



**CENTRAL TEXAS  
Regional Mobility Authority**

## Regular Meeting of the Board of Directors

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**9:00 a.m**

Wednesday, September 30, 2015

Lowell H. Lebermann, Jr., Board Room  
3300 N. IH-35, Suite 300  
Austin, Texas 78705

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*Live video of this meeting may be viewed on the internet at  
<http://www.mobilityauthority.com/about/vod.php>*

## AGENDA

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### ***No action on the following:***

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1. Welcome and opening remarks by the Chairman and members of the Board of Directors.
2. Opportunity for public comment – See **Notes** at the end of this agenda.

### ***Consent Agenda***

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*See **Notes** at the end of this agenda.*

3. Approve a contract with Nortex Concrete Lift & Stabilization, Inc., under the state purchasing program of the Texas Comptroller to provide pavement maintenance services as needed.
4. Approve a work authorization for Group Solutions RJW to provide public involvement services for the 183 South (Bergstrom Expressway) project.
5. Approve additional funding for the contract with Maldonado Nursery and Landscaping, Inc., for landscape maintenance on Mobility Authority roadways.
6. Approve a time extension and additional funding for the contract with Austin Traffic Signal Construction Co., Inc., for routine maintenance and repair of traffic signals and roadway illumination on Mobility Authority roadways.

7. Approve an amendment to extend the agreement with the North East Texas Regional Mobility Authority to provide toll collection processing services.
8. Approve the annual compliance report to the Texas Department of Transportation required by 43 Texas Administrative Code §26.65.

### ***Regular Items***

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*Items to discuss, consider, and take appropriate action.*

9. Award a contract for system-wide performance based maintenance services for current and future Mobility Authority corridors.
10. Award a professional services contract to provide survey quality assurance services for the 183 South (Bergstrom Expressway) project.
11. Award a professional services contract to provide materials acceptance testing services for the 183 South (Bergstrom Expressway) project.
12. Award a professional services contract to provide construction inspection services for the 183 South (Bergstrom Expressway) project.
13. Authorize solicitation of bids for a construction contract for interim improvements at the SH 130 – Manor Expressway intersection.
14. Authorize procurement of professional engineering design services for direct connectors at the SH 130 – Manor Expressway intersection.
15. Accept the financial statements for July and August 2015.
16. Approve the minutes for the July 21, 2015, Special Meeting, the minutes for the July 29, 2015, Regular Board Meeting, and the minutes for the August 24, 2015, Special Meeting.

### ***Recess the Board Meeting***

### ***Convene the Audit Committee Meeting***

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17. Audit Committee Meeting
  - A. Audit Committee meeting called to order by Committee Chairman Bennett
  - B. Introduction of external auditors from Padgett, Stratemann & Co., L.L.P.
  - C. Discuss, consider, and take appropriate action to accept the Fiscal Year 2015 Audit Reports.

- D. Adjourn Audit Committee.

## **Reconvene the Board Meeting**

### **Briefings and Reports**

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*Items for briefing and discussion. No action will be taken by the Board.*

- 18. Executive Director's Report.
  - A. Project updates.
  - B. Proposal for a joint board meeting with the Capital Metro Board of Directors.
  - C. Discussion of Mobility Authority market and brand research.
  - D. Introduction of new Mobility Authority employees.

### **Executive Session**

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*Under Chapter 551 of the Texas Government Code, the Board may recess into a closed meeting (an executive session) to deliberate any item on this agenda if the Chairman announces the item will be deliberated in executive session and identifies the section or sections of Chapter 551 that authorize meeting in executive session. A final action, decision, or vote on a matter deliberated in executive session will be made only after the Board reconvenes in an open meeting.*

*The Board may deliberate the following items in executive session if announced by the Chairman:*

- 19. Discuss acquisition of one or more parcels or interests in real property needed for the 183 South project and related legal issues, including consideration of the use of eminent domain to condemn property, pursuant to §551.072 (Deliberation Regarding Real Property; Closed Meeting) and §551.071 (Consultation With Attorney; Closed Meeting).
- 20. Discuss legal issues related to claims by or against the Mobility Authority; pending or contemplated litigation and any related settlement offers; or other matters as authorized by §551.071 (Consultation With Attorney).
- 21. Discuss legal issues relating to procurement and financing of Mobility Authority transportation projects, as authorized by §551.071 (Consultation With Attorney).
- 22. Discuss personnel matters as authorized by §551.074 (Personnel Matters).

### **Reconvene in Open Session.**

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## Regular Items

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*Items to discuss, consider, and take appropriate action.*

23. **Consideration of the use of eminent domain to condemn property:** Declare a public necessity to acquire the following described parcels of land, or interests therein, for the 183 South (Bergstrom Expressway) Project; and with respect to each such parcel or interest therein, authorize any of the following actions: (i) acquisition through negotiation or by the use of eminent domain to condemn the parcel or interest therein; (ii) execution of a contract to purchase, and (ii) execution of a possession and use agreement:
- A. Parcel 125 of the 183 South (Bergstrom Expressway) Project, a 0.853 acre parcel of real estate, owned by Capital Metropolitan Transportation Authority and located at 5316 Ed Bluestein Blvd., Austin, TX 78723, at the southwest corner of Ed Bluestein Blvd. and East 51st Street.
  - B. Parcel 114E of the 183 South (Bergstrom Expressway) Project, a 0.055 acre parcel of real estate, owned by Dr. Masoud Arami, Majid Kamalipour and Mohammed Arami and located at 6111 FM 969, Austin, TX 78725, in the 4000 Block of Ed Bluestein.
  - C. Parcel 120E of the 183 South (Bergstrom Expressway) Project, a 0.041 acre parcel of real estate, owned by Hewlett-Packard Company and located at 3301 Hibbetts Road, Austin, TX 78725, in the 3000 Block of Ed Bluestein.
  - D. Parcel 127E of the 183 South (Bergstrom Expressway) Project, a 3.052 acre parcel of real estate, owned by Church of Christ at East Side, and located at 5701 E. Martin Luther King Jr. Blvd., Austin, TX 78721.
  - E. Parcel 129E of the 183 South (Bergstrom Expressway) Project, a 3.874 acre parcel of real estate, owned by MFPB Ed Bluestein, LLC, and located at 3443 Ed Bluestein Blvd., Austin, TX 78721.
24. Authorize negotiation and execution of a contract to purchase each of the following described parcels or property interests for the 183 South (Bergstrom Expressway) Project:
- A. Parcel 126 of the 183 South (Bergstrom Expressway) Project, a 0.197 acre parcel of real estate, Parcel 113E of the 183 South (Bergstrom Expressway) Project, a 0.034 acre parcel of real estate, and Parcel 113AC of the 183 South (Bergstrom Expressway) Project, a 205.62 linear feet denial of access line, owned by the Young Mens Christian Association of Austin, Inc., and located at 5201 Ed Bluestein Blvd., Austin, TX.
25. Adjourn Meeting.



## Notes

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**Opportunity for Public Comment.** At the beginning and at the end of the meeting, the Board provides a period of up to one hour for public comment on any matter that is subject to the Mobility Authority's jurisdiction. Each speaker is allowed a maximum of three minutes. A person who wishes to address the Board should sign the speaker registration sheet before the beginning of the public comment period. If a speaker's topic is not listed on this agenda, the Board may not deliberate the speaker's topic or question the speaker during the open comment period, but may direct staff to investigate the matter or propose that an item be placed on a subsequent agenda for deliberation and possible action by the Board. The Board may not deliberate or act on an item that is not listed on this agenda.

**Consent Agenda.** The Consent Agenda includes routine or recurring items for Board action with a single vote. The Chairman or any Board Member may defer action on a Consent Agenda item for discussion and consideration by the Board with the other Regular Items.

**Public Comment on Agenda Items.** A member of the public may offer comments on a specific agenda item in open session if he or she signs the speaker registration sheet for that item before the Board takes up consideration of the item. The Chairman may limit the amount of time allowed for each speaker. Public comment unrelated to a specific agenda item must be offered during the open comment period.

**Meeting Procedures.** The order and numbering of agenda items is for ease of reference only. After the meeting is convened, the Chairman may rearrange the order in which agenda items are considered, and the Board may consider items on the agenda in any order or at any time during the meeting.

**Persons with disabilities.** If you plan to attend this meeting and may need auxiliary aids or services, such as an interpreter for those who are deaf or hearing impaired, or if you are a reader of large print or Braille, please contact Laura Bohl at (512) 996-9778 at least two days before the meeting so that appropriate arrangements can be made.

**Español.** Si desea recibir asistencia gratuita para traducir esta información, llame al (512) 996-9778.



**CENTRAL TEXAS**  
**Regional Mobility Authority**

Meeting Date: September 30, 2015  
AGENDA ITEM # 1

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Welcome, Opening Remarks and Board  
Member Comments.

Welcome, Opening Remarks and Board Member Comments

Board Action Required: No



**CENTRAL TEXAS**  
**Regional Mobility Authority**

Meeting Date: September 30, 2015  
AGENDA ITEM # 2

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Open Comment Period for Public Comment.  
Public Comment on Agenda Items.

**Open Comment Period for Public Comment** - At the beginning of the meeting, the Board provides a period of up to one hour for public comment on any matter subject to CTRMA's jurisdiction. Each speaker is allowed a maximum of three minutes. A person who wishes to address the Board should sign the speaker registration sheet before the beginning of the open comment period. If the speaker's topic is not listed on this agenda, the Board may not deliberate the topic or question the speaker during the open comment period, but may direct staff to investigate the subject further or propose that an item be placed on a subsequent agenda for deliberation and possible action by the Board. The Board may not act on an item that is not listed on this agenda.

**Public Comment on Agenda Items** - A member of the public may offer comments on a specific agenda item in open session if he or she signs the speaker registration sheet for that item before the Board's consideration of the item. The Chairman may limit the amount of time allowed for each speaker. Public comment unrelated to a specific agenda item must be offered during the open comment period.

Board Action:                      No



**CENTRAL TEXAS  
Regional Mobility Authority**

Meeting Date: September 30, 2015  
AGENDA ITEM # 3

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Approve a contract with Nortex Concrete Lift & Stabilization, Inc., under the state purchasing program of the Texas Comptroller to provide pavement maintenance services as needed

Strategic Plan Relevance: Regional Mobility  
Department: Engineering  
Contact: Wesley M. Burford, P.E., Director of Engineering  
Associated Costs: Not to exceed \$100,000  
Funding Source: Operating Fund  
Action Requested: Consider and act on draft resolution

Summary:

This action approves entering into an agreement with Nortex Concrete Lift & Stabilization, Inc., under the state purchasing program of the Texas Comptroller of Public Accounts. Nortex provides concrete slab lifting and stabilization services through a foam injection method to correct ride quality on Mobility Authority roadways. Services under the contract will be provided as may be needed from time-to-time.

Prices for goods and services offered under the state purchasing program are competitively bid. Traffic control costs for this work are subsidiary to the item and are included in the price per unit. A two-year workmanship and a ten-year materials warranty are included as part of the contract associated with a purchase order.

Section 401.011 of the Policy Code provides that a purchase made through the purchasing program established by the Texas Comptroller satisfies procurement requirements and is exempt from any other procurement requirements in the Policy Code.

Backup provided: Copy of the Nortex state contract  
Draft Resolution

**STATE OF TEXAS  
TEXAS COMPTROLLER OF PUBLIC ACCOUNTS  
TEXAS MULTIPLE AWARD SCHEDULE (TXMAS)**

**THIS CONTRACT** is by and between the TEXAS COMPTROLLER OF PUBLIC ACCOUNTS ("CPA"), with offices in the LBJ State Office Building, 111 E. 17<sup>th</sup> Street, Austin, Texas 78774 and: Nortex Concrete Lift + Stabilization, Inc. ("Contractor") with its principal place of business at the following address:

201 NW 26<sup>TH</sup> St. Fort Worth, TX 76164

This Contract is effective as of the date of signature by CPA after having first been signed by Contractor.

**1. BACKGROUND**

The Contractor has entered into a contract with the federal government or other governmental entity that was awarded using a competitive process ("Base Contract"). CPA has determined that the Base Contract offers goods or services that may be of interest to various state agencies and has therefore decided to use the Base Contract as a basis for a state multiple award schedule contract with the Contractor pursuant to Texas Government Code, Section 2155.501 et seq. This state multiple award schedule contract ("Contract") establishes terms and conditions under which state agencies or local governments ("Customers") may acquire the Contractor's goods or services, but it in no manner obligates any Customer to do so.

**TERMS & CONDITIONS**

**2. BASE CONTRACT**

- (a) This Contract consists of the terms of the Base Contract, as amended by this Contract (see Paragraph below entitled "ENTIRE AGREEMENT"), and identified as:

Base Contract Number: 15-6271

Governmental Entity that Awarded the Base Contract:  
City of Kenner, LA

The Base Contract consists of all the documents and materials incorporated in that agreement with the entity that awarded the Base Contract. Those documents include, but are not limited to, all amendments and any authorized price list.

- (b) Additionally, all representations, clarifications, and certifications submitted by the Contractor as a part of the Base Contract contracting process are also included. This includes any laws, regulations, documents, guidelines, and other materials incorporated by reference in the Base Contract, including, as applicable, all Federal Acquisition

Regulation (FAR), Defense Federal Acquisition Regulation (DFAR), Federal Information Processing Standards Publication (FIPS PUB), Federal Standards (FED-STD) and United States Code (USC) provisions, and any other applicable law or rule governing the contract relationship. By way of example, if the Base Contract is with the United States General Services Administration ("GSA"), such would include all cited FAR and DFAR provisions relating to warranties, liabilities, and rights in data, and the GSA's Price Reduction Clause, among others.

- (c) Prices reflected on the Base Contract are maximum prices. A Customer may negotiate a lower price for goods and services than that listed on the Base Contract.

### **3. CERTIFICATION OF ACCURACY**

Contractor hereby certifies that all copies of the Base Contract documents that were submitted to CPA are true, correct, current, and complete. The Contractor further represents and warrants that all future Base Contract revisions submitted to revise this Contract will also be true, correct, current, and complete.

### **4. REPRESENTATIONS**

The Contractor warrants that all certifications and representations made as a basis for obtaining or as a part of the Base Contract were and still are true and accurate. The Contractor further agrees that such representations are a basis for CPA entering into this Contract and that such representation and certifications inure to the benefit of the State of Texas, CPA, and all Customers (Texas state agencies and local governments) under this Contract.

### **5. FUTURE NOTICE**

The Contractor acknowledges that any continuing obligation to notify the awarding entity under the Base Contract of changes affecting the Base Contract, including by way of example only, notices required under any price reduction provisions of the Base Contract, imposes under this Contract a corresponding continuing obligation to notify CPA. Additionally, the Contractor agrees to notify CPA within thirty (30) calendar days of all changes in the status of or amendments to the Base Contract.

### **6. PARTIES TO THIS CONTRACT**

- (a) For purposes of this Contract, all rights and obligations of the Contractor and the awarding entity under the Base Contract will be rights and obligations of the Contractor and the State of Texas, CPA, and Customers, except to the extent that such would create an absurdity, are modified by this Contract, or would violate state or federal law. CPA is the contracting agency under this Contract, but may, as a State Agency, also be a Customer under this Contract.
- (b) This Contract may be relied on by any "State Agency" as defined under §2151.002, Texas Government Code or any "Local Government" as defined under §271.101, Texas Local Government Code ("Customers"). Unless expressly stated otherwise or unless the

context clearly indicates otherwise, all Customers of this Contract will have the same rights and remedies of the State of Texas and CPA under this Contract including, but not limited to, the provisions regarding indemnification. Any order placed by a Local Government under this Contract will be between the Contractor and the Local Government. The Contractor will look solely to the Local Government for performance, including but not limited to payment, and will hold the State harmless with regard to such orders. The State, however, will have the right to terminate this Contract and seek such remedies on termination as this Contract provides should the Contractor fail to honor its obligations under an order from a Local Government.

- (c) Nothing in this Contract requires the Contractor to accept an order from a Local Government where the Contractor reasonably believes that the Local Government is or will be unable to perform its obligations in relation to that order.
- (d) In performing this Contract, Contractor and Contractor's employees, representatives, agents and any subcontractors are not employees of the State of Texas, CPA, or Customers. Should Contractor subcontract any of the services required in this Contract, Contractor expressly understands and acknowledges that in entering into such subcontract(s), the State of Texas, CPA, and Customers are in no manner liable to any subcontractor(s) of Contractor. In no event shall this provision relieve Contractor of the responsibility for ensuring that the services rendered under all subcontracts are rendered in compliance with this Contract.

## **7. SPECIFIC CHANGES TO PROVISIONS INCLUDED IN THE BASE CONTRACT**

In addition to all other provisions in this Contract that constitute changes or modifications to the Base Contract, Contractor agrees to the following provisions, notwithstanding anything to the contrary contained in the Base Contract:

- (a) All equipment will be new and all replacement parts will be new.
- (b) The ordering and payment addresses under this Contract will be those contained in the Contractor's offer letter to the State.
- (c) Payments and invoicing will be in accordance with the terms discussed under the provisions in this Contract entitled "PAYMENT; TRAVEL EXPENSES" and "INVOICE REQUIREMENTS."
- (d) All shipping of equipment under warranty for repairs will be at the Contractor's expense.
- (e) All references to hours of the day will be deemed to be references to Central Standard Time.
- (f) Neither the State of Texas, nor CPA, nor Customers will purchase goods or services for overseas delivery or provide the Contractor with overseas support.

- (g) If the Base Contract is a GSA contract, orders under this Contract are not orders under the GSA schedule program. Therefore, the federal supply schedules for blanket purchase agreements and contractor team arrangements are not applicable to this contract. However, for administrative convenience and to satisfy a total best value procurement requirement, a Customer may, if the quoted price is determined to be fair and reasonable, purchase incidental items that are not on the GSA contract schedule to the extent permitted by applicable laws, rules, and regulations. The purchase of incidental, off schedule items will be treated as an open market purchase and clearly labeled on the schedule purchase order as open market items.
- (h) Contractor is not authorized to sell under this Contract any services available on Contractor's Base Contract that are subject to Texas Government Code, Chapter 2254.

## 8. TXSMARTBUY

CPA operates an online ordering system, TxSmartBuy, for statewide contracts. A 1.5% administrative fee is charged on all orders. Contractor is authorized to charge up to 1.5228% to recover this charge. Contractor shall remit this administrative fee to CPA on a monthly basis, as invoiced. Contractor's TXMAS catalog will be exclusively accessed via TxSmartBuy.

- (a) The Contractor shall remit to the State of Texas a TxSmartBuy Administrative Fee. The current TxSmartBuy Administrative Fee is 1.5%; however, the TxSmartBuy Administrative Fee is subject to change at the sole discretion of CPA. Contractor will be provided written notice of any increase to the TxSmartBuy Administrative Fee. The TxSmartBuy Administrative Fee shall be remitted on a monthly basis, using the State of Texas Fiscal Calendar, which starts on September 1 and ends on August 31 of each year. The TxSmartBuy Administrative Fee will be for the amount of sales (based on item or service delivery date) under this Contract for the previous month and is due upon receipt of the invoice which will be emailed to the Contractor the following month.
- (b) The TxSmartBuy Administrative Fee remittance should be identified as "TxSmartBuy Admin Fee" and made payable to CPA. The remittance address is: Texas Comptroller of Public Accounts, TPASS, P.O. Box 13106, Austin, TX 78711-3106.
- (c) The Contractor shall remit to the State of Texas a sales rebate which will not exceed the GSA Industrial Funding Fee (IFF) that is in effect at the time of the submission. The current sales rebate is 0.73875%. The sales rebate shall be remitted on a quarterly basis, using the State of Texas Fiscal Calendar, which starts on September 1 and ends on August 31 of each year. The sales rebate will be for the amount of sales (based on item or service delivery date) under this Contract for the previous quarter and is due upon receipt of the invoice which will be emailed to the contractor the week following the end of the quarter.
- (d) The Sales Rebate remittance should be identified as "TXMAS Sales Rebate" and made payable to CPA. The remittance address is: Texas Comptroller of Public Accounts, TPASS, Attn: Accounts Receivable, P.O. Box 13186, Austin, TX 78711-3186.



