

**COUNTY OF CAMERON**                      §

## THE BOARD MET AT:

**PRESENT:**

## DIRECTOR

**NAT LOPEZ**  
**DIRECTOR**

## DIRECTOR

## Secretary

**HORACIO BARRERA**  
**ABSENT**

**ABSENT**

RMA Minutes\April 29, 2013-Special\Page 1



## **AGENDA**

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

**Dancy Courthouse  
1100 E. Monroe  
Brownsville, Texas 78520**

**Monday, April 29, 2013**

**12:00 Noon**

FILED AND RECORDED  
OFFICIAL PUBLIC RECORDS  
On: Apr 26, 2013 at 11:03A

Joe G Rivera  
County Clerk  
By  
Hilda Peraz, Deputy  
Cameron County

**PUBLIC COMMENTS:**

1. Public Comments

**PRESENTATIONS, RESOLUTIONS AND/OR PROCLAMATION ITEMS:**

2. Presentations/Resolutions/Proclamations

**A. Presentation of the FY 2012 Independent Audit**

**CONSENT ITEMS:**

3. All Item(s) 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

**A. Consideration and Approval of the Minutes for:**

**April 12, 2012 – Special Meeting**

**B. Consideration and Approval of the Revenue and Expenditure Report and the Financials for the Month of March 2013**

**C. Consideration and Approval of the Cameron County Regional Mobility Authority Compliance Report as per Texas Administrative Code Title 43, Part 1, Chapter 26, Subchapter G**

**D. Consideration and Approval of an Interlocal Agreement between the Cameron County Regional Mobility Authority and the Texas Department of Transportation**

- E. Consideration and Approval of an Agreement between the Texas Association of Counties (TAC) Risk Management Pool and the Cameron County Regional Mobility Authority**
- F. Consideration and Possible Action to Adopt a Resolution in Support of the Draft Environmental Impact Statement to allow Space Explorations Technologies, Inc. (SPACE X) to launch the Falcon 9 and Falcon Heavy Orbital Vertical Launch Vehicles and a variety of smaller reusable Suborbital Launch Vehicles from a launch site on privately-owned property in Cameron County, Texas**

**ITEMS FOR DISCUSSION AND ACTION:**

**4. Action Items**

- A. Approval of Claims**
- B. Consideration and Approval to open the Toll Gantry by SH 48 for the SH 550 Project on May 6, 2013 and authority to waive the tolls for the first 30 days**

**EXECUTIVE SESSION ITEM(S):**

**5. Executive Session**

- A. Confer with Legal Counsel concerning Cameron County Regional Mobility Authority vs. Ballenger Construction Company and Liberty Mutual Insurance company in the Brownsville Federal Court Cause No. 1:13-CV-00027, pursuant to V.T.C.A. Government Code, Section 551.071(1)(A)**
- B. Deliberation and Discussion regarding acquisition of Construction Easement Site 4 Parcel 1(E) and Site 4 Temporary Construction Easement 1 for the West Rail Relocation Project pursuant to Vernon Texas Code Annotated (V.T.C.A.), Government Code, Section 551.072**
- C. Deliberation and Discussion concerning the evaluation and duties of the Cameron County Regional Mobility Authority Coordinator, Pete Sepulveda, Jr., pursuant to V.T.C.A. Government Code, Section 551.074**

**6. Action Relative to Executive Session**

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

**ADJOURNMENT:**

Signed this 26 <sup>th</sup> day of April 2013



\_\_\_\_\_  
**David E. Alex**  
**Chairman**

## **PUBLIC COMMENTS**

### **1 PUBLIC COMMENTS**

None were presented.

## **PRESENTATIONS, RESOLUTIONS AND/OR PROCLAMATION ITEMS**

### **2-A. Presentation of the FY 2012 Independent Audit**

Mr. Carlos Barrera with Long Chilton, LLP made a presentation of the FY 2012 Independent Audit Report. Mr. Barrera went through the major areas and points of the Audit. Mr. Barrera answered questions from the Board regarding the Audit.

Secretary Gallegos moved to acknowledge the FY 2012 Independent Audit Report. The motion was seconded by Director Garza and carried unanimously.

## **CONSENT ITEMS**

**ALL ITEM(S) 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**

Secretary Gallegos moved to approve Consent Items 3A through 3F. The motion was seconded by Director Garza and carried unanimously.

### **3-A Consideration and Approval of the Minutes for:**

**April 12, 2013 – Special Meeting**

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### **3-B Consideration and Approval of the Revenue and Expenditure Report and the Financials for the Month of March 2013**

**The Reports are as follows:**

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### **3-C Consideration and Approval of the Cameron County and the Cameron County Regional Mobility Authority Compliance Report as per Texas Administrative Code Title 43, Part 1, Chapter 25, Subchapter G**

**The Report is as follows:**

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**3-D Consideration and Approval of an Interlocal Agreement between the Cameron County Regional Mobility Authority and the Texas Department of Transportation**

The Agreement is as follows:

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**3-E Consideration and Approval of an Agreement between the Texas Association of Counties (TAC) Risk Management Pool and the Cameron County Regional Mobility Authority**

The Agreement is as follows:

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**3-F Consideration and Possible Action to Adopt a Resolution in Support of the Draft Environmental Impact Statement to allow Space Explorations Technologies, Inc. (SPACE X) to launch the Falcon 9 and Falcon Heavy Orbital Vertical Launch Vehicles and a variety of smaller reusable Suborbital Launch Vehicles from a launch site on privately-owned property in Cameron County, Texas**

The Resolution is as follows:

## **ACTION ITEMS**

**4-A Approval of Claims**

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

Mr. Pete Sepulveda, Jr., RMA Coordinator introduced Claims into the record.

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

The Claims are as follows:

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**4-B Consideration and Approval to open the Toll Gantry by SH 48 for the SH 550 Project on May 6, 2013 and authority to waive the tolls for the first 30 days**

Mr. Pete Sepulveda, Jr., RMA Coordinator introduced the item and advised the Board that the SH 550 Port Spur was ready to be opened on May 6, 2013. Mr. Sepulveda stated that no ceremony will be held on the 6<sup>th</sup> of May, but that Congressman Vela was bringing FHWA Administrator Victor Mendez to the Cameron County area on May 28<sup>th</sup> and that we could have a ceremony on that day. Mr. Sepulveda further stated that at the next Board meeting Staff would like to discuss the toll rates for commercial vehicles and perhaps follow what the Texas Department of Transportation is doing for SH 130, where the toll rates for commercial and passenger vehicles are the same.

Secretary Gallegos moved to approve the opening of the Toll Gantry by SH 48 for the SH 550 Project on May 6, 2013 and authority to waive the tolls for the first 30 days. The motion was seconded by Director Garza and carried unanimously.

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## **EXECUTIVE SESSION ITEMS**

Director Garza moved to go into Executive Session; the motion was seconded by Secretary Gallegos and carried unanimously, the Board met in Executive Session at 12:29 P.M. to discuss the following matter(s):

### **EXECUTIVE SESSION:**

**5-A Confer with Legal Counsel concerning Cameron County Regional Mobility Authority vs. Ballenger Construction Company and Liberty Mutual Insurance company in the Brownsville Federal Court Cause No. 1:13-CV-00027, pursuant to V.T.C.A. Government Code, Section 551.071(1)(A)**

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**5-B Deliberation and Discussion regarding acquisition of Construction Easement Site 4 Parcel 1(E) and Site 4 Temporary Construction Easement 1 for the West Rail Relocation Project pursuant to Vernon Texas Code Annotated (V.T.C.A.), Government Code, Section 551.072**

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**5-C Deliberation and Discussion concerning the evaluation and duties of the Cameron County Regional Mobility Authority Coordinator, Pete Sepulveda, Jr., pursuant to V.T.C.A. Government Code, Section 551.074**

Upon motion by Secretary Gallegos seconded by Director Lopez and carried unanimously, the Board reconvened into Regular Session at 12:52 P.M.

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### **ACTION RELATIVE TO EXECUTIVE SESSION:**

**6-A Confer with Legal Counsel concerning Cameron County Regional Mobility Authority vs. Ballenger Construction Company and Liberty Mutual Insurance company in the Brownsville Federal Court Cause No. 1:13-CV-00027, pursuant to V.T.C.A. Government Code, Section 551.071(1)(A)**

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

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**6-B Deliberation and Discussion regarding acquisition of Construction Easement Site 4 Parcel 1(E) and Site 4 Temporary Construction Easement 1 for the West Rail Relocation Project pursuant to Vernon Texas Code Annotated (V.T.C.A.), Government Code, Section 551.072**

Director Garza moved to approve the counter offer of \$7,300.00. The motion was seconded by Secretary Gallegos and carried unanimously.

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**6-C Deliberation and Discussion concerning the evaluation and duties of the Cameron County Regional Mobility Authority Coordinator, Pete Sepulveda, Jr., pursuant to V.T.C.A. Government Code, Section 551.074**

Director Esparza moved to appoint Chairman David E. Allex and Secretary Ruben Gallegos, Jr., as Cameron County Regional Mobility Authority representatives with the negotiations with Cameron County. The motion was seconded by Director Garza and carried unanimously.

**ADJOURNMENT**

There being no further business to come before the Board and upon motion by Secretary Gallegos seconded by Director Garza and carried unanimously the meeting was **ADJOURNED** at 12:53 P.M.

APPROVED this 28<sup>th</sup> day of May 2013.

ATTESTED:   
SECRETARY RUBEN GALLEGOS, JR.

  
CHAIRMAN DAVID E. ALLEX

**2-A    PRESENTATION OF THE FY 2012 INDEPENDENT AUDIT**



**CAMERON COUNTY  
REGIONAL MOBILITY AUTHORITY  
FINANCIAL REPORT  
SEPTEMBER 30, 2012**

**CAMERON COUNTY  
REGIONAL MOBILITY AUTHORITY**

September 30, 2012

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## 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 business type activities of Cameron County Regional Mobility Authority (CCRMA) as of and for the year ended September 30, 2012 and 2011, 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 CCRMA'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 the 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business type activities of CCRMA, as of September 30, 2012 and 2011, and the respective changes in financial position, and cash flows for the years 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 April 2, 2013, on our consideration of CCRMA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements of CCRMA as a whole. The accompanying schedule of expenditures of federal/state awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations and State of Texas Single Audit Circular* is presented for purposes of additional analysis, and is not a required part of the financial statements. The schedule of expenditures of federal/state awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



**LONG CHILTON, LLP**  
*Certified Public Accountants*

Brownsville, Texas  
April 2, 2013

## **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, 2012. Please read it in conjunction with the CCRMA financial statements, which immediately follow this section.

### **FINANCIAL HIGHLIGHTS**

- Assets exceeded total liabilities by \$5.3 million due to an increase in cash generated from the \$10 vehicle registration fee and vehicle tolls.
- CCRMA started the operation of the first Toll on SH550 on May 17, 2011. The book value of this asset net of accumulated depreciation as of September 30, 2012 is \$2,377,385.
- Construction in progress increased to \$26.9 million or 23% of total assets which is made up of various projects in which CCRMA will retain ownership. Other assets increased to \$35.6 million or 31% of total assets, which consists of construction in process projects in which ownership will be transferred to the Texas Department of Transportation (TXDOT) at completion.
- Total operating expenditures were approximately \$1.8 million, of which 53% consisted of professional and contractual services and 34% for bond interest expense.
- Cameron County issued \$40,000,000 Revenue and Tax bonds, Series 2012 for the State Highway 550 Project dated August 8, 2012 to provide funding for this project as per "Funding Agreement." As a condition of funding, the Authority is obligated to repay the funding together with interest the County will pay on the Bonds.

### **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 financial statements. The financial statements include the balance sheets, statements of revenues, expenses, and changes in net assets, statements of cash flows, and notes 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 governmental units on an accrual basis. The balance sheets in particular report the assets and liabilities as of year-end with the differences between the two reflected as net assets. The increase or decrease in net assets over time is one indicator of the improving or deteriorating financial position of CCRMA.

The statements of revenues, expenditures, and changes in net assets present the results of the business activities over the course of the fiscal years presented and how those results affected the change in net assets. Under accrual accounting principles, revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they are incurred. This matching principle allows these statements to display net effect of the transactions that occurred throughout the year, regardless of the timing of cash flows.

While the statements of revenues, expenditures, and changes in net assets do not reflect the timing of cash flows, the statements of cash flows do present the changes in cash caused by the receipts and disbursements by three major categories of operating, financing and investing activities.

The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in these financial statements. They disclose information about CCRMA's accounting policies, significant account balances and activities, material risks, obligations, commitments, and subsequent events. The notes to financial statements should be used in conjunction with the above mentioned financial statements.

## FINANCIAL ANALYSIS OF CCRMA

### Net Assets

CCRMA's total net assets were \$5.3 million of which \$3.7 million are restricted for various projects at September 30, 2012. 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 and the additional financing of revenue bonds. A significant increase in capital and other assets is due to the continuation of projects funded by the 2010 revenue bonds and TXDOT.

The increase in liabilities from 2011 to 2012 is primarily caused by the increase in capital projects associated with TXDOT funding. CCRMA and TXDOT have various funding agreements in which TXDOT will provide funding either in the form of a loan or a grant. These amounts are to be repaid to TXDOT either in installment payments or transfer of the completed project. The total due to TXDOT was \$35.2 million or 32% of total liabilities at September 30, 2012.

<b>Summary of Statement of Net Assets</b>			
<b>September 30, 2012</b>			
	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Assets:</b>			
Current assets	\$ 4,794,330	\$ 14,424,744	\$ 30,539,817
Capital Assets, net	29,351,139	25,591,121	9,815,775
Other non-current	<u>82,885,262</u>	<u>30,942,677</u>	<u>5,322,744</u>
Total assets	117,030,731	70,958,542	45,678,336
<b>Liabilities:</b>			
Current liabilities	\$ 2,206,407	\$ 6,496,906	\$ 4,031,375
Non-Current liabilities	<u>109,528,368</u>	<u>60,444,518</u>	<u>39,003,318</u>
Total liabilities	111,734,775	66,941,424	43,034,693
<b>Net assets:</b>			
Restricted	\$ 3,685,687	3,372,851	\$ -
Unrestricted	1,610,269	518,380	2,427,668
Prior period adjustment	<u>-</u>	<u>125,887</u>	<u>215,975</u>
Total net assets	<u>\$ 5,295,956</u>	<u>\$ 4,017,118</u>	<u>\$ 2,643,643</u>

## Capital Assets, Other Assets and Non-Current liabilities

### Capital & Other Non-Current Assets

At September 30, 2012, CCRMA had a total of \$ 66.3 million invested in a broad range of construction projects including toll bridges, rail yards, and highways.

<b>Capital and Other Assets</b>			
<b>September 30, 2012</b>			
	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Capital Assets:</b>			
Construction in Process	\$ 26,973,754	\$ 23,167,096	\$ 9,815,775
Equipment, net	2,377,385	2,424,025	-
<b>Other Assets:</b>			
Unamortized bond costs	1,379,715	539,148	570,482
Other projects	<u>35,612,650</u>	<u>28,146,788</u>	<u>4,752,262</u>
<b>Totals</b>	<u>\$ 66,343,504</u>	<u>\$54,277,057</u>	<u>\$ 15,138,519</u>

### Non-Current Liabilities

At September 30, 2012 CCRMA had outstanding Non-Current liabilities of \$109.5 million, an increase of \$49.1 million from the prior year.

<b>Non-Current Liabilities</b>			
<b>September 30, 2012</b>			
	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Non-Current Liabilities:</b>			
Due to other Government	\$ 2,014,428	\$ 2,014,428	\$ 259,946
Due to TXDOT	35,199,035	29,567,532	9,874,699
Long-term bond payable (vehicle registration fee)	<u>72,314,905</u>	<u>28,862,558</u>	<u>28,868,673</u>
<b>Total</b>	<u>\$ 109,528,368</u>	<u>\$ 60,444,518</u>	<u>\$ 39,003,318</u>

### Changes in Net Assets

Net assets changed as of September 30, 2012 by \$1,278,838. CCRMA generated total revenues of \$3.1 million and total expenditures of \$1.8 million. Expenditures increased by 14% due to several services for both legal and engineering related to the expansion in capital & other projects as well as an increase in debt interest payments.

