the toll lanes that are included in the Ultimate Configuration.

The Existing Configuration is anticipated to be complete in 2010.

Project Budget shall be as described on Attachment "C" attached hereto for all purposes.

Punch List shall mean the list of Development Work which remains to be completed after Substantial Completion has been achieved and before Final Acceptance, and shall be limited to items of the Development Work that are necessary to correct minor imperfections and deviations from the requirements of any contract documents, governmental approvals, applicable law and design documents, the existence, correction, and completion of which will have no material or adverse effect on the normal and safe use and operation of the Project.

Substantially Complete and **Substantial Completion** shall mean that a segment of roadway may be used for its intended purpose; no defects or incomplete work remains which would materially interfere with, or adversely affect, the use, safety, or operability of the roadway; the segment may be operated without damage to the Project or any property within or adjacent to the Project right-of-way; all necessary traffic control devices are installed and operational; the traffic lanes are striped; and all safety appurtenances necessary for safe operation are installed.

Ultimate Configuration shall have the definition provided in the recitals above.

SECTIONS

1. Period of the Agreement

This Agreement becomes effective when signed by the last party whose signing makes the Agreement fully executed. This Agreement shall remain in effect until all of the obligations of TxDOT and the Authority have been accomplished or unless terminated as provided below.

2. Assignment of Design and Construction Responsibilities; Project Transfer

The Authority has elected to assign the design and construction responsibilities for the Project to TxDOT, subject to the terms of this Agreement. Following construction TxDOT shall transfer the tolled facilities to the Authority pursuant to Sections 228.0111 and 228.151-154, Transportation Code, as applicable. The right-of-way upon which the tolled facilities are located will not be transferred and will be owned by TxDOT, provided that the Authority shall own the rights to the toll revenue and have the right to operate the tolled facilities on such right-of-way at no cost. The Project and the Ultimate Configuration shall remain on the state highway system. However, should conditions warrant, the parties reserve the right to amend this agreement in the future to consider taking the project off of the state highway system and transferring the right-of-way and subsequent facilities to the Authority.

3. Obligations of the Authority under this Agreement

The Authority's obligations under this Agreement are as follows:

- a) Procure toll collection equipment and transaction processing services, and oversee installation and implementation of same;
- b) Operate and maintain, or cause to be operated and maintained, the tolled lanes associated with the Project and the Ultimate Configuration;
- c) Ensure all activities performed by the Authority under this Agreement meet all applicable state and federal laws, policies, and rules, including the toll equity provisions;
- d) Apply revenues from the Project according to the requirements of the agreement by and between the Authority, TxDOT, and the Federal Highway Administration ("FHWA") pursuant to Section 129(a)(1) of Title 23, United States Code, as amended;
- e) Secure such additional funding as is necessary to pay for such items as are identified in the Project Budget as well as any cost overruns and change orders approved by the Authority;
- f) Secure and pay for the costs of the Phase 1, Segment 2 and 3 construction management, inspection, material sampling, and material testing services to be performed by TxDOT in accordance with Attachment "C";
- g) Provide TxDOT with the reports required by the ARRA, provided that TxDOT shall assist, to the extent necessary, in the preparation of such reports;

- h) The design, construction, financing and operation of the tolled facilities needed to complete Phases 2 and 3 of the Ultimate Configuration and
- i) The selection of consultants, financial advisors, legal counsel, underwriters and others necessary to secure project financing and for ongoing operations and maintenance of the tolled facilities.

4. Obligations of TxDOT under this Agreement

- a) Responsibility for development, design, and construction of the Project (Phase 1, Segments 1, 2, and 3) has been assigned to TxDOT. TxDOT acknowledges and fully accepts its responsibility for the development, design, and construction of the Project. In connection therewith, as well as in connection with ongoing operations of the Project, TxDOT's obligations under this Agreement include:
- 1) The design of the Project and all features thereof, subject to coordination with the Authority, particularly as it relates to the design and installation of toll collection facilities and equipment, except as otherwise set forward in section 3 (a) above;
 - 2) The selection of construction managers, engineers, architects, surveyors, testing engineers and laboratories, inspecting engineers, geotechnical engineers and scientists, suppliers, contractors, subcontractors, vendors, sureties, and other parties retained in connection with the design or construction of the Project;
 - 3) The commencement, sequencing, and timing of design and construction activities and other work;
 - 4) The acceptance or rejection of work or other deliverables performed under any design or construction contract;
 - 5) The procurement of all contracts necessary for TxDOT to meet its obligations to develop and construct the Project;
 - 6) Ensuring that all environmental permits, issues, and commitments are adhered to in the Project design;
 - 7) Addressing change orders for potential environmental impacts and obtaining any necessary environmental permits, issues, and commitments for such change orders;
 - 8) Ensuring that all project design and construction meet applicable state and federal laws and regulations and that construction plans are signed, sealed and dated by a professional engineer licensed in the State of Texas;
 - 9) Securing construction inspection and materials testing services as necessary to assure contractor compliance with design and construction standards,
 - 10) Carrying out all utility relocations and adjustments, provided that the rules and regulations regarding utility relocations, payments to utilities, and other issues governing utility relocations shall be those applicable to TxDOT; and provided that TxDOT, as the ultimate owner of the

right-of-way upon which the Project will be located, shall take such actions as are required to assure that its rules and regulations apply to utility relocation activities; but further provided that the Authority shall, pay the costs of utility relocations and adjustments as part of the cost of construction; and

11) Transferring the Project to the Authority pursuant to Sections 228.0111 and 228.151-154, Transportation Code, as applicable.

b) Apply for, and, if granted, administer, in conjunction with the Authority, ARRA funding for the Project, as required by law.

c) Notwithstanding the foregoing, prior to the award of any construction contract(s) by TxDOT, or the approval and execution by TxDOT of any change orders, the Authority will be given the opportunity to review and concur with the bid award and any change orders. In the event the Authority does not concur with bid award, the parties shall work in good faith to resolve any objections the Authority may have. If such objections cannot be resolved, this Agreement may be terminated pursuant to Section 12 below. In the event the Authority does not concur in the approval of a change order, the parties shall work in good faith to resolve any objections the Authority may have. If such objections cannot be resolved the change order shall not be approved or executed by TxDOT.

5. Mutual Obligations of the Parties/Amendment for Ultimate Configuration

TxDOT and the Authority shall cooperate and use their best efforts in taking all actions necessary to meet any timeline requirements in the ARRA. Neither party shall be responsible for any failure to meet a timeline requirement caused by an act or occurrence outside of that party's control, including a delay caused by the other party.