- (e) The Contractor shall also submit a final closeout report within one hundred and twenty (120) calendar days after the expiration or termination of this Contract. This Contract shall expire upon the physical completion of the last outstanding task or delivery of the final order under this Contract.

## **9. DEALERS**

- (a) Upon approval of CPA, the Contractor may designate one or more dealers to provide services under this Contract on behalf of the Contractor. To designate a dealer, the Contractor must provide a Letter of Authorization. The Contractor shall provide a separate Letter of Authorization for each designated dealer.
- (b) The Letter of Authorization must be submitted on the Contractor's official letterhead, signed by an authorized representative, and addressed to the attention of the Director of the Texas Procurement and Support Services Division at the address set forth in Paragraph below entitled "Notices." The Letter of Authorization must include a Letter of Acceptance from the dealer and all supporting documentation. By submitting a Letter of Authorization, the Contractor represents and warrants the following:
  - (1) The dealer has been given a copy of this Contract and the Base Contract, a duly authorized representative of the dealer has agreed in writing to be bound by the terms and conditions of this Contract and the Base Contract as modified by this Contract, and that such agreement specifically provides that it is for the benefit of the State of Texas, CPA, and Customers, as well as the Contractor.
  - (2) The Contractor agrees to remain liable under this Contract for any failure of the dealer to perform and for any breach of the dealer under this Contract.
  - (3) Payments under this Contract for the services of any dealer may be made directly to that dealer, and the Contractor will look solely to the dealer for any payments due the Contractor once the State of Texas, CPA, or a Customer has paid the dealer.
  - (4) To the extent that there is any liability to the State of Texas, CPA, or any Customer arising from doing business with a dealer that has not signed the Letter of Acceptance required under this section with the Contractor, the Contractor will fully and unconditionally indemnify the State of Texas, CPA, and Customers for such liability.
  - (5) The Contractor's Letter of Authorization shall remain effective until CPA receives written notification from the Contractor, signed by an authorized representative of the Contractor, that the authorization to a dealer is withdrawn.
- (c) The Letter of Acceptance must be submitted on the dealer's official letterhead, signed by an authorized representative of the dealer, and addressed to the attention of the Contractor. In the Letter of Acceptance, the dealer must represent and warrant that it has been given a copy of this Contract and the Base Contract, it agrees to be bound by the terms and conditions of this Contract and the Base Contract, as both may be amended from time to time, and such agreement specifically provides that it is for the benefit of the

State of Texas, CPA, and Customers, as well as the Contractor. The Letter of Acceptance must also include the following information:

- (1) the dealer's name and address,
  - (2) the dealer's point of contact name, telephone number, fax number, and email address,
  - (3) the dealer's payment address,
  - (4) the dealer's purchase order email address
  - (5) the dealer's Federal Employer's Identification Number (FEIN),
  - (6) the dealer's completed W9, and
  - (7) the dealer's HUB Certificate, if the dealer is a Texas HUB.
- (d) Prior to CPA's approval of the Contractor's designated dealer, CPA will review the Letter of Authorization and the required documentation for compliance with this section and applicable state laws and regulations. If the submission of documentation is incomplete (i.e. does not include all required documentation), CPA reserves the right to reject the Letter of Authorization and require re-submission by the Contractor of the Letter of Authorization and all required documentation. Even if a submission is complete, CPA reserves the right to reject a Contractor's designation of a dealer to provide services under this Contract on behalf of the Contractor. Approval is at CPA's sole discretion.

#### **10. POLICY ON UTILIZATION OF HISTORICALLY UNDERUTILIZED BUSINESSES (HUBS)**

In accordance with Chapter 2161, Texas Government Code and 34 Texas Administrative Code (TAC) §20.10 et seq., state agencies shall make a good faith effort to utilize Historically Underutilized Businesses (HUBs) in contracts for construction, services (including professional and consulting services), and commodities contracts.

Contractors are urged to utilize HUBs as defined in Texas Government Code, Section 2161.001 or small businesses as defined in Texas Government Code, Section 2155.505(a) to sell or provide services under the Base Contract. A Contractor's failure to make a good faith effort to use HUBs and small businesses under the Base Contract may result in exclusion of the Contractor from participation in TXMAS. A list of Certified Texas HUB Vendors can be accessed on CPA's website.

#### **Contractor certifies the following:**

- YES  NO
1. Contractor is a HUB as defined in Texas Government Code, Section 2161.001 or a small business as defined in Texas Government Code, Section 2155.505(a).
- YES  NO
2. Contractor is using HUBs as defined in Texas Government Code, Section 2161.001 or small businesses as defined in Texas Government Code, Section 2155.505(a) to sell or provide a service under the Base Contract.

YES  NO

3. Contractor has and will continue to make a good faith effort to use HUBs as defined in Texas Government Code, Section 2161.001 or small businesses as defined in Texas Government Code, Section 2155.505(a) to sell or provide a service under the Base Contract.

## 11. LIMITATION ON AUTHORITY; LIMITATION OF LIABILITY

Contractor shall have no authority to act for or on behalf of the State of Texas, CPA, or Customers except as expressly provided for in this Contract; no other authority, power, use, or joint enterprise is granted or implied. Contractor may not incur any debts, obligations, expenses, or liabilities of any kind on behalf of the State of Texas, CPA, or Customers.

TO THE EXTENT PERMITTED BY THE CONSTITUTION AND THE LAWS OF THE STATE OF TEXAS, THE PARTIES AGREE THAT IN NO EVENT WILL THE STATE OF TEXAS, CPA, OR CUSTOMERS BE LIABLE FOR ANY INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOST PROFITS, EVEN IF THE PARTIES HAD BEEN ADVISED, KNEW, OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.

## 12. PAYMENT; TRAVEL EXPENSES

- (a) Payment shall be made in accordance with Chapter 2251, Texas Government Code.
- (b) Except as provided for in Texas Government Code, §2251.021(b), payment by a State Agency or Local Government is due within thirty (30) calendar days after the later of:
  - (1) the date the State Agency or Local Government receives the goods under this Contract;
  - (2) the date the State Agency or Local Government receives a proper invoice (see Paragraph below entitled "INVOICE REQUIREMENTS") for the goods or services; or
  - (3) the date the performance of the service under the contact is completed
- (c) Except as provided for in §2251.021(b), Texas Government Code, a payment will begin to accrue interest at a rate by CPA pursuant to the statute on the 31<sup>st</sup> day after the later event described by subsections (b)(1) through (3) above. Interest stops accruing on the date the State Agency or Local Government mails (postmark) or electronically transmits the payment.
- (d) Any travel or per diem required by the Contractor to perform its obligations under this Contract and the Base Contract will be at the Contractor's expense. All travel and per diem that a Customer requests in addition to what this Contract or the Base Contract requires the Contractor to provide at the Contractor's expense are subject to, and shall not exceed, the reimbursement limitations applicable to Texas state employees in conducting official state business as prescribed by applicable law, rules, and regulations

including, but not limited to, Chapter 660 of the Texas Government Code, the General Appropriations Act and rules adopted by the Comptroller.

### **13. INVOICE REQUIREMENTS**

- (a) In order to receive payment, the Contractor must submit an original invoice to the office designated in the purchase order as the "Bill To" address. To be a proper invoice, the invoice must include the following information and/or attachments:
- (1) Name and address of the Contractor as designated in this Contract.
  - (2) The Contractor's Federal Employer's ID Number (FEIN) as designated in this Contract.
  - (3) The Contractor's invoice remittance address as designated in this Contract.
  - (4) The purchase order number authorizing the delivery of products or services.
  - (5) A description of what the Contractor delivered, including, as applicable, the time period, serial number, unit price, quantity, and total price of the products and services. If the invoice is for a lease, the Contractor must also include the payment number (e.g., 1 of 36).
- (b) If an authorized dealer has fulfilled the purchase order, then the dealer's information should be supplied in lieu of the Contractor's information.
- (c) If an invoice does not meet this section's requirements or if the Contractor fails to give proper notice of a price increase (see Paragraph below entitled "NOTIFICATION OF PRICE INCREASE"), CPA will send the Contractor written notice with the improper invoice to the address designated for receipt of purchase orders. The notice will contain a description of the defect or impropriety and any additional information the Contractor needs to correct the invoice.
- (d) In submitting an invoice to a Customer, Contractor certifies: that the invoice has been carefully reviewed for detailed description of the services performed or goods delivered; that the services have been performed or goods delivered in compliance with this Contract and the Base Contract; that the amount of the invoice and all previous invoices together do not exceed the contractual cap of this Contract, the Base Contract, or Contractor's negotiated fees; that the charges and expenses shown on the invoices are reasonable and necessary; and that all appropriate and required supporting documentation is attached. Customer may, in its sole discretion, require additional documentation to support payment and Contractor shall respond to any such requests within five (5) calendar days of receipt. Customer reserves the right to make payments only upon receipt of a correct invoice, including all of the required supporting documentation. Customer also reserves the right to refuse payments for invoices that exceed the rates specified in this Contract or the Base Contract or Contractor's negotiated fees.

#### **14. AUDIT REQUIREMENTS**

Pursuant to §2262.154, Texas Gov't Code, the State Auditor's Office, or successor agency, may conduct an audit or investigation of the Contractor or any other entity or person receiving funds from the state directly under this Contract or indirectly through a subcontract under this Contract. The acceptance of funds by the Contractor or any other entity or person directly under this Contract or indirectly through a subcontract under this Contract acts as acceptance of the authority of the State Auditor's Office, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, the Contractor or other entity that is the subject of an audit or investigation must provide the State Auditor's Office with access to any information the State Auditor's Office considers relevant to the investigation or audit. This Contract may be amended unilaterally by the CPA to comply with any rules and procedures of the State Auditor's Office in the implementation and enforcement of §2262.154. **The Contractor shall ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through the Contractor and the requirement to cooperate is included in any dealer agreement or subcontract.**

Customers who order under the Contract using federal or grant funds may have additional audit requirements that are required by state or federal law or regulation. Those additional requirements will be included on the purchase order for that particular order.

#### **15. NOTIFICATION OF PRICE INCREASES**

For price increases authorized under this Contract, notification of such must be given to CPA and to the purchase order "bill to" address contained in the applicable purchase order(s) for any orders affected by the increase (e.g., existing leases, licenses, or annual maintenance programs). The Contractor must give these notices no later than thirty (30) calendar days before the effective date of the price increase. This notification must specify, when applicable, the product serial number, location, current price, increased price, and applicable purchase order number.

#### **16. NON-APPROPRIATION OF FUNDS**

All obligations of CPA and Customers are subject to the availability of legislative appropriations and, for Customers expending federal funds, to the availability of the federal funds applicable to this Contract. Contractor acknowledges that the ability of CPA and the Customers to make payments under this Contract is contingent upon the continued availability of funds. The Contractor further acknowledges that funds may not be specifically appropriated for the Contract and CPA's or Customers' continual ability to make payments under this Contract is contingent upon the funding levels appropriated for each particular appropriation period. CPA and the Customers will use all reasonable efforts to ensure that such funds are available. The Contractor agrees that if future levels of funding for CPA or a Customer are not sufficient to continue operations without any operational reductions, CPA, in its discretion, may terminate this Contract, either in whole or in part, or the Customer, in its discretion, may terminate a pending order under this Contract, either in whole or in part. In the event of such termination, neither CPA nor Customers will be considered to be in default or breach under this Contract, nor shall CPA or Customers be liable for any further payments ordinarily due under this Contract, nor shall CPA or Customers be liable for any damages or any

other amounts which are caused by or associated with such termination. CPA and Customers shall make best efforts to provide reasonable written advance notice to the Contractor of any such Contract or order termination. In the event of such a termination, the Contractor shall, unless otherwise mutually agreed upon in writing, cease all work immediately upon the effective date of termination, either on that particular order if an order is being terminated, or this Contract, if this Contract is being terminated. CPA or the Customer, as applicable, shall be liable for payments limited only to the portion of work CPA or the Customer authorized in writing and which the Contractor has completed, delivered to CPA or Customer, and which has been accepted by CPA or Customer. All such work shall have been completed, per Contract requirements of this Contract and the Base Contract, prior to the effective date of termination.

## **17. PUBLIC INFORMATION**

The CPA is a governmental body subject to the Texas Public Information Act (PIA), Chapter 552, Gov't Code, as are other potential Customers of this Contract. The Base Contract and other information submitted to the CPA by the Contractor are subject to release as public information by the CPA and by any Customer that is also subject to the PIA. The Base Contract and other submitted information shall be presumed to be subject to disclosure unless a specific exception to disclosure under the PIA applies. If it is necessary for the Contractor to include proprietary or otherwise confidential information in its submitted information, the Contractor must clearly label that proprietary or confidential information and identify the legal basis for confidentiality. Merely making a blanket claim that the entire submission is protected from disclosure because it contains some proprietary information is not acceptable, and shall make the entire submission subject to release under the PIA. In order to trigger the process of seeking an Attorney General opinion on the release of proprietary or confidential information, the specific provisions of the submitted information that are considered by the Contractor to be proprietary or confidential must be clearly labeled as described above. Any information which is not clearly identified by the Contractor as proprietary or confidential shall be deemed to be subject to disclosure pursuant to the PIA and the Contractor shall thereby be irrevocably deemed to have waived, and Contractor agrees to fully indemnify the State of Texas, CPA, and any Customer subject to the PIA from, any claim of infringement by CPA and any Customer subject to the PIA regarding the intellectual property rights of Contractor or any third party for any materials appearing in the submitted information.

Contractor is required to make any information created or exchanged with a state governmental entity (as defined by §2252.907(d), Gov't Code) pursuant to this Contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in at least one of the following formats that is accessible by the public at no additional charge to the State of Texas, CPA, or Customers: portable document format (pdf) compatible with the latest version of Adobe Acrobat®; Microsoft Word®; Microsoft Excel®; or, hard copy (paper).

## **18. CONFIDENTIALITY AND SECURITY**

Any information the Contractor receives, compiles, or creates as a result of this Contract must be maintained and protected in accordance with any federal, state, or local laws and regulations that apply. The Contractor shall establish a method to secure the confidentiality of records and other

information relating to Customers in accordance with applicable federal and state laws, rules, and regulations.

The obligations of the Contractor under this Confidentiality and Security section shall survive this Contract and shall be included in all subcontracts.

## **19. RECORDS RETENTION**

The Contractor shall retain all financial records, supporting documents, statistical records, and any other records or books relating to the performances called for in this Contract. The Contractor shall retain all such records for a period of four (4) years after the expiration of this Contract, or until the CPA or State Auditor's Office is satisfied that all audit and litigation matters are resolved, whichever period is longer. The Contractor shall grant access to all books, records and documents pertinent to this Contract to the CPA, the State Auditor of Texas, and any federal governmental entity that has authority to review records due to federal funds being spent under this Contract.

## **20. INSURANCE AND OTHER SECURITY**

The Contractor represents and warrants that it will obtain and maintain for the term of this Contract all insurance coverage required to ensure proper fulfillment of the Contract and its liabilities thereunder. The Contractor shall insure any of its motor vehicles used to fulfill its duties under the Contract and ensure that its subcontractors do the same. Such insurance shall comply with all statutory requirements of all states in which Contractor performs under this Contract and must cover any cargo being delivered to Customers.

The Contractor represents and warrants that all of the above coverage will be obtained from companies that are licensed in the state of Texas, have an "A" rating from Best, and are authorized to provide the coverage. The Contractor shall furnish proof of insurance upon request of a Customer or the CPA.

## **21. LIABILITY FOR AND PAYMENT OF TAXES**

The CPA and certain Customers are exempt from certain taxes. Customers will furnish proof of tax exempt status to the Respondent upon request. Contractor shall pay all taxes resulting from this Contract and the Base Contract including, but not limited to, any federal, state, or local income, sales, excise, or property taxes. The State of Texas, CPA, and Customers shall not be liable to reimburse Contractor for the payment of such taxes incurred by Contractor in acquiring any goods or services as a part of any work called for in this Contract or the Base Contract and Contractor's invoice shall not include any amount for such taxes.

## **22. TERMINATION**

This Contract shall become effective on the date signed by the appropriate official of CPA and, unless otherwise sooner terminated as provided in this Contract, shall terminate upon later to occur of (1) the expiration of the Base Contract or (2) the physical completion of the last outstanding task or delivery of the final order placed under, and prior to the expiration of, the Base Contract through this Contract. Except as otherwise provided in this Contract or the Base Contract or as

determined by Customer, at Customer's sole option, all applicable service agreements that were entered into between Contractor and Customers under the terms and conditions of this Contract shall survive the cancellation or termination of this Contract and the cancellation or termination of the Base Contract. Absent Customer agreement to the contrary, in the event of termination of this Contract, Customers' sole and maximum obligation shall be to authorize payment to Contractor for previously authorized goods or services performed in accordance with all requirements of this Contract and the Base Contract, up to the termination date.

**(a) Convenience of the State of Texas**

The CPA reserves the right to terminate this Contract at any time, in whole or in part, without cost or penalty, by providing 30 calendar days' advance written notice, if the CPA determines that such termination is in the best interest of the state. In the event of such a termination, Contractor shall, unless otherwise mutually agreed upon in writing, cease all work immediately upon the effective date of termination.

**(b) Cause/Default**

If Contractor fails to provide the goods or services contracted for according to the provisions of this Contract or the Base Contract, or fails to comply with any of the terms or conditions of this Contract or the Base Contract, the CPA may, upon written notice of default to Contractor, immediately terminate all or any part of this Contract. Termination is not an exclusive remedy, but will be in addition to any other rights and remedies provided in equity, by law or under this Contract and the Base Contract.

The CPA may exercise any other right, remedy or privilege which may be available to it under applicable law of the state and any other applicable law or may proceed by appropriate court action to enforce the provisions of this Contract or the Base Contract, or to recover damages for the breach of any agreement being derived from this Contract or the Base Contract. The exercise of any of the foregoing remedies will not constitute a termination of this Contract unless the CPA notifies Contractor in writing prior to the exercise of such remedy. Contractor shall remain liable for all covenants and indemnities under this Contract and the Base Contract. Contractor shall be liable for all costs and expenses, including court costs, incurred by the CPA with respect to the enforcement of any of the remedies listed herein.

**(c) Change in Federal or State Requirements**

If federal or state laws, rules, regulations, or requirements applicable to this Contract are amended, performance under this Contract will be subject to the laws, rules, regulations, or requirements applicable at the time of performance under this Contract. If federal or state laws or regulations or other federal or state requirements are amended or judicially interpreted so that either the CPA or Contractor cannot reasonably fulfill this Contract and if the Parties cannot agree to an amendment that would enable substantial continuation of this Contract, the Parties shall be discharged from any further obligations under this Contract.

**(d) Property Rights upon Termination**

For purposes of this Contract, the term "Work Product" is defined as all work papers, work products, materials, approaches, designs, specifications, systems, software, programs, source code, documentation, methodologies, concepts, intellectual property or other



property developed, produced or generated in connection with the services to be provided by Contractor. In the event that this Contract or the Base Contract is terminated for any reason, or upon the expiration of either this Contract or the Base Contract, Customers shall retain ownership of all associated Work Product and documentation obtained from Contractor under the Base Contract through this Contract. In the event that Contractor has any rights in and to the Work Product that cannot be assigned to Customers, Contractor shall grant to Customers an exclusive, worldwide, royalty-free, irrevocable, and perpetual license to directly and indirectly reproduce, distribute, modify, create derivative works of, publicly perform and publicly display, such rights to make, have made, use, sell and offer for sale any products developed by practicing such rights, and to otherwise use such rights, with the right to sublicense such rights through multiple levels of sublicenses.

**(e) No Liability Upon Termination**

If this Contract is terminated for any reason, the State of Texas, CPA, and Customers shall not be liable to Contractor for any damages, claims, losses, or any other amounts arising from or related to any such termination. In the event of termination of this Contract, the sole and maximum obligation of the State of Texas, CPA, and Customers shall be to authorize payment to Contractor for previously authorized goods or services performed in accordance with all requirements of this Contract and the Base Contract, up to the termination date.