	<b>Change in Net Assets</b>		
	<b>Year Ended September 30, 2012</b>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Revenues:			
Vehicle registration fee	\$ 2,800,570	\$ 2,725,505	\$ 2,567,459
Other revenues	<u>261,392</u>	<u>90,040</u>	<u>6,821</u>
Total revenues	<u>3,061,962</u>	<u>2,815,545</u>	<u>2,574,280</u>
Expenses:			
Administrative	1,640,417	1,116,432	897,766
Professional services	<u>142,707</u>	<u>451,525</u>	<u>806,070</u>
Total expenses	<u>1,783,124</u>	<u>1,567,957</u>	<u>1,703,836</u>
Change in net assets	1,278,838	1,247,588	870,444
Net assets:			
Beginning of the year	4,017,118	2,643,643	1,557,224
Prior period adjustment	<u>-</u>	<u>125,887</u>	<u>215,975</u>
Beginning of the year – restated	<u>4,017,118</u>	<u>2,769,530</u>	<u>1,773,199</u>
End of year	<u>\$ 5,295,956</u>	<u>\$ 4,017,118</u>	<u>\$ 2,643,643</u>

### **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.



**Cameron County  
Regional Mobility Authority**

**Balance Sheets  
September 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 3,676,974	\$ 9,490,702
Due from other agencies	717,344	92,587
Due from other governments	12	4,574,788
Prepaid Expenses	400,000	266,667
Total Current Assets	<u>4,794,330</u>	<u>14,424,744</u>
<b>Non-current Assets:</b>		
<b>Restricted Assets:</b>		
Cash - SH550 bond revenue	38,552,258	-
Cash - Debt reserve	7,340,639	2,256,741
Total Restricted Assets	<u>45,892,897</u>	<u>2,256,741</u>
Capital assets, net	29,351,139	25,591,121
Other assets	35,612,650	28,146,788
Unamortized bond issue costs	<u>1,379,715</u>	<u>539,148</u>
<b>Total Assets</b>	<u><u>\$ 117,030,731</u></u>	<u><u>\$ 70,958,542</u></u>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 818,923	\$ 5,931,509
Accrued interest payable	416,835	-
Due to other governments	250,000	250,000
Deferred revenue	120,649	315,397
Current maturities of bonds	600,000	-
Total current liabilities:	<u>2,206,407</u>	<u>6,496,906</u>
<b>Non-current Liabilities:</b>		
Due to other governments	2,014,428	2,014,428
Due to Texas Department of Transportation	35,199,035	29,567,532
Long-term bond payable	72,314,905	28,862,558
Total non-current liabilities	<u>109,528,368</u>	<u>60,444,518</u>
<b>Total Liabilities</b>	<u>111,734,775</u>	<u>66,941,424</u>
<b>NET ASSETS</b>		
Restricted	3,685,687	3,372,851
Unrestricted	1,610,269	518,380
Total net assets	<u>5,295,956</u>	<u>3,891,231</u>
Prior period adjustment	-	125,887
Total net assets - restated	<u>5,295,956</u>	<u>4,017,118</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 117,030,731</u></u>	<u><u>\$ 70,958,542</u></u>

See accompanying notes to the financial statements.

Cameron County  
Regional Mobility Authority

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

Years Ended September 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<b>Operating Revenues</b>		
Vehicle registration fee	2,800,570	2,725,505
Toll revenue	207,478	68,787
Other revenue	46,147	-
Total operating revenue	<u>3,054,195</u>	<u>2,794,292</u>
<b>Operating Expenses</b>		
Professional services	142,707	451,525
Contractual services	794,164	364,813
Advertising	23,971	14,669
Miscellaneous	16,350	61,218
Depreciation	124,985	-
Office supplies	13,987	5,330
Travel	35,095	62,166
Toll services	32,093	38,602
Debt interest	599,772	569,634
Total operating expense	<u>1,783,124</u>	<u>1,567,957</u>
<b>Non-Operating Revenues</b>		
Interest income	<u>7,767</u>	<u>21,253</u>
Change in net assets	<u>1,278,838</u>	<u>1,247,588</u>
Net Assets - beginning of year	4,017,118	2,643,643
Prior period adjustment	-	125,887
Net Assets - beginning of year restated	<u>4,017,118</u>	<u>2,769,530</u>
Net Assets - end of year	<u>\$ 5,295,956</u>	<u>\$ 4,017,118</u>

See accompanying notes to the financial statements.

Cameron County  
Regional Mobility Authority

**Statements of Cash Flows**  
Years Ended September 30, 2012 and 2011

	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 3,008,048	\$ 2,794,292
Other receipts	240,895	315,397
Payments to vendors	(2,918,932)	(1,124,209)
Net cash provided by (used in) operating activities	<u>330,011</u>	<u>1,985,480</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of capital assets	(3,760,018)	(15,991,323)
Acquisition of other assets	(7,465,862)	(23,394,526)
Interest paid on capital debt	(599,772)	(569,634)
Bond proceeds	44,470,882	-
Loan proceeds	4,973,074	24,476,752
Net cash (used) by capital and related financing activities	<u>37,618,304</u>	<u>(15,478,731)</u>
Net increase in cash and cash equivalents	37,948,315	(13,493,251)
Cash and Cash equivalents at beginning of year	11,621,556	25,114,807
Cash and Cash equivalents at end of year	<u>\$ 49,569,871</u>	<u>\$ 11,621,556</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ 1,278,838	\$ 1,247,588
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	124,985	46,362
Change in assets and liabilities:		
(Increase)Decrease in due from other governments	4,574,776	437,306
(Increase) Decrease in due from other agencies	(624,757)	257,136
(Increase) Decrease in prepaid expenses	(133,332)	(203,474)
(Decrease) Increase in accounts payable	(5,112,586)	(114,835)
(Decrease) Increase in accrued interest payable	416,835	-
(Decrease) Increase in deferred revenue	(194,748)	315,397
Net cash flows provided by operating activities	<u>\$ 330,011</u>	<u>\$ 1,985,480</u>
<b>Supplemental Disclosures of Cash Flow Information</b>		
Cash payments for:		
Interest	\$ 599,772	569,634
Taxes	-	-

See accompanying notes to the financial statements.

CAMERON COUNTY  
REGIONAL MOBILITY AUTHORITY

**Notes to Financial Statements**  
September 30, 2012

**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** – 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, 2012

**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. 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, 3-20 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. Depreciation expense for 2012 and 2011 was \$124,985 and \$46,362, respectively.

- E. 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.
- F. 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.
- G. 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, 2012

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

**H. Net Assets are classified as follows:**

Restricted – Are amounts that can only be expended for specific purposes due to externally imposed conditions by grantors or creditors. CCRMA had a total of \$3,685,687 in restricted assets which was composed of CCRMA's investment in capital projects that will transfer to TXDOT upon completion.

Unrestricted – Are those net assets in which are available for any lawful purpose, and are accumulated as necessary to ensure the availability of sufficient funds for future operations.

**I. Comparative Data/Reclassifications**

Certain amounts presented in prior year data have been reclassified in order to be consistent with the current year's presentation.

**J. Subsequent Events** – Management has evaluated subsequent events through April 2, 2013 which is the date the financial statements were available to be issued.

**Note 2 – Cash and Cash Equivalents**

***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, 2012, the carrying amount of the CCRMA's cash and cash equivalents was \$49,569,871 of which \$7,340,639 was held in debt reserve at BNY Mellon, \$38,552,258 was held in a trust account at BNY Mellon, and the remainder was in business interest checking accounts as of September 30, 2012.

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, 2012.

**CAMERON COUNTY  
REGIONAL MOBILITY AUTHORITY**

**Notes to Financial Statements  
September 30, 2012**

**Note 3 – Capital Assets**

The following schedule summarizes the capital assets of the CCRMA as of September 30, 2012:

	<u>2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>2012</u>
Depreciable	\$ 2,470,387	\$ 78,345	\$ -	\$ 2,548,732
Non-Depreciable-CIP	23,167,096	3,875,207	(68,549)	26,973,754
Accumulated depreciation	<u>(46,362)</u>	<u>(124,985)</u>		<u>(171,347)</u>
Net capital assets	<u>\$ 25,591,121</u>	<u>\$ 3,828,567</u>	<u>\$ (68,549)</u>	<u>\$ 29,351,139</u>

CCRMA construction in progress accounts had the following additions by project:

<u>Project</u>	<u>Additions</u>
SPI Second Causeway	\$ 599,150
West Loop/West Pkwy	121,411
State Highway 550	464,877
East Loop	2,123,678
Port Access Rd	163,512
General Brant Rd	17,708
Outer Parkway	22,046
281 Connector	20,551
US 77	<u>342,274</u>
Total	<u>\$ 3,875,207</u>

**Note 4 – Other Assets**

CCRMA began two construction projects in FY2010 and one in FY2011 in which the Texas Department of Transportation & Union Pacific Rail Road retain ownership and titles during and at project completion. The three projects are summarized as follows: \$23,199,273 for the West Rail project, \$12,109,978 for the Olmito Switch Yard, and \$303,399 for a cross project of the Switchyard, called Olmito RIP facility leaving a combined total of \$35,612,650.

CAMERON COUNTY  
REGIONAL MOBILITY AUTHORITY

**Notes to Financial Statements**  
September 30, 2012

**Note 5 – Disaggregation of Receivable and Payable Balances**

Of the current receivables, 91% are due from the Cameron County Tax Assessor's Office at September 30, 2012. Payable balances are comprised of 3% from contractors and vendors at September 30, 2012. The remaining 97% of accounts payable represents the construction obligations in process due to the Texas Department of Transportation in the form of non-current liabilities.

**Note 6 – Non-Current Liabilities**

Changes in non-current liability Due to the Texas Department of Transportation for the fiscal year ended September 30, 2012 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Due to Texas Department of Transportation	\$ <u>29,567,532</u>	\$ <u>5,943,788</u>	\$ <u>(312,285)</u>	\$ <u>35,199,035</u>

On April 1, 2010, CCRMA issued \$28.7 million of special revenue bonds, consisting of two series of bonds, 2010A and 2010B both secured by vehicle registration fees of Cameron County. The \$13.2 million and \$15.5 million of the 2010A and 2010B bonds were issued as term bonds. The 2010A bonds carry interest rates of 2.0% to 5.0% and mature between February 2012 and February 2026. The 2010B bonds carry an interest rate of 6.5%, maturing on February 2036. All term bonds are subject to mandatory redemption in prescribed amounts before the maturity dates. At September 30, 2012, \$28,380,000 remains outstanding.

In June 2012 the Authority and Cameron County entered into SH550 Funding and Development Agreement, a project titled "SH5500 Director Connector Transportation Project." This project will be a component of a tolled facility and upon completion, traffic using SH550 will have a route free of at-grade intersections from U.S. 77/83 to SH48 at the Port of Brownsville. Cameron County issued Revenue and Tax bonds, Series 2012 (State Highway 550 Project) \$40,000,000 dated August 8, 2012 providing funding for this project as per "Funding Agreement." As a condition of funding, the Authority is obligated to repay the funding together with interest the County will pay on the Bonds. The bonds carry interest rates of 2.125% to 5.0% and mature between February 2017 and February 2032. At September 30, 2012 \$40,000,000 remain outstanding.



**CAMERON COUNTY  
REGIONAL MOBILITY AUTHORITY**

**Notes to Financial Statements  
September 30, 2012**

**Note 6 – Non-Current Liabilities - Continued**

The bond issues are summarized as follows:

	Balance Outstanding October 1, 2011	Additions	Deletions	Balance Outstanding September 30, 2012	Due Within One Year
<b>Bonds Payable:</b>					
Revenue Bonds Payable	\$ 28,780,000	\$ 40,000,000	\$ (400,000)	\$ 68,380,000	\$ 600,000
Plus: Premium on Refunding	<u>82,558</u>	<u>4,470,882</u>	<u>(18,535)</u>	<u>4,534,905</u>	<u>-</u>
<b>Total Bonds Payable</b>	<u><u>\$ 28,862,558</u></u>	<u><u>\$ 44,470,882</u></u>	<u><u>\$ (418,535)</u></u>	<u><u>\$ 72,914,905</u></u>	<u><u>\$ 600,000</u></u>

The annual requirements to retire revenue bonds outstanding at September 30, 2012 are as follows:

	2010A Bonds			2010B Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2013	600,000	484,775	1,084,775	-	1,017,853	1,017,853
2014	765,000	471,125	1,236,125	-	1,017,853	1,017,853
2015	780,000	455,675	1,235,675	-	1,017,853	1,017,853
2016	800,000	435,875	1,235,875	-	1,017,853	1,017,853
2017	825,000	411,500	1,236,500	-	1,017,853	1,017,853
2018-2027	9,075,000	2,046,488	11,121,488	1,270,000	10,136,925	11,406,925
2028-2036	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,265,000</u>	<u>4,471,249</u>	<u>18,736,249</u>
<b>Total</b>	<u><u>\$ 12,845,000</u></u>	<u><u>\$ 4,305,438</u></u>	<u><u>\$ 17,150,438</u></u>	<u><u>\$ 15,535,000</u></u>	<u><u>\$ 19,697,439</u></u>	<u><u>\$ 35,232,439</u></u>

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**CAMERON COUNTY  
REGIONAL MOBILITY AUTHORITY**

**Notes to Financial Statements  
September 30, 2012**

**Note 6 – Non-Current Liabilities - Continued**

	2012 Bonds		
	Principal	Interest	Total
2013	\$ -	\$ 1,832,046	\$ 1,832,046
2014	-	1,911,700	1,911,700
2015	-	1,911,700	1,911,700
2016	-	1,911,700	1,911,700
2017	840,000	1,899,100	2,739,100
2018-2027	10,275,000	17,091,575	27,366,575
2028-2037	16,775,000	10,593,625	27,368,625
2038-2042	12,110,000	1,574,250	13,684,250
	<u>\$ 40,000,000</u>	<u>\$ 38,725,696</u>	<u>\$ 78,725,696</u>

**Note 7- Interest Capitalization/Expenditure**

CCRMA had capitalized interest regarding projects funded by the 2010A & 2010B revenue bonds. The total amount of interest capitalized was \$987,337 in accordance with Financial Accounting Standards Codification 820-20-30; the remaining interest was expended for a total of \$599,772.

**Note 8 – 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. As of September 30, 2012, there have been no payments on this loan and both parties have agreed that payments will be made in the subsequent year. 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 per year by CCRMA.

CAMERON COUNTY  
REGIONAL MOBILITY AUTHORITY

**Notes to Financial Statements**  
September 30, 2012

**Note 9 – Advertising**

CCRMA incurs advertising expenditures for the promotion of itself and its projects. These expenditures are not capitalized to the individual projects and are expensed in the period occurred.

**Note 10 – Prior Period Adjustment**

In prior years CCRMA had recorded accounts receivables for reimbursable expenses of \$182,315 related to the Olmito RIP Facility Project and \$129,970 related to the West Rail Project. An adjustment was made to remove these from total receivables and the due to Texas Department of Transportation. These adjustments have no effect on the fund balance. An adjustment of \$125,887 was also made to eliminate prior period expenses related to debt and interest payments on the bonds. This adjustment increased unrestricted fund balance by \$125,887.

**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 business type activities of the Cameron County Regional Mobility Authority (CCRMA) as of and for the year ended September 30, 2012, and have issued our report thereon dated April 2, 2013. 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**

Management of CCRMA is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered CCRMA'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 CCRMA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of CCRMA's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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. However we identified a certain deficiency in internal control over financial reporting described in the accompanying schedule of findings and questioned costs as IC2012-1 that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the CCRMA'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 Standards*.