TxDOT and the Authority agree that they shall negotiate an amendment to this Agreement to provide for the development and construction of the Ultimate Configuration, which amendment will include commitments and obligations concerning design and design standards, procedures for oversight and approval of design work, compliance with environmental approvals, and other project development issues, provided that the Authority shall not be permitted to issue a notice to proceed to construction for any additional work as part of the Ultimate Configuration (and not otherwise covered by this Agreement) until such amendment has been executed.

FHWA may perform construction oversight and periodic construction inspections and review. TxDOT and the Authority shall make available and provide safe access to FHWA to all work areas. The parties to this Agreement shall comply with all federal oversight requirements, including federal construction requirements cited in 23 CFR, and the requirements in 23 CFR Part 637 Subpart B, 23 CFR Part 635 and CFR Part 633, as applicable. If force account work will be performed, a finding of cost effectiveness shall be made in compliance with 23 CFR Part 635, Subpart B.

6. Project Sources and Uses of Funds

- a) The total estimated cost of the Project is shown in the Project Budget included as Attachment "C". Except as specifically authorized by TxDOT or FHWA, state and federal funds for construction will not be used for any work performed before the issuance of a formal Letter of Authority by the FHWA. The Authority is responsible for 100% of the cost of any work performed under its direction or control before the federal Letter of Authority is formally issued, unless otherwise directed by TxDOT.
- b) The Project Budget shows how necessary resources for completing the Project will be provided by major cost categories. These categories may include but are not limited to: (1) costs of real property; (2) costs of utility work; (3) costs of environmental assessment and remediation; (4) cost of preliminary engineering and final design; (5) cost of construction and construction management; and (6) any other local project costs. Costs applicable to the operation and maintenance of the Project are not shown in Attachment "C". TxDOT shall not make commitments for costs in excess of those indicated in the Project Budget without the prior consent of the Authority.
- c) The Authority, in conjunction with TxDOT, will be responsible for securing the Federal share of the funding required for the development and construction of the Project. Such Federal funding shall be \$36,492,200 in eligible ARRA funds more fully described herein. The \$36,492,200 in ARRA funding shall be utilized to pay for Project costs that are eligible for reimbursement under ARRA, and shall include, but not be limited to, construction, environmental mitigation, and toll collection equipment and installation on Segments 2 and 3.
- d) The Authority will be responsible for all non-federal or non-State participation costs associated with the Project, including any overruns in excess of the Project Budget unless otherwise provided for in this Agreement or approved otherwise in an amendment to this Agreement. ARRA funding shall be fully utilized in paying for eligible Project costs prior to the Authority utilizing any non-ARRA funding for the Project costs. Once all such ARRA funding has been expended, the Authority shall be responsible for all further costs associated with completion of the Project.
- e) Both TxDOT and the Authority understand that federal-aid funding will be used for the Project and that all applicable federal requirements shall apply.
- f) TxDOT, at its expense, may audit the Project at any time. Upon completion of the Project, TxDOT, or an independent auditor approved by TxDOT, at TxDOT's option and expense, may perform an audit of the Project's costs. Any funds due to the Authority, TxDOT, or others shall be paid by the owing party within thirty days after notification that funds are due, unless the owing party disputes that amounts are owed, in which case payment shall be made within thirty days of the dispute being resolved.
- g) The state auditor, at its expense, may conduct an audit or investigation of any entity receiving funds from the state directly under a contract or indirectly through a subcontract under a contract. Acceptance of funds directly under a contract or indirectly through a subcontract under a contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those

funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

- h) Payment under this contract beyond the end of the current fiscal biennium is subject to availability of appropriated funds. If funds are not appropriated, this contract, and all associated contracts funded with appropriated funds, shall be terminated immediately with no liability to either party.

7. Environmental Compliance

- a) TxDOT is responsible for the environmental approvals necessary for the Project. FHWA issued Finding of No Significant Impact (FONSI) for a previous version of the project (FM 511 (SH550): From US 77/83 to SH 48) on August 8 2007. TxDOT submitted an application to the FHWA for a re-evaluation for the Project as required to address the impacts of proposed electronic tolling on August 10, 2009. On November 10th 2009, FHWA confirmed that, based on its review of the information presented in the re-evaluation and the entire project record, that no significant impacts are expected as a result of the design change to implement tolling on the Project, that the original FONSI determination remains valid and that the NEPA process for the Project may be considered complete. Subsequent to this, TxDOT submitted another re-evaluation on February 1, 2010 to address wetland mitigation associated with the Projects USACOE permit. On February 8, 2010, FHWA confirmed based on its review of the information presented in the re-evaluation that no significant impacts were expected, the original FONSI determination remained valid, and the NEPA process for the Project may be considered complete.
- b) If the Letter of Authority to construct the Project is not issued within three years from November 10th, 2009, and the failure to issue the Letter of Authority is due to circumstances within the control of the Authority, the Authority is responsible for obtaining the necessary environmental clearances to proceed with the Project.
- c) Development of the Project shall comply with all applicable federal and state environmental laws, including the National Environmental Policy Act of 1969, the National Historic Preservation Act of 1966, the Clean Water Act, the Endangered Species Act, 43 TAC §2.50, and Natural Resources Code, Chapter 191.
- d) TxDOT is responsible for environmental mitigation, remediation, and compliance identified in the environmental decision document. Any required maintenance of mitigation property post construction is the responsibility of the Authority.
- e) Except as indicated herein, TxDOT is responsible for obtaining all permits and approvals except as otherwise required by law or by agreement between TxDOT and a state or federal agency. The Authority is securing the US Army Corp of Engineers (USACOE) permit in their name consistent with the post construction maintenance requirements for the mitigation property.
- f) In the event that the Authority changes the scope of the environmentally-cleared Project on its own accord and such changes require a re-evaluation of (or supplement to) the environmental

documents, the cost and risk of such work shall be borne by the Authority. In the event that a change to the scope of the environmentally-cleared Project is requested by TxDOT or a federal environmental authority and such change requires a re-evaluation of (or supplement to) the environmental documents, the cost and risk of such work shall be borne by TxDOT.