**(f) Survival of Terms**

Termination of this Contract or the Base Contract for any reason shall not release Contractor from any liability or obligation set forth in this Contract or the Base Contract that is expressly stated to survive any such termination or by its nature would be intended to be applicable following any such termination, including the provisions regarding confidentiality, indemnification, transition, records, audit, property rights, dispute resolution, and invoice and fees verification.

### **23. AUTOMATIC EXTENSION/RENEWAL**

This contract is extended/renewed on the date that the Base Contract is renewed. However, in order for CPA to facilitate the renewal, Contractor must furnish CPA with the necessary supporting documentation. All terms and conditions of this Contract will continue and apply to all extension/renewal periods unless modified in writing by mutual agreement of CPA and Contractor.

### **24. DELIVERIES**

Unless stated otherwise in the Base Contract, all deliveries will be F.O.B. Destination.

If delivery delay is foreseen, Contractor shall give written notice to the Customer. Customer has the right to extend delivery or service date if reasons appear valid. Contractor shall keep Customer advised at all times of the status of the order. Default in promised delivery (without accepted reasons), service date, or failure to meet specifications, authorizes the Customer to purchase goods or services elsewhere and charge the full increase, if any, in cost and handling to Contractor.

## **25. EQUAL EMPLOYMENT OPPORTUNITY**

The Contractor shall comply with all federal and state laws regarding equal employment opportunity.

## **26. DRUG FREE WORKPLACE**

Contractor shall comply with the applicable provisions of the Drug-Free Work Place Act.

## **27. AMERICANS WITH DISABILITIES ACT**

Contractor shall comply with the requirements of the Americans with Disabilities Act.

## **28. CIVIL RIGHTS**

Contractor agrees that no person shall, on the ground of race, color, religion, sex, national origin, age, disability, political affiliation, or religious belief, be excluded from the participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in the administration of, or in connection with, any program or activity funded in whole or in part with funds available under this Contract. The Contractor shall comply with Executive Order 11246, "Equal Employment Opportunity," as amended by Executive Order 11375, "Amending Executive Order 11246 relating to Equal Employment Opportunity," and as supplemented by regulations at 41 C.F.R. Part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity Department of Labor.

## **29. IMMIGRATION**

Contractor represents and warrants that it shall comply with the requirements of the Immigration Reform and Control Act of 1986 and 1990 regarding employment verification and retention of verification forms for any individuals hired on or after November 6, 1986, who will perform any labor or services under this Contract and the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 ("IIRIRA) enacted on September 30, 1996.

## **30. U.S. DEPARTMENT OF HOMELAND SECURITY'S E-VERIFY SYSTEM**

By entering into this Contract, Contractor certifies and ensures that it utilizes and will continue to utilize, for the term of this Contract, the U.S. Department of Homeland Security's E-Verify system to determine the eligibility of:

- (a) All persons employed to perform duties within Texas, during the term of this Contract; and
- (b) All persons (including subcontractors) assigned by Contractor to perform work pursuant to this Contract, within the United States of America.

If this certification is falsely made, this Contract may be immediately terminated, at the discretion of the state and at no fault to the state, with no prior notification. Contractor shall also be

responsible for the costs of any re-solicitation that the state must undertake to replace the terminated Contract.

### **31. INDEMNIFICATION**

**(a) Acts or Omissions**

**Contractor shall indemnify and hold harmless the State of Texas, CPA, and Customers, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES arising out of, or resulting from any acts or omissions of the Contractor or its agents, employees, subcontractors, order fulfillers, or suppliers of subcontractors in the execution or performance of the Contract and any Purchase Orders issued under the Contract. THE DEFENSE SHALL BE COORDINATED BY CONTRACTOR WITH THE OFFICE OF THE ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND CONTRACTOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL. CONTRACTOR AND THE CUSTOMER AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.**

**(b) Infringements**

**(i) Contractor shall indemnify and hold harmless the State of Texas, CPA, and Customers, AND/OR THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES from any and all third party claims involving infringement of United States patents, copyrights, trade and service marks, and any other intellectual or intangible property rights in connection with the PERFORMANCES OR ACTIONS OF CONTRACTOR PURSUANT TO THIS CONTRACT. CONTRACTOR AND THE CUSTOMER AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM. CONTRACTOR SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE INCLUDING ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY CONTRACTOR WITH THE OFFICE OF THE ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND CONTRACTOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL.**

**(ii) Contractor shall have no liability under this section if the alleged infringement is caused in whole or in part by: (i) use of the product or service for a purpose or in a manner for which the product or service was not**

designed, (ii) any modification made to the product without Contractor's written approval, (iii) any modifications made to the product by the Contractor pursuant to Customer's specific instructions, (iv) any intellectual property right owned by or licensed to Customer, or (v) any use of the product or service by Customer that is not in conformity with the terms of any applicable license agreement.

(iii) If Contractor becomes aware of an actual or potential claim, or Customer provides Contractor with notice of an actual or potential claim, Contractor may (or in the case of an injunction against Customer, shall), at Contractor's sole option and expense; (i) procure for the Customer the right to continue to use the affected portion of the product or service, or (ii) modify or replace the affected portion of the product or service with functionally equivalent or superior product or service so that Customer's use is non-infringing.

**(c). Taxes/Workers' Compensation/Unemployment Insurance – Including Indemnity**

(i) CONTRACTOR AGREES AND ACKNOWLEDGES THAT DURING THE EXISTENCE OF THIS CONTRACT, CONTRACTOR SHALL BE ENTIRELY RESPONSIBLE FOR THE LIABILITY AND PAYMENT OF CONTRACTOR'S AND CONTRACTOR'S EMPLOYEES' TAXES OF WHATEVER KIND, ARISING OUT OF THE PERFORMANCES IN THIS CONTRACT. CONTRACTOR AGREES TO COMPLY WITH ALL STATE AND FEDERAL LAWS APPLICABLE TO ANY SUCH PERSONS, INCLUDING LAWS REGARDING WAGES, TAXES, INSURANCE, AND WORKERS' COMPENSATION. THE STATE OF TEXAS, CPA, AND/OR THE CUSTOMER SHALL NOT BE LIABLE TO THE CONTRACTOR, ITS EMPLOYEES, AGENTS, OR OTHERS FOR THE PAYMENT OF TAXES OR THE PROVISION OF UNEMPLOYMENT INSURANCE AND/OR WORKERS' COMPENSATION OR ANY BENEFIT AVAILABLE TO A STATE EMPLOYEE OR EMPLOYEE OF ANOTHER GOVERNMENTAL ENTITY CUSTOMER.

(ii) CONTRACTOR AGREES TO INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS, CPA, CUSTOMERS, AND/OR THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, AND/OR ASSIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEYS' FEES, AND EXPENSES, RELATING TO TAX LIABILITY, UNEMPLOYMENT INSURANCE AND/OR WORKERS' COMPENSATION IN ITS PERFORMANCE UNDER THIS CONTRACT. CONTRACTOR SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE INCLUDING ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY CONTRACTOR WITH THE OFFICE OF THE ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND CONTRACTOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT

**FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL. CONTRACTOR AND THE CUSTOMER AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.**

**32. ADDITIONAL CONTRACTOR CERTIFICATIONS**

- (a) The Contractor certifies that it has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Contract or the Base Contract.
- (b) Contractor represents and warrants that neither Contractor nor any firm, corporation, partnership, or institution represented by Contractor, or anyone acting for such firm, corporation or institution has (1) violated the antitrust laws of the State of Texas under Tex. Bus. & Com. Code, Chapter 15, or the federal antitrust laws; or (2) communicated directly or indirectly the bid made to any competitor or any other person engaged in such line of business during the procurement process. The Contractor hereby assigns to the State of Texas all of Contractor's rights, title and interest in and to all claims and causes of action Contractor may have under the antitrust laws of Texas or the United States for overcharges associated with this Contract.
- (c) The Contractor certifies that the Contractor and its principals are eligible to participate in this transaction and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state, or local governmental entity and that the Contractor is in compliance with the State of Texas statutes and rules relating to procurement and that the Contractor is not listed on the federal government's terrorism watch list as described in Executive Order 13224. Entities ineligible for federal procurement are listed at <https://www.sam.gov>.
- (d) Pursuant to §231.006(d), Texas Family Code, regarding child support, the Contractor certifies that the individuals or business entity named in this Contract are not ineligible to receive the specified payment and acknowledges that this Contract may be terminated and payment may be withheld if the certification is inaccurate. Furthermore, any Contractor subject to §231.006, Texas Government Code, must provide names and Social Security numbers of each person with at least 25% ownership of the business entity submitting the application for inclusion in the TXMAS program. This information must be provided to CPA in writing signed by Contractor's duly authorized representative prior to execution of this Contract. By submission of this Contract signed by Contractor without submission of required identity disclosures pursuant to §231.006(d), Texas Family Code, constitutes a certification by Contractor that no individual or sole proprietor or partner, shareholder, or owner has an ownership interest of at least 25% of the business entity identified as the Contractor.
- (e) Pursuant to §2155.004(a), Texas Government Code, the Contractor certifies that neither it nor any person or entity which will participate financially in the Contract has received

compensation for participation in the preparation of specifications for this Contract. Under §2155.004, Texas Government Code, the Contractor certifies that the individual or business entity named in this Contract is not ineligible to receive the specified contract and acknowledges that this Contract may be terminated and/or payment withheld if this certification is inaccurate.

- (f) The Contractor acknowledges and agrees that, to the extent the Contractor owes any debt, including but not limited to delinquent taxes or child support to the State of Texas, any payments or other amounts the Contractor is otherwise owed under or related to any order resulting from this Contract may be applied by CPA toward any debt the Contractor owes the State of Texas until the debt is paid in full. These provisions are effective at any time the Contractor owes any such debt or delinquency. Contractor shall comply with all applicable laws and regulations regarding satisfaction of debts or delinquencies to the State of Texas.
- (g) In accordance with Texas Government Code §669.003 (relating to contracting with executive head of a state agency), by signature hereon, Contractor certifies that it (1) is not the executive head of CPA; (2) was not at any time during the past four years the executive head of CPA; and (3) does not employ a current or former executive head of a state agency. Contractor acknowledges that this Contract may be terminated at any time, and payments withheld, if this information is false.
- (h) To the extent applicable, in accordance with §2155.4441, Texas Government Code, the Contractor agrees that during the performance of a contract for services it shall purchase products and materials produced in Texas when they are available at a price and time comparable to products and materials produced outside this state.
- (i) The Contractor certifies that it has no actual or potential conflicts of interest with CPA in entering into this Contract, and that the Contractor entering into this Contract will not reasonably create an appearance of impropriety.
- (j) The Contractor certifies that payment to the Contractor and the Contractor's receipt of appropriated or other funds under this Contract are not prohibited by §556.005 or §556.008, Texas Government Code.
- (k) Under §2155.006(b), Texas Government Code, a state agency may not accept a bid or award a contract, including a contract for which purchasing authority is delegated to a state agency, that includes proposed financial participation by a person who, during the five-year period preceding the date of the bid or award, has been: (1) convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by §39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or (2) assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by §39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after

September 24, 2005. Under §2155.006, Texas Government Code, the Contractor certifies that the individual or business entity named in this Contract is not ineligible to receive this Contract and acknowledges that this Contract and any order resulting from this Contract may be terminated and payment withheld if this certification is inaccurate.

- (l) Contractor hereby certifies that all prices under the Base Contract are current prices and that such prices are guaranteed to remain current with any approved Base Contract pricing changes for the entire term of this Contract. In the event of a decrease in prices offered under the Base Contract, Contractor agrees to notify CPA within thirty (30) working days of such decrease and offer such pricing to the State of Texas, CPA, and Customers. If Contractor fails to notify CPA of such decrease in pricing as specified herein, CPA shall have the right to cancel this Contract and Contractor shall issue a refund for items procured under this Contract. Such refund shall be equal to the difference between the prices offered under the Base Contract submitted as a basis for this Contract and the lower price.
- (m) Contractor hereby certifies that the Base Contract was previously awarded using a competitive process by the federal government or another governmental entity in accordance with Texas Government Code, §2155.502 and all other applicable laws, rules, and regulations.
- (n) The Contractor agrees that all affirmations and certifications in this Contract apply to and are for the benefit of Customers. Furthermore, the Contractor agrees that by accepting an order under this Contract, the Contractor certifies to the Customer that the all affirmations and certifications are true and correct.

If any Contractor certification in this Contract or the Base Contract is untrue, CPA shall have the right to cancel this Contract in its entirety.

### **33. NO DEBT AGAINST THE STATE**

This Contract shall not be construed as creating any debt by or on behalf of the State of Texas.

### **34. APPLICABLE LAWS, PERMITS, AND LICENSES**

Contractor shall abide by all applicable laws, rules, and regulations and shall be responsible, at Contractor's expense, for obtaining any and all permits and licenses required by city, county, state, federal, or other applicable rules, regulations, law, or codes that pertain to the Contract.

### **35. COOPERATION**

Contractor must ensure that it cooperates with CPA and other local, state, or federal administrative agencies, at no charge to the State of Texas, CPA, or Customers for purposes relating to the administration of this Contract. Contractor agrees to reasonably cooperate with and work with CPA's contractors, subcontractors, and third party representatives as requested by CPA.

### **36. ASSIGNMENT AND OTHER ORGANIZATIONAL CHANGES**

Contractor shall not assign its rights under this Contract or delegate the performance of its duties under this Contract without prior written approval from CPA.

Contractor must provide CPA with written notification of all name changes and organizational changes relating to Contractor no later than ten (10) business days of such change. Contractor, in its notice, shall describe the circumstances of the name change or organizational change, state its new name (if applicable), provide the new Tax Identification Number (if applicable), and describe how the change will impact its ability to perform this Contract. If the change entails personnel changes for personnel performing the responsibilities of this Contract for Contractor, Contractor shall identify the new personnel. CPA may request other information about the change and its impact on this Contract and Contractor shall supply the requested information within five (5) working days of receipt of CPA's request. All written notifications of organizational change must include a detailed statement specifying the change and supporting documentation evidencing continued right of Contractor, to maintain its status as a party to this Contract.

CPA may terminate this Contract due to any change to Contractor that materially alters Contractor's ability to perform under this Contract. The CPA has the sole discretion to determine if termination is appropriate. CPA may also, in its sole discretion, terminate this Contract for failure to provide notice or documentation or obtain approval as required in this Contract.

### **37. PUBLICITY**

News releases pertaining to this Contract and advertisements, publications, declarations and any other pronouncements by Contractor using any means or media mentioning the State of Texas or CPA or a Customer must be approved in writing by the State of Texas, CPA, or the Customer, as applicable, prior to public dissemination. Contractor may not send out unsolicited electronic mail or facsimile transmissions to CPA or Customers without prior written approval of CPA, regardless of whether the proposed communication specifically references this Contract.

### **38. NOTICES**

Any written notices required under this Contract shall be sent to the party at the respective address indicated below:

- (a) The address for the Contractor shall be the address specified on Page 1 of this Contract.
- (b) The address for CPA shall be as follows:

*for hand delivery:*

Texas Comptroller of Public Accounts  
Attn: Director of Texas Procurement and Support Services Division  
1711 San Jacinto Blvd., 3<sup>rd</sup> Floor  
Austin, TX 78701



*for U.S. mail:*

Texas Comptroller of Public Accounts  
Attn: Director of Texas Procurement and Support Services Division  
P.O. Box 13186  
Austin, TX 78711-3186

Notices will be by either hand delivery or by U.S. Mail, certified, return receipt requested, addressed to the appropriate foregoing address. Notice will be effective on receipt by the affected party. The Contractor and CPA agree that either party may change the designated notice address in this Paragraph by written notification to the other party.

### **39. DISPUTE RESOLUTION**

Disputes under this Contract and, by virtue of this Contract, the Base Contract, are subject to Chapter 2260, Texas Government Code as set forth below. Set forth below are terms and conditions for dispute resolution relating to claims involving Contractor and CPA. Except as otherwise provided by law or applicable rules, the same terms and conditions in this section shall apply to claims involving Contractor and any other Customer subject to Chapter 2260, Texas Government Code, substituting such other Customer for "CPA" when referenced below in this section.

The dispute resolution process provided for in Texas Government Code, Chapter 2260 and applicable CPA rules shall be used by CPA and Contractor to resolve any dispute arising under this Contract. The dispute resolution process provided for in Chapter 2260 shall be used, as further described herein, to attempt to resolve any claim for breach of contract asserted by the Contractor under this Contract. If the Contractor's claim for breach of Contract cannot be resolved by the Parties in the ordinary course of business, it shall be submitted to the negotiation process provided in Chapter 2260. To initiate the process, the Contractor shall submit written notice, as required by Chapter 2260, to the Deputy Comptroller or his or her designee. The notice shall also be given to the individual identified in this Contract for receipt of notices. Compliance by the Contractor with Chapter 2260 is a condition precedent to the filing of a contested case proceeding under Chapter 2260.

The contested case process provided in Chapter 2260 is the Contractor's sole and exclusive process for seeking a remedy for an alleged breach of Contract by the CPA if the Parties are unable to resolve their disputes as described above.

Compliance with the contested case process provided in Chapter 2260 is a condition precedent to seeking consent to sue from the Legislature under Chapter 107, Civil Practices and Remedies Code. Neither the execution of this Contract by the CPA nor any other conduct of any representative of the CPA relating to this Contract shall be considered a waiver of sovereign immunity to suit.

For all other specific breach of contract claims or disputes under this Contract, the CPA and the Contractor shall first attempt to resolve them through direct discussions in a spirit of mutual cooperation. If the Parties' attempts to resolve their disagreements through negotiations fail, the dispute will be mediated by a mutually acceptable third party to be chosen by the CPA and the

Contractor within fifteen (15) days after written notice by one of them demanding mediation under this Section. The Contractor shall pay all costs of the mediation unless the CPA, in its sole good faith discretion, approves its payment of all or part of such costs. By mutual agreement, the CPA and the Contractor may use a non-binding form of dispute resolution other than mediation. The purpose of this Section is to reasonably ensure that the CPA and the Contractor shall, in good faith, utilize mediation or another non-binding dispute resolution process before pursuing litigation. The CPA's participation in, or the results of, any mediation or other non-binding dispute resolution process under this Section or the provisions of this Section shall not be construed as a waiver by the CPA of (1) any rights, privileges, defenses, remedies or immunities available to the CPA as an agency of the State of Texas or otherwise available to the CPA; (2) the CPA's termination rights; or (3) other termination provisions or expiration dates of this Contract.

Notwithstanding any other provision to the contrary, unless otherwise requested or approved in writing by the CPA, the Contractor shall continue performance and shall not be excused from performance during the period any breach of contract claim or dispute is pending under either of the above processes; however, the Contractor may suspend performance during the pendency of such claim or dispute if the Contractor has complied with all provisions of §2251.051, Gov't Code, and such suspension of performance is expressly applicable and authorized under that law.

#### **40. AMENDMENT**

- (a) This Contract may be amended only upon written agreement between CPA and Contractor, but in no case shall this Contract be amended so as to make it conflict with the laws of the State of Texas.
- (b) Customers (other than CPA as set forth in this Contract) shall not have the authority to modify the terms of this Contract; however, additional Customer terms and conditions that do not conflict with this Contract and are acceptable to Contractor may be added in a Purchase Order and given effect. No term or condition added in a Purchase Order issued by a Customer can weaken a term or condition of this Contract, regardless of whether such term or condition is acceptable to Contractor. In the event of a conflict between a Customer's Purchase Order and this Contract, this Contract shall control.
- (c) Comptroller reserves the right, in its sole discretion, to unilaterally amend this Contract throughout its term to incorporate any modifications necessary for compliance with all applicable state and federal laws, regulations, requirements and guidelines.

#### **41. NO WAIVER**

No provision of this Contract or the Base Contract is in any way intended to constitute a waiver by the CPA or the State of Texas or any Customer of any immunities from suit or from liability of the CPA or the State of Texas or any Customer.