CCRMA's response to the findings in our audit is described in the accompanying statement of corrective action of audit findings and questioned costs. We did not audit CCRMA's response and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the board of directors, management, and others within the entity, and federal/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**  
*Certified Public Accountants*

Brownsville, Texas  
April 2, 2013

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE THAT COULD HAVE A  
DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB  
CIRCULAR A-133 AND STATE OF TEXAS SINGLE AUDIT CIRCULAR**

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

**Compliance**

We have audited the Cameron County Regional Mobility Authority's (CCRMA) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement and State of Texas Single Audit Circular* that could have a direct and material effect on each of the Authority's major federal/state programs for the year ended September 30, 2012. CCRMA's major federal/state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal/state programs is the responsibility of CCRMA management. Our responsibility is to express an opinion on CCRMA's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations and State of Texas Single Audit Circular*. Those standards, *OMB Circular A-133* and *State of Texas Single Audit Circular* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal/state program occurred. An audit includes examining, on a test basis, evidence about CCRMA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of CCRMA's compliance with those requirements.

In our opinion, CCRMA has complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal/state programs for the year ended September 30, 2012.

## Internal Control Over Compliance

Management of CCRMA is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal/state programs. In planning and performing our audit, we considered CCRMA's internal control over compliance with the requirements that could have a direct and material effect on a major federal/state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with *OMB Circular A-133* and *State of Texas Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CCRMA's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal/state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal/state program will not be prevented, or detected and corrected, on a timely basis.

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

The purpose of this report is solely to describe the scope of our testing of compliance with the types of compliance requirements applicable to each of CCRMA's major programs and our testing of internal control over compliance and the results of our testing, and to provide an opinion on CCRMA's compliance but not to provide an opinion on the effectiveness of CCRMA's internal control over compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CCRMA's compliance with requirements applicable to each major program and its internal control over compliance. Accordingly, this report is not suitable for any other purposes.



**LONG CHILTON, LLP**  
*Certified Public Accountants*

Brownsville, Texas  
April 2, 2013

CAMERON COUNTY  
REGIONAL MOBILITY AUTHORITY

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

Year Ended September 30, 2012

<u>Federal/State Grantor/Pass Through Grantor Program</u>	<u>CFDA Number</u>	<u>Contract Number</u>	<u>Federal/State Expenditures</u>
<b>Federal:</b>			
<b>US Department of Transportation</b>			
Passed through the Texas Department of Transportation			
West Rail	ARRA Funds 20.205		\$ 2,366,325
West Rail	20.205		1,216,064
<b>US Federal Railroad Administration</b>			
West Rail	20.314		1,709,386
			<u>\$ 5,291,775</u>
<b>State:</b>			
<b>Texas Department of Transportation</b>			
SPI 2nd Causeway	CSJ# 0921-06-163		\$ 599,150
West Loop Project	CSJ# 0921-06-184		121,411
			<u>\$ 720,561</u>

**Note to Schedule**

1. This schedule includes the federal/state awards activity of the Cameron County Regional Mobility Authority, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, Non-Profit Organizations* and *State of Texas Single Audit Circular*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



CAMERON COUNTY  
REGIONAL MOBILITY AUTHORITY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS –  
FEDERAL AND STATE AWARDS  
For Year Ended September 30, 2012**

**I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- |  |                   |                             |
|--|-------------------|-----------------------------|
| • Material weakness(es) identified?  | <u>      </u> Yes | <u>  X  </u> No             |
| • Significant deficiencies identified that are not considered to be material weaknesses? | <u>  X  </u> Yes  | <u>      </u> None Reported |
| Noncompliance material to financial statements noted?                                    | <u>      </u> Yes | <u>  X  </u> No             |

**Federal/State Awards**

Internal control over major programs:

- |  |                   |                            |
|--|-------------------|----------------------------|
| • Material weakness(es) identified?  | <u>      </u> Yes | <u>  X  </u> No            |
| • Significant deficiencies identified that are not considered to be material weaknesses? | <u>      </u> Yes | <u>  X  </u> None Reported |

Type of auditors' report issued on compliance for major programs: Unqualified

- |  |                   |                 |
|--|-------------------|-----------------|
| • Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? | <u>      </u> Yes | <u>  X  </u> No |
|--|-------------------|-----------------|

Identification of major programs:

<u><b>CFDA Numbers</b></u>	<u><b>Name of Federal/State Program or Cluster</b></u>
Federal –	
20.205	Highway Planning and Construction ARRA - TX Department of Transportation
20.314	Federal Railroad Administration
State –	
CSJ 0921-06-163	SPI 2 <sup>ND</sup> Causeway Project
CSJ 0921-06-184	West Loop/Parkway Project

CAMERON COUNTY  
REGIONAL MOBILITY AUTHORITY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS –  
FEDERAL AND STATE AWARDS - CONTINUED**  
For Year Ended September 30, 2012

**I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS - CONTINUED**

Dollar threshold used to distinguish between Type A and Type B Federal programs	<u>Type A \$ 300,000</u>	<u>Type B \$100,000</u>
--	--------------------------	-------------------------

Auditee qualified as low-risk auditee?	<u>      </u> Yes	<u>  X  </u> No
--	-------------------	-----------------

Dollar threshold used to distinguish between Type A and Type B State programs	<u>Type A \$ 300, 000</u>	<u>Type B \$100,000</u>
--	---------------------------	-------------------------

Auditee qualified as low-risk auditee?	<u>  X  </u> Yes	<u>      </u> No
--	------------------	------------------

**II. FINANCIAL STATEMENT FINDINGS**

***Finding IC2012-1:***

***Condition and Criteria:***

During our testing of internal controls, we identified a significant deficiency within the Cameron County Regional Mobility Authority (CCRMA) financial reporting control structure. It appears that the controls governing CCRMA's financial reporting process lack the procedures to properly identify costs per construction contract, local matching costs, and federal grant reimbursable expenses. Our testing indicates that the CCRMA's cost accounting procedures fail to produce detail cost reports to accurately identify allowable reimbursable expenses as required by the federal grant guidelines.

***Effect:***

The lack of controls limits the CCRMA's ability to accurately report and identify grant costs as required by federal guidelines.

***Cause:***

The implemented controls governing the financial reporting process are not effective.

CAMERON COUNTY  
REGIONAL MOBILITY AUTHORITY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS –  
FEDERAL AND STATE AWARDS - CONTINUED**  
For Year Ended September 30, 2012

**II. FINANCIAL STATEMENT FINDINGS - CONTINUED**

***Finding IC2012-1 – Continued***

***Perspective Information:***

Management anticipates project costs to increase which will require an effective cost financial reporting system to track the project costs.

***Recommendation:***

Develop the appropriate controls that properly identify the costs per contract, identify local matching costs, and reimbursable expenses.

**III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL/STATE AWARDS**

None noted which were required to be reported.

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CAMERON COUNTY  
REGIONAL MOBILITY AUTHORITY

**CORRECTIVE ACTION FOR AUDIT FINDINGS AND  
QUESTIONED COSTS –FEDERAL AND STATE AWARDS**  
For Year Ended September 30, 2012

**II. FINANCIAL STATEMENT FINDINGS**

***Finding IC2012-1:***

***Condition and Criteria:***

During our testing of internal controls, we identified a significant deficiency within the Cameron County Regional Mobility Authority (CCRMA) financial reporting control structure. It appears that the controls governing CCRMA's financial reporting process lack the procedures to properly identify costs per construction contract, local matching costs, and federal grant reimbursable expenses. Our testing indicates that the CCRMA's cost accounting procedures fail to produce detail cost reports to accurately identify allowable reimbursable expenses as required by the federal grant guidelines.

***Effect:***

The lack of controls limits the CCRMA's ability to accurately report and identify grant costs as required by federal guidelines.

***Cause:***

The implemented controls governing the financial reporting process are not effective.

***Perspective Information:***

Management anticipates project costs to increase which will require an effective cost financial reporting system to track the project costs.

***Recommendation:***

Develop the appropriate controls that properly identify the costs per contract, identify local matching costs, and reimbursable expenses.

***Response:***

CCRMA has multiple projects that are under construction concurrently that require a significant amount of time to ensure the proper financial reporting. Most of these projects involve the use of state and federal funds. The CCRMA is committed to providing proper financial reporting, thus, we will develop the appropriate controls to ensure that we improve our financial reporting and that it is effective.

CAMERON COUNTY  
REGIONAL MOBILITY AUTHORITY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS -  
FEDERAL AND STATE AWARDS – PRIOR YEAR**  
For Year Ended September 30, 2012

**II. FINANCIAL STATEMENT FINDINGS**

***Finding IC2011-1:***

***Condition and Criteria:***

During our testing of internal controls, we identified a significant deficiency within the Cameron County Regional Mobility Authority (CCRMA) financial reporting control structure. It appears that the controls governing CCRMA's financial reporting process lack the procedures to properly identify costs per construction contract, local matching costs, and federal grant reimbursable expenses. Our testing indicates that the CCRMA's costs accounting procedures fail to produce detail cost reports to accurately identify allowable reimbursable expenses as required by the federal grant guidelines.

***Effect:***

The lack of controls limits the CCRMA's ability to accurately report and identify grant costs as required by federal guidelines.

***Cause:***

The implemented controls governing the financial reporting process are not effective.

***Perspective Information:***

Management anticipates project costs to increase which will require an effective cost financial reporting system to track the project costs.

***Recommendation:***

Develop the appropriate controls that properly identify the costs per contract, identify local matching costs, and reimbursable expenses.

***Status:***

Current year financial statement finding.

**III. FINDINGS AND QUESTIONED COSTS OF FEDERAL/STATE AWARDS**

None noted which required reporting.

**3-A    CONSIDERATION AND APPROVAL OF THE MINUTES FOR:**

**APRIL 12, 2013 – SPECIAL MEETING**

THE STATE OF TEXAS           §

COUNTY OF CAMERON       §

BE IT REMEMBERED on the 12<sup>th</sup> day of April 2013, there was conducted a Special Meeting of the Cameron County Regional Mobility Authority, at the Joe G. Rivera and Aurora de la Garza County Annex thereof, in San Benito, Texas, for the purpose of transacting any and all business that may lawfully be brought before the same.

THE BOARD MET AT:

12:00 Noon

PRESENT:

\_\_\_\_\_  
CHAIRPERSON

\_\_\_\_\_  
**MICHAEL SCAIEF**  
DIRECTOR

\_\_\_\_\_  
**DAVID N. GARZA**  
DIRECTOR

\_\_\_\_\_  
DIRECTOR

\_\_\_\_\_  
DIRECTOR

\_\_\_\_\_  
**HORACIO BARRERA**  
DIRECTOR

\_\_\_\_\_  
**MARK ESPARZA**  
DIRECTOR

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
**DAVID E. ALLEX**  
ABSENT

\_\_\_\_\_  
**NAT LOPEZ**  
ABSENT

\_\_\_\_\_  
**RUBEN GALLEGOS, JR.**  
ABSENT

=====

The meeting was called to order by Board Treasurer Michael Scaief at 12:01 P.M. At this time, the Board considered the following matters as per RMA Agenda posted and filed for Record in the Office of the County Clerk on this 9<sup>th</sup> day of March 2013 at 9:49 A.M.

## **PUBLIC COMMENTS**

### **1 PUBLIC COMMENTS**

Cameron County Commissioner Pct. 3 David A. Garza made comments regarding the progress of legislation during the 83<sup>rd</sup> Legislature.

## **PRESENTATIONS, RESOLUTIONS AND/OR PROCLAMATION ITEMS**

### **2-A. Presentation of the FY 2012 Comprehensive Financial Audit Report**

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

## **CONSENT ITEMS**

**ALL ITEM(S) 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**

Director Barrera moved to approve Consent Items 3A through 3C. The motion was seconded by Director Esparza and carried unanimously.

### **3-A Consideration and Approval of the Minutes for:**

**March 25, 2013 – Special Meeting**

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### **3-B Consideration and Approval of Amendment No. 1 to the SH 32 (East Loop) Pass Through Toll Agreement**

**The Amendment is as follows:**

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### **3-C Consideration and Approval of an Agreement between Cameron County and the Cameron County Regional Mobility Authority**

**The Agreement is as follows:**

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## **ACTION ITEMS**

### **4-A Approval of Claims**

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

Mr. Pete Sepulveda, Jr., RMA Coordinator introduced Claims into the record.

Director Barrera moved to approve the Claims. The motion was seconded by Director Esparza and carried unanimously.

**The Claims are as follows:**

---

### **4-B Consideration and Acknowledgment of the GEC Report for the Month of March 2013**

Mr. Pete Sepulveda, Jr., RMA Coordinator introduced the item and Mr. Jimmy Berry with HNTB provided a detailed update on the status of the Cameron County Regional Mobility Authority Projects. The Board, Staff and the General Engineering Consultant had a detailed discussion on the status of the West Rail and Outer Parkway Project. Mr. Sepulveda advised the Board of a May 3<sup>rd</sup> dedication of the IBWC plaque at the middle of the West Rail Bridge. Mr. Sepulveda also discussed the TIFIA Letter of Interest and the legislative bills associated with the SPI 2<sup>nd</sup> Access and Outer Parkway Project.

Director Garza moved to acknowledge the GEC Report for the Month of March 2013. The motion was seconded by Director Esparza and carried unanimously.

**The Report is as follows.**

---

### **4-C Update on SH 550 Direct Connector Project**

Mr. Pete Sepulveda, Jr., RMA Coordinator introduced the item and Mr. Phillip Pawelek with S&B Infrastructure went over a Power Point Presentation providing an update of the Project.

Director Esparza moved to acknowledge Report and Status of the SH 550 Direct Connector Project. The motion was seconded by Director Garza and carried unanimously.

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## **EXECUTIVE SESSION ITEMS**

Secretary Garza moved to **TABLE** Executive Session Items 5A and 5B. The motion was seconded by Director Barrera and carried unanimously.

### **EXECUTIVE SESSION:**

**5-A Confer with Legal Counsel concerning Cameron County Regional Mobility Authority vs. Ballenger Construction Company and Liberty Mutual Insurance Company in the Brownsville Federal Court Cause No. 1:13-CV-00027, Pursuant to V.T.C.A. Government Code, Section 551.071(1)(A)**

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**5-B Deliberation and Discussion regarding acquisition of Construction Easement Site 4 Parcel 1(E) and Site 4 Temporary Construction Easement 1 for the West Rail Relocation Project pursuant to Vernon Texas Code Annotated (V.T.C.A.), Government Code, Section 551.072**

## **ADJOURNMENT**

There being no further business to come before the Board and upon motion by Director Garza seconded by Director Barrera and carried unanimously the meeting was **ADJOURNED** at 12:30 P.M.