8. Use of Right-of-Way

- a) TxDOT shall be responsible for acquisition of the necessary ROW for the Project, except that required for environmental mitigation. The Authority shall be responsible for providing the necessary ROW for the environmental mitigation as outlined in the USACOE permit, and for providing TxDOT and its contractors right of entry and access to the mitigation site. The Authority shall also be responsible for the cost of any additional property identified during construction as being necessary for the Project as agreed to by the parties and approved by the Authority.
- b) Any construction easements needed for the Project will be the responsibility of TxDOT or its contractors.
- c) The Authority shall have, and TxDOT hereby grants to the Authority, a license and right of entry and possession on, over, and under such area and right of way owned by, subsequently acquired, and otherwise under TxDOT's control and as necessary to enable the Authority to cause the Project and, eventually, the Ultimate Configuration, to be constructed and operated. Such license and rights of entry and possession shall continue in perpetuity unless and until operation and maintenance of the Project is otherwise acquired and assumed by TxDOT. All temporary and permanent driveways and access points must be in compliance with all state requirements. All temporary and permanent driveways and access points onto the frontage roads must be approved and permitted by TxDOT.

9. Completion and Acceptance

- a) When the Project has achieved Substantial Completion, TxDOT shall issue and forward to its contractor, with a copy to the Authority, a Notification of Substantial Completion. Following receipt of the Notice of Substantial Completion the Project contractor, the Authority, and TxDOT, shall mutually agree on a Punch List of work to be performed prior to Final Acceptance.
- b) For any elements of the Project that will be transferred to the Authority after Final Acceptance, TxDOT shall issue and forward to the Authority a Notification of Completion.
- c) The Notification of Completion shall certify that:
 - (1) All work has been completed in accordance with the requirements of this Agreement and the construction contract, the governmental approvals, including FHWA approval of Final Acceptance, and applicable law;
 - (2) There are no outstanding claims related to the work; and

- (3) All warranties provided by the construction contractor transfer in full to the Authority.

10. Operation and Maintenance

The Authority will assume responsibility for operation and maintenance of the tolled lane facilities within the Project limits when the Project is Substantially Complete.

In the case of Segment 1, for which tolled lanes will have been completed by TxDOT as part of the Existing Configuration, the Authority's responsibility for operation and maintenance shall not commence until the tolled lanes are ready for revenue operation.

The Authority's operation and maintenance responsibilities following Substantial Completion shall exclude frontage roads (for which TxDOT will be responsible) but shall include all elements of operation and maintenance associated with tolled lane facilities within the inside frontage road curb line (or edge of pavement if no curb) and shall include the provision, operation and maintenance of tolling equipment, the performance of toll transaction services, and the operation of an electronic toll collection system including all billing and customer services functions. TxDOT maintenance responsibilities end at the throat of the frontage road gore point on all access ramps. The specific requirements for operations and maintenance activities to be performed by CCRMA will be defined in a subsequent agreement.

11. Mutual Cooperation.

- a) TxDOT and the Authority shall use all reasonable efforts to meet all deadlines specified in this Agreement. TxDOT and the Authority shall use best efforts to provide each other with all necessary documents, information, and approvals in a prompt and timely fashion.
- b) TxDOT acknowledges its approval of, and support for, the operation of the Project by the Authority pursuant to the RMA Act. Without limiting the provisions of this Agreement, TxDOT and the Commission will take all actions reasonably requested by the Authority which are consistent with this Agreement and in furtherance of the purposes of this Agreement. Unless and until the Authority elects to abandon its efforts to operate the Project, TxDOT shall not advance any alternative to or conflicting proposal for the development of the Project. Further, in its consideration of any project that might affect the Project, TxDOT shall use best efforts to minimize or avoid any adverse impact on the Project or its operations.

12. Termination of this Agreement

- a) Except as provided below, this Agreement shall remain in effect until the Project is completed and accepted by all parties, and TxDOT and the Authority have completed all of their obligations, unless:

- (1) The Agreement is terminated in writing with the mutual consent of the parties;
- (2) The Agreement is terminated by one party because of the failure of the other party to fulfill its obligations as set forth in this Agreement;
- (3) The Agreement is terminated by TxDOT because of a third party legal action that is filed against the Authority, the construction contractor, TxDOT, or FHWA which results in injunctive relief that jeopardizes compliance with ARRA funding timeline requirements;
- (4) The parties are unable to agree on the award of a contract pursuant to Section 4.c.; and
- (5) The Authority is unable to secure adequate funding for the Project.

13. Amendments

Amendments to this Agreement pursuant to Section 5 and/or due to changes in the character of the work or terms of the Agreement, or responsibilities of the parties relating to the Project may be enacted only through a mutually agreed upon, written amendment.

14. Remedies

This Agreement shall not be considered as specifying the exclusive remedy for any default, but all remedies existing at law and in equity may be availed of by either party to this Agreement and shall be cumulative.

15. Compliance with Texas Accessibility Standards and ADA

TxDOT shall ensure that the plans for and the construction of all projects subject to this Agreement are in compliance with the Texas Accessibility Standards (TAS) issued by the Texas Department of Licensing and Regulation, under the Architectural Barriers Act, Article 9102, Texas Civil Statutes. The TAS establishes minimum accessibility requirements to be consistent with minimum accessibility requirements of the Americans with Disabilities Act (P.L. 101-336) (ADA). The responsibilities of TxDOT under this section include, but are not limited to, coordinating with the Texas Department of Licensing and Regulation to obtain the required inspection of the Project.

16. Notices

All notices to either party by the other required under this Agreement shall be delivered personally or sent by certified or U.S. mail, postage prepaid, addressed to such party at the following addresses:

| | |
|-------------------|---------------|
| Authority: | TxDOT: |
|-------------------|---------------|

| | |
|--|---|
| <p>RMA Coordinator Cameron County Regional Mobility Authority 1390 West Expressway 83 San Benito, Tx 78586</p> <p>with a copy to:</p> <p>Locke Lord Bissell & Liddell LLP 100 Congress Avenue, Suite 300 Austin, TX 78701 Attn: C. Brian Cassidy</p> | <p>District Engineer Texas Department of Transportation 600 West U.S. Expressway 83 Pharr, Tx 78577-1231</p> <p>with a copy to:</p> <p>Texas Department of Transportation 125 E. Eleventh Street, 7th Floor Austin, TX 78701 Attn: Office of General Counsel</p> |
|--|---|

All notices shall be deemed given on the date so delivered or so deposited in the mail, unless otherwise provided herein. Either party may change the above address by sending written notice of the change to the other party. Either party may request in writing that such notices shall be delivered personally or by certified U.S. mail and such request shall be honored and carried out by the other party.

17. Responsibilities of the Parties

Except for the limited purposes expressly stated herein, TxDOT and the Authority agree that neither party is an agent, servant, or employee of the other party and each party agrees it is responsible for its individual acts and deeds as well as the acts and deeds of its contractors, employees, representatives, and agents.