Nothing in this Contract or the Base Contract shall be construed as a waiver of the sovereign immunity of the State of Texas, CPA, or Customers. Neither this Contract nor the Base Contract shall constitute or be construed as a waiver of any of the privileges, rights, defenses, remedies, or immunities available to the State of Texas, CPA, or Customers. The failure to enforce, or any delay

in the enforcement, of any privileges, rights, defenses, remedies, or immunities available to the State of Texas, CPA, or Customers under this Contract or the Base Contract or under applicable law shall not constitute a waiver of such privileges, rights, defenses, remedies, or immunities or be considered as a basis for estoppel. CPA does not waive any privileges, rights, defenses, or immunities available to CPA by entering into this Contract or by its conduct prior to or subsequent to entering into this Contract.

#### **42. HEADINGS**

The headings used in this Contract are for convenience only and will not be used in interpreting this Contract.

#### **43. ORDER OF PRIORITY**

If there is any inconsistency or conflict between this document and the Base Contract or any provision of any document incorporated by reference, this document will prevail.

#### **44. ENTIRE AGREEMENT**

This Contract consists of the Base Contract (see Paragraph entitled "BASE CONTRACT AND ADMINISTRATIVE FEE"), this Contract, any amendments approved by CPA and, if applicable, the Contractor's dealer Letter(s) of Authorization and dealer Letter(s) of Acceptance, and any price lists or catalogs specifically mentioned elsewhere in this Contract. The foregoing constitutes the entire agreement between the parties, and any changes or modifications to this Contract must be in writing and signed by CPA.

#### **45. GOVERNING LAW, VENUE**

This Contract in all respects shall be governed by and construed in accordance with the laws of the State of Texas, except for its provisions regarding conflicts of laws. Contractor agrees that the exclusive venue and jurisdiction of any legal action or suit concerning the CPA under this Contract is, and that any such legal action or suit shall be brought, in a court of competent jurisdiction in Travis County, Texas.

#### **46. SEVERABILITY**

In the event that any term, provision, covenant, or condition of this Contract is later determined to be invalid, void, or unenforceable, then the remaining terms, provisions, covenants, and conditions of this Contract shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated.


**47. CONTRACTOR INFORMATION**

Name of Contractor's Representative / Point of Contact: Casey DeRosa  
Mailing Address (Street): 201 NW 26TH ST  
(City, State, Zip Code): Fort Worth, TX 76164  
Telephone Number (with area code): (817) 831-1240  
  
Corporate/Business address: 201 NW 26TH ST  
Mailing Address (Street): " " " "  
(City, State, Zip Code): Fort Worth, TX 76164  
  
Purchase Orders will be sent to following email address: Casey@franklinfoam.com  
  
TxSmartBuy Admin Fee and TXMAS Sales Rebate Invoices will be sent to the following email address: Casey@franklinfoam.com  
  
Contractor's Federal Employer's ID Number (XX-XXXXXXX): 20-0291992

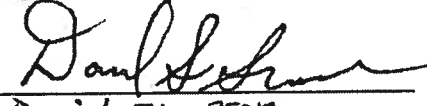
**SIGNATORIES**

The undersigned signatories represent and warrant that they have full authority to enter into this Contract on behalf of the respective counterparts. This Contract may be executed in one or more counterparts, each of which is an original, and all of which constitute only one agreement between the parties.

**TEXAS COMPTROLLER OF PUBLIC ACCOUNTS**

By:   
Mike R. Jessig  
Deputy Comptroller  
Date: 8/25/15

**CONTRACTOR**

By:   
Name: David Simpson  
Title: General Manager  
Date: 7/23/15

**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 15-\_\_\_**

**APPROVING A CONTRACT WITH NORTEX CONCRETE LIFT & STABILIZATION,  
INC., UNDER THE STATE PURCHASING PROGRAM OF THE TEXAS  
COMPTROLLER TO PROVIDE PAVEMENT MAINTENANCE SERVICES AS  
NEEDED.**

WHEREAS, Section 401.011 of the Policy Code provides that a purchase made through the purchasing program established by the Texas Comptroller satisfies the Mobility Authority's procurement requirements and is exempt from any other procurement requirements in the Policy Code; and

WHEREAS, from time to time the Mobility Authority requires pavement maintenance services, including concrete slab lifting and stabilization, to correct ride quality on Mobility Authority roadways; and

WHEREAS, these necessary pavement maintenance services are offered and available to the Mobility Authority through under the state purchasing program of the Texas Comptroller of Public Accounts through Nortex Concrete Lift & Stabilization, Inc.; and

WHEREAS, the Executive Director recommends Board approval of a contract for pavement maintenance services with Nortex Concrete Lift & Stabilization, Inc., through the state purchasing program.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves a contract with Nortex Concrete Lift & Stabilization, Inc., for pavement maintenance services through the state purchasing program in an amount not to exceed \$100,000; and

BE IT FURTHER RESOLVED that the Board authorizes the Executive Director to execute the contract with Nortex Concrete Lift & Stabilization, Inc., and all related documents required to comply with the purchasing program established by the Texas Comptroller.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 30<sup>th</sup> day of September, 2015.

Submitted and reviewed by:

Approved:

\_\_\_\_\_  
Andrew Martin, General Counsel

\_\_\_\_\_  
Ray A. Wilkerson  
Chairman, Board of Directors



**CENTRAL TEXAS  
Regional Mobility Authority**

Meeting Date: September 30, 2015  
AGENDA ITEM # 4

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Approve a work authorization for  
Group Solutions RJW to provide public  
involvement services for the  
183 South (Bergstrom Expressway) project.

Strategic Plan Relevance: Regional Mobility  
Department: Engineering / Community Relations  
Contact: Justin Word, P.E., Director of Project Management  
Associated Costs: \$2,949,714  
Funding Source: Bond Sale Funds  
Action Requested: Consider and act on draft resolution

Summary:

On May 27, 2015, the Mobility Authority Board of Directors awarded a contract to Group Solutions RJW to provide public involvement services for the 183 South (Bergstrom Expressway) project (the "Contract"). The Board further authorized the Executive Director to negotiate and execute the Contract with Group Solutions RJW.

The Executive Director seeks Board approval of a proposed work authorization under the Contract for Group Solutions RJW to provide public involvement services for the 183 South (Bergstrom Expressway) project.

Backup provided: Proposed Work Authorization  
Draft Resolution

**WORK AUTHORIZATION NO. 2  
CONTRACT FOR PUBLIC INVOLVEMENT SERVICES**

**THIS WORK AUTHORIZATION** is made pursuant to the terms and conditions of Article 4 of the Contract for Public Involvement Services entered into by and between the Central Texas Regional Mobility Authority (the Mobility Authority) and RJW Operations, Inc., a Texas corporation, doing business as Group Solutions RJW (the Vendor) dated \_\_\_\_\_ (the Contract).

**PART I.** The Vendor will perform Public Involvement services generally described as advising and providing analysis on community outreach strategy and support, event management, graphic design, bilingual communications, and Spanish-language media outreach in accordance with the project description attached hereto in **Exhibit B** and made a part of this Work Authorization. The responsibilities of the Mobility Authority and the Vendor as well as the work schedule are further detailed in **Exhibits A, B, and C** which are attached hereto and made a part of the Work Authorization.

**PART II.** The maximum amount payable under Work Authorization No. 1 is \$ **2,949,714** and the method of payment will be calculated on a per-hour basis using hourly billing rates. This amount is based upon the Vendor's estimated Work Authorization costs included in **Exhibit D**, Fee Schedule/Budget, which is attached and made a part of this Work Authorization. DBE participation shall be tracked and documented as detailed in **Exhibits E, F, and G**.

**PART III.** Payment to the Vendor for the services established under this Work Authorization shall be made in accordance with the appropriate sections of the Contract.

**PART IV.** This Work Authorization shall become effective on the date of final acceptance of the parties hereto and shall terminate upon completion of the work, unless extended by a supplemental Work Authorization as provided in Article 4 of the Contract.

**PART V.** This Work Authorization does not waive the parties' responsibilities and obligations provided under the Contract.

**IN WITNESS WHEREOF**, this Work Authorization is executed in duplicate counterparts and hereby accepted and acknowledged below.

**MOBILITY AUTHORITY**  
  
CENTRAL TEXAS REGIONAL  
MOBILITY AUTHORITY  
  
\_\_\_\_\_  
(Signature)  
Mike Heiligenstein, Executive Director

**VENDOR**  
  
RJW OPERATIONS, INC.  
  
\_\_\_\_\_  
(Signature)  
Robena E. Jackson, Vice President

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

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

## LIST OF EXHIBITS TO WORK AUTHORIZATION

Exhibits	Title
A	Services to Be Provided by the Mobility Authority
B	Services to Be Provided by the Vendor
C	Work Schedule
D	Fee Schedule/Budget
E	DBE Participation Forms (E-1 through E-7)
F	Disadvantaged Business Enterprise (DBE) for Federal Funded Professional or Technical Services Contracts – See Exhibit E Instructions
G	Disadvantaged Business Enterprise (DBE) for Race-Neutral Professional or Technical Services Contracts – See Exhibit E Instructions



## **EXHIBIT A**

### **SERVICES TO BE PROVIDED BY THE MOBILITY AUTHORITY**

The Mobility Authority shall perform and provide the following in a timely manner so as not to delay the Services to be provided by the Vendor:

1. Authorize the Vendor in writing to proceed.
2. Render reviews, decisions and approvals as promptly as necessary to allow for the expeditious performance of the Services to be provided by the Vendor.
3. Provide timely review and decisions in response to the Vendor's request for information and/or required submittals and deliverables, in order for the Vendor to maintain the agreed-upon work schedule.
4. Maintain the Project's Website.
5. Provide the Vendor with relevant data available to the Mobility Authority related to people, agencies and organizations interested in the proposed project.

## EXHIBIT B

### SERVICES TO BE PROVIDED BY THE VENDOR

Consulting and other services and goods include, but are not limited to, advising and providing analysis on community outreach strategy and support, event management, graphic design, bilingual communications, and Spanish-language media outreach. Scheduling of activities below will conform to established Mobility Authority, TxDOT and/or other required review and comment periods for each milestone of the Project.

The selected Respondent will work at the direction and supervision of the Mobility Authority and its consultants to provide the Services. The Mobility Authority expects the Respondent to work cooperatively and collaboratively with other governmental agencies, design consultant firms, and construction contractors.

The Services to be provided by the selected Respondent include, without limitation, the key elements listed below.

#### **A. Public Involvement Activities**

##### **1) Community Outreach Support**

- a) Provide outreach strategy assistance and inform the Community Relations Director of the “pulse of the community”, as well as:
  - (i) Attend coordination meetings
  - (ii) Assist with community outreach strategy
  - (iii) Provide assistance with the development of and implementation of the Public Information Plan (PIP) and Emergency Response Plan for the project
  - (iv) Provide ongoing reports to the Mobility Authority regarding the status of work performed and the success of the PIP
  - (v) Identify and recommend opportunities for innovative and all-inclusive engagement and participation in the community
  - (vi) Assist with management of the stakeholder mailing list
- b) Provide community outreach staff to support the Community Relations Director and his/her team as requested for programmatic public involvement assistance.
- c) Document all efforts provided by the Vendor.

##### **2) Event Management**

- a) Coordinate and staff an extensive, robust outreach program including project activities, neighborhood events and community festivals. These events will be comparable in scope to past Mobility Authority events, and may include:
  - (i) Ceremonial Groundbreaking
  - (ii) “Meet the Contractor” open houses
  - (iii) Neighborhood events, including Kids’ Days and Barbeques
  - (iv) Small meetings and one-on-one gatherings with stakeholders
  - (v) Project tours for visitors and other delegations
  - (vi) Community-wide events and festivals like Viva la Vida Fest
  - (vii) Grand Opening Ceremony
- b) Identify and recommend additional community activities and events for participation (i.e. neighborhood 4<sup>th</sup> of July picnics), and assist with staffing

- c) Be responsible for all rentals, refreshments, giveaways, and other event expenses.
  - d) Support community presentations as requested
- 3) Bilingual Communications and Spanish-language Media Support**
- a) Assist the Mobility Authority with the following Spanish language community outreach tasks:
    - (i) Provide on-call Spanish translation of outreach materials
    - (ii) Provide outreach to Spanish-language communities
  - b) Assist the Mobility Authority with the following Spanish language media support tasks:
    - (i) Provide Spanish-language media outreach
    - (ii) Respond to Spanish-language media inquiries
    - (iii) Provide a camera-ready Spanish speaking spokesperson

**4) Graphic Design**

Assist the Mobility Authority with on-call graphics support. Graphic artist must be proficient in the Adobe Creative Suite. This task will include development of materials such as: artistic rendition style maps, detailed public-friendly maps (not GIS or CADD based), invitation design, banners, signs, fliers, exhibit boards, car wrap design, direct mail, and other such outreach items.

**5) Major Announcement Items**

- a) Design, purchase, and place up to eight (8) roadway signs to advise drivers about the project and where to get more detailed information about this project. These signs will be comparable in scope to past Mobility Authority roadside signs (see existing ones on the MoPac corridor). This task will be in coordination with the Community Relations Director and the Construction Manager.
- b) Design and mail out a full color announcement direct mail postcard to property owners, neighbors, and businesses along the corridor informing them about the project and where to find more information.

All documents will be reviewed and approved by the Mobility Authority before being disseminated.

**B. Project Management and Administration**

The Proposer, in coordination with the Mobility Authority, will be responsible for coordinating public involvement activities as directed. Project management and administration tasks shall include a Project Management/Work Plan, Progress Reporting, Coordination/Administration, and Subcontractor Management. The Proposer's efforts shall include but not limited to the following:

**1) Project Management/Work Plan**

Develop a Project Management/Work Plan to reflect the following:

- a) organization and responsibilities
- b) coordination and communication procedures
- c) coordination meetings
- d) deliverables
- e) graphic standards

- f) quality control (QC) procedures/plan to ensure the accuracy and quality of the deliverables produced
  - g) other important operational information pertaining to Proposer and Mobility Authority collaboration.
- 2) Progress Reporting**
- a) Prepare and submit to the Mobility Authority monthly progress reports of activities completed during reporting period.
  - b) Prepare and submit invoices that include financial and DBE participation data. The report shall be submitted as an attachment to the invoice submittal.
- 3) Coordination/Administration**
- a) Maintain a communication tracking system, identifying all formal communications.
  - b) Coordinate with the Mobility Authority's GEC staff regularly throughout project development.
- 4) Subcontractor Management**
- a) Develop and implement a plan to manage subcontractor(s) (as part of the project management plan).
  - b) Prepare contracts for subcontractor(s).
  - c) Monitor subcontractor activities (staff and schedule).
  - d) Review and recommend approval of subcontractor progress reports and invoices.

**Deliverables**

- Project Management Plan
- Progress Reports and Invoices
- Summaries of all meetings
- Subcontractor Contracts, Progress Reports and Invoices

**EXHIBIT C**  
**WORK SCHEDULE**

The Vendor will perform public involvement services as described in this Work Authorization and will submit deliverables to the Mobility Authority based on the following work schedule:

Notice to Proceed ..... Approximately October 1, 2015  
Contract Expiration..... October 1, 2020

## EXHIBIT D

### FEE SCHEDULE/BUDGET

**Public Involvement Services**  
**Group Solutions - Man-hour Breakdown & Fee Estimate**  
**183 South Project (Bergstrom Expressway)**

TASK / WORK DESCRIPTION	Principal	Public Involvement Task		Graphic Designer / Production	Public Involvement Specialist		Spanish Language Support		Support Staff	TOTAL
		Project Manager	Public Involvement		Group Solutions	Pink Consulting	Media Specialist	Translation Services		
Labor Rate	\$180.00	\$137.00	\$128.00	\$150.00	\$85.00	\$55.00	\$135.00	\$115.00	\$40.00	HRS
<b>1.1 Public Involvement Activities</b>	476	1620	1488	476	860	384	501	119	1910	7834
a Community Outreach Support										
b Event Management										
c Bilingual Communications and Spanish-language Media Support										
d Graphic Design										
e Major Announcement Items										
<b>1.2 Project Management and Administration</b>	142	370	370	0	0	0	0	0	192	1074
a Project Management/Work Plan										
b Progress Reporting										
c Coordination/Administration										
d Subconsultant Management										
<b>TOTAL DIRECT LABOR</b>	<b>618</b>	<b>1990</b>	<b>1858</b>	<b>476</b>	<b>860</b>	<b>384</b>	<b>501</b>	<b>119</b>	<b>2102</b>	<b>8908</b>
<i>% Total by Classification</i>	6.94%	22.34%	20.86%	5.34%	9.65%	4.31%	5.62%	1.34%	23.60%	
<b>Total Labor (Loaded)</b>	<b>\$ 111,240</b>	<b>\$ 272,630</b>	<b>\$ 237,824</b>	<b>\$ 71,400</b>	<b>\$ 73,100</b>	<b>\$ 21,120</b>	<b>\$ 67,635</b>	<b>\$ 13,685</b>	<b>\$ 84,080</b>	<b>\$ 952,714</b>
<b>Total Direct Expenses</b>	<b>\$ 1,997,000.00</b>									
<b>Total Fee (Labor and Direct Expenses)</b>	<b>\$ 2,949,714</b>									

## EXHIBIT E

### INSTRUCTIONS DBE PARTICIPATION

The following pages contain seven (7) different forms (Forms E-1 through E-7) covering participation of DBE providers and subproviders. The correct form to use is determined by whether or not a DBE goal has been set for the contract. The following pages contain separate reporting forms for federally funded DBE participation. **Select the forms that are appropriate for your contract and delete the rest along with these instructions from the Work Authorization.**

Federally Funded Contracts
<p><b>Exhibit F, Disadvantaged Business Enterprise (DBE) for Federal-Aid Professional or Technical Services Contracts</b></p> <ul style="list-style-type: none"><li>◆ This provision is applicable to federally funded contracts with assigned DBE goals.</li><li>◆ The appropriate forms for this provision are Forms E-1, E-2, E-3, E-4, E-5, E-6 and E-7. Examples of each form required is included in the contract. The native forms that will need to be submitted can be downloaded from the Mobility Authority's website.</li><li>◆ Note: a completed Form E-2 will be required with each Work Authorization, if a DBE will be performing work. If a non-DBE subprovider is used, insert N/A (not applicable) on the line provided on the Form E-2.</li><li>◆ Form E-4 must be submitted monthly to the Mobility Authority even if there is no invoice being submitted or subcontracting to report.</li><li>◆ Form E-4 must be submitted with each invoice to the appropriate agency contact for payment.</li></ul>
<p><b>Exhibit G, Disadvantaged Business Enterprise (DBE) for Race Neutral Professional or Technical Services Contracts</b></p> <ul style="list-style-type: none"><li>◆ This provision is applicable to federally funded contracts with no DBE goal assigned.</li><li>◆ If no subcontractors will be used, the appropriate forms for this provision are E-3 and E-5 forms. Examples of each form required is included in the contract. The native forms that will need to be submitted can be downloaded from the Mobility Authority's website.</li><li>◆ Note: If subcontractors are used, the required forms would be Forms E-1, E-2, E-3, E-4, E-5, E-6 and E-7. A copy of each form required is in the contract.</li><li>◆ Form E-4 must be submitted monthly to the Mobility Authority even if there is no invoice being submitted or subcontracting to report.</li><li>◆ Form E-4 must be submitted with each invoice to the appropriate agency contact for payment.</li></ul>
<p><b>Form E-4, Texas Department of Transportation/Mobility Authority Subprovider Monitoring System for Federally Funded Contracts. This is a DBE Monthly Progress Report.</b></p> <ul style="list-style-type: none"><li>◆ Required for all federally funded contracts.</li><li>◆ This form is required monthly and must be submitted to the Mobility Authority even if there is no invoice being submitted or subcontracting to report.</li><li>◆ This form must be submitted with each invoice to the appropriate agency contact for payment.</li></ul>
<p><b>Form E-7, Federal Subprovider and Supplier Information</b> Required for all federally funded contracts.</p>

**FORM E-1**

**Central Texas Regional Mobility Authority  
Subprovider Monitoring System  
Commitment Worksheet**

Contract #: \_\_\_\_\_ Assigned Goal: 6% Federally Funded \_\_\_\_\_ State Funded \_\_\_\_\_

Prime Provider: \_\_\_\_\_ Total Contract Amount: \_\_\_\_\_

Prime Provider Info: DBE \_\_\_ HUB \_\_\_ Both \_\_\_

Vendor ID #: \_\_\_\_\_ DBE/HUB Expiration Date: \_\_\_\_\_

(First 11 Digits Only)

*If no subproviders are used on this contract, please indicate by placing "N/A" on the 1<sup>st</sup> line under Subproviders.*

Subprovider(s) (List All)	Type of Work	Vendor ID # (First 11 Digits Only)	D=DBE H=HUB	Expiration Date	\$ Amount or % of Work *
<b>Subprovider(s) Contract or % of Work* Totals</b>					

\*For Work Authorization Contracts, indicate the % of work to be performed by each subprovider.