**APPROVED** this \_\_\_\_\_ day of April 2013.

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**CHAIRMAN DAVID E. ALEX**

**ATTESTED:** \_\_\_\_\_  
**SECRETARY RUBEN GALLEGOS, JR.**

**3-B    CONSIDERATION AND APPROVAL OF THE REVENUES AND  
EXPENDITURE REPORT AND THE FINANCIALS FOR THE MONTH  
OF MARCH 2013**

Cash Disbursement Journal By GL  
From 03/01/2013 To 03/31/2013

1100000

<u>Fund Dept</u>	<u>LnItem</u>	<u>PEID</u>	<u>Vendor Name</u>	<u>Check #</u>	<u>Check Date</u>	<u>Post Date</u>	<u>PO #</u>	<u>Invoice #</u>	<u>Amount</u>
110 000	1272	0000169936	BANK OF NEW YORK MELLON TRUST	00001568	03/25/2013	03/25/2013		RSF-SEPT12/MAR13	88,888.90
								Check Total	88,888.90
								Line Item Total	88,888.90
								Dept. Total	88,888.90

**Cash Disbursement Journal By GL**  
**From 03/01/2013 To 03/31/2013**

1101100

<u>Fund Dept</u>	<u>LnItem</u>	<u>PEID</u>	<u>Vendor Name</u>	<u>Check #</u>	<u>Check Date</u>	<u>Post Date</u>	<u>PO #</u>	<u>Invoice #</u>	<u>Amount</u>
REGIONAL MOBILITY AL									
110 110	6014	0000158316	QUELLHORST,HENDRICK	00001559	03/25/2013	03/25/2013		1099 MISC INKJT	27.99
								Check Total	27.99
110 110	6050	0000166064	GARCIA,DAVID	00001556	03/25/2013	03/25/2013		Line Item Total	27.99
								AUSTN 3/19-20/13	277.41
								Check Total	277.41
110 110	6050	0000165666	SEPULVEDA,PEDRO	00001565	03/25/2013	03/25/2013		AUSTN 2/26-27/13	718.70
110 110	6050			00001565	03/25/2013	03/25/2013		AUSTIN 3/5-6/13	682.65
								Check Total	1,401.35
110 110	6077	0000161834	SAN MIGUEL,FRANCISCO	00001563	03/25/2013	03/25/2013		Line Item Total	1,678.76
110 110	6077			00001563	03/25/2013	03/25/2013		7809	89.99
								1193542	59.99
								Check Total	149.98
110 110	6082	0000157573	AVINA, VERONICA	00001550	03/25/2013	03/25/2013	P182628	Line Item Total	149.98
								MAR'13 CONTRACT	200.00
								Check Total	200.00
110 110	6082	0000154776	BETANCOURT,BLANCA	00001552	03/25/2013	03/25/2013	P182620	Check Total	1,000.00
								MAR'13 CONTRACT	1,000.00
								Check Total	650.00
110 110	6082	0000170187	DEHOYOS, SYLVIA	00001554	03/25/2013	03/25/2013	P182843	Check Total	650.00
								MAR'13 CONTRACT	1,100.00
								Check Total	1,100.00
110 110	6082	0000089010	GALARZA,MARTHA	00001555	03/25/2013	03/25/2013	P182658	Check Total	1,100.00
								MAR'13 CONTRACT	6,250.00
								Check Total	6,250.00
110 110	6082	0000166064	GARCIA,DAVID	00001556	03/25/2013	03/25/2013	P182624	Check Total	200.00
								MAR'13 CONTRACT	200.00
								Check Total	250.00
110 110	6082	0000169613	PENA,JESUS MARTIN	00001557	03/25/2013	03/25/2013	P182623	Check Total	250.00
								MAR'13 CONTRACT	450.00
								Check Total	450.00
110 110	6082	0000158316	QUELLHORST,HENDRICK	00001559	03/25/2013	03/25/2013	P182625	Check Total	300.00
								MAR'13 CONTRACT	300.00
								Check Total	6,250.00
110 110	6082	0000119900	ROBLES,MARIA A	00001561	03/25/2013	03/25/2013	P182622	Check Total	6,250.00
								MAR'13 CONTRACT	6,250.00
								Check Total	300.00
110 110	6082	0000161834	SAN MIGUEL,FRANCISCO	00001563	03/25/2013	03/25/2013	P182626	Check Total	300.00
								MAR'13 CONTRACT	300.00
								Check Total	6,250.00
110 110	6082	0000165666	SEPULVEDA,PEDRO	00001565	03/25/2013	03/25/2013	P182621	Check Total	6,250.00
								MAR'13 CONTRACT	6,250.00
								Check Total	6,250.00

**Cash Disbursement Journal By GL**  
**From 03/01/2013 To 03/31/2013**

1101100

<u>Fund Dept</u>	<u>LnItem</u>	<u>PEID</u>	<u>Vendor Name</u>	<u>Check #</u>	<u>Check Date</u>	<u>Post Date</u>	<u>PO #</u>	<u>Invoice #</u>	<u>Amount</u>
110 110	6082	0000173725	SULLIVAN PUBLIC AFFAIRS	00001566	03/25/2013	03/25/2013	P188045	FEB'13 SERVICES	7,500.00
								<b>Check Total</b>	7,500.00
110 110	6082	0000173466	TXU ENERGY	00001549	03/04/2013	03/04/2013	P183296	054776015889	31.55
110 110	6082			00001549	03/04/2013	03/04/2013	P186811	054776015889	279.55
								<b>Check Total</b>	311.10
110 110	6082	0000155472	VEGA,DYLBIA JEFFERIES	00001567	03/25/2013	03/25/2013	P182627	MAR'13 CONTRACT	1,100.00
								<b>Check Total</b>	1,100.00
110 110	6097	0000169936	BANK OF NEW YORK MELLON TRUST	00001551	03/25/2013	03/25/2013		<b>Line Item Total</b>	25,561.10
								MAR'13 SER A PRI	63,750.00
								<b>Check Total</b>	63,750.00
								<b>Line Item Total</b>	63,750.00
110 110	6098			00001551	03/25/2013	03/25/2013		MAR'13 SER A INT	39,897.92
110 110	6098			00001551	03/25/2013	03/25/2013		MAR'13 SER B INT	84,821.10
								<b>Check Total</b>	124,719.02
								<b>Line Item Total</b>	124,719.02
								<b>Dept. Total</b>	215,886.85

**Cash Disbursement Journal By GL**  
**From 03/01/2013 To 03/31/2013**

1101116

<u>Fund Dept</u>	<u>LnItm</u>	<u>PEID</u>	<u>Vendor Name</u>	<u>Check #</u>	<u>Check Date</u>	<u>Post Date</u>	<u>PO #</u>	<u>Invoice #</u>	<u>Amount</u>
WEST RAIL GEC SVC									
110 1116 6082	0000174224		PEREZ, LAURA PATRICIA	00001558	03/25/2013	03/25/2013		2012-CCL-931	600.00
								<b>Check Total</b>	600.00
110 1116 6082	0000174226		ROBLES LAW FIRM, THE	00001560	03/25/2013	03/25/2013		2012-CCL-931	600.00
								<b>Check Total</b>	600.00
110 1116 6082	0000174225		SANCHEZ, ROSA NELLY	00001564	03/25/2013	03/25/2013		2012-CCL-931	600.00
								<b>Check Total</b>	600.00
								<b>Line Item Total</b>	1,800.00
								<b>Dept. Total</b>	1,800.00

## 1101116

From 03/01/2013 To 03/31/2013

<u>Fund Dept</u>	<u>Lnltn</u>	<u>PEID</u>

**Vendor Name**

<u>Check #</u>	<u>Date</u>
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Date

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100	1/1/2020

PO #Invoice #

**Amount**

<b>Fund Total</b>	306,575.75
<b>Total Disbursements</b>	306,575.75

**Total Disbursements** 306,575.75



## 1111124

From	To
03/01/2013	03/31/2013

<u>Fund</u>	<u>Dept</u>	<u>Ln/ltm</u>	<u>PEID</u>	<u>Vendor Name</u>	<u>Check #</u>	<u>Date</u>	<u>Post</u>	<u>PO #</u>	<u>Invoice #</u>	<u>Amount</u>
SH 550	DIRECT	CONNECT1								
111	1124	6082	0000166107	S&B INFRASTRUCTURE, LTD	00001562	03/25/2013	03/25/2013		U-1965-01	31,186.76
									Check Total	31,186.76
									Line Item Total	31,186.76
									Dept. Total	31,186.76

<u>Fund</u>	<u>Dept</u>	<u>Ln\itm</u>	<u>PEID</u>	<u>Vendor Name</u>	<u>Check #</u>	<u>Date</u>	<u>Post</u>	<u>PO #</u>	<u>Invoice #</u>	<u>Amount</u>
SH 550	DIRECT	CONNECT1								
111	1124	6082	0000166107	S&B INFRASTRUCTURE, LTD	00001562	03/25/2013	03/25/2013		U-1965-01	31,186.76
									Check Total	31,186.76
									Line Item Total	31,186.76
									Dept. Total	31,186.76

<u>Fund</u>	<u>Dept</u>	<u>Ln\itm</u>	<u>PEID</u>	<u>Vendor Name</u>	<u>Check #</u>	<u>Date</u>	<u>Post</u>	<u>PO #</u>	<u>Invoice #</u>	<u>Amount</u>
SH 550	DIRECT	CONNECT1								
111	1124	6082	0000166107	S&B INFRASTRUCTURE, LTD	00001562	03/25/2013	03/25/2013		U-1965-01	31,186.76
									Check Total	31,186.76
									Line Item Total	31,186.76
									Dept. Total	31,186.76

<b>Check Total</b>	31,186.76
<b>Line Item Total</b>	31,186.76
<b>Dept. Total</b>	31,186.76

**Line Item Total** 31,186.76

Dept. Total	31,186.76
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**Cash Disbursement Journal By GL**

1111129

From 03/01/2013 To 03/31/2013

<u>Fund Dept</u>	<u>LnItem</u>	<u>PEID</u>	<u>Vendor Name</u>	<u>Check #</u>	<u>Check Date</u>	<u>Post Date</u>	<u>PO #</u>	<u>Invoice #</u>	<u>Amount</u>
SH 550 SPUR									
111 1129	6082	0000170088	CENTRAL TEXAS REGIONAL MOBILIT	00001553	03/25/2013	03/25/2013	P187027	7290020045	626,739.35
								<b>Check Total</b>	626,739.35
								<b>Line Item Total</b>	626,739.35
								<b>Dept. Total</b>	626,739.35

## 1111129

From	To
03/01/2013	03/31/2013

<u>Fund Dept</u>	<u>Lnltn</u>	<u>PEID</u>

**Vendor Name**

**Check #**

Check	Date
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100	1/1/2020

PO #

**Invoice #**

**Amount**

<b>Fund Total</b>	657,926.11
<b>Total Disbursements</b>	657,926.11

**Total Disbursements** 657,926.11

**CAMERON COUNTY REGIONAL MOBILITY AUTHORITY****Combined Statement of Net Assets****March 31, 2013****(UNAUDITED)**

<b>Assets:</b>	<b>2013</b>
<b>Current assets:</b>	
Cash and cash equivalents	\$ 1,726,853
Accounts Receivable	1,045,857
Prepaid expenses	-
Due from other agencies	12
<b>Total current assets</b>	<b>2,772,722</b>
<b>Restricted assets:</b>	
Debt reserve	7,296,194
Bond Proceeds in Trust	37,870,478
Reserve for Rate Stabilization	311,111
Restricted Cash	58,868
<b>Total restricted assets</b>	<b>45,536,651</b>
<b>Capital Assets: CWIP</b>	
CWIP/Bond Series 2010A	9,477,697
CWIP/Bond Series 2010B	10,595,068
CWIP/Bond Series 2012 SH 550	681,780
SPI 2nd. Causeway	1,736,644
West Loop	2,244,589
SPI 2nd. Access, Eng., Env.	3,719,533
<b>Total capital assets CWIP</b>	<b>28,455,311</b>
Other Assets: CWIP	35,831,184
<b>Capital Assets: Other(Net of Depreciation)</b>	<b>2,377,385</b>
<b>Total assets</b>	<b>\$114,973,253</b>
<b>Liabilities:</b>	
<b>Current liabilities:</b>	
Accounts payable	\$ 8,333
Due to other Entities	250,000
Due to other Funds	-
Deferred Revenue	206,026
<b>Total current liabilities</b>	<b>464,359</b>
<b>Long term liabilities:</b>	
Bonds Payable/Series 2010A,2010B, and 2012 SH550	68,380,000
Less: Unamortized discount and issue cost	(1,379,715)
Unamortized premium	4,534,905
Aid from Other Gov/SPI 2nd Causeway	1,736,644
Aid from Other Govt./West Loop	2,244,589
Aid from Other Govt./SPI 2nd Access, Eng., Env.	3,719,533
Aid from Other Govt./West Rail Relocation	18,710,677
Aid from Other Govt./Olmito Switchyard	11,042,750
Aid from Other Govt./Olmito RIP Facility	-
<b>Total long term liabilities</b>	<b>108,989,383</b>
<b>Total liabilities</b>	<b>109,453,742</b>
<b>Net assets:</b>	
Contributed Capital	-
Net Assets	5,519,511
<b>Total net assets</b>	<b>5,519,511</b>
<b>Total liabilities and net assets</b>	<b>\$114,973,253</b>

## CAMERON COUNTY REGIONAL MOBILITY AUTHORITY

AS OF 03/31/2013

## Combined Statement of Revenues &amp; Expenditures

(UNAUDITED)

	<u>2013</u>	
<u>OPERATING REVENUES</u>		
RMA Fees	\$ 1,351,720	
SH 550 Toll Revenue	58,047	
State Revenue - TX Dot	-	
Interest Income	<u>2,586</u>	
TOTAL OPERATING REVENUES		\$ 1,412,353
<u>OPERATING EXPENSES</u>		
Office Supplies	160	
Contingencies	-	
Engineering	-	
Professional Services	50,053	
Postage	35	
Travel	24,898	
Advertising	6,801	
Printing & Binding	59	
Bonds	1,038	
Data Processing	3,854	
Education & Training	2,635	
Aid to other Governments	-	
Dues and Memberships	7,500	
Contractual	138,235	
New Equipment	-	
Debt Retirement	727,500	
Debt Interest	157,355	
Fiscal Agent Fees	5,000	
Image Review	<u>9,179</u>	
TOTAL OPERATING EXPENSES		1,134,302
<u>DEVELOPMENT PROGRAMS</u>		
Strategic Plan Development	-	
Public Involvement & Outreach	-	
West Rail Relocation	44,075	
FM 803 EA & PS&E	10,421	
East Loop Project	-	
RFI-Comp Dev Agree	-	
PDA Coordination & Negotiation Support	-	
Olmito Yard PS & E	<u>-</u>	
TOTAL NON CWIP EXPENDITURES		<u>54,496</u>
CHANGE IN NET ASSETS		223,555
TOTAL NET ASSETS - Beginning of Year (restricted)		5,295,956
TOTAL NET ASSETS - End of Year (restricted)		<u><u>\$ 5,519,511</u></u>

**3-C    CONSIDERATION AND APPROVAL OF THE CAMERON COUNTY  
REGIONAL MOBILITY AUTHORITY COMPLIANCE REPORT AS  
PER TEXAS ADMINISTRATIVE CODE TITLE 43, PART 1, CHAPTER  
26, SUBCHAPTER G**

# Cameron County Regional Mobility Authority

## Compliance Report

Texas Administrative Code Title 43, Part I, Chapter 26, Subchapter G

§26.65(a) Annual Reports to the Commission

Compliance Rule	Compliance Statement	Certification
<b><i>Rule §26.61 Written Reports:</i></b>		
The annual operating and capital budgets adopted by the RMA year.	CCRMA Board of Directors adopted and approved on September 24, 2012 the Budget for FY beginning October 1, 2012. Cameron County was subsequently provided the approved budget.	The CCRMA budget was approved by the Board of Directors on September 24, 2012.
Any annual financial information and notices of material events required to be disclosed under Rule 15c2-12 of the SEC.	None were required by CCRMA for the 2012 Fiscal Year.	Not Applicable
To the extent not disclosed in another report required in this compliance report, a statement of any surplus revenue held by the RMA and a summary of how it intends to use the surplus revenue.	The CCRMA has no surplus revenues which are not considered within the approved budget to cover the operations and further projects of the organization.	The CCRMA approved budget for the fiscal year 2013.
An independent auditor's review of the reports of investment transactions prepared under Government Code, §2256.023.	The Independent Auditor has applied all necessary procedures within the scope of their Audit which resulted in an "Unqualified Opinion" for the 2012 Fiscal Year.	The Independent Audit Firm issued an "Unqualified Opinion" on April 2, 2013 for the 2012 Financial Report.
<b><i>Rule §26.62 Annual Audit:</i></b>		
The RMA shall maintain its books and records in accordance with generally accepted accounting principles in the United States and shall have an annual financial and compliance audit of such books and records.	The CCRMA received an "Unqualified Opinion" from the Independent Auditor on April 2, 2013 for the 2012 fiscal year.	The Independent Audit Firm issued an "Unqualified Opinion" on April 2, 2013 for the 2012 Financial Report.
The annual audit shall be submitted to each county or city that is a part of the RMA within 120 days after the end of the fiscal year, and conducted by an independent certified public accountant.	The annual audit was conducted by an Independent Certified Public Accountant, furthermore the CCRMA was treated as a component unit of the Cameron County consequently included within the County's financial report.	CCRMA has made available the 2012 financial report to all interested parties.
All work papers and reports shall be retained for a minimum of four years from the date of the audit.	The CCRMA stores all relevant work papers for a minimum period of four years.	CCRMA's records and retention policy is within compliance of this requirement.
<b><i>Rule §26.63 Other Reports to Counties and Cities:</i></b>		
Provide other reports and information regarding its activities promptly when	The CCRMA responds promptly to the request of information by the	No Comments

requested by the counties or cities.	County or local cities as well as provides relevant information for immediate access on its website.	
<b><i>Rule §26.64 Operating Records:</i></b>		
The Department will have access to all operating and financial records of the RMA. The executive director will provide notification if access is desired by the department.	The CCRMA complies with rule 26.64 of subchapter G of the Texas Administrative Code allowing the Department access to all operating records of the RMA.	No comments



**3-D CONSIDERATION AND APPROVAL OF AN INTERLOCAL  
AGREEMENT BETWEEN THE CAMERON COUNTY REGIONAL  
MOBILITY AUTHORITY AND THE TEXAS DEPARTMENT OF  
TRANSPORTATION**

THE STATE OF TEXAS §

THE COUNTY OF TRAVIS §

## INTERLOCAL AGREEMENT

**THIS CONTRACT** is entered into by the Contracting Parties under Government Code, Chapter 791.

**I. CONTRACTING PARTIES:**

The Texas Department of Transportation  
Cameron County Regional Mobility Authority

TxDOT  
Local Government

**II. PURPOSE:** This Contract is intended to further facilitate toll operations on the SH 550 Toll Project by providing for the provision of certain marketing and operational support services by TxDOT.