18. Authority Resources

All employees, contractors, consultants and service providers of the Authority shall have adequate knowledge and experience to enable them to perform the duties assigned to them. The Authority certifies that it currently has adequate qualified personnel in its employment and/or under contract to perform the work required under this Agreement or will be able to obtain adequate qualified personnel from sources other than TxDOT. On receipt of written notice from TxDOT detailing supporting factors and evidence, the Authority shall remove from the Project any person under the control of the Authority who is incompetent or whose conduct becomes detrimental to the work. Unless otherwise specified, the Authority shall furnish all equipment, materials, supplies, and other resources required to perform the work.

19. Hold Harmless

To the extent permitted by law, each party shall save harmless the other party and its officers and employees from all claims and liability due to the materials or activities of the first party, its agents, or employees, performed under this contract that are caused by or result from error, omission, or negligent act of the first party or of any person employed by the first party. To the

extent permitted by law, each party shall also save harmless the other party from any and all expense, including but not limited to attorney fees that may be incurred by other party in litigation or otherwise resisting the claim or liabilities that may be imposed on the other party as a result of such activities by the first party, its agents, or employees that are caused by or result from error, omission or negligent act of the first party or of any person employed by the first party.

20. Ownership of Property

After completion or termination of this Agreement, all documents prepared by each party shall remain the property of that party. A copy of all Project documents produced or approved or otherwise created by TxDOT shall be provided to the Authority and shall be transmitted to the Authority in searchable, portable document format (PDF) on a monthly basis as required by the Authority or additional time frame as mutually agreed to by TxDOT and the Authority in writing. Plans shall also be provided in Microstation format (.dgn) in accordance with current TxDOT policies and procedures for preparation of the plans including the current Special Provision for Computer Graphics Files for Document and Information Exchange, and TxDOT's MicroStation 2004 v8 and GEOPAK 2004 Criteria files.

21. Compliance with Laws

The parties shall comply with all Federal, State, and Local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals in any manner affecting the performance of this Agreement. When required, each party shall furnish the other with satisfactory proof of this compliance.

22. Cost Principles

In order to be reimbursed with federal funds, the parties shall comply with the Cost Principles established in OMB Circular A-87 that specify that all reimbursed costs are allowable, reasonable and allocable to the Project.

23. Procurement and Property Management Standards

The parties shall adhere to the procurement standards established in Title 49 CFR §18.36 and with the property management standard established in Title 49 CFR §18.32.

24. Inspection of Books and Records

The parties to this Agreement shall maintain all books, documents, papers, accounting records and other documentation relating to costs incurred under this Agreement and shall make such materials available to TxDOT, the Authority, FHWA, and the U.S. Office of the Inspector General, or their duly authorized representatives for review and inspection at its office during the contract period and for four (4) years from the date of completion of the Project work or until any impending litigation, or claims are resolved. Additionally, TxDOT, the Authority, and the FHWA and their duly authorized representatives shall have access to all the governmental records that are directly

applicable to this Agreement for the purpose of making audits, examinations, excerpts, and transcriptions.

25. ARRA Requirements

- a) For purposes of this section, the term "State" includes TxDOT, the term "local agency" includes the Authority, and the term "contractor" includes the TxDOT's construction contractor. Whenever ARRA funds are used and the Authority is performing any work, either directly or through a contractor, it must comply with following provisions.
- b) In accordance with Section 902 of the ARRA, should this Agreement involve the expenditure of ARRA funds, then the U.S. Comptroller General and its representatives shall have the authority to:

- (1) examine any records of the contractor or any of its subcontractors, or any State or local agency administering such contract, that directly pertain to, and involve transactions relating to the contract or subcontract; and

- (2) interview any officer or employee of the contractor or any of its subcontractors, or any State or local agency administering the contract regarding such contracts.

Nothing in this section shall be interpreted to limit or restrict in any way the existing authority of the Comptroller General.

- c) In accordance with Section 1515(a) of the ARRA, with respect to each contract or grant awarded using covered funds, any representative of an appropriate inspector general appointed under Section 3 or 8G of the Inspector General Act of 1978 (5 U.S.C. App.), is authorized:

- (1) to examine any records of the contractor or grantee, any of its subcontractors or subgrantees, or any State or local agency administering such contract that pertain to and involve transactions relating to the contract, subcontract, grant, or subgrant; and

- (2) to interview any officer or employee of the contractor, grantee or subgrantee, or agency regarding such transactions.

Section 1515(b) further provides that nothing in the section previously mentioned shall be interpreted to limit or restrict in any way the existing authority of an inspector general.

- d) The ARRA requires that the contractor report monthly employment information for its firm as well as that of all of its subcontractors. The contractor, similarly, shall include this reporting requirement in all of its subcontracts. Failing to include the requirement in agreements with subcontractors can serve as grounds for contract termination.

Form FHWA-1589, Monthly Employment Report, promulgated by the FHWA, captures the necessary monthly employment information and shall be submitted by the contractor on a regular basis to TxDOT. It is the responsibility of TxDOT to obtain this form from the prime contractor and any subcontractors and, TxDOT shall verify the accuracy, completeness, and reasonableness of the data contained in the form.

In order to meet any other FHWA and ARRA reporting requirements, the Authority shall provide to TxDOT all information requested by TxDOT, including data or information in possession of contractors and subcontractors for completing other necessary reporting forms, and the information shall be submitted in the manner required and according to all due dates as set by TxDOT.

Furthermore, the ARRA mandates that the U.S. Comptroller General's Office shall have authority to examine the records of the contractor, subcontractor, or local agency relating to the project at any time.

- e) Whenever funds from the ARRA are distributed to a local agency, the local agency must complete its Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC), as required by OMB Circular A-133, and separately identify any ARRA expenditures for Federal Awards.
- f) If the local agency will perform any work under this contract for which reimbursement will be provided by or through the State, the local agency must complete training before a letter of authority is issued. Training is complete when at least one individual who is working actively and directly on the Project successfully completes and receives a certificate for the course entitled *Local Government Project Procedures Qualification for the Texas Department of Transportation*. The local agency shall provide the certificate of qualification to the State. The individual who receives the training certificate may be an employee of the local agency or an employee of a firm that has been contracted by the local agency to perform oversight of the Project. The State in its discretion may deny reimbursement if the local agency has not designated a qualified individual to oversee the Project.

26. Audit Requirements

The Authority shall comply with the audit requirements and other requirements relating to project records in 43 TEX. ADMIN. CODE § 27.55(b), including having a full audit of its books and records performed annually in accordance with the standards of OMB Circular No. A-133. The parties shall comply with the requirements of the Single Audit Act of 1984, P.L. 98-502, ensuring that the single audit report includes the coverage stipulated in OMB Circular A-133.