Total DBE or HUB Commitment Dollars \$ \_\_\_\_\_

Total DBE or HUB Commitment Percentages of Contract \_\_\_\_\_%

(Commitment Dollars and Percentages are for Subproviders only)





**FORM E-2**  
**Disadvantaged Business Enterprise (DBE) Program**  
**Commitment Agreement Form**

Form SMS.4901  
 (Rev. 06/08)  
 Page 1 of 1

**This commitment is subject to the award and receipt of a signed contract from the Texas Department of Transportation for the subject project.**

<b>Project #:</b>		<b>County:</b>		<b>Contract-CSJ:</b>	
<b>Items of work to be performed (attach a list of work items if more room is required):</b>					
<b>Bid Item #</b>	<b>Item Description</b>	<b>Unit of Measure</b>	<b>Unit Price</b>	<b>Quantity</b>	<b>Total Per Item</b>
<b>Total</b>					

Add  
Ro

The contractor certifies by signature on this agreement that subcontracts will be executed between the prime contractor and the DBE subcontractors as listed on the agreement form. If a DBE Subcontractor is unable to perform the work as listed on this agreement form, the prime contractor will follow the substitution/replacement approval process as outlined in the Contract DBE Special Provision.

**IMPORTANT: The signatures of the prime contractor and the DBE, and the total commitment amount must always be on the same page.**

<b>Prime Contractor:</b>		Name/Title (please print):	
Address:		Signature:	
Phone:	Fax:		
E-mail:		Date:	
<b>DBE:</b>		Name/Title (please print):	
Vendor No.:		Signature:	
Address:			
Phone:	Fax:	Date:	
E-mail:			
<b>Subcontractor (if the DBE will be a second tier sub):</b>		Name/Title (please print):	
Address:		Signature:	
Phone:	Fax:		
E-mail:		Date:	

The Texas Department of Transportation maintains the information collected through this form. With few exceptions, you are entitled on request to be informed about the information that we collect about you. Under §§552.021 and 552.023 of the Texas Government Code, you also are entitled to receive and review the information. Under §559.004 of the Government Code, you are also entitled to have us correct information about you that is incorrect.

To ensure prompt and efficient handling of your project file we are requesting that all commitments to be presented to the Office of Civil Rights, using this basic format.



**FORM E-4**



**TxDOT Department of Transportation  
DBE Monthly Progress Report**

Form SMS. 4903  
(Rev. 05/08)  
Page 1 of 1

Project: \_\_\_\_\_

Contract CSJ: \_\_\_\_\_

County: \_\_\_\_\_

District: \_\_\_\_\_

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

For Month of (Mo./Yr.): \_\_\_\_\_

Contractor: \_\_\_\_\_

Contract Amount: \_\_\_\_\_

DBE Goal: \_\_\_\_\_%

DBE Goal Dollars: \_\_\_\_\_

Vendor Number	Name of DBE Sub/Supplier	* RC or RN	** DBE \$ Amt Paid for Work Performed this Period (X)	*** \$ Amt Paid to Non-DBE 2nd Tier Subs and Haulers (Y)	Amt Paid to DBEs to Date (X-Y)	For TxDOT use Only

\* Race Conscious or Race Neutral.

\*\*Goal/commitment progress report amount and/or race-neutral amount. Do not subtract non-DBE second-tier subcontracts and haulers from this column.

\*\*\* Report amount of payment DBE subcontractors paid to non-DBE subcontractors/haulers.

If using a non-DBE hauling firm that leases from DBE truck owner-operators, payments made to each owner-operator must be reported separately.

Any changes to the DBE commitments approved by the department must be reported to the area Vendor.\*

Submissions of this report for periods of negative DBE activity is required. This report is required until all DBE subcontracting or material supply activity is completed.

I hereby certify that the above is a true and correct statement of the amounts paid to the DBE firms listed above.

Signature: \_\_\_\_\_

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

This report must be sent to the area Vendor's office within 15 days following the end of the calendar month.

The Texas Department of Transportation maintains the information collected through this form. With few exceptions, you are entitled on request to be informed about the information that is collected about you. Under §§552.021 and 552.023 of the Texas Government Code, you also are entitled to receive and review the information. Under §559.004 of the Government Code, you are also entitled to have us correct information about you that is incorrect.

**FORM E-5**

**Central Texas Regional Mobility Authority Subprovider Monitoring System for Federally Funded Contracts**  
**Progress Assessment Report for month of (Mo./Yr.) \_\_\_\_\_ / \_\_\_\_\_**

Contract #: \_\_\_\_\_

Original Contract Amount: \_\_\_\_\_

Date of Execution: \_\_\_\_\_

Approved Supplemental Agreements: \_\_\_\_\_

Prime Provider: \_\_\_\_\_

Total Contract Amount: \_\_\_\_\_

Work Authorization No. \_\_\_\_\_

Work Authorization Amount: \_\_\_\_\_

*If no subproviders are used on this contract, please indicate by placing "N/A" on the 1<sup>st</sup> line under Subproviders.*

DBE	All Subproviders	Category of Work	Total Subprovider Amount	% Total Contract Amount	Amount Paid This Period	Amount Paid To Date	Subcontract Balance Remaining

Fill out Progress Assessment Report with each estimate/invoice submitted, *for all subcontracts*, and forward as follows:

**1 Copy with Invoice - Contract Manager/Managing Office**

**1 Copy – CTRMA DBE Liaison, c/o HNTB or Atkins, \_\_\_\_\_, Austin, Texas**

I hereby certify that the above is a true and correct statement of the amounts paid to the firms listed above.

\_\_\_\_\_  
 Print Name - Company Official /DBE Liaison Officer

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Phone

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Email

\_\_\_\_\_  
 Fax



**FORM E-6**

**DBE Final Report**

Form SMS. 4903  
 (Rev. 09/10)  
 Page 1 of 1

The DBE final report form should be filled out by the contractor and submitted to the appropriate district office upon completion of the project. One copy of the report must be submitted to the area Vendor's office. The report should reflect all DBE activity on the project. The report will aid in expediting the final estimate for payment. If the DBE goal requirements were not met, documentation supporting good faith efforts must be submitted.

Project: \_\_\_\_\_ Contract CSJ: \_\_\_\_\_  
 County: \_\_\_\_\_ Control Project: \_\_\_\_\_  
 Letting Date: \_\_\_\_\_ DBE Goal: \_\_\_\_\_  
 Contractor: \_\_\_\_\_ Contract Amount: \_\_\_\_\_

Vendor Number	Name of DBE Sub/Supplier	* RC or RN	** DBE \$ Amt Paid for Work Performed this Period (X)	*** \$ Amt Paid to Non-DBE 2nd Tier Subs and Haulers (Y)	Amt Paid to DBEs to Date (X-Y)	For TxDOT use Only

\* Race Conscious or Race Neutral.  
 \*\*Goal/commitment progress report amount and/or race-neutral amount. Do not subtract non-DBE second-tier subcontracts and haulers from this column.  
 \*\*\* Report amount of payment DBE subcontractors paid to non-DBE subcontractors/haulers.

Was there a project under-run caused by a TxDOT change order that impacted DBE Goal attainment?  
 \_\_\_\_\_ Yes \_\_\_\_\_ No Change Order Number \_\_\_\_\_

This is to certify that \_\_\_\_\_ % of the work was completed by Disadvantaged Business Enterprises as stated above.

By \_\_\_\_\_ Per: \_\_\_\_\_  
 Name of General Contractor Contractor's Signature

Subscribed and sworn to before me, this \_\_\_\_\_ day of \_\_\_\_\_, A.D. \_\_\_\_\_

\_\_\_\_\_  
 Notary Public County



## **EXHIBIT F**

### **Disadvantaged Business Enterprise (DBE) for Federal-Aid Professional or Technical Services Contracts Special Provision**

- 1) **PURPOSE.** The purpose of this attachment is to carry out the U.S. Department of Transportation's ("DOT") policy of ensuring nondiscrimination in the award and administration of DOT assisted contracts and creating a level playing field on which firms owned and controlled by minority or socially and economically disadvantaged individuals can compete fairly for DOT assisted contracts.
  
- 2) **POLICY.** It is the policy of the DOT, the Central Texas Regional Mobility Authority (the "Mobility Authority") and the Texas Department of Transportation (the "Department") that Disadvantaged Business Enterprises (DBEs) as defined in 49 CFR Part 26, Subpart A and the Department's Disadvantaged Business Enterprise Program ("DBE Program"), shall have the opportunity to participate in the performance of contracts financed in whole or in part with Federal funds. The Mobility Authority and the Department previously entered into a Memorandum of Understanding Regarding the Adoption of the Texas Department of Transportation's Federally-Approved Disadvantaged Business Opportunity Program by the Central Texas Regional Mobility Authority (the "MOU") dated effective February 1, 2007. The MOU provides that the Mobility Authority has adopted the Department's DBE Program with the consent of the Federal Highway Administration for contracts financed in whole or in part with Federal funds. Consequently, the Disadvantaged Business Enterprise requirements of 49 CFR Part 26, and the Department's DBE Program, apply to this contract as follows:
  - a. The Provider will offer Disadvantaged Business Enterprises, as defined in 49 CFR Part 26, Subpart A and the Department's DBE Program, the opportunity to compete fairly for contracts and subcontracts financed in whole or in part with Federal funds. In this regard, the Provider shall make a good faith effort to meet the Disadvantaged Business Enterprise goal for this contract.
  
  - b. The Provider and any subprovider(s) shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Provider shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT assisted contracts. The requirements of this Special Provision shall be physically included in any subcontract.
  
  - c. When submitting the contract for execution by the Mobility Authority, the Provider must complete and furnish Form E-1 which lists the commitments made to certified DBE subprovider(s) that are to meet the contract goal and Form E-2 which is a commitment agreement(s) containing the original signatures of the Provider and the proposed DBE(s). For Work Authorization Contracts, Form E-1 is required at the time of submitting the contract for execution by the Mobility Authority. Form E-2 will be required to be completed and attached with each work authorization number that is submitted for execution, if the DBE will be performing work. Any substitutions or changes to the DBE subcontract amount shall be subject to prior written approval by the Mobility Authority. If non-DBE subprovider is performing work, insert N/A (not applicable) on the line provided.
  
  - d. Failure to carry out the requirements set forth above shall constitute a material breach of this contract and may result; in termination of the contract by the Mobility Authority; in a deduction of the amount of DBE goal not accomplished by DBEs from the money due or to become due to the Provider, not as a penalty but

as liquidated damages to the Mobility Authority; or such other remedy or remedies as the Mobility Authority deems appropriate.

3) **DEFINITIONS.**

- a. “Mobility Authority” means the Central Texas Regional Mobility Authority.
- b. “Department” means the Texas Department of Transportation (TxDOT).
- c. “Federal-Aid Contract” is any contract between the Mobility Authority and a Provider which is paid for in whole or in part with U. S. Department of Transportation (“DOT”) financial assistance.
- d. “Provider” is any individual or company that provides professional or technical services.
- e. “DBE Joint Venture” means an association of a DBE firm and one (1) or more other firm(s) to carry out a single business enterprise for profit for which purpose they combine their property, capital, efforts, skills and knowledge, and in which the DBE is responsible for a distinct, clearly defined portion of the work of the contract and whose share in the capital contribution, control, management, risks and profits of the joint venture are commensurate with its ownership interest.
- f. “Disadvantaged Business Enterprise” or “DBE” means a firm certified as such by the Department in accordance with 49 CFR Part 26 and listed on the Department’s website under the Texas Unified Certification Program.
- g. “Good Faith Effort” means efforts to achieve a DBE goal or other requirement of this Special Provision which, by their scope, intensity, and appropriateness to the objective, can reasonably be expected to fulfill the program requirement.
- h. “Race-neutral DBE Participation” means any participation by a DBE through customary competitive procurement procedures.
- i. “DBE Liaison” shall have the meaning set forth in Section 5.e. herein.

4) **PERCENTAGE GOAL.** The goal for Disadvantaged Business Enterprise participation in the work to be performed under this contract is 6% of the contract amount. This goal is established in accordance with the provisions of the MOU.

5) **PROVIDER’S RESPONSIBILITIES.** A DBE prime may receive credit toward the DBE goal for work performed by his-her own forces and work subcontracted to DBEs. A DBE prime must make a good faith effort to meet the goals. In the event a DBE prime subcontracts to a non-DBE, that information must be reported to the Mobility Authority on Form E-3.

- a. A Provider who cannot meet the contract goal, in whole or in part, shall document the “Good Faith Efforts” taken to obtain DBE participation. The following is a list of the types of actions that may be considered as good faith efforts. It is not intended to be a mandatory checklist, nor is it intended to be exclusive or exhaustive. Other factors or types of efforts may be relevant in appropriate cases.



- (1) Soliciting through all reasonable and available means the interest of all certified DBEs who have the capability to perform the work of the contract. The solicitation must be done within sufficient time to allow the DBEs to respond to it. Appropriate steps must be taken to follow up initial solicitations to determine, with certainty, if the DBEs are interested.
- (2) Selecting portions of the work to be performed by DBEs in order to increase the likelihood that the DBE goals will be achieved. This includes, where appropriate, breaking out contract work items into economically feasible units to facilitate DBE participation, even when the Provider might otherwise prefer to perform the work items with its own forces.
- (3) Providing interested DBEs with adequate information about the plans, specifications, and requirements of the contract in a timely manner to assist them in responding to a solicitation.
- (4) Negotiating in good faith with interested DBEs by making a portion of the work available to DBE subproviders and suppliers and selecting those portions of the work or material needs consistent with the available DBE subproviders and suppliers.
- (5) The ability or desire of the Provider to perform the work of a contract with its own organization does not relieve the Provider's responsibility to make a good faith effort. Additional costs involved in finding and using DBEs is not in itself sufficient reason for a Provider's failure to meet the contract DBE goal, as long as such costs are reasonable. Providers are not, however, required to accept higher quotes from DBEs if the price difference is excessive or unreasonable.
- (6) Not rejecting DBEs as being unqualified without sound reasons based on a thorough investigation of their capabilities.
- (7) Making efforts to assist interested DBEs in obtaining bonding, lines of credit, or insurance as required by the recipient or Provider.
- (8) Making efforts to assist interested DBEs in obtaining necessary equipment, supplies, materials or related assistance or services.
- (9) Effectively using the services of available minority/women community organizations; minority/women contractors' groups; local, state, and Federal minority/women business assistance offices; and other organizations as allowed on a case-by-case basis to provide assistance in the recruitment and placement of DBEs.
- (10) If the Department's Director of the Business Opportunity Programs Office or the Mobility Authority's DBE Liaison determines that the Provider has failed to meet the good faith effort requirements, the Provider will be given an opportunity for reconsideration by the Department or the Mobility Authority, as appropriate.

NOTE: The Provider must not cause or allow subproviders to bid their services.

- b. The preceding information shall be submitted directly to the Chair of the Vendor Selection Team responsible for the project.

- c. The Provider shall make all reasonable efforts to honor commitments to DBE subproviders named in the commitment submitted under Section 2.c. of this attachment. Where the Provider terminates or removes a DBE subprovider named in the initial commitment, the Provider must demonstrate on a case-by-case basis to the satisfaction of the Mobility Authority that the originally designated DBE was not able or willing to perform.
- d. The Provider shall make a good faith effort to replace a DBE subprovider that is unable or unwilling to perform successfully with another DBE, to the extent needed to meet the contract goal. The Provider shall submit a completed Form E-2 for the substitute firm(s). Any substitution of DBEs shall be subject to prior written approval by the Mobility Authority. The Mobility Authority may request a statement from the firm being replaced concerning its replacement prior to approving the substitution.
- e. The Provider shall designate a DBE liaison officer (“DBE Liaison”) who will administer the DBE program and who will be responsible for maintenance of records of efforts and contacts made to subcontract with DBEs.
- f. Providers are encouraged to investigate the services offered by banks owned and controlled by disadvantaged individuals and to make use of these banks where feasible.

6) **ELIGIBILITY OF DBEs.**

- a. The Department certifies the eligibility of DBEs, DBE joint ventures and DBE truck-owner operators to perform DBE subcontract work on DOT financially assisted contracts. Under the terms of the MOU, only DBEs certified as eligible to participate on Department roadway construction projects and listed on the Department’s website under the Texas Unified Certification Program are eligible to participate on Mobility Authority roadway construction projects.
- b. This certification will be accomplished through the use of the appropriate certification schedule contained in the Department’s DBE program and adopted by the Mobility Authority under the terms of the MOU.
- c. The Department publishes a Directory of Disadvantaged Business Enterprises containing the names of firms that have been certified to be eligible to participate as DBEs on DOT financially assisted contracts. The directory is available from the Department’s Business Opportunity Programs Office. The Texas Unified Certification Program DBE Directory can be found on the Internet at:  
[http://www.dot.state.tx.us/services/business\\_opportunity\\_programs/tucp\\_dbe\\_directory.htm](http://www.dot.state.tx.us/services/business_opportunity_programs/tucp_dbe_directory.htm) .
- d. Only DBE firms certified at the time the contract is signed or at the time the commitments are submitted are eligible to be used in the information furnished by the Provider as required under Section 2.c. and 5.d. above. For purposes of the DBE goal on this contract, DBEs will only be allowed to perform work in the categories of work for which they were certified.

- 7) **DETERMINATION OF DBE PARTICIPATION.** A firm must be an eligible DBE and perform a professional or technical function relating to the project. Once a firm is determined to be an eligible DBE, the total amount paid to the DBE for work performed with his/her own forces is counted toward the DBE goal. When a DBE subcontracts part of the work of its contract to another firm, the value of the subcontracted work may be counted toward DBE goals only if the subprovider is itself a DBE. Work that a DBE subcontracts to a non-DBE firm does not count toward DBE goals.

A DBE subprovider may subcontract no more than 70% of a federal aid contract. The DBE subprovider shall perform not less than 30% of the value of the contract work with assistance of employees employed and paid directly by the DBE; and equipment owned or rented directly by the DBE. DBE subproviders must perform a commercially useful function required in the contract in order for payments to be credited toward meeting the contract goal. A DBE performs a commercially useful function when it is responsible for executing the work of the contract and is carrying out its responsibilities by actually performing, managing, and supervising the work involved. To perform a commercially useful function, the DBE must also be responsible, with respect to materials and supplies used on the contract, for negotiating price, determining quality and quantity, ordering the material, and installing (where applicable) and paying for the material itself. When a DBE is presumed not to be performing a commercially useful function, the DBE may present evidence to rebut this presumption.

A Provider may count toward its DBE goal a portion of the total value of the contract amount paid to a DBE joint venture equal to the distinct, clearly defined portion of the work of the contract performed by the DBE.

Proof of payment, such as copies of canceled checks, properly identifying the Mobility Authority's contract number or project number may be required to substantiate the payment, as deemed necessary by the Mobility Authority.