**III. STATEMENT OF SERVICES TO BE PERFORMED:** The Local Government will undertake and carry out services described in **Attachment A**, Scope of Services.

**IV. CONTRACT PAYMENT:** The total amount of this contract shall not exceed \$40,115.00 per year for a total amount of \$80,230.00 and shall conform to the provisions of **Attachment B**, Budget. Payments shall be billed monthly.

**V. TERM OF CONTRACT:** 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 shall be terminated immediately with no liability to either party. This contract begins when fully executed by both parties and terminates on March 31, 2015 or when otherwise terminated as provided in this Agreement.

**VI. LEGAL AUTHORITY:**

**THE PARTIES** certify that the services provided under this contract are services that are properly within the legal authority of the Contracting Parties

The governing body, by resolution or ordinance, dated 4.29.13, has authorized the Local Government to provide the scope of services.

This contract incorporates the provisions of **Attachment A**, Scope of Services, **Attachment B**, Budget, **Attachment C**, General Terms and Conditions, **Attachment D**, Resolution or Ordinance and **Attachment E**, Location Map Showing Project.

**CAMERON COUNTY REGIONAL MOBILITY AUTHORITY**

By

AUTHORIZED SIGNATURE

Date

4-29-13Pete Sepulveda, Jr.

TYPED OR PRINTED NAME AND TITLE

Title

RMA Coordinator**FOR THE STATE OF TEXAS**

Executed for the Executive Director and approved for the Texas Transportation Commission for the purpose and effect of activating and/or carrying out the orders, established policies or work programs heretofore approved and authorized by the Texas Transportation Commission.

By

Kenneth Stewart

Deputy Director of Contract Services  
Texas Department of Transportation

Date

06/07/13**SCANNED**Final 003701202

## **ATTACHMENT A**

### **Scope of Services**

#### **1. DEFINITIONS**

**Adjustment** - A financial transaction applied to an account that negatively or positively (debit or credit) modifies the account's balance. A toll Adjustment financially modifies a specific transaction (toll or violation) that was previously posted/paid on the account (and thus modifies the account's balance). An account Adjustment financially modifies the account balance directly (and is not related to a specific toll or violation transaction).

**Automatic Vehicle Identification** — A system consisting of an antenna and reader installed in a toll lane and a transponder mounted on a vehicle that allows for automatic identification of a vehicle as it passes through a properly equipped lane.

**Central Toll Repository Host** — The host computer for the Local Government toll collection system located in the computer room in the administrative headquarters building of the Central Texas Regional Mobility Authority (or as otherwise located) that acts as the central depository for all Electronic Toll Collection data related to use of any facility within the Local Government System.

**Local Government System** — Any tolled roadway owned and/or operated by the Local Government or on behalf of the Local Government by any third party.

**Customer Service Center**— The customer service center that is operated by TxDOT that distributes TxTag Transponders, supports the TxTag customers and processes transactions as identified.

**Electronic Toll Collection**— A system of integrated devices and components that permit the automatic recording of vehicle transactions through electronic media in a toll revenue collections system.

**Home Authority** - An Authority that issues Transponders to Patrons, owns and manages Accounts associated with those Transponders, and posts Transactions to those Accounts.

**Interoperable Authority** - An agency, company, or other business entity that must comply with the Interoperability Business Requirements and Interface Control Documents and be party to an agreement that allows for the settlement of interoperable transactions. This term is used when referring to either the Home or the Visited Authority.

**Interface Control Document**— The current mutually agreed upon document that specifies the file(s) transferred between two systems (i.e. Customer Service Center system and Traffic Management System Host). The document specifies file naming, format, content, transfer timing and transfer protocol/process.

**Interoperability HUB** – The technical and procedural implementation of the Interoperability Interlocal Agreement.

**Parent Account** – TxTag account that is created and funded by Local Government to facilitate the transfer of funds between Local Government and TxDOT.

**Reconciled Transaction** — A transaction (toll or violation) that the Home Authority has provided a status (i.e. posted, rejected, etc.) to the Visited Authority for a transaction that the Home Authority received (from the Visited Authority) and processed.

**Toll Revenue or Revenue** — Funds due or paid for posted transactions including Reconciled Transactions less Adjustments.

**Transponder** — A device placed on or within an automobile that is capable of transmitting and/or receiving information used to assess or collect tolls that results in recognizable vehicle identification for tolling purposes, either with TxDOT's Electronic Toll Collection program or with an interoperable third party. This includes, but is not limited to, a "TxTag Transponder".

**TxTag®** — The TxTag sticker is a thin device that goes on the inside of your windshield behind your rearview mirror. TxTag transponders are interoperable with other toll agencies throughout the state.

**Valid Transaction** — The data recorded by the passage of a vehicle equipped with an electronic TxTag Transponder (which is properly read by the toll management system and which has a valid status) through a Local Government tolling point.

**Visited Authority** - Any Authority, or its designated representative, that is not the customer's Home Authority. The Visited Authority is the entity where the transactions occur and that creates and sends the transactions to the Home Authority. The Visited Authority is responsible for paying the Transaction Fee to the Home Authority.

## **2. TRANSPONDER DISTRIBUTION AND TRANSFER OF FUNDS**

**2.1** TxDOT will distribute to Local Government an initial quantity of TxTag Transponders and subsequent quantities as requested. Local Government will distribute these TxTag transponders directly to customers, and TxDOT will be responsible for working with Local Government to establish the related customer accounts and transfer the related funds between TxDOT and Local Government in accordance with the Standard Operating Procedures (SOPs) that have been mutually developed by TxDOT and Local Government.

**2.2** TxDOT will develop and manage (subject to locating willing participants and TxDOT's ability to negotiate third (3<sup>rd</sup>) Party distribution agreements with retailers in Cameron County) a network of third (3<sup>rd</sup>) Party TxTag distributors in Cameron County. All financial transactions and logistics associated with the distribution of these transponders will take place between TxDOT and the third (3<sup>rd</sup>) Party TxTag distributors. Local Government will work with TxDOT to promote these transponder distribution networks and contribute to their success.

**2.3** TxDOT shall work with Local Government to create policies and setup the necessary "Parent" account to facilitate the transfer of funds between Local Government and TxDOT, for;

**2.3.1** The purchasing of transponders by Local Government from TxDOT for resale at Cameron County facilities (This does not include the purchase of transponders for distribution through 3<sup>rd</sup> party retailers); and

**2.3.2** Replenishment of accounts by walkup customers in Cameron County.

**2.4** TxDOT shall work with Local Government on an ongoing basis to manage and reconcile the "Parent" Account and resolve all customer issues associated with the purchase of transponders and replenishment of accounts through the Cameron County toll operations group.

**2.5** TxDOT will pay Central Texas Regional Mobility Authority for Local Government Electronic Toll Collection transactions that successfully post to a TxTag customer account. Payments will be made no more than once a month. Funds will be transferred through wire transfer or other electronic means.

**2.6** TxDOT will provide reports and data to Local Government or its designee to assist in reconciling the transaction data and revenue attributable to transactions on the Local Government System. TxDOT shall not be required to separately reconcile amounts due to Local Government, but will provide the information, in an electronic format as part of the normal reconciliation process, necessary for Central Texas Regional Mobility Authority to separate Central Texas Regional Mobility Authority and Local Government revenue and adjustments at a summary level. Transaction level detail shall be provided upon request.

**2.7** Local Government and TxDOT agree to review, no less than quarterly, revenue payments to Central Texas Regional Mobility Authority on behalf of Local Government from TxDOT. In the event such review identifies a discrepancy, the discrepancy shall be promptly remedied to the satisfaction of both parties.

### **3. CUSTOMER SERVICE STANDARDS**

**3.1** The Customer Service Center will achieve a high level of customer service satisfaction when handling all customers. TxDOT will perform to previously established standards. Meetings will be held quarterly, or as mutually agreed upon by both parties, to review reports on operational performance and customer issues. Reports will be provided in advance to the Local Government to reflect the customer service performance levels. Specified performance categories to be addressed in such reports include, but are not limited to, the following: (i) Customer Service Center call center statistics; (ii) website responses and trends; (iii) customer account management; (iv) tag distribution tracking; (v) customer satisfaction and dispute resolution; (vi) Customer Service Center operations related to customer service. Routine maintenance of the Customer Service Center system will be performed at times that cause minimal impact to customer service. If maintenance is required during normal hours of operation and if possible, TxDOT will provide reasonable customer service options to ensure appropriate handling of customer issues. When possible, Local Government will be provided prior notification of any service disruptions caused by maintenance activities.

**3.2** As allowed by law, Local Government may, at its own expense, conduct surveys of customers, who use Local Government System facilities, concerning their customer service experiences. Such surveys will be shared and coordinated with TxDOT prior to conducting such surveys. Upon conclusion of the surveys, results will be provided to TxDOT. If requested by either party, TxDOT and Local Government will meet to address any issues. The Customer Service Center will provide a sufficient number of Spanish speaking customer service representatives to handle Spanish speaking Local Government customers in a manner consistent with the performance standards currently used for English speaking customer service support.

**3.3** The Local Government shall be notified of any changes anticipated to the Customer Service Center system and TxDOT shall not take any unilateral decision that negatively impacts Local Government without proper notification. Local Government shall be notified in advance of all changes to the system that directly affect Local Government. Appropriate time to evaluate the effect of the changes to the Local Government shall be provided, but never less than at least fifteen (15) business days after delivery of notice shall be provided. Upon the completion of this evaluation Local Government, and TxDOT shall meet to resolve any outstanding issues at the quarterly meetings referenced in (3.1) above, or earlier if requested by either Party.

**3.4** The Local Government shall notify TxDOT of any changes anticipated to the Local Government system and the Local Government shall not take any unilateral action that negatively impacts TxDOT without proper notification. Local Government shall notify TxDOT in advance of all changes to the system that directly affect the Customer Service Center. Appropriate time to evaluate the effect of the changes to the Customer Service Center system shall be provided, but never less than at least fifteen (15) business days after delivery of notice shall be provided. Upon the completion of this evaluation Local Government, and TxDOT shall meet to resolve any outstanding issues at the quarterly meetings referenced in (3.1) above, or earlier if requested by either Party.

### **4. CUSTOMER INFORMATION AND DISPUTES**

**4.1** Local Government will provide to TxDOT all information necessary for TxDOT to handle Local Government customer contacts, including without limitation maps, policies, and marketing brochures.

**4.2** TxDOT will provide customer account data including contact information for TxTag customers who use Local Government roadways. Subject to provisions of law, Local Government may use this information to conduct communication and marketing activities.

4.3 The Parties will share customer account information only for the purpose of collecting tolls, the enforcement of toll violations, or as otherwise permitted by this Agreement or required by law.

4.4 As stated in the TxTag License and Use Agreement, account information will not be disclosed to third parties without the TxTag Transponder user's consent except as permitted by law and the policies of TxDOT. Customer account information provided to Local Government or TxDOT will be disclosed to third parties only if the intended use of the information is specifically related to work to be performed in accordance with the terms of this agreement or other related work mutually agreed to by both TxDOT and Local Government in conjunction with the administration of the TxTag program.

4.5 TxDOT and Local Government will implement a mutually agreed upon customer dispute resolution process. All data associated with each unresolved dispute will be sent to Local Government.

## **5. TRANSACTION CONFORMANCE TESTING**

5.1 Local Government transactions will be introduced within the normal flow of interoperable transactions, via the Interop Hub, by the existing Central Texas Regional Mobility Authority system. Initially and for the purposes of transaction processing, Local Government will function as another location with Central Texas Regional Mobility Authority as the Home Authority. Testing of any new segments opened will be consistent with the testing that currently takes place when Interoperable authorities add a new location.

## **6. MARKETING**

6.1 TxDOT will engage in a marketing program to educate the public concerning the use of toll roads and TxTag Transponders and to inform the public regarding the manner in which interested users may establish TxTag accounts.

6.2 Local Government will engage in marketing efforts to educate the public concerning the use of Local Government System facilities, and may direct potential users to the TxDOT Customer Service Center for TxTag account establishment.

6.3 The Parties will coordinate their marketing efforts to ensure that consistent information is being communicated to the public. Each Party will discuss at the quarterly meetings referenced in (3.1) above its marketing activities to the Public Information Officer, Marketing Director, or other designated individual of the other Party.

6.4 Local Government and TxDOT will make readily available to each other currently available statistical data which may be useful in the planning, financing, construction, operation, and marketing of toll facilities. Such information would include, but not be limited to, TxTag penetration rates, TxTag demographic data and TxTag usage trends. Any new data collection approach may result in costs associated with its development.

## **7. SYSTEM ACCESS**

7.1 TxDOT will allow read-only access to the TxTag Customer Service Center account management system by one (1) identified Local Government designee, and one (1) identified backup designee. User access information will be provided after each designee is identified and the system access request form and process are completed.

7.2 Local Government will access the customer account management system through one (1) identified computer that is permanently located at Local Government's Brownsville office at the Veteran's Building, 3310 Interlocal - LGPerf

South Expressway 77, Brownsville, Texas 78526. The Customer Service Center account management system will not be accessed by any other computers located within or outside of Local Government's specified Brownsville office.

**7.3** Access will only be allowed to designated Local Government employee and/or designated contracted personnel, unless otherwise specifically permitted, in writing, by TxDOT.

**7.4** Local Government will use the Customer Service Center system access to exclusively obtain information on TxTag accounts with Local Government transactions.

**7.5** TxDOT will provide training and support for Local Government during the Customer Service Center's normal hours of operation.

**7.6** TxDOT will conduct periodic audits of Local Government's access usage; Local Government acknowledges that non-compliance with the system access restrictions listed herein will result in the immediate removal and denial of Customer Service Center system access.

## **8. OPERATIONS**

The following Services are to be provided by TxDOT to Local Government on an "as requested" basis.

**8.1** As requested by the Local Government, TxDOT shall provide TxTag transponders (both an initial lot and future lots as required to replenish inventory) directly to the Local Government for distribution directly by the Local Government.

**8.2** Upon review and approval TxDOT may modify or enhance their business rules or systems as requested by Local Government to better support the Local Government and/or their customers. To the extent that the Local Government requests that TxDOT modify or supplement their policies or systems, TxDOT agrees to provide an estimate for the work. If agreed to, in advance of the work beginning, Local Government will reimburse TxDOT for reasonable costs actually incurred of implementing any modifications or supplemental business practices.