27. Civil Rights Compliance

The Authority shall comply with the regulations of the Department of Transportation as they relate to nondiscrimination (49 CFR Chapter 21 and 23 CFR §710.405(B)), and Executive Order 11246 titled "Equal Employment Opportunity," as amended by Executive Order 11375 and supplemented in the Department of Labor Regulations (41 CFR Part 60).

28. Disadvantaged Business Enterprise Program Requirements

The parties shall comply with the Disadvantaged/Minority Business Enterprise Program requirements established in 49 CFR Part 26.

29. Debarment Certifications

The parties are prohibited from making any award at any tier to any party that is debarred or suspended or otherwise excluded from or ineligible for participation in Federal Assistance Programs under Executive Order 12549, "Debarment and Suspension." By executing this Agreement, the [Contractor, Authority, Engineer, or whatever] certifies that it is not currently debarred, suspended, or otherwise excluded from or ineligible for participation in Federal Assistance Programs under Executive Order 12549. The parties to this Agreement shall require any party to a contract, subcontract or purchase order awarded in relation to the Project to certify its eligibility to receive Federal funds and, when requested by the TxDOT or the Authority, to furnish a copy of the certification.

30. Lobbying Certification

In executing this Agreement, the signatories certify to the best of his or her knowledge and belief, that:

- a) No federal appropriated funds have been paid or will be paid by or on behalf of the parties to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- b) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with federal contracts, grants, loans, or cooperative agreements, the signatory for the Authority shall complete and submit the federal Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- c) The parties shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

By executing this Agreement, the parties affirm this lobbying certification with respect to the individual projects and affirm this certification of the material representation of facts upon which reliance will be made. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Title 31 U.S.C. §1352.

Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

31. Officials Not to Benefit

No member or delegate to the Congress of the United States of America shall be admitted to any share or part of this Agreement or to any benefit arising therefrom. No member, officer, or employee of the State of Texas, TxDOT, the Authority, or of a local public body during his/her tenure shall have interest in this Agreement or the benefits/proceeds thereof.

32. Gratuities

Any person who is doing business or who may do business with TxDOT or the Authority under this Agreement or in relation to the Project may not make any offers of benefits, gifts, or favors to employees of TxDOT or the Authority. The only exceptions allowed are ordinary business lunches and items that have received the advanced written approval of the Executive Director of TxDOT or the Authority, as appropriate.

33. Conflict of Interests

Neither TxDOT nor the Authority shall assign an employee to the Project if the employee:

- a) owns an interest in or is an officer or employee of a business entity that has or may have a contract with TxDOT or the Authority relating to the Project;
- b) has a direct or indirect financial interest in the outcome of the Project (other than as an employee of the Authority or TxDOT); or
- c) has performed services regarding the subject matter of the Project for an entity other than TxDOT or the Authority that has a direct or indirect financial interest in the outcome of the Project or that has or may have a contract with TxDOT or the Authority.

34. Force Majeure

The Authority and TxDOT shall be excused from any delay in or failure of performance hereunder, which are caused by the following:

- a) aircraft, or railroad incident;
- b) acts of terrorism;
- c) acts of God, such as earthquake, tidal wave, tornado, hurricane, or other cataclysmic phenomena;
- d) war or other national emergency; and
- e) events and occurrences beyond the reasonable control of the Authority or TxDOT, as applicable.

35. Insurance

If this Agreement authorizes the Authority or its contractor to perform any work on TxDOT right of way, before beginning work the entity performing the work shall provide TxDOT with a fully executed copy of TxDOT's Form 1560 Certificate of Insurance verifying the existence of coverage in the amounts and types specified on the Certificate of Insurance for all persons and entities working on TxDOT right of way. This coverage shall be maintained until all work on TxDOT right of way is complete. If coverage is not maintained, all work on TxDOT right of way shall cease immediately, and the State may recover damages and all costs of completing the work.

36 Severability

If any provision of this Agreement, or the application thereof to any person or circumstance, is rendered or declared illegal for any reason and shall be invalid or unenforceable, the remainder of the Agreement and the application of such provision to other persons or circumstances shall not be affected thereby but shall be enforced to the greatest extent permitted by applicable law.

37. Limitations

All covenants and obligations of TxDOT and the Authority under this Agreement shall be deemed to be valid covenants and obligations of said entities, and no officer, director, or employee of TxDOT or the Authority shall have any personal obligations or liability hereunder.

38. Sole Benefit

This Agreement is entered into for the sole benefit of TxDOT and the Authority and their respective successors and permitted assigns. Nothing in this Agreement or in any approval subsequently provided by either party hereto shall be construed as giving any benefits, rights, remedies, or claims to any other public or private person, firm, corporation or other entity.

39. Authorization

Each party to this Agreement represents to the other that it is fully authorized to enter into this Agreement and to perform its obligations hereunder, and that no waiver, consent, approval, or authorization from any third party is required to be obtained or made in connection with the execution, delivery, or performance of this Agreement. If and to the extent that any approval or action by the Governor of the State of Texas is required to effectuate or authorize any provision of this Agreement, TxDOT agrees that it will use all reasonable efforts to obtain said approval or action. Each signatory on behalf of TxDOT and the Authority, as applicable, is fully authorized to bind that entity to the terms of this Agreement.

40. Interpretation

No provision of this Agreement shall be construed against or interpreted to the disadvantage of any party by any court or other governmental or judicial authority by reason of such party having or being deemed to have drafted, prepared, structured, or dictated such provision.

41. Successors and Assigns

This Agreement shall bind, and shall be for the sole and exclusive benefit of, the respective parties and their legal successors, including without limitation any successor agency to the Authority. Other than as provided in the preceding sentence, neither TxDOT nor the Authority shall assign, sublet, or transfer its interest in this Agreement without the prior written consent of the other party to this Agreement, unless otherwise provided by law.

42. Relationship of the Parties

Nothing in this Agreement shall be deemed or construed by the parties, or by any third party, as creating the relationship of principal and agent between TxDOT and the Authority.

43. Sole Agreement

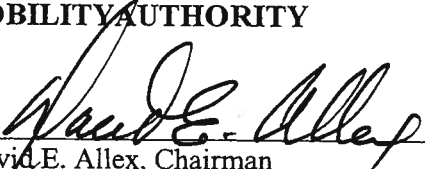
This Agreement constitutes the sole and only agreement between the parties and supersedes any prior understandings or written or oral agreements respecting the Agreement's subject matter.

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CSJ # 3622-01-001, etc
District # 21 - Pharr
SH 550
CFDA # 20-205

IN TESTIMONY HEREOF, the parties hereto have caused these presents to be executed in duplicate counterparts.