#### 8) **RECORDS AND REPORTS.**

- a. After submission of the initial commitment reported (Form E-1), required by Section 2.c. of this attachment, the Provider shall submit Monthly Progress Assessment Reports (Forms E-4 and E-5), after contract work begins, on DBE involvement to meet the goal and for race-neutral participation. One copy of each report is to be sent monthly to the Mobility Authority as provided in Section 8.b. below and should also be submitted with the Provider's invoice. **Only actual payments made to subproviders are to be reported. These reports will be required until all subprovider activity is completed.** The Mobility Authority may verify the amounts being reported as paid to DBEs by requesting copies of canceled checks paid to DBEs on a random basis.
  - b. DBE subproviders should be identified on the report by name, type of work being performed, the amount of actual payment made to each during the billing period, cumulative payment amount and percentage of the total contract amount. These reports will be due within fifteen (15) days after the end of a calendar month. Reports are required even when no DBE activity has occurred in a billing period.
  - c. All such records must be retained for a period of four (4) years following final payment or until any investigation, audit, examination, or other review undertaken during the four (4) years is completed, and shall be available at reasonable times and places for inspection by authorized representatives of the Mobility Authority, the Department or the DOT.
  - d. Prior to receiving final payment, the Provider shall submit a Final Report (Form E-6), detailing the DBE payments. The Final Report is to be sent to the Mobility Authority and one (1) copy is to be submitted with the Provider's final invoice. If the DBE goal requirement is not met, documentation of the good faith efforts made to meet the goal must be submitted with the Final Report.
- 9) **COMPLIANCE OF PROVIDER.** To ensure that DBE requirements of this DOT-assisted contract are complied with, the Mobility Authority and/or the Department will monitor the Provider's efforts to involve DBEs during the performance of this contract. This will be accomplished by a review of DBE Monthly Progress Reports (Form E-4), submitted to the Mobility Authority by the Provider indicating his progress in

achieving the DBE contract goal, and by compliance reviews conducted by the Mobility Authority or the Department. The DBE Monthly Progress Report (Form E-4) must be submitted at a minimum monthly to the Mobility Authority, in addition to with each invoice to the appropriate agency contact.

The Provider shall receive credit toward the DBE goal based on actual payments to the DBE subproviders with the following exceptions and only if the arrangement is consistent with standard industry practice. The Provider shall immediately contact the Mobility Authority in writing if he/she withholds or reduces payment to any DBE subprovider.

- (1) A DBE firm is paid but does not assume contractual responsibility for performing the service;
- (2) A DBE firm does not perform a commercially useful function;
- (3) Payment is made to a DBE that cannot be linked by an invoice or canceled check to the contract under which credit is claimed;
- (4) Payment is made to a broker or a firm with a brokering-type operation; or
- (5) Partial credit is allowed, in the amount of the fee or commission provided the fee or commission does not exceed that customarily allowed for similar services, for a bona fide service, such as professional, technical, vendor, or managerial services, and assistance in the procurement of essential personnel, facilities, equipment, materials, or supplies required for performance of the contract.

A Provider's failure to comply with the requirements of this Special Provision shall constitute a material breach of this contract. In such a case, the Mobility Authority reserves the right to terminate the contract; to deduct the amount of DBE goal not accomplished by DBEs from the money due or to become due the Provider, not as a penalty but as liquidated damages to the Mobility Authority; or such other remedy or remedies as the Mobility Authority deems appropriate.

## **EXHIBIT G**

### **Disadvantaged Business Enterprise (DBE) for Race-Neutral Professional or Technical Services Contracts Special Provision**

It is the policy of the DOT, the Central Texas Regional Mobility Authority (the "Mobility Authority") and the Texas Department of Transportation (the "Department") that Disadvantaged Business Enterprises (DBEs) as defined in 49 CFR Part 26, Subpart A and the Department's Disadvantaged Business Enterprise Program ("DBE Program"), shall have the opportunity to participate in the performance of contracts financed in whole or in part with Federal funds and it is the DOT's policy that a maximum feasible portion of the Department's and the Mobility Authority's overall DBE goal be met using race-neutral means. The Mobility Authority and the Department previously entered into a Memorandum of Understanding Regarding the Adoption of the Texas Department of Transportation's Federally-Approved Disadvantaged Business Opportunity Program by the Central Texas Regional Mobility Authority (the "MOU") dated effective February 1, 2007. The MOU provides that the CTRMA has adopted the Department's DBE Program with the consent of the Federal Highway Administration for contracts financed in whole or in part with Federal funds. Consequently, if there is no DBE goal, the DBE requirements of 49 CFR Part 26, apply to this contract as follows:

The Provider will offer DBEs as defined in 49 CFR Part 26, Subpart A, the opportunity to compete fairly for contracts and subcontracts financed in whole or in part with federal funds. Race-Neutral DBE participation on projects with no DBE goal should be reported on the Form E-3. Payments to DBEs reported on Form E-3 are subject to the following requirements:

#### **DETERMINATION OF DBE PARTICIPATION.**

A firm must be an eligible DBE and perform a professional or technical function relating to the project. Once a firm is determined to be an eligible DBE, the total amount paid to the DBE for work performed with his/her own forces must be reported as race-neutral DBE participation. When a DBE subcontracts part of the work of its contract to another firm, the value of the subcontracted work should not be reported unless the subcontractor is itself a DBE.

A DBE subprovider may subcontract no more than 70% of a federal aid contract. The DBE subprovider shall perform not less than 30% of the value of the contract work with assistance of employees employed and paid directly by the DBE; and equipment owned or rented directly by the DBE. DBE subproviders must perform a commercially useful function required in the contract. A DBE performs a commercially useful function when it is responsible for execution of the work of the contract and is carrying out its responsibilities by actually performing, managing, and supervising the work involved. To perform a commercially useful function, the DBE must also be responsible, with respect to materials and supplies used on the contract, for negotiating price, determining quality and quantity, ordering the material, and installing (where applicable) and paying for the material itself. When a DBE is presumed not to be performing a commercially useful function, the DBE may present evidence to rebut this presumption.

A Provider must report a portion of the total value of the contract amount paid to a DBE joint venture equal to the distinct, clearly defined portion of the work of the contract performed by the DBE.

Proof of payment, such as copies of canceled checks, properly identifying the Mobility Authority's contract number or project number may be required to substantiate the payment, as deemed necessary by the Mobility Authority.

The Provider and any subprovider shall not discriminate on the basis of race, color, national origin or sex in the award and performance of contracts. These requirements shall be physically included in any subcontract.

Failure to carry out the requirements set forth above shall constitute a material breach of this contract and, may result in termination of the contract by the Mobility Authority or other such remedy as the Mobility Authority deems appropriate.

**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 15-\_\_\_**

**APPROVING A WORK AUTHORIZATION WITH GROUP SOLUTIONS RJW FOR  
PUBLIC INVOLVEMENT SERVICES FOR THE 183 SOUTH (BERGSTROM  
EXPRESSWAY) PROJECT.**

WHEREAS, by Resolution No. 15-031, enacted May 27, 2015, the Board authorized the Executive Director to negotiate and execute on behalf of the Central Texas Regional Mobility Authority (“Mobility Authority”) a contract with Group Solutions RJW for public involvement services on the 183 South (Bergstrom Expressway) Project (the “Contract”); and

WHEREAS, the Executive Director and Group Solutions RJW have discussed and agreed to a proposed work authorization under the Contract for public involvement services for development of the 183 South (Bergstrom Expressway) project; and

WHEREAS, the Executive Director recommends approval of the proposed work authorization in the form or substantially the same form as provided to the Board as agenda backup material.

NOW THEREFORE, BE IT RESOLVED that the proposed work authorization with Group Solutions RJW is hereby approved; and

BE IT FURTHER RESOLVED that the Executive Director may finalize and execute on behalf of the Mobility Authority the proposed work authorization in the form or substantially the same form provided to the Board as agenda backup information.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 30<sup>th</sup> day of September, 2015.

Submitted and reviewed by:

Approved:

\_\_\_\_\_  
Andrew Martin, General Counsel

\_\_\_\_\_  
Ray A. Wilkerson  
Chairman, Board of Directors



**CENTRAL TEXAS  
Regional Mobility Authority**

Meeting Date: September 30, 2015  
AGENDA ITEM # 5

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Approve additional funding for the contract with  
Maldonado Nursery and Landscaping, Inc.,  
for landscape maintenance  
on Mobility Authority roadways.

Strategic Plan Relevance: Regional Mobility  
Department: Engineering  
Contact: Wesley M. Burford, P.E., Director of Engineering  
Associated Costs: \$160,000  
Funding Source: General Fund  
Action Requested: Consider and act on draft resolution

Summary:

On May 22, 2013, the Board awarded a contract for landscape maintenance and associated services for Mobility Authority road corridors to Maldonado Nursery & Landscaping, Inc., and the contract will terminate on June 30, 2016. The proposed amendment increases by \$160,000 (to \$670,760) the total contract amount payable for services needed during the Performance Based Maintenance contract procurement and mobilization period and any potential future activities along the corridor.

The Executive Director seeks Board approval of the proposed amendment to fund continued landscape maintenance and related services by Maldonado Nursery & Landscaping, Inc.

Backup provided: Proposed Contract Amendment  
Draft Resolution



**AMENDMENT NO. 4**

**CONTRACT NO. 13-227/246-01M**

This amendment to the July 1, 2013, contract for LANDSCAPE MAINTENANCE (the "Contract") is between the Central Texas Regional Mobility Authority (the "Mobility Authority") and Maldonado Nursery and Landscaping, Inc. (the "Contractor").

**The Mobility Authority and Contractor agree as follows:**

WHEREAS, the Mobility Authority and the Contractor want to adjust the Total Bid Price as allowed per the terms of the Contract.

NOW, THEREFORE, the Mobility Authority and the Contractor agree to the following:

1. The third paragraph on page D-1 of the Contract is hereby amended to read in its entirety as follows:

The Contract is awarded on the basis of the qualifications and on a time and materials basis from the attached Bid Form, not to exceed Six Hundred Thirty Thousand Seven Hundred Sixty Dollars and Zero Cents (\$630,760.00).

Except as otherwise specifically established by this amendment, all terms and conditions of the Contract and previous amendments are acknowledged and reaffirmed by the parties.

This amendment will become effective when all parties have signed it. The date of this amendment will be the date this Amendment is signed by the last party to sign it (as indicated by the date associated with that party's signature).

MALDONANDO NURSERY  
AND LANDSCAPE, INC.

CENTRAL TEXAS REGIONAL  
MOBILITY AUTHORITY

By: \_\_\_\_\_  
Justin Bishop  
Austin Branch Manager

By: \_\_\_\_\_  
Mike Heiligenstein  
Executive Director

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

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

**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 15-\_\_\_**

**APPROVING ADDITIONAL FUNDING FOR THE CONTRACT WITH  
MALDONADO NURSERY AND LANDSCAPING, INC., FOR LANDSCAPE  
MAINTENANCE ON MOBILITY AUTHORITY ROADWAYS.**

WHEREAS, by Resolution No. 13-034 dated May 22, 2013, the Board of Directors authorized the Executive Director to finalize and execute a contract with Maldonado Nursery and Landscaping, Inc. (“Maldonado”) for landscape maintenance services on Mobility Authority roadways (the “Contract”); and

WHEREAS, the Executive Director recommends funding continuing services provided under the Contract during the Performance Based Maintenance contract procurement and mobilization period and potential future activities along the corridors; and

WHEREAS, the Executive Director and Maldonado have discussed and agreed to a proposed amendment to the Contract to fund continued services in the additional amount of \$160,000, a copy of which has been provided to the Board as agenda backup information.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby authorizes the Executive Director to negotiate and execute an amendment to the Contract with Maldonado Nursery and Landscaping, Inc., in the form or substantially the form provided to the Board as agenda backup information.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 30<sup>th</sup> day of September, 2015.

Submitted and reviewed by:

Approved:

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Andrew Martin, General Counsel

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Ray A. Wilkerson  
Chairman, Board of Directors



**CENTRAL TEXAS  
Regional Mobility Authority**

Meeting Date: September 30, 2015  
AGENDA ITEM # 6

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Approve a time extension and additional funding for the contract with Austin Traffic Signal Construction Co., Inc., for routine maintenance and repair of traffic signals and roadway illumination on Mobility Authority roadways.

Strategic Plan Relevance: Regional Mobility  
Department: Engineering  
Contact: Wesley M. Burford, P.E., Director of Engineering  
Associated Costs: \$359,680  
Funding Source: General Fund  
Action Requested: Consider and act on draft resolution

Summary:

On October 27, 2010, the Board awarded a contract to Austin Traffic Signal Construction Company, L.P., for Routine Maintenance and Miscellaneous Repairs - Traffic Signals and Roadway Illumination. This proposed amendment increase the maximum amount payable under the contract by \$359,680 to fund installation of an electronic signal at the intersection of San Gabriel and the northbound 183A frontage road as well as potential future activities along the corridor. The amendment also extends the contract termination date to November 30, 2016, unless further extended before that date by mutual written consent of the parties.

The Executive Director seeks Board approval of the proposed amendment to the contract with Austin Traffic Signal Construction Company, L.P.

Backup provided: Proposed Amendment  
Draft Resolution

**AMENDMENT NO. 4**

**CONTRACT NO. 10183A24603M**

**ROUTINE MAINTENANCE AND MISCELLANEOUS REPAIRS  
TRAFFIC SIGNALS & ROADWAY ILLUMINATION**

This amendment to the November 22, 2010, contract for ROUTINE MAINTENANCE AND MISCELLANEOUS REPAIRS TRAFFIC SIGNALS AND ROADWAY ILLUMINATION (the "Contract") is dated to be effective as of November 30, 2015, and is between the CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY (the "Authority") and AUSTIN TRAFFIC SIGNAL CONSTRUCTION CO., INC, a Texas for-profit corporation (converted from Austin Traffic Signal Construction Company, L.P., a Texas limited partnership, on April 4, 2011,) (the "Contractor").

**The Authority and Contractor agree as follows:**

1. Page C-1, Paragraph 3 Contract is hereby amended to read in its entirety as follows:

The Contract is awarded on the basis of the qualifications and on a time and materials basis from the attached Bid Form, not to exceed One Million Seventy-Nine Thousand and Forty Dollars and Zero Cents (\$1,079,040).

2. Page C-2 of the Contract Agreement, section (e) is hereby amended to read in its entirety as follows:

- e. This Agreement shall terminate on November 30, 2016, unless prior to that date the termination date is extended by mutual written consent of the parties.

Except as specifically provided by this amendment, all terms and conditions of the Contract are acknowledged and reaffirmed by the parties hereto. If a provision of this amendment conflicts with a provision of the Contract, the provision of this amendment shall control.

This amendment will become effective when all parties have signed it. The date of this amendment will be the date this Amendment is signed by the last party to sign it (as indicated by the date associated with that party's signature).

AUSTIN TRAFFIC SIGNAL  
CONSTRUCTION COMPANY, INC.

CENTRAL TEXAS REGIONAL  
MOBILITY AUTHORITY

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Mike Heiligenstein  
Executive Director

Title: \_\_\_\_\_

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

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

**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 15-\_\_\_**

**APPROVING A TIME EXTENSION AND ADDITIONAL FUNDING FOR THE  
CONTRACT WITH AUSTIN TRAFFIC SIGNAL CONSTRUCTION CO., INC., FOR  
ROUTINE MAINTENANCE AND REPAIR OF TRAFFIC SIGNALS AND ROADWAY  
ILLUMINATION ON MOBILITY AUTHORITY ROADWAYS.**

WHEREAS, by Resolution No. 10-97 dated October 27, 2010, the Board of Directors authorized the Executive Director to finalize and execute a contract with Austin Traffic Signal Construction Co., Inc. (“Austin Traffic Signal”) for routine maintenance services and repairs of traffic signals and roadway illumination on Mobility Authority roadways; and

WHEREAS, there is a need to continue services provided by Austin Traffic Signal during the Performance Based Maintenance contract procurement and mobilization period, for installation of an electronic signal at the intersection of San Gabriel and the northbound 183A frontage road, and for potential future activities along the corridors; and

WHEREAS, the Executive Director and Austin Traffic Signal have discussed and agreed to a proposed amendment to the contract to provide additional funding in the amount of \$359,680 for services and to extend the termination date of the contract to November 30, 2016, a copy of which has been provided to the Board as agenda backup information.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby authorizes the Executive Director to negotiate and execute an amendment to the contract with Austin Traffic Signal Construction Co., Inc., in the form or substantially the form provided to the Board as agenda backup information.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 30<sup>th</sup> day of September, 2015.

Submitted and reviewed by:

Approved:

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Andrew Martin, General Counsel

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Ray A. Wilkerson  
Chairman, Board of Directors



**CENTRAL TEXAS  
Regional Mobility Authority**

Meeting Date: September 30, 2015  
AGENDA ITEM # 7

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Approve an amendment  
to extend the agreement with the North East  
Texas Regional Mobility Authority to provide  
toll collection processing services.

Strategic Plan Relevance: Regional Mobility  
Department: Operations  
Contact: Tim Reilly, Director of Operations  
Associated Costs: Pass Thru, No Cost to the Mobility Authority  
Funding Source: Not Applicable  
Action Requested: Consider and act on draft resolution

Summary:

On January 30, 2013, the Board approved in interlocal agreement (“ILA”) with the North East Texas Regional Mobility Authority (NET RMA) under which the Mobility Authority would provide toll collection processing services to NET RMA through the Municipal Services Bureau, vendor for the Mobility Authority.

NET RMA has requested an extension and continuation of the ILA to a new termination date of June 30, 2020. All other provisions of the ILA continue as they exist today.

Backup provided: Proposed Amendment to ILA with the NET RMA  
Draft Resolution

**FIRST AMENDMENT TO THE INTERLOCAL AGREEMENT FOR  
TOLL COLLECTION PROCESSING SERVICES**

**THIS FIRST AMENDMENT** is made effective as of the \_\_\_ day of \_\_\_\_\_, 2015, by and between the **CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY** (“CTRMA”) and the **NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY** (“NET RMA”), political subdivisions of the State of Texas.

**WITNESSETH:**

**WHEREAS**, the CTRMA and the NET RMA entered into an Agreement for Toll Collection Processing Services dated February 27, 2013, hereinafter referred to as the “Agreement,” whereby the CTRMA agreed to provide toll collection processing services to the NET RMA; and

**WHEREAS**, the term of the Agreement concluded on June 30, 2015; and

**WHEREAS**, the CTRMA and the NET RMA have each determined that it is in their best interest to continue performing their obligations under the Agreement; and

**WHEREAS**, the NET RMA and the CTRMA desire to extend the term of the Agreement to June 30, 2020.

**NOW, THEREFORE**, and in consideration of the mutual covenants and agreement between the parties, the CTRMA and the NET RMA hereby agree to the following:

**I. EXTENSION OF TERM.**

Article III, Section 1. Term and Termination. of the Agreement for Toll Collection Processing Services by and between the CTRMA and the NET RMA dated February 27, 2013 shall be and hereby is amended to read as follows:

Subject to the following, this Agreement shall be effective as of the date first written above and shall continue in force and effect until June 30, 2020 [~~June 30, 2015~~]. The term of the Agreement may be extended by written agreement of the Parties. Notwithstanding the foregoing:

- a. if the MSB Contract is terminated pursuant to Article 3 of that agreement, this Agreement shall terminate on the same day that the MSB Contract terminates, provided that the CTRMA shall give the NET RMA written notice of the termination within ten (10) days of providing notice to or receiving notice from MSB in accordance with Article 3 of the MSB Contract;
- b. either party may terminate this Agreement in the event of a material breach of its terms, which may include, but is not limited to, failure to make timely payments of amounts owed and failure of the toll collection processing services to be

provided in accordance with this Agreement, provided that the party seeking to terminate the Agreement has provided written notice to the other of the alleged default and the default has not been cured within thirty (30) days of receipt of such notice; and

c. the parties may mutually agree to terminate this Agreement at any time.

**II. REMAINING TERMS AND CONDITIONS.**

Except to the extent expressly modified herein, all remaining terms and conditions of the Agreement for Toll Collection Processing Services by and between the CTRMA and the NET RMA dated February 27, 2013 shall continue in full force and effect.

**IN WITNESS WHEREOF**, the parties hereto have signed or have caused their respective names to be signed to multiple counterparts hereof as of the effective date first above written.

Authority:	Central Texas Regional Mobility Authority	Company:	North East Texas Regional Mobility Authority
Signature:		Signature:	
By:	<u>Mike Heiligenstein</u>	By:	<u>Everett Owen</u>
Title:	<u>Executive Director</u>	Title:	<u>Interim Executive Director</u>
Date:	<u></u>	Date:	<u></u>



**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 15-\_\_\_**

**APPROVING AN AMENDMENT TO EXTEND THE AGREEMENT WITH  
THE NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY TO  
PROVIDE TOLL COLLECTION PROCESSING SERVICES.**

WHEREAS, by Resolution No. 13-001, enacted on January 30, 2013, the Board approved an interlocal agreement under Chapter 791 of the Texas Government Code and Section 370.033 of the Transportation Code by which the Mobility Authority provides toll transaction processing and toll collection services to the North East Texas Regional Mobility Authority (“NET RMA”); and

WHEREAS, NET RMA desires to extend the interlocal agreement for toll transaction processing and toll collection services to a new termination date of June 30, 2020, as set forth in the proposed amendment which has been provided to the Board as agenda backup information; and

WHEREAS, the Executive Director recommends approval of the proposed amendment.