**ATTACHMENT B****Budget**

The table below provides general guidance for the cost of TxDOT's Marketing and Operational support of Local Government. Actual costs will be based on quantities, durations and the specific scope of services. The particulars shall be determined and agreed upon prior to the procurement of materials or estimated and agreed upon prior to the start of specific support tasks.

Marketing Coordination	One-Time Cost	Monthly Cost	Hrs.	Rate	Notes
Coordination with TTA Marketing Firm	\$2,460		30	\$82	
Develop Marketing Plan	\$3,280		40	\$82	
Implement Strategies	\$2,460		30	\$82	
Event Planning	\$1,640		20	\$82	
Review Media Related Documents	\$1,640		20	\$82	
Develop Retail Options	\$1,968		24	\$82	
Total for Marketing Coordination	\$13,448				

Port of Brownsville	One-Time Cost	Monthly Cost	Hrs.	Rate	Notes
Sell TxTag's at the permit office	\$3,280		40	\$82	
3 Days of Training	\$1,500		56	\$26.34	3 days labor, 2 people, travel
Travel	\$854				
Generator	\$80				
Total for Port of Brownsville	\$5,714				

Special Events	One-Time Cost	Monthly Cost	Hrs.	Rate	Notes
3 Special Events (Staff, travel, Transportation)	\$9,279				\$3,092.84 per 2 CSR's, courier driver, truck, trailer
Port Entrance Special Event	\$3,093				
Total for Special Events	\$12,372				

MSB	One-Time Cost	Monthly Cost	Hrs.	Rate	Notes
Create inserts for PBM	\$2,540				
Total for MSB	\$2,540				

Website	One-Time Cost	Monthly Cost	Hrs.	Rate	Notes
Update Website to link SH 550	\$450				
Total for Website	\$450				

Interoperability	One-Time Cost	Monthly Cost	Hrs.	Rate	Notes
Cost to add Local Government as new Central Texas Regional Mobility Authority Roadway					
Call Center Support		\$2,035.60	70	\$29.08	Includes call center coordination
Initial Set-up of TxTag Unregistered Accounts					\$20 per tag with \$20 prepaid tolls
Set-up of new TxTags					monthly or as requested \$20 per tag with \$20 of prepaid tolls
Cash Replenishment Support in Cameron County					Master account will be seeded with \$1,000-\$5,000
Interop Fee					The rate in effect under the Statewide Interlocal Agreement for Toll Interoperability
Total per year	\$40,115				
Total for Two years	\$80,230				



## **ATTACHMENT C**

### **General Terms and Conditions**

#### **Article 1. Additional Work**

- A. If the Local Government is of the opinion that any assigned work is beyond the scope of this contract and constitutes additional work, it shall promptly notify TxDOT in writing. The written notice shall present the relevant facts and show how the work constitutes additional work.
- B. If TxDOT in its sole discretion finds that the work does constitute additional work, TxDOT shall so advise the Local Government and a written amendment will be executed. The Local Government shall not perform any proposed additional work or incur any additional costs before the execution of an amendment.
- C. TxDOT shall not be responsible for actions by the Local Government or for any costs incurred by the Local Government relating to additional work that is performed before an amendment is executed or that is outside the scope of the contract, as amended.

#### **Article 2. Amendments**

This contract may only be amended by written agreement executed by both parties before the contract is terminated.

#### **Article 3. Notice to Proceed**

If Attachment A requires a notice to proceed, the Local Government shall not proceed with any work or incur any costs until TxDOT issues a written notice to the Local Government authorizing work to begin. Any costs incurred by the Local Government before receiving the notice are not eligible for reimbursement.

#### **Article 4. Conflicts Between Agreements**

If the terms of this contract conflict with the terms of any other contract between the parties, the most recent contract shall prevail.

#### **Article 5. Nonconforming Work**

If the Local Government submits work that does not comply with the terms of this contract, TxDOT shall instruct the Local Government to make any revisions that are necessary to bring the work into compliance with the contract. No additional compensation shall be paid for this work.

#### **Article 6. Termination**

This contract terminates at the end of the contract term, when all services and obligations contained in this contract have been satisfactorily completed, by mutual written agreement, or 30 days after either party gives notice to the other party, whichever occurs first. TxDOT shall compensate the Local Government only for those eligible expenses that are incurred during this contract and that are directly attributable to the completed portion of the work covered by this contract and only if the work has been completed in a manner satisfactory and acceptable to TxDOT. The Local Government shall neither incur nor be reimbursed for any new obligations after the date of termination.

#### **Article 7. Funding**

TxDOT shall pay for services from appropriation items or accounts from which like expenditures would normally be paid. Payments received by the Local Government shall be credited to the current appropriation items or accounts from which expenditures of that character were originally made. If for any reason subcontractors and suppliers, if any, are not paid before TxDOT reimburses the Local Government for their services, the Local Government shall pay the subcontractors and suppliers all

undisputed amounts due for work no more than 10 days after the Local Government receives payment for the work unless a different time is specified by law. This requirement also applies to all lower-tier subcontractors and suppliers and must be incorporated in all subcontracts. If the Local Government fails to comply with this Article, TxDOT may withhold payments and suspend work until the subcontractors and suppliers are paid. The Local Government is authorized to submit requests for reimbursement no more frequently than monthly and no later than ninety (90) days after costs are incurred.

#### **Article 8. Basis for Calculating Reimbursement Costs**

TxDOT will reimburse the Local Government for actual costs incurred in carrying out the services authorized in Attachment A, Scope of Services, subject to the cost categories and estimated costs set forth in Attachment B, Budget. TxDOT shall compensate the Local Government for only those eligible expenses incurred during this contract that are directly attributable to the completed portion of the work covered by this contract, provided that the work has been completed in a manner satisfactory and acceptable to TxDOT. The Local Government shall not incur or be reimbursed for any new obligations after the effective date of termination. The Local Government shall bill TxDOT for actual travel expenses, not to exceed the limits reimbursable under state law. Out-of-state or out-of-country travel by the Local Government requires prior approval by TxDOT.

#### **Article 9. Gratuities**

Any person who is doing business with or who reasonably speaking may do business with TxDOT under this contract may not make any offer of benefits, gifts, or favors to employees of TxDOT. The only exceptions allowed are ordinary business lunches and items that have received the advanced written approval of the Executive Director of the Texas Department of Transportation.

#### **Article 10. Conflict of Interest**

The Local Government shall not assign an employee to a 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 the state relating to the project;
- B. has a direct or indirect financial interest in the outcome of the project;
- C. has performed services regarding the subject matter of the project for an entity 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
- D. is a current part-time or full-time employee of TxDOT.

#### **Article 11. Local Government Resources**

All employees of the Local Government shall have adequate knowledge and experience to enable them to perform the duties assigned to them. The Local Government certifies that it currently has adequate qualified personnel in its employment to perform the work required under this contract 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 Local Government shall remove from the project any employee of the Local Government who is incompetent or whose conduct becomes detrimental to the work. Unless otherwise specified, the Local Government shall furnish all equipment, materials, supplies, and other resources required to perform the work.

#### **Article 12. Assignment Subcontracts**

A subcontract may not be executed by the Local Government without prior written authorization by TxDOT. Subcontracts in excess of \$25,000 shall contain all applicable terms and conditions of this contract. No subcontract will relieve the Local Government of its responsibility under this contract. Neither party shall assign any interest in this agreement.

**Article 13. Responsibilities of the Parties**

Each party acknowledges that it is not an agent, servant, or employee of the other party. Each party is responsible for its own acts and deeds and for those of its agents, servants, or employees.

**Article 14. Disputes**

The Local Government shall be responsible for the settlement of all contractual and administrative issues arising out of procurements entered in support of contract services. TxDOT shall be responsible for the settlement of any dispute concerning this contract unless the dispute involves a subcontract.

**Article 15. No Assignment**

Neither party shall assign, sublet, or transfer any interest in this agreement.

**Article 16. Remedies**

This agreement shall not be considered as specifying the exclusive remedy for any default, but either party may avail itself of any remedy existing at law or in equity, and all remedies shall be cumulative.

**Article 17. Records and Ownership**

- A. The Local Government agrees to maintain all books, documents, papers, accounting records, and other evidence pertaining to costs at its office during the contract period and for four years from the date of final payment under the contract. These materials shall be made available for inspection and copying by TxDOT, by the State Auditor's Office, and by their authorized representatives. If the contract is federally funded, these materials shall also be made available for inspection and copying by the U.S. Department of Transportation and by the Office of the Inspector General.
- B. After completion or termination of this contract, all documents prepared by the Local Government or furnished to the Local Government by TxDOT shall be delivered to and become the property of TxDOT. All sketches, photographs, calculations, and other data prepared under this contract shall be made available, on request, to TxDOT without restriction or limitation of further use.
- C. TxDOT shall own all title to, all interests in, all rights to, and all intellectual property (including copyrights, trade and service marks, trade secrets, and patentable devices or methods) arising from or developed under this contract.
- D. Except to the extent that a specific provision of this contract states to the contrary, all equipment purchased by the Local Government or its subcontractors under this contract shall be owned by TxDOT and will be delivered to TxDOT at the time the contract is completed or terminated.
- E. The State Auditor may conduct an audit or investigation of any entity receiving funds from TxDOT directly under the contract or indirectly through a subcontract under the contract. Acceptance of funds directly under the contract or indirectly through a subcontract under this 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.

**Article 18. Reference to Costs Principles and Circulars**

Reimbursement with state or federal funds will be limited to costs determined to be reasonable and allowable under cost principles established in OMB Circular A-21, "Cost Principles for Educational Institutions," or OMB Circular A-87, "Cost Principles for State and Local Governments." 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.

#### **Article 19. Equal Employment Opportunity**

The Local Government agrees to comply with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 and as supplemented by Department of Labor regulations, 41 CFR Part 60. The Local Government agrees to consider minority universities for subcontracts when the opportunity exists. The Local Government warrants that it has developed and has on file appropriate affirmative action programs as required by applicable rules and regulations of the Secretary of Labor.

#### **Article 20. Nondiscrimination**

- A. The Local Government shall comply with the regulations of the U.S. Department of Transportation relating to nondiscrimination in federally-assisted programs, including 49 CFR, Part 21; 23 CFR, Subchapter C; and 41 CFR, Part 60-74 (the Regulations).
- B. The Local Government, with regard to the work performed during this agreement, shall not discriminate on the basis of race, color, sex, national origin, age, religion, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment.
- C. In all solicitations either by competitive bidding or negotiation made by the Local Government for work to be performed under a subcontract, including procurements of materials and leases of equipment, but not including routine purchase orders, each potential subcontractor or supplier shall be notified by the Local Government of the Local Government's obligations under this agreement and the Regulations.
- D. The Local Government shall provide all information and reports required by the Regulations and directives issued under the Regulations and shall permit access to its books, records, accounts, other sources of information, and facilities as may be determined by the Texas Department of Transportation or the U.S. Department of Transportation to be pertinent to ascertain compliance with the Regulations or directives. If any information required of the Local Government is in the exclusive possession of another who fails or refuses to furnish this information, the Local Government shall so certify to the Texas Department of Transportation or the U.S. Department of Transportation, whichever is appropriate, and shall set forth what efforts the Local Government has made to obtain the requested information.
- E. In the event of the Local Government's noncompliance with the nondiscrimination provision of this agreement, the Texas Department of Transportation shall impose such sanctions as it or the U.S. Department of Transportation may determine to be appropriate.
- F. The Local Government shall include the provisions of paragraphs A through E in every subcontract, including procurements of materials and leases of equipment, except routine purchase orders, unless exempt by the Regulations or directives. The Local Government shall take such lawful action with respect to any subcontract or procurement as the Texas Department of Transportation may direct as a means of enforcing these provisions, including sanctions for noncompliance. In the event the Local Government becomes involved in or is threatened with litigation with a subcontractor or supplier as a result of directions given by TxDOT, the Local Government may request the Texas Department of Transportation to enter into the litigation to protect the interests of the State. In addition, the Local Government may request the United States to enter into litigation to protect the interests of the United States.

#### **Article 21. Noncollusion**

The Performing Agency warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Performing Agency, to solicit or secure this Agreement, and that it has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon or resulting from the award or making of this Agreement. If the Performing Agency breaches or violates this warranty, the Texas Department of Transportation shall have the right to



annul this Agreement without liability or, in its discretion, to deduct from the Agreement price or consideration, or otherwise recover the full amount of such fee, commission, brokerage fee, contingent fee, or gift.

#### **Article 22. Lobbying Certification**

In executing this agreement, each signatory certifies 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 Performing Agency 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.

This statement is a material representation of fact upon which reliance was placed when this agreement was made or entered into. Submission of this statement is a prerequisite for making or entering into this agreement imposed by Title 31 U.S.C. §1352. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each failure.

By executing this agreement, the parties affirm this lobbying certification with respect to the Project and affirm this certification of the material representation of facts upon which reliance will be made.

#### **Article 23. Compliance with Laws**

The parties shall comply with all federal, state, and local laws, statutes, ordinances, rules, and regulations and with the orders and decrees of any courts or administrative bodies or tribunals in any manner affecting the performance of this agreement. After receiving a written request from TxDOT, the Local Government shall furnish TxDOT with satisfactory proof of its compliance with this Article.

#### **Article 24. Signatory Warranty**

Each signatory warrants that the signatory has necessary authority to execute this agreement on behalf of the entity represented.

**Article 25. Notices**

All notices to either party shall be delivered personally or sent by certified U.S. mail, postage prepaid, addressed to that party at the following address:

<b>Performing Agency:</b>	TxDOT Division Director TxDOT, Toll Operations Division 12719 Burnet Road, Austin, Texas 78727
<b>Receiving Agency:</b>	RMA Coordinator Cameron County Regional Mobility Authority 1100 E. Monroe Brownsville, Texas 78521

All notices shall be deemed given on the date delivered in person or deposited in the mail. 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 notices shall be delivered personally or by certified U.S. mail, and that request shall be carried out by the other party.

**ATTACHMENT D**

**Resolution or Ordinance**

**THE STATE OF TEXAS**  
**COUNTY OF CAMERON**

**RESOLUTION**

BE IT RESOLVED THAT ON THE 29<sup>TH</sup> DAY OF APRIL 2013, THE CAMERON COUNTY REGIONAL MOBILITY AUTHORITY CONVENED IN SPECIAL SESSION, AND UPON THE REQUEST OF THE CAMERON COUNTY REGIONAL MOBILITY AUTHORITY BOARD OF DIRECTORS, THE FOLLOWING RESOLUTION WAS OFFERED AND ADOPTED, TO WIT:

**"CONSIDERATION AND APPROVAL OF AN INTERLOCAL AGREEMENT  
BETWEEN THE CAMERON COUNTY REGIONAL MOBILITY AUTHORITY AND  
THE TEXAS DEPARTMENT OF TRANSPORTATION"**

**WHEREAS**, the Cameron County Regional Mobility Authority is in need of entering into an Interlocal Agreement to further facilitate toll operations on the SH 550 Toll Project by providing for the provision of certain marketing and operational support services by the Texas Department of Transportation; and

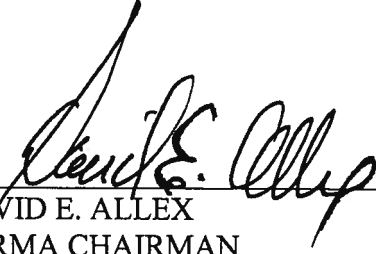
**WHEREAS**, the Cameron County Regional Mobility Authority has found it necessary to enter into an Interlocal Agreement with the Texas Department of Transportation to provide the services to further facilitate toll operations on the SH 550 Toll Project.

**NOW, THEREFORE, BE IT RESOLVED** that the Cameron County Regional Mobility has granted its Approval of the Resolution approving an Interlocal Agreement for SH 550 Toll Project.

Passed, Approved and Adopted on this 29<sup>th</sup> day of April, 2013.