**THE CAMERON COUNTY REGIONAL
MOBILITY AUTHORITY**



David E. Allex, Chairman
Cameron County Regional Mobility Authority

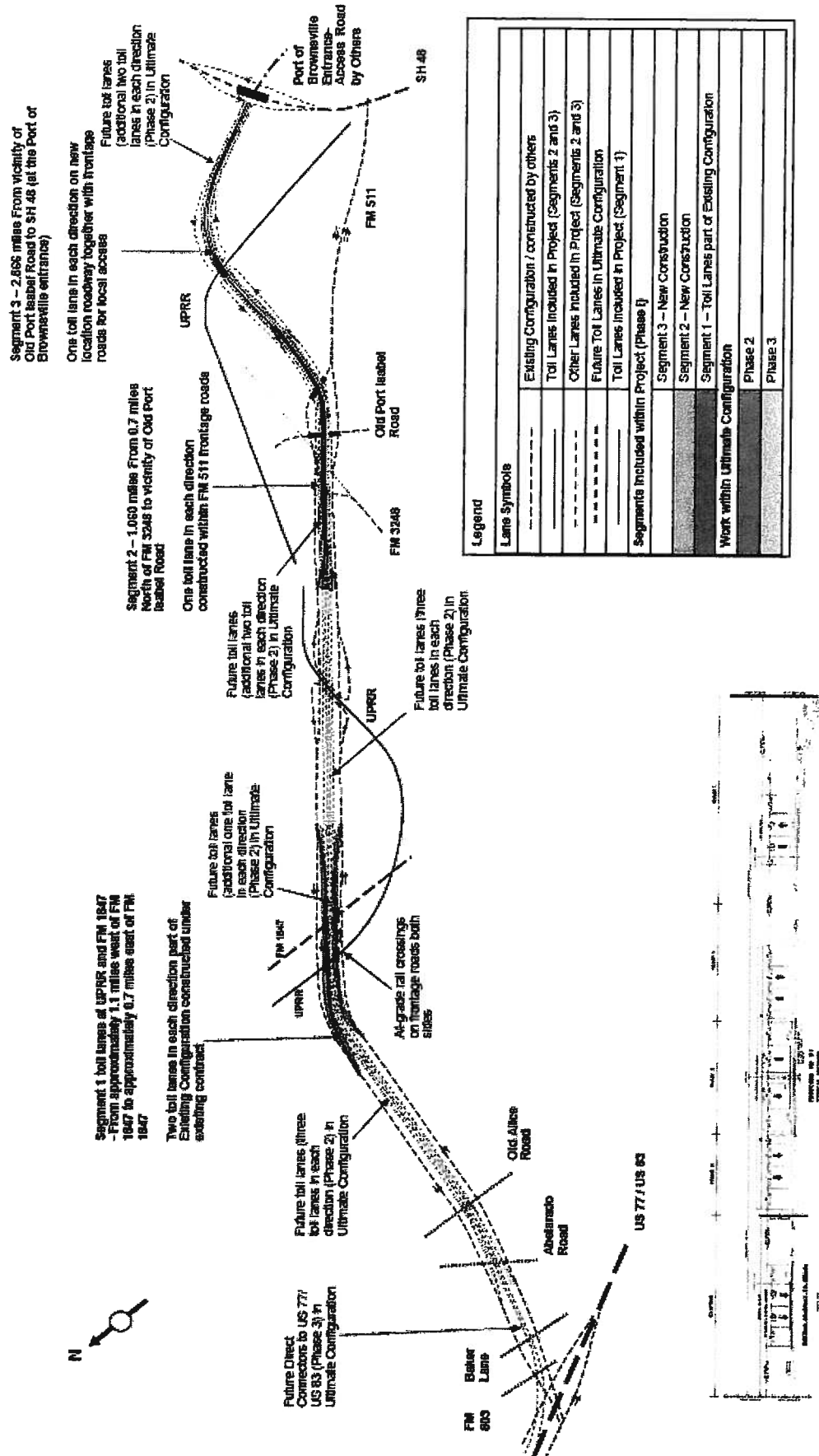
Date

THE STATE OF TEXAS

Amadeo Saenz, Jr. P.E.
Executive Director
Texas Department of Transportation

Date

ATTACHMENT A Location Map Showing Project



Attachment C Project Layout and Limits

ATTACHMENT B

TERMS AND CONDITIONS
(AMENDED MARKET VALUATION WAIVER AGREEMENT)

AMENDED
MARKET VALUATION AGREEMENT
FOR THE SH 550 TOLL PROJECT

This Amended Market Valuation Agreement (this "Agreement") is made by and between the Texas Department of Transportation, an agency of the State of Texas ("TxDOT"), and the Cameron County Regional Mobility Authority, a political subdivision of the State ("CCRMA"), for the purpose of setting forth their mutual agreement concerning the development and subsequent amendment of a market valuation for the SH 550 toll project (the "SH 550 Project").

RECITALS

The parties acknowledge the following:

- A. The CCRMA was created pursuant to the request of Cameron County and in accordance with provisions of the Transportation Code and the petition and approval process established in 43 Tex. Admin. Code § 26.01, *et. seq.*
- B. The CCRMA is charged with funding and developing transportation projects throughout the region to provide innovative transportation solutions, promote economic development, and improve the quality of life for residents of the region.
- C. The CCRMA is governed by Chapter 350 of the Texas Transportation Code, which authorizes regional mobility authorities to study, evaluate, design, finance, acquire, construct, maintain, repair, and operate transportation projects, individually or as one or more systems, provided that the projects are included in a plan approved by the applicable metropolitan planning organization and that the projects are consistent with the statewide transportation plan and the statewide transportation improvement program.
- D. Senate Bill 792 ("SB 792") enacted by the 80th Texas Legislature requires that a market valuation be determined for proposed toll projects, and that the valuation be determined based on terms and conditions agreed to by TxDOT and the "local toll project entity" within whose jurisdiction the project is located. In this case the CCRMA. The market valuation provisions of SB 792 were codified as Transportation Code, §228.0111.
- E. On June 14, 2007, the Texas Transportation Commission (the "Commission") approved Minute Order Number 110964 (as amended by Minute Order Number 110974, dated June 28, 2007) in which it (i) approved a list of candidate projects for development, construction, and operation as toll projects; and (ii) authorized the initiation of the process for establishing terms and conditions for the development of market valuations for those projects.
- F. TxDOT's Pharr District (the "District") and the CCRMA agreed to begin discussions to develop a market valuation for the SH 550 Project. Mario R. Jorge, P.E., TxDOT-Pharr District Engineer, was designated as the principal negotiator of market value terms for TxDOT, and Pete

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Sepulveda. RMA Coordinator of the CCRMA, was designated as the principal negotiator of terms for the CCRMA.