NOW THEREFORE BE IT RESOLVED that the proposed amendment to the interlocal agreement with the North East Texas Regional Mobility Authority is hereby approved; and

BE IT FURTHER RESOLVED that the Executive Director is authorized to finalize and execute the proposed amendment to the interlocal agreement on behalf of the Mobility Authority, in the form or substantially the same form provided as agenda backup information.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 30<sup>th</sup> day of September, 2015.

Submitted and reviewed by:

Approved:

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Andrew Martin, General Counsel

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Ray A. Wilkerson  
Chairman, Board of Directors



**CENTRAL TEXAS  
Regional Mobility Authority**

Meeting Date: September 30, 2015  
AGENDA ITEM # 8

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Approve the annual compliance report to the  
Texas Department of Transportation required by  
43 Texas Administrative Code §26.65.

Strategic Plan Relevance: Regional Mobility/Innovation/Economic Vitality/ Sustainability  
Department: Finance/Legal  
Contact: Bill Chapman, Chief Financial Officer  
Andrew Martin, General Counsel  
Associated Costs: Not Applicable  
Funding Source: Not Applicable  
Action Requested: Consider and act on draft resolution

Summary:

Rule 26.65 adopted by the Texas Department of Transportation requires each regional mobility authority to file a report with TxDOT to confirm the regional mobility authority has complied with reporting requirements established by state law and the rule. The rule further provides the compliance report must be approved by the board of directors of the regional mobility authority and certified by its executive director.

The attached resolution provides the required board approval for the compliance report.

Backup provided: Draft Resolution, with compliance report attached as an exhibit

**Exhibit 1 to Resolution No. 15-\_\_\_**

**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 15-\_\_\_**

**APPROVING THE ANNUAL COMPLIANCE REPORT TO THE TEXAS  
DEPARTMENT OF TRANSPORTATION REQUIRED BY 43 TEX. ADMIN.  
CODE § 26.65.**

WHEREAS, the Texas Department of Transportation has adopted rules codified at Subchapter G, Chapter 26, Title 43 of the Texas Administrative Code that require the Mobility Authority to report certain financial information including the annual budgets and independent audits to Travis County and Williamson County, the counties that are a part of the Central Texas Regional Mobility Authority; and

WHEREAS, by Resolution No. 15-035, enacted July 1, 2015, the Board approved the Mobility Authority budget for fiscal year 2016; and

WHEREAS, by separate resolution enacted September 30, 2015, the Board (by the action of its Audit Committee) has approved or will approve the independent audits of the Mobility Authority prepared by Padgett, Stratemann & Co., LLP, for the fiscal year ending June 30, 2015; and

WHEREAS, the Compliance Report attached as Exhibit 1 to this resolution reports to the Texas Department of Transportation the information required by 43 *TEX. ADMIN. CODE* § 26.65.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors hereby approves the Compliance Report in the form attached as Exhibit 1 to this resolution, and authorizes the Executive Director to certify and submit the Compliance Report to the Texas Department of Transportation.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 30<sup>th</sup> day of September, 2015.

Submitted and reviewed by:

Approved:

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Andrew Martin, General Counsel

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Ray A. Wilkerson  
Chairman, Board of Directors

**Exhibit 1 to Resolution No. 15-\_\_\_**

**Central Texas 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
<i>Rule §26.61 Written Reports:</i>		
The annual operating and capital budgets adopted by the RMA year.	The Mobility Authority submits copies of the annual operating and capital budgets adopted for the Fiscal Year 2016 beginning July 1, 2015, to Travis County and Williamson County.	The Board of Directors approved the FY 2016 Budget by Resolution No. 15-035 enacted on July 1, 2015.
Any annual financial information and notices of material events required to be disclosed under Rule 15c2-12 of the SEC.	No financial information or notices are required to be disclosed; 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 Mobility Authority did not hold any “surplus revenue” in FY 2015, as that term is defined by § 370.003(12) of the Transportation Code.	
An independent auditor's review of the reports of investment transactions prepared under Government Code, §2256.023.	Included as part of the FY 2015 annual audit. See certification below.	Included as part of the FY 2015 annual audit. See certification below.
<i>Rule §26.62 Annual Audit:</i>		
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 Mobility Authority received an unqualified opinion for FY 2015 from an independent certified public accountant.	The FY 2015 annual audit was accepted by the Board of Directors (acting through its Audit Committee) by resolution enacted September 30, 2015.

**Exhibit 1 to Resolution No. 15-\_\_\_**

<p>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.</p>	<p>The Mobility Authority submits copies of the FY 2015 annual audit to Travis County and Williamson County.</p>	<p>The Mobility Authority will provide to Travis County and Williamson County a copy of the FY 2015 audit accepted by resolution enacted September 30, 2015.</p>
<p>All work papers and reports shall be retained for a minimum of four years from the date of the audit.</p>	<p>Work papers and reports are and will be retained for a minimum of four years.</p>	
<p><i>Rule §26.63 Other Reports to Counties and Cities:</i></p>		
<p>Provide other reports and information regarding its activities promptly when requested by the counties or cities.</p>	<p>The Mobility Authority promptly provides reports and information regarding its activities when requested by Travis County or Williamson County. There is no city that is a part of the Central Texas Regional Mobility Authority.</p>	
<p><i>Rule §26.64 Operating Records:</i></p>		
<p>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.</p>	<p>The Mobility Authority will provide the Texas Department of Transportation with access to all its operating and financial records when requested by the Department’s executive director.</p>	



**CENTRAL TEXAS  
Regional Mobility Authority**

Meeting Date: September 30, 2015  
AGENDA ITEM # 9

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Award a contract for system-wide performance based maintenance services for current and future Mobility Authority corridors.

Strategic Plan Relevance: Regional Mobility  
Department: Engineering  
Contact: Wesley M. Burford, P.E., Director of Engineering  
Associated Costs: TBD  
Funding Source: Operating Fund  
Action Requested: Consider and act on draft resolution

Summary:

On February 25, 2015, the Board of Directors approved the advertisement and release of proposal documents for system-wide performance based maintenance services for current and future Mobility Authority corridors. The Request for Proposal (RFP) was issued on May 5, 2015. Final Addendum #4 was issued on August 14, 2015, and Best and Final Offer Proposals were received by August 21, 2015.

The Mobility Authority intends to award the maintenance contract to the proposer that offers the best value to the agency considering price, technical and other factors. After receipt of the Proposals, they were separated into Technical and Price Proposals such that members of the technical review team were unaware of the Price Proposals submitted. Upon completion of the technical evaluation, a Best Value calculation was performed based on a price to technical scoring ratio of 60:40 to determine the Best Value ranking.

Contingent upon concurrence from the Mobility Authority Board of Directors and TxDOT, the Executive Director recommends awarding the contract to the apparent best value proposer.

Backup provided: Summary Presentation of Qualifications, Proposals, Evaluation Process, Results, Team Recommendation will be provided at the Board meeting  
Draft Resolution

**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 15-\_\_\_**

**AWARDING A CONTRACT FOR SYSTEM-WIDE PERFORMANCE BASED  
MAINTENANCE SERVICES FOR CURRENT AND FUTURE MOBILITY  
AUTHORITY CORRIDORS.**

WHEREAS, on February 25, 2015 the Board of Directors authorized the Executive Director to issue advertise and release a Request for Proposals consistent with the Mobility Authority's Procurement Policies for a System-wide Performance Based Maintenance Contract (the "Maintenance Contract"); and

WHEREAS, the Mobility Authority received bids, and after completing a technical evaluation, performed a Best Value calculation based on a price to technical scoring ratio of 60:40 to determine the Best Value ranking; and

WHEREAS, the Executive Director recommends that the Maintenance Contract be awarded to \_\_\_\_\_ for an amount not to exceed \$\_\_\_\_\_.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors awards the Maintenance Contract to \_\_\_\_\_; and

BE IT FURTHER RESOLVED, that the Board authorizes the Executive Director to negotiate and execute on behalf of the Mobility Authority the contract awarded to \_\_\_\_\_ and an initial work authorization for services to be provided through June 30, 2016, consistent with the proposer's responses to the Request for Proposals, the Request for Proposals, and the Mobility Authority's Procurement Policies, for a contract amount not to exceed \$\_\_\_\_\_, and as the Executive Director further determines is in the best interest of the Mobility Authority.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 30<sup>th</sup> day of September, 2015.

Submitted and reviewed by:

Approved:

\_\_\_\_\_  
Andrew Martin, General Counsel

\_\_\_\_\_  
Ray A. Wilkerson  
Chairman, Board of Directors



**CENTRAL TEXAS  
Regional Mobility Authority**

Meeting Date: September 30, 2015  
AGENDA ITEM # 10

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Award a professional services contract to provide survey quality assurance services for the 183 South (Bergstrom Expressway) Project.

Strategic Plan Relevance: Regional Mobility  
Department: Engineering  
Contact: Justin Word, P.E., Director of Project Management  
Associated Costs: TBD  
Funding Source: Bond Sale Funds  
Action Requested: Consider and act on draft resolution

Summary:

On February 25, 2015, the Board of Directors authorized issuance of a Request for Proposals (RFP) from teams interested in providing survey quality assurance services necessary to implement the 183 South (Bergstrom Expressway) Project.

A Selection Committee composed of Mobility Authority staff and consultants evaluated the proposals received against the criteria provided in the RFP. The committee reviewed and scored the responses and made a recommendation of firm selection to the Executive Director.

Based on the RFP evaluations, the Executive Director seeks Board approval to award a professional services contract to provide survey quality assurance services for the 183 South (Bergstrom Expressway) project. The draft resolution further authorizes the Executive Director to negotiate and execute on behalf of the Mobility Authority a professional services contract and work authorization for services through June 30, 2016.

Backup provided: Summary Presentation of Qualifications, Proposals, Evaluation Process, Results, Team Recommendation will be provided at the Board meeting  
Draft Resolution



**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 15-**

**AWARDING A PROFESSIONAL SERVICES CONTRACT TO  
PROVIDE SURVEY QUALITY ASSURANCE SERVICES FOR  
THE 183 SOUTH (BERGSTROM EXPRESSWAY) PROJECT.**

WHEREAS, by Resolution No. 15-014, dated February 25, 2015, the Board of Directors authorized the Executive Director to procure survey quality assurance services for the 183 South (Bergstrom Expressway) Project; and

WHEREAS, in accordance with the Mobility Authority Procurement Policies and the request for proposals for survey quality assurance services issued by the Mobility Authority (the "RFP), the Executive Director recommends selection of \_\_\_\_\_ based on the evaluation and selection criteria set forth in the RFP.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors hereby awards a professional services contract to provide survey quality assurance services for the 183 South (Bergstrom Expressway) project to \_\_\_\_\_; and

BE IT FURTHER RESOLVED, that the Board authorizes the Executive Director to negotiate and execute on behalf of the Mobility Authority the contract awarded to \_\_\_\_\_ and an initial work authorization for services to be provided through June 30, 2016, consistent with the proposer's responses to the RFP, the RFP, and the Mobility Authority's Procurement Policies, for a contract amount not to exceed \$\_\_\_\_\_, and as the Executive Director further determines is in the best interest of the Mobility Authority.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 30<sup>th</sup> day of September, 2015.

Submitted and reviewed by:

Approved:

\_\_\_\_\_  
Andrew Martin, General Counsel

\_\_\_\_\_  
Ray A. Wilkerson  
Chairman, Board of Directors



**CENTRAL TEXAS  
Regional Mobility Authority**

Meeting Date: September 30, 2015  
AGENDA ITEM # 11

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Award a professional services contract to provide materials acceptance testing services for the 183 South (Bergstrom Expressway) project.

Strategic Plan Relevance: Regional Mobility  
Department: Engineering  
Contact: Justin Word, P.E., Director of Project Management  
Associated Costs: TBD  
Funding Source: Bond Sale Funds  
Action Requested: Consider and act on draft resolution

Summary:

On February 25, 2015, the Mobility Authority's Board of Directors authorized issuance of a Request for Proposals (RFP) from teams interested in providing materials acceptance testing services necessary to implement the 183 South (Bergstrom Expressway) Project.

A Selection Committee composed of Mobility Authority staff and consultants evaluated the Proposals against the criteria provided in the RFP. The committee reviewed and scored the responses and made a recommendation of firm selection to the Executive Director.

Based on the RFP evaluations, the Executive Director seeks Board approval to award a professional services contract to provide materials acceptance testing services for the 183 South (Bergstrom Expressway) project. The draft resolution further authorizes the Executive Director to negotiate and execute on behalf of the Mobility Authority a professional services contract and work authorization for services through June 30, 2016.

Backup provided: Summary Presentation of Qualifications, Proposals, Evaluation Process, Results, Team Recommendation to be provided at the Board meeting  
Draft Resolution

**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 15-\_\_\_**

**AWARDING A PROFESSIONAL SERVICES CONTRACT TO PROVIDE  
MATERIALS ACCEPTANCE TESTING SERVICES FOR  
THE 183 SOUTH (BERGSTROM EXPRESSWAY) PROJECT.**

WHEREAS, by Resolution No. 15-014, dated February 25, 2015, the Board of Directors authorized the Executive Director to procure materials acceptance testing services for the 183 South (Bergstrom Expressway) Project; and

WHEREAS, in accordance with the Mobility Authority Procurement Policies and the request for proposals for materials acceptance testing services issued by the Mobility Authority (the "RFP"), the Executive Director recommends selection of \_\_\_\_\_ based on the evaluation and selection criteria set forth in the RFP.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors hereby awards a professional services contract to provide materials acceptance testing services for the 183 South (Bergstrom Expressway) project to \_\_\_\_\_; and

BE IT FURTHER RESOLVED, that the Board authorizes the Executive Director to negotiate and execute on behalf of the Mobility Authority the contract awarded to \_\_\_\_\_ and an initial work authorization for services to be provided through June 30, 2016, consistent with the proposer's responses to the RFP, the RFP, and the Mobility Authority's Procurement Policies, for a contract amount not to exceed \$\_\_\_\_\_, and as the Executive Director further determines is in the best interest of the Mobility Authority.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 30<sup>th</sup> day of September, 2015.

Submitted and reviewed by:

Approved:

\_\_\_\_\_  
Andrew Martin, General Counsel

\_\_\_\_\_  
Ray A. Wilkerson  
Chairman, Board of Directors



**CENTRAL TEXAS  
Regional Mobility Authority**

Meeting Date: September 30, 2015  
AGENDA ITEM # 12

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Award a professional service contract to provide construction inspection services for the 183 South (Bergstrom Expressway) project.

Strategic Plan Relevance: Regional Mobility  
Department: Engineering  
Contact: Justin Word, P.E., Director of Project Management  
Associated Costs: TBD  
Funding Source: Bond Sale Funds  
Action Requested: Consider and act on draft resolution

Summary:

On February 25, 2015, the Mobility Authority's Board of Directors authorized the issuance of a Request for Proposals (RFP) from teams interested in providing construction inspection services necessary to implement the 183 South (Bergstrom Expressway) Project.

A Selection Committee composed of Mobility Authority staff and consultants evaluated the Proposals against the criteria provided in the RFP. The committee reviewed and scored the responses and made a recommendation of firm selection to the Executive Director.

Based on the RFP evaluations, the Executive Director seeks Board approval to award a professional services contract to provide construction inspection services for the 183 South (Bergstrom Expressway) project. The draft resolution further authorizes the Executive Director to negotiate and execute on behalf of the Mobility Authority a professional services contract and work authorization for services through June 30, 2016.

Backup provided: Summary Presentation of Qualifications, Proposals, Evaluation Process, Results, Team Recommendation to be provided at the Board meeting  
Draft Resolution

**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 15-\_\_**

**AWARD A PROFESSIONAL SERVICES CONTRACT TO PROVIDE  
CONSTRUCTION INSPECTION SERVICES FOR  
THE 183 SOUTH (BERGSTROM EXPRESSWAY) PROJECT.**

WHEREAS, by Resolution No. 15-014, dated February 25, 2015, the Board of Directors authorized the Executive Director to procure construction inspection services for the 183 South (Bergstrom Expressway) Project; and

WHEREAS, in accordance with the Mobility Authority Procurement Policies and the request for proposals for construction inspection services issued by the Mobility Authority (the "RFP), the Executive Director recommends selection of \_\_\_\_\_ based on the evaluation and selection criteria set forth in the RFP.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors hereby awards a professional services contract to provide construction inspection services for the 183 South (Bergstrom Expressway) project to \_\_\_\_\_; and

BE IT FURTHER RESOLVED, that the Board authorizes the Executive Director to negotiate and execute on behalf of the Mobility Authority the contract awarded to \_\_\_\_\_ and an initial work authorization for services to be provided through June 30, 2016, consistent with the proposer's responses to the RFP, the RFP, and the Mobility Authority's Procurement Policies, for a contract amount not to exceed \$\_\_\_\_\_, and as the Executive Director further determines is in the best interest of the Mobility Authority.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 30<sup>th</sup> day of September, 2015.

Submitted and reviewed by:

Approved:

\_\_\_\_\_  
Andrew Martin, General Counsel

\_\_\_\_\_  
Ray A. Wilkerson  
Chairman, Board of Directors



**CENTRAL TEXAS  
Regional Mobility Authority**

Meeting Date: September 29, 2015  
AGENDA ITEM # 13

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Authorize solicitation of bids for a construction contract for interim improvements at the SH 130 – Manor Expressway intersection.

Strategic Plan Relevance: Regional Mobility  
Department: Engineering  
Contact: Justin Word, P.E., Director of Project Management  
Associated Costs: TBD  
Funding Source: Bond Sale Funds  
Action Requested: Consider and act on draft resolution

Summary:

The 290 East/SH130 Intersection Project includes the addition of dual right turn lanes on the south bound SH130 Frontage Road, the addition of a south bound through lane, the extension of the taper/merge of the sweeping right turn, as well as additional signage.

These interim improvements are designed to enhance safety and operations at the 290 East/SH130 intersection.

This item authorizes only the issuance of a solicitation of bids for a construction contract to build the interim improvements.

Backup provided: Draft Resolution

**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 15-\_\_\_**

**AUTHORIZING SOLICITATION OF BIDS FOR A CONSTRUCTION  
CONTRACT FOR INTERIM IMPROVEMENTS AT THE SH 130 – MANOR  
EXPRESSWAY INTERSECTION.**

WHEREAS, the Mobility Authority has designed interim improvements to address traffic congestion and safety issues at the intersection of the south bound SH 130 frontage road and the west bound Manor Expressway frontage road and entrance ramp to the Manor Expressway; and

WHEREAS, the Executive Director recommends soliciting bids for a construction contract to build and complete the interim improvements at the earliest possible time.

NOW THEREFORE, BE IT RESOLVED that the Executive Director is authorized and directed to procure a construction contract for interim improvements at the SH 130 – Manor Expressway intersection, in accordance with the procurement policies established by Chapter 4 of the Mobility Authority Policy Code.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 30<sup>th</sup> day of September, 2015.

Submitted and reviewed by:

Approved:

\_\_\_\_\_  
Andrew Martin, General Counsel

\_\_\_\_\_  
Ray A. Wilkerson  
Chairman, Board of Directors



**CENTRAL TEXAS  
Regional Mobility Authority**

Meeting Date: September 29, 2015  
AGENDA ITEM # 14

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Authorize procurement of professional engineering design services for direct connectors at the SH 130 – Manor Expressway intersection.

Strategic Plan Relevance: Regional Mobility  
Department: Engineering  
Contact: Justin Word, P.E., Director of Project Management  
Associated Costs: TBD  
Funding Source: TBD  
Action Requested: Consider and act on draft resolution

Summary:

This agenda item requests authorization to issue a procurement for professional engineering design services for 290 East/SH130 direct connectors. Improvements will include the addition of a new south bound SH130 to west bound 290 East direct connect ramp to the main lanes to improve safety and operational issues.