Attest:

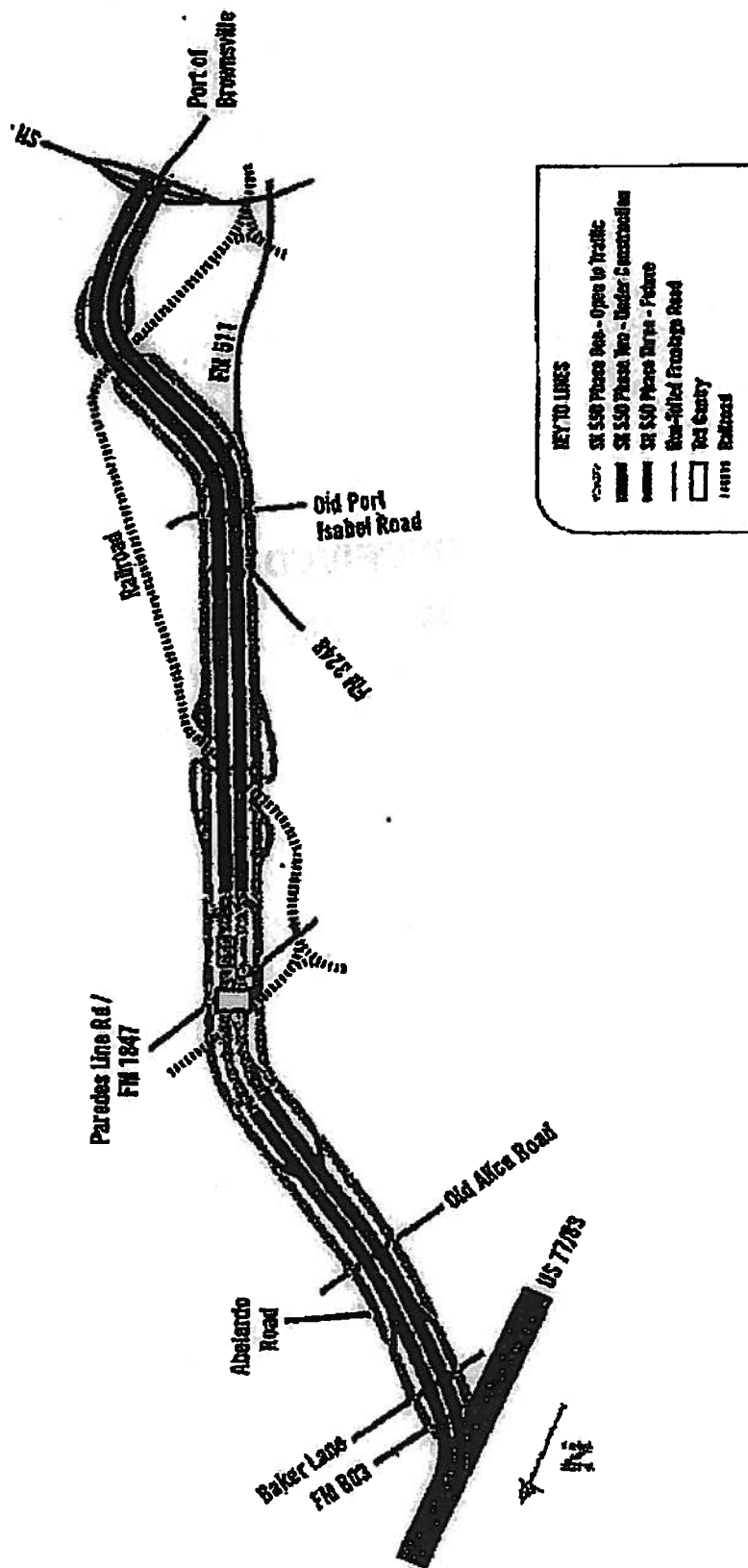
  
\_\_\_\_\_  
RUBEN GALLEGOS, JR.  
CCRMA SECRETARY

  
\_\_\_\_\_  
DAVID E. ALLEX  
CCRMA CHAIRMAN



# ATTACHMENT E

## Location Maps Showing Project



**3-E    CONSIDERATION AND APPROVAL OF AN AGREEMENT BETWEEN  
THE TEXAS ASSOCIATION OF COUNTIES (TAC) RISK  
MANAGEMENT POOL AND THE CAMERON COUNTY REGIONAL  
MOBILITY AUTHORITY**

**TEXAS ASSOCIATION OF COUNTIES  
RISK MANAGEMENT POOL  
INTERLOCAL PARTICIPATION AGREEMENT**

This Agreement, entered into by and between the Texas Association of Counties Risk Management Pool (hereinafter called "Pool") and **Cameron County Regional Mobility Authority** (hereinafter called "Member") shall be effective as of the last date on which a party to the Agreement signs the Agreement.

**RECITALS:**

**WHEREAS**, the Pool is sponsored by the Texas Association of Counties (hereinafter called "TAC"), and the Pool was formed by the entry into a charter interlocal agreement by the Texas Association of Counties Workers Compensation Self-Insurance Fund, the Texas Association of Counties Property & Casualty Self-Insurance Fund and the Texas Association of Counties County Government Risk Management Pool;

**WHEREAS**, the Pool was created as an interlocal entity organized under Chapter 791, GOVERNMENT CODE, V.T.C.A., to provide self-insurance for all risks, including workers' compensation, property and casualty and liability coverages as authorized by CHAPTER 2259, GOVERNMENT CODE, V.T.C.A., Chapter 504, LABOR CODE, V.T.C.A., Chapter 119, LOCAL GOVERNMENT CODE, V.T.C.A. and other law;

**WHEREAS**, Member, a local government as defined in Chapter 791 GOVERNMENT CODE and a governmental unit as defined in Chapter 2259 GOVERNMENT CODE, desires to take advantage of the benefits made available through the Pool;

**WHEREAS**, the Member's governing body has approved this agreement; and

**WHEREAS**, the parties recognize that the Pool is a Risk Management Pool authorized by statute and the coverage provided is not considered and does not constitute insurance under any Texas law, including the Texas Insurance Code nor under the common law and is not regulated by the Texas Department of Insurance;

**NOW, THEREFORE**, it is Agreed and Understood among the parties as follows:

**SECTION 1. PARTICIPATION**

**1.01. Agreement to Participate**

Member hereby contracts to become a Member of the Pool. THIS IS NOT A CONTRACT OF INSURANCE and Member does not and cannot hereby elect to create any contract of insurance. The Pool is not a trust and Member does not intend to create a trust.

1.02. Benefits and Obligations Described in Coverage Documents

Member shall have benefits and obligations as more particularly described in the coverage document(s) which may be provided to Member under the terms and conditions of any particular Pool coverage purchased by Member pursuant to this Agreement. A coverage acceptance form, received by the Pool after completion of the underwriting process, or an application for renewal of existing coverage, followed by issuance of a Declarations Page by the Pool for the coverage, shall evidence the acceptance of the terms and conditions of the coverage purchased. Member's rights under any coverage document are subject to the terms and conditions contained in the coverage document.

1.03. Term of Agreement

The term of this Agreement shall commence on the 26th day of April, 2013, and shall continue in full force and effect for a period of one (1) year. This Agreement shall be automatically renewed annually for an additional one (1) year term without the necessity of any action by the parties other than the acceptance of any amendments to the coverage contract and rates. Either party may elect not to renew this Agreement by giving written notice at least thirty (30) days prior to the end of the original term or any renewal term. In the event some coverage is added during the term of this Agreement, the Agreement shall be automatically extended to coincide with the coverage document period provided for the new coverage, except that the term of the Agreement shall continue in accordance with the term(s) of coverage(s) in effect, should any such new coverage be subsequently terminated.

1.04. Termination Without Cause During the Term of the Agreement

A. Termination of This Agreement

This Agreement may be terminated by either party by giving sixty (60) days prior written notice of intent to terminate the Agreement to the other party. Any notice of intent to terminate must be delivered by deposit in the U. S. Mail, certified, return receipt requested. Termination of this Agreement by either party terminates membership in the Pool and any coverages obtained pursuant to this Agreement.

B. Termination of a Coverage Provided Under This Agreement

Subject to Section 1.06, any coverage provided under this Agreement may be canceled by either party by giving sixty (60) days written notice of intent to cancel the coverage to the other party, unless the terms of the applicable coverage document conflict with this provision, in which case the provision in the coverage document controls.

1.05. Addition or Change of Coverages

Pool coverages may be added to the Member's existing coverage(s) provided pursuant to this Agreement, or the provisions of any coverage may be changed, by agreement in writing of the parties.

1.06. Failure to Maintain Coverage

The failure to maintain at least one coverage through the Pool will result in the automatic and immediate termination of this Agreement.

1.07. Coverage Documents

Any coverage documents used by the Pool shall be approved by the Board of Directors of the Texas Association of Counties Risk Management Pool ("the Board"), or by the Pool Administrator, subject to review by the Board.

**SECTION 2. POWER, DUTIES AND ORGANIZATION**

2.01. Powers of Pool

The Pool shall have any power necessary to carry out the purpose of this Agreement which may be conferred by Chapter 791, V.T.C.A., GOVERNMENT CODE, by Chapter 2259, GOVERNMENT CODE, V.T.C.A. ; by Chapter 504, LABOR CODE, V.T.C.A. , by Chapter 119, V.T.C.A., and by any other law empowering the Pool, and by this Agreement and the Bylaws of the Texas Association of Counties Risk Management Pool ("the Bylaws"). The Pool shall have the power to execute interlocal participation agreements following the form of this Agreement with other Members. The Pool shall have the power to employ a Pool Administrator and independent contractors to assist in carrying out this Agreement.

2.02. Member Compliance

By execution of this Agreement, Member agrees to comply with and abide by the Bylaws, applicable Coverage Documents, and the rules and regulations of the Pool, as now in effect and as hereafter amended.

2.03. Incorporation of Bylaws and Bylaws' Amendments

The Bylaws are incorporated by reference and made a part of this Agreement for all purposes as if fully set out herein. Any amendment to the Bylaws adopted by the Board shall become binding on Member immediately upon its adoption unless it is in direct conflict with the rights of Member under this Agreement. Any amendment to the Bylaws which alters the rights of a Member under this Agreement shall be effective on the sixtieth (60<sup>th</sup>) day after written notice of the

provision has been served on Member, or otherwise as the parties may agree. If Member objects to any change in the Bylaws affecting such rights, Member may appeal the matter to the Board within ten (10) days of receipt of the notice. The proposed change will not apply to the objecting member until resolution of the matter by the Board.

2.04 Execution of New Agreement

The Pool may require Member to execute a new Interlocal Participation Agreement at any time in order for Member to continue participation. Should Member fail to execute and return such an Agreement, the Pool may terminate the Member's participation in the Pool in accordance with the Bylaws.

2.05 Pool Administrator

The Texas Association of Counties (hereinafter referred to as "TAC") or its designee, is the administrator of the Pool.

2.06 Provision of Reinsurance

The Pool may provide for reinsurance at a level to be determined by Board in its sole discretion.

2.07 No Joint and Several Liability

The Member has no joint or several liability other than the maximum annual contribution payable by the Member. The participation of the Member shall at all times be on a nonassessable basis beyond the annual amount of contribution.

2.08 No Guaranty Fund

RMP is a self-insurance pool that does not participate in a guaranty fund, so funding for Member's claims under the coverage documents will come solely from the Pool's resources. If the Pool's resources are insufficient to satisfy a claim, the Member will be responsible for the claim. The Pool shall endeavor to maintain at all times stop loss insurance and reserves sufficient to assure that all incurred, fully-developed losses and expenses for the total Pool can be paid from available Pool resources.

2.09 Dividends, Investments and Use of Surplus

Any surplus shall be invested or distributed in accordance with the Bylaws.

2.10 Pool Arrangement for Annual Audit

The Pool shall be annually audited by a certified public accounting firm retained by the Pool.

**SECTION 3. POOL COORDINATOR**

3.01. Appointment

Member shall by written instrument appoint a Pool Coordinator. The name of the Pool Coordinator and the address for which notices may be given by the Pool shall be set forth in the space provided at the end of this Agreement. The Pool Coordinator shall promptly provide the Pool with any required information.

3.02. Change of Pool Coordinator

Member may change its Pool Coordinator and/or the address for notice by giving written notice to Pool of such change prior to the effective date of the change.

3.03. Responsibility of Pool Coordinator

Any failure or omission of the Member's Pool Coordinator shall be deemed a failure or omission of Member. The Pool is not required to contact any other individual with respect to Member's business except the named Pool Coordinator unless notice or contact to another individual is required by applicable statute. Any notice given by Pool or its contractor to the Pool Coordinator or such individual as is designated by statute for a particular notice, shall be deemed notice to Member.

**SECTION 4. ANNUAL CONTRIBUTION**

4.01 Submission of Information

Member shall timely submit to the Pool documentation necessary for the Pool to use to determine the risk to be covered for the next renewal period and to properly underwrite the risk exposure. The Pool will provide forms identifying the information requested.

A Member obtaining Workers' Compensation coverage through the Pool must submit an annual estimated payroll, by payroll classifications of the Member, to the Pool no later than sixty (60) days prior to the first day of the coverage period. At the end of the coverage period, Member must provide the Pool with the actual payroll for the coverage period.

#### 4.02 Failure to Timely Submit Information

If Member fails to timely submit the information required in section 4.01 prior to the renewal date, the Pool may charge a penalty of \$100 for each month or portion thereof that the information is not received. Failure to submit the required information within 30 days of the renewal date or failure to pay any penalty provided for in this section may result in termination of Membership under this Agreement or or cancelation of the applicable coverage.

#### 4.03 Determination of Member' Annual Contribution

(a) The contribution for coverage provided by the Pool to Member shall be determined annually. In the event that charges are adjusted during a coverage year, the adjustment will become effective on the annual renewal date for that coverage.

(b) The contribution for the Member shall be based upon the information provided pursuant to section 4.01 of this Agreement, as well as information obtained from any audit or inspection of operations and property of the Member by the Pool.

For liability and property coverages, Members will be charged an annual flat rate contribution that is not subject to audit and adjustment.

For workers'compensation coverage, Member will be charged an annual estimated contribution based on the estimated payroll provided pursuant to Section 4.01, but the contribution is subject to year-end audit and adjustment. If the Member's actual annual payroll differs from the estimated payroll, the amount of the annual contribution may be adjusted. If, after this adjustment, the actual contribution is more than the estimated contribution paid by the Member, the Pool shall notify Member of the difference and Member shall immediately remit the additional amount to the Pool. If the actual contribution is less than the estimated contribution paid by the Member, the Pool shall refund the excess amount to the Member.

(c) The Pool shall calculate the annual contribution for Member using the appropriate discount and/or surcharge if applicable, as approved by the Board.

(d) The Pool will adopt a rate plan for each line of coverage. For workers' compensation coverage, the Pool shall calculate and furnish each Member its individual experience modifier, when earned, in accordance with the provisions of the applicable experience rating plan as approved by the Board.



#### 4.04 Payment of Contribution Is a Condition of Coverage

Member agrees to pay to the Pool the annual contribution amount determined for Member based upon the Pool's calculation. The parties agree that the annual contribution will be paid from current revenues available to Member. The existence of any coverage provided pursuant to this Agreement is expressly conditioned upon, in addition to any other requirements under this Agreement, full and timely payment of charges for any such coverage by Member. Payment shall be paid from Member's current revenues.

#### 4.06 Billing and Payment of Annual Contribution

The contribution for coverage provided by the Pool to Member shall be determined annually. In the event that charges are adjusted during a coverage year, the adjustment will become effective on the annual renewal date of the coverage document.

The Pool shall bill the annual contribution in advance. Member shall pay the Pool at the address specified in Paragraph 7.07. For liability and property coverages, the annual contribution must be paid in advance in its entirety. For workers' compensation coverage, the annual contribution must be paid in four quarterly payments. For workers' compensation coverage, the Pool will submit quarterly invoices in advance and the Member must pay in advance of the quarter. For all coverages, Member's payment is due upon receipt of invoice and, unless the Pool exercises its right to terminate for non payment as provided in Section 4.07, any payment not received within thirty (30) days of the date of billing shall accrue interest at the rate of 1% per month, or as allowed pursuant to Texas law.