G. The District and the CCRMA held an initial session in Pharr for the market valuation discussions for the SH 550 Project on April 16, 2008. A subsequent negotiating session was held in Pharr on June 25, 2008. Both negotiating sessions concerning terms and conditions were videotaped.

H. On June 26, 2008, the Commission approved Minute Order 111410 in which it adopted certain policies regarding the market valuation process, including policies related to the agreement on the terms and conditions for the development, construction, and operation of a toll project, agreement on the valuation of a toll project, and the waiver of the development of a market valuation as authorized in Section 228.0111(f-1).

I. The initial project scope was set forth by TxDOT and CCRMA in the session on April 16, 2008. By letter dated June 23, 2008, the CCRMA set forth the additional business terms and conditions of the SH 550 Project that would be agreeable to the CCRMA. The CCRMA further noted that if such terms and conditions were acceptable to TxDOT, that the waiver provisions of Section 228.0111(f-1) should be utilized to waive the formal development of a market valuation for the SH 550 Project. The initial terms and conditions are attached hereto as Attachment "A".

J. TxDOT evaluated the terms and conditions and determined that the development of a market valuation for the SH 550 Project should be waived. This determination was made in accordance with the provisions of Section 228.0111 and the policies adopted in Minute Order 111410, including consideration by TxDOT of whether the department's preliminary financial analysis evidences that the SH 550 Project would be revenue negative and whether a greater value may be achieved through an agreement on negotiated value instead of market valuation.

K. Following the formal waiver of development of a market valuation of the SH 550 Project the CCRMA presented the terms and conditions to the Brownsville Metropolitan Planning Organization ("the MPO") for its consideration pursuant to Section 228.0111(g). The MPO approved the original terms and conditions on September 23, 2009.

L. Effective September 9, 2009, a Market Valuation Agreement incorporating the original terms and conditions was executed on behalf of TxDOT and the CCRMA.

M. On November 10, 2009, the Federal Highway Administration ("FHWA") issued a Finding of No Significant Impact ("FONSI") pursuant to an Environmental Assessment ("EA") prepared for the SH 550 Project. The EA and FONSI covered project limits that extended beyond those covered by the original terms and conditions and the Market Valuation Agreement.

N. On December 11, 2009, CCRMA submitted a written request to the District to amend the previously agreed to terms and conditions and the Market Valuation Agreement to reflect the extended project limits for SH 550 which are incorporated in the EA and FONSI. Specifically, CCRMA proposed that the "Project Scope" element of the terms and conditions be amended as reflected in Attachment "B", with no changes to the other terms and conditions.

O. TxDOT has evaluated the requested amendment to the terms and conditions and to the Market Valuation Agreement and has determined that amendment does not affect the previous determination that a market valuation for the SH 550 Project should be waived. This determination was made in accordance with provisions of Section 228.0111 and the policies adopted in Minute Order 11410, including consideration by TxDOT of whether the department's preliminary financial analysis evidences that the SH 550 Project, including the amended Project Scope, is revenue negative and whether a greater value may be achieved through an agreement on negotiated value instead of market valuation.

P. On January 13, 2010, TxDOT submitted a letter to CCRMA indicating TxDOT's acceptance of CCRMA's proposed amendment to the original terms and conditions and the Market Valuation Agreement to reflect the extended project limits for SH 550.

Q. On January 22, 2010, CCRMA confirmed by letter its concurrence with the amended terms and conditions.

AGREEMENT

In light of the foregoing recitals the parties agree as follows:

1. The terms and conditions attached hereto as Attachment "A" reflect the terms and conditions initially agreed to by the parties for the market valuation for the SH 550 Project.
2. The terms and conditions attached hereto as Attachment "B" reflect a revised Project Scope that was subsequently agreed to by the parties for an amended market valuation for the SH 550 Project. Such terms and conditions supersede those terms and conditions set forth in Attachment "A".
3. The parties previously acknowledged that the preliminary valuation analysis of the SH 550 Project resulted in a negative number, and that a greater value may be achieved through an agreement on a negotiated value. The parties agreed to waive the development of a market valuation for the SH 550 Project pursuant to Section 228.0111(F-1).
4. The parties now acknowledge that a preliminary valuation analysis for the SH 550 Project, incorporating the revised Project Scope, also results in a negative number, and that a greater value may be achieved through an agreement on negotiated value. The parties agree to waive the development of a market valuation for the SH 550 Project, including the revised Project Scope, pursuant to Section 228.0111(F-1).
5. The revised terms and conditions incorporating the amended Project Scope will be presented to the MPO for approval. If they are approved, the CCRMA will formally reconsider its previously exercised option to develop the SH 550 Project as provided by Section 228.0111(g), and the CCRMA Board of Directors will take appropriate action as required by

Section 228.0111 including possible ratification of its previous action to exercise the CCRMA's option to develop the SH 550 Project (including the amended Project Scope).

6. The parties acknowledge that the recitals set forth above are true and correct. The parties further agree that they have fully complied with the market valuation requirements of SB 792.

This Agreement shall be effective as of the 4 day of February 2010.

TEXAS DEPARTMENT OF TRANSPORTATION

By: Amado Saenz
Amado Saenz, P.E., Executive Director

THE CAMERON COUNTY
REGIONAL MOBILITY AUTHORITY

By: David E. Alex
David Alex, Chairman

ATTACHMENT "A"

TERMS AND CONDITIONS FOR THE SH 550 TOLL PROJECT

| | |
|------------------|--|
| 1. Project Scope | <p>New limited access toll facility covering the following locations:</p> <ul style="list-style-type: none"> • From approximately 1.1 miles West of FM 1847 to approximately 0.7 miles East of FM 1847; approximately 1.9 miles • From Northwest of FM 3248 to SH 48 at the new Port of Brownsville entrance; approximately 3.9 miles |
| 2. Tolling | <p><u>Toll Rates – Per Mile</u></p> <ul style="list-style-type: none"> • Base toll rate for Cameron County Regional Mobility Authority system of a range from 15 cents to 20 cents per mile in 2008 dollars • Toll for cars and motorcycles = Base Rate • Toll for trucks = Base Rate * (N-1) where (N = # of Axles) <p><u>Toll Rate Escalation Methodology</u></p> <ul style="list-style-type: none"> • An adjustment to be determined annually and within a range so that no annual increase may exceed the greater of the Texas State Gross Domestic Product per capita for the year immediately preceding the year of adjustment (SGDP) or the Consumer Price Index for the year immediately preceding the year of adjustment (CPI); but in no case less than 0. |