#### 4.07 Termination for Failure to Pay

Notwithstanding any other provision in this Agreement, if any payment or contribution for coverage owed by Member to the Pool is not paid as required by this Agreement, the Pool may cancel such coverage or terminate this Agreement, as the Pool deems appropriate, in accordance with the Bylaws and the applicable coverage document. Member shall remain obligated for such unpaid contribution or charge for the period preceding termination.

#### 4.08 Pool's Right to Audit

The Pool has the right, but no obligation, to audit and inspect Member's operations and property at any time upon reasonable notice and during regular business hours, as the Pool deems necessary to protect the interest of the Pool.

4.09 Charges or Rates in Recognition of High Loss Experience

With respect to any Pool coverage, in the event any Member has a higher loss experience than identified in the underwriting standards relevant to that coverage, the Pool may impose on that Member a different or additional rate structure or charge for coverage than those otherwise generally provided to other Members, as a condition of that Member's participation in the relevant coverage.

4.10 Short Rate for Early Withdrawal

Should the Member withdraw before the end of the annual contract period, Member will be subject to the short rate earned contribution factors.

4.11 Collection of Outstanding Contributions

Should the Member fail to make the required payment hereunder, this Agreement may be canceled by its terms and suit may be brought to collect any outstanding contributions due and payable to the Pool. Alternatively, at the option of the Pool, claims costs normally paid by the Pool, up to the total amount of contribution due, must be paid by Member. If this provision is invoked, notwithstanding any provision to the contrary, the Pool has no liability to pay claims expenses until the Member has paid in claims expenses an amount equal to the amount of the contribution due. It is understood and agreed among the parties that, to the extent allowed by law, venue for any suit brought for the purpose of collecting any contributions due and payable to the Pool shall be in Travis County, Texas, and that this contract was made and all actions under this Agreement are performable in, Austin, Travis County, Texas. The party prevailing in any action brought for the purpose of collecting any outstanding contributions due and payable to the Pool shall be entitled to reasonable attorney's fees, plus court costs. For purposes of this provision, the Pool shall be the prevailing party if it is awarded any relief sought in such preceding.

**SECTION 5. CLAIMS**

5.01 Claims Submitted

Member shall submit claims to the Pool as set forth in each applicable Coverage Document or as otherwise required by the Pool or state law.

5.02 Member to Cooperate

If the Pool needs assistance from Member or Member's employees regarding a claim, Member will cooperate with the Pool and will provide such assistance.

## **SECTION 6. SAFETY**

### **6.01 Safety Program**

The Member agrees to cooperate in instituting any and all reasonable safety regulations that may be recommended for the purpose of eliminating or minimizing hazards that may contribute to losses. In the event that the Member determines any recommendation submitted by the Pool, or a contractor authorized by the Pool to make such recommendations on behalf of the Pool is unreasonable, the Member has a right to appeal to the Board.

## **SECTION 7. MISCELLANEOUS**

### **7.01 Amendment**

Except as provided in this Agreement and the Bylaws, this Agreement shall not be amended or modified other than in a written agreement signed by both parties.

### **7.02 Applicable Law**

This Agreement is entered into and executed in the State of Texas, and all questions pertaining to its validity or construction shall be determined in accordance with laws of the State of Texas. This agreement is made and performable in Travis County, Texas.

### **7.03 Suit Against the Pool. The Pool retains its governmental immunity except to the extent it is waived by the Legislature. The parties agree that the following adjudication procedures apply to any legal dispute, and that Member's right to sue the Pool is contingent upon compliance with these procedures: 1) prior to filing suit, Member must comply with all of its obligations under this Agreement and any applicable coverage document; 2) prior to filing suit, Member will participate in good faith in mediation in Travis County, Texas; and 3) any suit against the Pool must be brought in Travis County, Texas.**

### **7.04 Acts of Forbearance**

No act of forbearance on the part of either party to enforce any of the provisions of this Agreement shall be construed as a modification of this Agreement nor shall the failure of any party to exercise any right or privilege herein granted be considered as a waiver of such right or privilege.

7.05 Effect of Partial Invalidity

In case any provision of this Agreement is held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining provisions of this Agreement.

7.06 Headings and Captions

The headings and captions in this Agreement are inserted for the purpose of convenience only and shall not be considered in the construction of any provision.

7.07 Notices and Payments

Any notice required to be given to the Pool shall be deemed properly sent if addressed to:

Texas Association of Counties  
Risk Management Pool  
P. O. Box 2131  
Austin, Texas 78768

and deposited in the United States Mail with proper postage. Payments must be sent to either the above address or to the address specified in the Pool's invoice. The Pool may change its address by giving notice to Member. Any notice required to be given or payment required to be made to Member shall be deemed properly sent if addressed to the Member's Pool Coordinator at the address set forth below. Such person and address may be changed by Member if written notice of such change is given to Pool.

7.08 Counterparts

This Agreement may be executed in counterparts, each of which, when taken separately, shall be deemed an original.

7.09 Right to Enforce

No person or entity not a party to this Agreement may bring suit, as a third-party beneficiary or otherwise, to enforce this Agreement.

7.10 Prior Agreements Superseded

This Agreement constitutes the sole agreement of the parties hereto and supersedes any prior agreements respecting the services to be provided under this Agreement.

## EXECUTION

IN WITNESS WHEREOF, we hereunto affix our signatures as of the date indicated below.

TEXAS ASSOCIATION OF COUNTIES  
RISK MANAGEMENT POOL

By:   
Gene Terry, Executive Director

Date: \_\_\_\_\_

Cameron County Regional Mobility  
Authority  
MEMBER

By:   
David E. Alley, CCRMA Chairman

Date: 4-26-13

MEMBER'S POOL COORDINATOR

Name: Pete Sepulveda, Jr.  
Address: 1100 E Monroe  
\_\_\_\_\_  
\_\_\_\_\_

**3-F      CONSIDERATION AND POSSIBLE ACTION TO ADOPT A  
RESOLUTION IN SUPPORT OF THE DRAFT ENVIRONMENTAL  
IMPACT STATEMENT TO ALLOW SPACE EXPLORATIONS  
TECHNOLOGIES, INC. (SPACE X) TO LAUNCH THE FALCON 9 AND  
FALCON ORBITAL VERTICAL LAUNCH VEHICLES AND A  
VARIETY OF SMALLER REUSABLE SUBORBITAL LAUNCH  
VEHICLES FROM A LAUNCH SITE ON PRIVATELY-OWNED  
PROPERTY IN CAMERON COUNTY, TEXAS**



STATE OF TEXAS

§

COUNTY OF CAMERON

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## RESOLUTION

BE IT RESOLVED THAT ON THE 29<sup>TH</sup> DAY OF APRIL, 2013, THE CAMERON COUNTY REGIONAL MOBILITY AUTHORITY BOARD OF DIRECTORS CONVENED IN A SPECIAL MEETING AND UPON THE REQUEST OF THE BOARD OF DIRECTORS THE FOLLOWING ITEM WAS PLACED ON THE AGENDA OF THE SAID BOARD FOR SUCH MEETING

**“CONSIDERATION AND POSSIBLE ACTION TO ADOPT A RESOLUTION IN SUPPORT OF THE DRAFT ENVIRONMENTAL IMPACT STATEMENT TO ALLOW SPACE EXPLORATIONS TECHNOLOGIES, INC. (SPACE X) TO LAUNCH THE FALCON 9 AND FALCON HEAVY ORBITAL VERTICAL LAUNCH VEHICLES AND A VARIETY OF SMALLER REUSABLE SUBORBITAL LAUNCH VEHICLES FROM A LUNCH SITE ON PRIVATELY-OWNED PROPERTY IN CAMERON COUNTY, TEXAS”**

**WHEREAS**, Space X, Inc. was founded in 2002 by Elon Musk for the purpose of solving the problem of providing a simple, low cost and reliable way to access and explore outer space; and

**WHEREAS**, the Cameron County Regional Mobility Authority Board of Directors recognizes the importance of space exploration; and

**WHEREAS**, Space X, Inc. has established its credibility in the area of private manned and unmanned space flight, having been awarded a significant contract with NASA for 12 flights for their Falcon 9 rocket and Dragon spacecraft to the International Space Station after the retirement of the Space Shuttle in 2011; and

**WHEREAS**, Space X, Inc. has expressed a strong interest in considering an area within Cameron County, Texas as a possible launch site for its Falcon 1 and Falcon 9 rockets and Dragon spacecraft; and

**WHEREAS**, the Cameron County Regional Mobility Authority Board of Directors recognizes that the development of such a commercial launch site would have a tremendous positive economic impact on both job creation and economic growth to the region; and

**WHEREAS**, the Cameron County Regional Mobility Authority Board of Directors wishes to express its strong support and pledges to work in cooperation with Space X, Inc. on this important project.

**NOW, THEREFORE, BE IT RESOLVED** that the Cameron County Regional Mobility Board of Directors unanimously expresses its strong support to Space X, Inc. for the establishment of a commercial launch site and command center within Cameron County, Texas.

Passed, Approved and Adopted on this 29<sup>th</sup> day of April, 2013.

CAMERON COUNTY REGIONAL MOBILITY BOARD OF DIRECTORS

  
\_\_\_\_\_  
DAVID E. ALLEX  
CHAIRMAN

*absent*  
\_\_\_\_\_  
MICHAEL SCAIEF  
TREASURER

  
\_\_\_\_\_  
RUBEN CALLEGOS, JR.  
SECRETARY

  
\_\_\_\_\_  
DAVID N. GARZA  
DIRECTOR

  
\_\_\_\_\_  
NAT LOPEZ  
DIRECTOR

*absent*  
\_\_\_\_\_  
HORACIO BARRERA  
DIRECTOR

  
\_\_\_\_\_  
MARK ESPARZA  
DIRECTOR



#### **4-A APPROVAL OF CLAIMS**



**Cameron County Regional Mobility Authority  
Daily Check Register 04/26/2013**

FY 2013

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<u>Check No.</u>	<u>Vendor Name</u>	<u>Fund</u>	<u>Dept.</u>	<u>Purpose</u>	<u>PO#</u>	<u>Amount</u>
00001577	ADRIAN RINCONES	110	110	MUNICIPAL SERVICES BUREAU		573.27
<b>Check No. 00001577 Total</b>						<b>573.27</b>
00001578	AVINA,VERONICA	110	110	CONTRACT SERVICES FROM	P182628	200.00
<b>Check No. 00001578 Total</b>						<b>200.00</b>
00001579	BETANCOURT,BLANCA	110	110	CONTRACT SERVICES FROM	P182620	1,000.00
<b>Check No. 00001579 Total</b>						<b>1,000.00</b>
00001580	CAMERON COUNTY CLERK	110	1116	RECL PARCEL 9 - ACQUISITION OF	P190197	169,880.00
			1116	ORTIZ - PARCEL 4 & SITE 2 PARC	P190199	99,033.00
<b>Check No. 00001580 Total</b>						<b>268,913.00</b>
00001581	CDW GOVERNMENT INC	110	110	TO PURCHASE COMPUTER	P189520	63.83
			110	WD MY PASSPORT 1 TB USB 3.0 BL	P189520	89.99
			110	FREIGHT CHARGE.	P189520	10.44
<b>Check No. 00001581 Total</b>						<b>164.26</b>
00001582	CENTRAL TEXAS REGIONAL MOBILIT	109	1121	Contractual Expense		4,674.33
			1121	Contractual Expense		14,022.99
			1121	Contractual Expense		358.02
			1121	Contractual Expense		4,674.33
		111	1101	Construction in Progress		749.11
			1102	Construction in Progress		875.50
			1103	INTERLOCAL AGREEMENT	P187027	5,009.60
			1103	INTERLOCAL AGREEMENT	P187027	9,063.30
			1103	INTERLOCAL AGREEMENT	P187027	9,000.40
			1103	INTERLOCAL AGREEMENT	P187027	109,041.91
<b>Check No. 00001582 Total</b>						<b>157,469.49</b>
00001583	DEHOYOS, SYLVIA	110	110	CONTRACT SERVICES FROM	P182843	650.00
<b>Check No. 00001583 Total</b>						<b>650.00</b>
00001584	GALARZA,MARTHA	110	110	CONTRACT SERVICES FROM	P182658	1,100.00
<b>Check No. 00001584 Total</b>						<b>1,100.00</b>
00001585	GARCIA,DAVID	110	110	HOUSE TRANSPORTATION		163.96
			110	HOUSE TRANSPORTATION		1,364.22
			110	LUNCHEON HOUSE STAFF		492.66
			110	CONTRACT SERVICES FROM	P182624	6,250.00
<b>Check No. 00001585 Total</b>						<b>8,270.84</b>
00001586	LOCKE LORD BISSELL AND LIDDELL	110	110	PROFESSIONAL FEES.	P190257	63.75
			110	PROFESSIONAL FEES.	P190257	680.60
			1117	SPI 2ND ACCESS.	P190257	4,213.04
		111	1103	SH 550.	P190257	6,087.53



**Cameron County Regional Mobility Authority  
Daily Check Register 04/26/2013**

FY 2013

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<u>Check No.</u>	<u>Vendor Name</u>	<u>Fund</u>	<u>Dept.</u>	<u>Purpose</u>	<u>PO#</u>	<u>Amount</u>
		1103		SH 550.	P190257	2,135.64
		1103		SH 550.	P190257	2,758.00
<b>Check No. 00001586 Total</b>						<b>15,938.56</b>
00001587	LONG CHILTON LLP	110	110	CCRMA FINANCIAL STATEMENT	P189942	18,000.00
<b>Check No. 00001587 Total</b>						<b>18,000.00</b>
00001588	PENA,JESUS MARTIN	110	110	CONTRACT SERVICES FROM	P182623	200.00
<b>Check No. 00001588 Total</b>						<b>200.00</b>
00001589	QUELLHORST,HENDRICK	110	110	CONTRACT SERVICES FROM	P182625	250.00
<b>Check No. 00001589 Total</b>						<b>250.00</b>
00001590	ROBLES,MARIA A	110	110	CONTRACT SERVICES FROM	P182622	450.00
<b>Check No. 00001590 Total</b>						<b>450.00</b>
00001591	S&B INFRASTRUCTURE, LTD	111	1124	WA NO. 1 WITH S&B INFRASTRUCTU	P187566	95,925.71
<b>Check No. 00001591 Total</b>						<b>95,925.71</b>
00001592	SAN MIGUEL,FRANCISCO	110	110	CONTRACT SERVICES FROM	P182626	300.00
<b>Check No. 00001592 Total</b>						<b>300.00</b>
00001593	SEPULVEDA,PEDRO	110	110	CONTRACT SERVICES FROM	P182621	6,250.00
			110	TXDOT / FHWA 2ND ACCESS POINT		266.90
			110	HNTB 2ND ACCESS POINT		237.60
			110	HOUSE TRANSPORTATION		651.53
<b>Check No. 00001593 Total</b>						<b>7,406.03</b>
00001594	TEXAS COMPTROLLER OF PUBLIC AC	110	110	STATE OF TEXAS CO-OP ANNUAL	P189521	100.00
<b>Check No. 00001594 Total</b>						<b>100.00</b>
00001595	VEGA,DYLBIA JEFFERIES	110	110	CONTRACT SERVICES FROM	P182627	1,100.00
<b>Check No. 00001595 Total</b>						<b>1,100.00</b>
<b>Total for All Checks:</b>						<b>578,011.16</b>

**Print Date:** 04/28/2013 **Print By:** HENDRICK



Cameron County Regional Mobility Authority  
Wire Transfer Register 04/26/2013

<u>Wire No.</u>	<u>Vendor Name</u>	<u>Fund</u>	<u>Dept.</u>	<u>Purpose</u>	<u>PO#</u>	<u>Amount</u>
00000001	ANDERSON COLUMBIA CO. INC.	111	1103	SH 550 DIRECT CONNECTOR	P190198	2,862,343.88
				Wire No. 0000001	Total	2,862,343.88