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ATTACHMENT "B"
AMENDED TERMS AND CONDITIONS FOR
THE SH 550 TOLL PROJECT

| | |
|------------------|---|
| 1. Project Scope | A new 9.6 mile limited access toll facility extending south east from US 77/83 to SH 48 (at the new Port of Brownsville entrance). Including direct connections providing SB to TB and WB to NB movements at US 77/83. |
| 2. Tolling | <p><u>Toll Rates - Per Mile</u></p> <ul style="list-style-type: none"> • Base toll rate for Cameron County Regional Mobility Authority system of a range from 15 cents to 20 cents per mile in 2008 dollars • Toll for cars and motorcycles = Base Rate • Toll for trucks = Base Rate * (N - 1) where (N = # of Axles) <p><u>Toll Rate Escalation Methodology</u></p> <ul style="list-style-type: none"> • An adjustment is to be determined annually and within a range so that no annual increase may exceed the greater of the Texas State Gross Domestic Product per capita for the year immediately preceding the year of adjustment (SGDP) or the Consumer Price Index for the year immediately preceding the year of adjustment (CPI); but in no case less than 0. |

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ATTACHMENT C

Project Budget

This Project Budget is prepared on the assumption that the Authority has assigned the design and construction responsibilities in connection with the Project to TxDOT. The Project Budget contains estimated costs for real property acquisition; utility work; environmental assessment and remediation; preliminary engineering and design; construction and construction management; and any other local project costs, but excludes the costs of operation and maintenance. The Project Budget identifies the amounts that Authority envisions that it will need to provide in order to enable delivery of the Project (excluding toll collection equipment and back office establishment). The Authority's anticipated participation is to be the cost of construction management, inspection and material sampling and testing, as well as the balance of all project costs after payment of federal funds. The costs of design and construction will be reimbursed on a 100% Federal cost share to the maximum reimbursable amount of \$36,492,200 for all eligible construction related costs. On the assumption that the Authority has assigned the design and construction responsibilities in connection with the Project to TxDOT, these federal reimbursements would be made direct to TxDOT, provided that if the Authority is due funds for eligible expenses incurred, these funds will be reimbursed to the Authority. Thereafter, the Authority shall be responsible for payment for all remaining costs necessary to deliver the Project subject to the terms of the Agreement.

TxDOT has estimated the Project costs to be as follows, noting that the cost information in the table is an estimate only and final participation amounts will be based on actual charges to the Project:

| * PROJECT BUDGET (EXCLUDING OPERATION & MAINTENANCE COSTS) | | | | | | | | | |
|--|----------------------------|--------------------------|------------------------|------------------------|------------------------|---------------------------------------|---------------------|---------------------------------|-----------------------|
| DESCRIPTION | TOTAL ESTIMATED COST | FEDERAL PARTICIPATION | | STATE PARTICIPATION | | LOCAL PARTICIPATION CITY/COUNTY | | LOCAL PARTICIPATION CCRMA | |
| | | % | COST | % | COST | % | COST | % | COST |
| Segment 1 (CSJ: 0684-01-046 & 0684-01-057) | | | | | | | | | |
| Preliminary Engineering | \$2,322,645.95 | | | 100.0 | \$2,322,645.95 | | | | |
| Right of Way | \$5,047,337.98 | | | 95.7 | \$4,830,302.45 | 4.3 | \$217,035.53 | | |
| Utilities (Compensable) | \$181,432.40 | | | 95.7 | \$173,630.81 | 4.3 | \$7,801.59 | | |
| Construction* ¹ | \$0.00 | | | | | | | | |
| Indirect Costs | \$529,481.15 | | | 100.0 | \$529,481.15 | | | | |
| SUB TOTAL | \$8,080,897.48 | | \$0.00 | | \$7,856,060.35 | | \$224,837.13 | | \$0.00 |
| Segment 2 (CSJ: 0684-01-066) | | | | | | | | | |
| Preliminary Engineering | \$580,763.37 | | | 100.0 | \$580,763.37 | | | | |
| Right of Way | \$2,972,321.26 | | | 95.7 | \$2,844,511.45 | 4.3 | \$127,809.81 | | |
| Utilities (Compensable) | \$106,809.68 | | | 95.7 | \$102,216.86 | 4.3 | \$4,592.82 | | |
| Construction | \$7,250,000.00 | 100 | \$7,250,000.00 | | | | | | |
| Const. Engineering | \$295,258.78 | | | | | | | 100 | \$295,258.78 |
| Indirect Costs | \$418,423.87 | | | 100.0 | \$418,423.87 | | | | |
| SUB TOTAL | \$11,623,576.96 | | \$7,250,000.00 | | \$3,945,915.55 | | \$132,402.63 | | \$295,258.78 |
| Segment 3 (CSJ: 3622-01-001) | | | | | | | | | |
| Preliminary Engineering | \$1,729,385.57 | | | 100.0 | \$1,729,385.57 | | | | |
| Right of Way | \$551,119.00 | | | 95.7 | \$527,420.88 | 4.3 | \$23,698.12 | | |
| Utilities (Compensable) | \$1,200,000.00 | | | 95.7 | \$1,148,400.00 | 4.3 | \$51,600.00 | | |
| Construction | \$29,242,200.00 | 100 | \$29,242,200.00 | | | | | | |
| Const. Engineering | \$747,713.36 | | | | | | | 100 | \$747,713.36 |
| Indirect Costs | \$1,059,616.65 | | | 100.0 | \$1,059,616.65 | | | | |
| SUB TOTAL | \$34,530,034.58 | | \$29,242,200.00 | | \$4,464,823.10 | | \$75,298.12 | | \$747,713.36 |
| TOTAL | \$54,234,509.02 | | \$36,492,200.00 | | \$16,266,799.01 | | \$432,537.87 | | \$1,042,972.14 |

*Segment 1 construction costs already committed as part of the "Existing Configuration"

The Authority's estimated participation for construction management, inspection, material sampling, and material testing services to be performed by TxDOT for Segments 2 & 3 is \$1,042,972.14. This amount is due and payable to TxDOT in three equal installments. The first payment of \$ 347,657.38 is due upon execution of this agreement and prior to the letting of Segments 2 & 3. The second payment of \$347,657.38 is due 90 days after the first payment, and the third

payment of \$347,657.38 is due 90 days after the second payment. For all other eligible project costs, the federal participation funds shall be fully utilized before Local participation funds are expended.