Backup provided: Draft Resolution for Board Consideration



**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 15-\_\_\_**

**AUTHORIZE PROCUREMENT OF PROFESSIONAL ENGINEERING  
DESIGN SERVICES FOR DIRECT CONNECTORS AT THE  
SH 130 – MANOR EXPRESSWAY INTERSECTION.**

WHEREAS, the increase in traffic and congestion at the intersection of SH 130 and the Manor Expressway resulting from continuing development in northeast Travis County and southeast Williamson County is significant; and

WHEREAS, additional direct connectors at that intersection could improve traffic congestion and safety; and

WHEREAS, the Executive Director recommends that the Mobility Authority procure professional engineering services to design direct connectors at the intersection of SH 130 and the Manor Expressway.

NOW THEREFORE, BE IT RESOLVED that the Executive Director is authorized and directed to procure professional engineering services to design one or more direct connectors at the intersection of SH 130 and the Manor Expressway, in accordance with the procurement policies established by Chapter 4 of the Mobility Authority Policy Code.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 30<sup>th</sup> day of September, 2015.

Submitted and reviewed by:

Approved:

\_\_\_\_\_  
Andrew Martin, General Counsel

\_\_\_\_\_  
Ray A. Wilkerson  
Chairman, Board of Directors



**CENTRAL TEXAS  
Regional Mobility Authority**

Meeting Date: September 30, 2015  
AGENDA ITEM # 15

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Accept the financial statements for  
July and August 2015.

Department: Finance  
Contact: Bill Chapman, Chief Financial Officer  
Action Requested: Consider and act on draft resolution

Summary:

Presentation and acceptance of the monthly financial statements for July and August 2015.

Backup provided: Draft Financial Statements for July and August 2015  
Draft Resolution

**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 15-\_\_\_**

**ACCEPT THE FINANCIAL STATEMENTS FOR JULY AND AUGUST 2015.**

WHEREAS, the Central Texas Regional Mobility Authority (“Mobility Authority”) is empowered to procure such goods and services as it deems necessary to assist with its operations and to study and develop potential transportation projects, and is responsible to insure accurate financial records are maintained using sound and acceptable financial practices; and

WHEREAS, close scrutiny of the Mobility Authority’s expenditures for goods and services, including those related to project development, as well as close scrutiny of the Mobility Authority’s financial condition and records is the responsibility of the Board and its designees through procedures the Board may implement from time to time; and

WHEREAS, the Board has adopted policies and procedures intended to provide strong fiscal oversight and which authorize the Executive Director, working with the Mobility Authority’s Chief Financial Officer, to review invoices, approve disbursements, and prepare and maintain accurate financial records and reports; and

WHEREAS, the Executive Director, working with the Chief Financial Officer, has reviewed and authorized the disbursements necessary for the month of July and August 2015, and has caused Financial Statements to be prepared and attached to this resolution as Exhibit 1.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors accepts the Financial Statements for July and August 2015, attached as Exhibit 1.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 30th day of September, 2015.

Submitted and reviewed by:

Approved:

\_\_\_\_\_  
Andrew Martin, General Counsel

\_\_\_\_\_  
Ray A. Wilkerson  
Chairman, Board of Directors

**Exhibit 1**

**Financial Statements for July and August 2015**



## Central Texas Regional Mobility Authority

### Balance Sheet

as of 07/31/2015

as of 07/31/2014

#### Liabilities

#### Current Liabilities

Accounts Payable	4,803,280	4,541,697
Construction Payable-Maha Loop	3,723,135	15,744,948
Overpayments	99,852	48,805
Interest Payable	3,319,623	3,330,684
Due to Other Funds		
TCDRS Payable	43,334	45,525
Deferred Compensation Payable		
Due to Other Entities	589,303	477,204

<b>Total Current Liabilities</b>	<b>12,578,525</b>	<b>24,188,865</b>
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#### Long Term Liabilities

Accrued Vac & Sick Leave Payable	189,089	189,089
<b>Total Long Term Payables</b>	<b>189,089</b>	<b>189,089</b>

#### Bonds Payable

Senior Lien Revenue Bonds		
Senior Lien Revenue Bonds 2010	112,050,314	108,432,524
Senior Lien Revenue Bonds 2011	308,753,258	307,980,943
Senior Refunding Bonds 2013	182,555,000	184,710,000
Sn Lien Rev Bnd Prem/Disc 2010	49,787	89,794
Sn Lien Rev Bnd Prem/Disc 2011	-3,398,089	-3,565,465
Sn Lien Rev Bnd Prem/Disc 2013	14,002,008	16,626,435
<b>Total Senior Lien Revenue Bonds</b>	<b>614,012,278</b>	<b>614,274,231</b>

#### Sub Lien Revenue Bonds

Subordinated Lien Bond 2011	70,000,000	70,000,000
Sub Refunding Bnds 2013	102,530,000	103,710,000
Sub Lien Bond 2011 Prem/Disc	-1,780,876	-1,878,857
Sub Refunding 2013 Prem/Disc	3,260,892	3,752,228
<b>Tot Sub Lien Revenue Bonds</b>	<b>174,010,017</b>	<b>175,583,371</b>

#### Other Obligations

2011 Regions Draw Down Note	1,221,439	2,747,233
2013 American Bank Loan	5,300,000	5,300,000
<b>Total Other Obligations</b>	<b>6,521,439</b>	<b>8,047,233</b>

<b>Total Long Term Liabilities</b>	<b>794,543,733</b>	<b>797,904,836</b>
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<b>Total Liabilities</b>	<b>807,311,348</b>	<b>822,282,787</b>
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#### Net Assets

<b>Total Net Assets</b>	<b>387,667,132</b>	<b>286,373,594</b>
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<b>Total Liabilities and Net Assets</b>	<b>\$ 1,194,978,480</b>	<b>\$ 1,108,656,381</b>
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**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2016	Actual Year to Date 7/31/2015	Percent of Budget	Actual PY to Date 7/31/2014
<b>Revenue</b>				
<b>Operating Revenue</b>				
Toll Revenue-TxTag-183A	32,107,731	1,959,214	6.10%	2,261,921
Toll Revenue-HCTRA-183A	1,678,072	206,235	12.29%	115,300
Toll Revenue-NTTA-183A	1,425,660	323,838	22.71%	101,185
Toll Revenue-TxTag-Manor	8,014,417	636,489	7.94%	581,594
Toll Revenue-HCTRA Manor	1,561,572	161,103	10.32%	113,923
Toll Revenue-NTTA-Manor	392,459	45,442	11.58%	30,317
Video Tolls 183A	9,541,998	608,362	6.38%	487,563
Video Tolls Manor Expressway	4,334,167	236,335	5.45%	132,280
Fee revenue 183A	2,471,500	209,106	8.46%	174,629
Fee revenue Manor Expressway	885,000	105,155	11.88%	67,428
<b>Total Operating Revenue</b>	<b>62,412,575</b>	<b>4,491,279</b>	<b>7.20%</b>	<b>4,066,141</b>
Other Revenue				
Interest Income	250,000	28,671	11.47%	25,029
Grant Revenue	3,130,258	-	0.00%	1,043,270
Misc Revenue	-	-	0.00%	100
<b>Total Other Revenue</b>	<b>3,380,258</b>	<b>28,671</b>	<b>0.85%</b>	<b>1,068,399</b>
<b>Total Revenue</b>	<b>\$ 65,792,833</b>	<b>\$ 4,519,950</b>	<b>6.87%</b>	<b>5,134,540</b>

**Expenses**

**Salaries and Wages**

Salary Expense-Regular	2,710,710	210,065	7.75%	112,037
Part Time Salary Expense	36,000	-	0.00%	-
Overtime Salary Expense	3,000	-	0.00%	-
Salary Reserve	40,000	-	0.00%	-
TCDRS	349,552	29,923	8.56%	15,776
FICA	109,682	11,147	10.16%	5,897
FICA MED	34,956	3,077	8.80%	1,630
Health Insurance Expense	232,154	14,908	6.42%	23,479
Life Insurance Expense	6,468	388	5.99%	217
Auto Allowance Expense	10,200	850	8.33%	-
Other Benefits	203,942	12,579	6.17%	7,937

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2016	Actual Year to Date 7/31/2015	Percent of Budget	Actual PY to Date 7/31/2014
Unemployment Taxes	14,400	3	0.02%	15
<b>Total Salaries and Wages</b>	<b>3,751,064</b>	<b>282,940</b>	<b>7.54%</b>	<b>166,988</b>
<b>Administrative</b>				
<b>Administrative and Office Expenses</b>				
Accounting	7,500	833	11.10%	449
Auditing	75,000	-	0.00%	-
Human Resources	50,000	88	0.18%	88
IT Services	64,000	595	0.93%	8,095
Internet	1,700	-	0.00%	137
Software Licenses	76,100	-	0.00%	99
Cell Phones	13,600	150	1.10%	538
Local Telephone Service	13,000	-	0.00%	1,208
Overnight Delivery Services	850	-	0.00%	9
Local Delivery Services	900	-	0.00%	-
Copy Machine	12,000	992	8.27%	904
Repair & Maintenance-General	1,000	-	0.00%	-
Meeting Facilities	250	-	0.00%	-
Community Meeting/ Events	2,000	-	0.00%	-
Meeting Expense	15,000	-	0.00%	305
Public Notices	2,000	-	0.00%	-
Toll Tag Expense	1,700	2	0.12%	-
Parking	3,475	185	5.32%	354
Mileage Reimbursement	9,600	144	1.50%	190
Insurance Expense	180,000	7,710	4.28%	7,614
Rent Expense	525,000	24,242	4.62%	30,801
Legal Services	220,000	-	0.00%	-
<b>Total Administrative and Office Expenses</b>	<b>1,274,675</b>	<b>34,940</b>	<b>2.74%</b>	<b>50,789</b>
<b>Office Supplies</b>				
Books & Publications	5,950	-	0.00%	345
Office Supplies	12,000	596	4.97%	462
Computer Supplies	20,200	398	1.97%	428
Copy Supplies	2,200	423	19.25%	(60)
Other Reports-Printing	13,000	-	0.00%	414
Office Supplies-Printed	2,700	-	0.00%	562
Misc Materials & Supplies	3,000	-	0.00%	-



**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2016	Actual Year to Date 7/31/2015	Percent of Budget	Actual PY to Date 7/31/2014
Postage Expense	5,850	-	0.00%	86
<b>Total Office Supplies</b>	<b>64,900</b>	<b>1,418</b>	<b>2.19%</b>	<b>2,237</b>
<b>Communications and Public Relations</b>				
Graphic Design Services	50,000	-	0.00%	-
Website Maintenance	100,000	-	0.00%	-
Research Services	50,050	-	0.00%	15
Communications and Marketing	250,000	-	0.00%	-
Advertising Expense	225,200	-	0.00%	490
Direct Mail	10,000	-	0.00%	-
Video Production	20,000	-	0.00%	-
Photography	10,000	-	0.00%	-
Radio	10,000	-	0.00%	-
Other Public Relations	27,500	-	0.00%	-
Promotional Items	17,500	-	0.00%	-
Displays	5,000	-	0.00%	-
Annual Report printing	14,000	-	0.00%	-
Direct Mail Printing	11,300	-	0.00%	-
Other Communication Expenses	1,500	-	0.00%	374
<b>Total Communications and Public Relations</b>	<b>802,050</b>	<b>-</b>	<b>0.00%</b>	<b>879</b>
<b>Employee Development</b>				
Subscriptions	1,500	-	0.00%	-
Memberships	37,100	3,247	8.75%	-
Continuing Education	4,550	-	0.00%	-
Professional Development	12,200	-	0.00%	-
Other Licenses	950	-	0.00%	-
Seminars and Conferences	41,000	-	0.00%	25
Travel	88,000	5,775	6.56%	2,928
<b>Total Employee Development</b>	<b>185,300</b>	<b>9,021</b>	<b>4.87%</b>	<b>2,953</b>
<b>Financing and Banking Fees</b>				
Trustee Fees	16,000	-	0.00%	-
Bank Fee Expense	8,000	458	5.73%	464
Continuing Disclosure	10,000	-	0.00%	-

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2016	Actual Year to Date 7/31/2015	Percent of Budget	Actual PY to Date 7/31/2014
Arbitrage Rebate Calculation	8,000	-	0.00%	-
Loan Fee Expense	5,000	-	0.00%	-
Rating Agency Expense	50,000	14,000	28.00%	13,500
<b>Total Financing and Banking Fees</b>	<b>97,000</b>	<b>14,458</b>	<b>14.91%</b>	<b>13,964</b>
<b>Total Administrative</b>	<b>2,423,925</b>	<b>59,838</b>	<b>2.47%</b>	<b>70,822</b>
<b>Operations and Maintenance</b>				
<b>Operations and Maintenance Consulting</b>				
General Engineering Consultant	250,000	-	0.00%	(5,718)
GEC-Trust Indenture Support	142,000	-	0.00%	-
GEC-Financial Planning Support	10,000	-	0.00%	-
GEC-Toll Ops Support	20,000	-	0.00%	-
GEC-Roadway Ops Support	261,000	-	0.00%	-
GEC-Technology Support	15,000	-	0.00%	-
GEC-Public Information Support	-	-	0.00%	-
GEC-General Support	318,000	-	0.00%	-
General System Consultant	175,000	-	0.00%	-
Traffic and Revenue Consultant	60,000	-	0.00%	-
<b>Total Ops and Mtce Consulting</b>	<b>1,251,000</b>	<b>-</b>	<b>0.00%</b>	<b>(5,718)</b>
<b>Road Operations and Maintenance</b>				
Roadway Maintenance	1,800,000	-	0.00%	(142,563)
Landscape Maintenance	110,000	-	0.00%	-
Signal & Illumination Maint	20,000	-	0.00%	-
Maintenance Supplies-Roadway	30,000	31,570	105.23%	63
Tools & Equipment Expense	250	-	0.00%	-
Gasoline	6,000	-	0.00%	259
Repair & Maintenance-Vehicles	1,500	-	0.00%	49
Electricity - Roadways	160,000	-	0.00%	1,154
<b>Total Road Operations and Maintenance</b>	<b>2,127,750</b>	<b>31,570</b>	<b>1.48%</b>	<b>(141,039)</b>
<b>Toll Processing and Collection Expense</b>				
Image Processing	4,527,740	150,925	3.33%	152,741
Tag Collection Fees	2,823,744	27,563	0.98%	(14,258)

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2016	Actual Year to Date 7/31/2015	Percent of Budget	Actual PY to Date 7/31/2014
Court Enforcement Costs	30,000	2,300	7.67%	1,225
DMV Lookup Fees	4,000	14	0.34%	-
<b>Total Toll Processing and Collections</b>	<b>7,385,484</b>	<b>180,801</b>	<b>2.45%</b>	<b>139,708</b>
<b>Toll Operations Expense</b>				
Generator Maintenance	10,000	-	0.00%	-
Generator Fuel	6,000	-	0.00%	-
Fire and Burglar Alarm	500	-	0.00%	-
Elevator Maintenance	2,800	-	0.00%	-
Refuse	800	-	0.00%	64
Pest Control	1,600	-	0.00%	-
Custodial	2,000	-	0.00%	250
Telecommunications	80,000	-	0.00%	7,657
Water	8,000	-	0.00%	339
Electricity	-	-	0.00%	7,483
Repair & Maintenance Toll Equip	500,000	-	0.00%	-
Law Enforcement	265,225	21,316	8.04%	-
ETC Maintenance Contract	1,368,000	-	0.00%	(221,778)
ETC Testing	70,000	-	0.00%	-
<b>Total Toll Operations</b>	<b>2,314,925</b>	<b>21,316</b>	<b>0.92%</b>	<b>(205,985)</b>
<b>Total Operations and Maintenance</b>	<b>13,079,159</b>	<b>233,687</b>	<b>1.79%</b>	<b>(213,033)</b>
<b>Other Expenses</b>				
<b>Special Projects and Contingencies</b>				
HERO	1,400,000	-	0.00%	-
Special Projects	200,000	-	0.00%	24,814
Other Contractual Svcs	130,000	-	0.00%	4,314
Contingency	165,000	2,059	1.25%	-
<b>Total Special Projects and Contingencies</b>	<b>1,895,000</b>	<b>2,059</b>	<b>0.11%</b>	<b>29,128</b>
<b>Non Cash Expenses</b>				
Amortization Expense	275,000	31,936	11.61%	22,221
Amort Expense - Refund Savings	1,030,000	85,655	8.32%	85,655
Dep Exp- Furniture & Fixtures	5,000	-	0.00%	-

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2016	Actual Year to Date 7/31/2015	Percent of Budget	Actual PY to Date 7/31/2014
Dep Expense - Equipment	15,000	421	2.81%	727
Dep Expense - Autos & Trucks	10,000	575	5.75%	575
Dep Expense-Buildng & Toll Fac	200,000	14,760	7.38%	14,760
Dep Expense-Highways & Bridges	20,000,000	1,404,322	7.02%	1,384,424
Dep Expense-Communic Equip	250,000	16,343	6.54%	16,343
Dep Expense-Toll Equipment	3,000,000	229,399	7.65%	228,570
Dep Expense - Signs	350,000	27,158	7.76%	26,864
Dep Expense-Land Improvemts	900,000	73,745	8.19%	72,915
Depreciation Expense-Computers	28,000	1,458	5.21%	2,279
<b>Total Non Cash Expenses</b>	<b>26,063,000</b>	<b>1,885,771</b>	<b>7.24%</b>	<b>1,855,332</b>
<b>Total Other Expenses</b>	<b>27,958,000</b>	<b>1,887,829</b>	<b>6.75%</b>	<b>1,884,460</b>
<b>Non Operating Expenses</b>				
<b>Non Operating Expense</b>				
Bond issuance expense	200,000	17,792	8.90%	-
Interest Expense	44,660,046	3,486,702	7.81%	3,377,291
Community Initiatives	65,000	-	0.00%	-
<b>Total Non Operating Expense</b>	<b>44,925,046</b>	<b>3,504,494</b>	<b>7.80%</b>	<b>3,377,291</b>
<b>Total Expenses</b>	<b>\$ 92,137,194</b>	<b>\$ 5,968,789</b>	<b>6.48%</b>	<b>\$ 5,286,528</b>
Net Income	\$ (26,344,361)	\$ (1,448,838)		\$ (151,988)

**INVESTMENTS by FUND**

		<b>Balance</b>		
			<b>July 31, 2015</b>	
<b>Renewal &amp; Replacement Fund</b>				
<b>TexSTAR</b>	<b>3,108.21</b>			<b>7,100,620.76</b>
<b>Regions Sweep</b>	<b>687,654.89</b>			<b>-</b>
<b>Agencies</b>		<b>690,763.10</b>		<b>234,985,208.16</b>
<b>TxDOT Grant Fund</b>				
<b>TexSTAR</b>	<b>82,235.96</b>			
<b>Regions Sweep</b>	<b>5,736,289.63</b>			
<b>CD's</b>				
<b>Agencies</b>	<b>3,703,323.59</b>	<b>9,521,849.18</b>		<b>\$ 270,790,554.58</b>
<b>Senior Debt Service Reserve Fund</b>				
<b>TexSTAR</b>	<b>590,329.14</b>			
<b>Regions Sweep</b>	<b>27,879,915.98</b>			
<b>Agencies</b>	<b>19,962,164.32</b>	<b>48,432,409.44</b>		
<b>2010 Senior Lien DSF</b>				
<b>Regions Sweep</b>	<b>286,607.83</b>			
<b>TexSTAR</b>	<b>-</b>	<b>286,607.83</b>		
<b>2011 Debt Service Acct</b>				
<b>Regions Sweep</b>	<b>6,376,912.17</b>	<b>6,376,912.17</b>		
<b>2013 Sr Debt Service Acct</b>				
<b>Regions Sweep</b>	<b>3,439,083.19</b>	<b>3,439,083.19</b>		
<b>2013 Sub Debt Service Account</b>				
<b>Regions Sweep</b>	<b>719,455.67</b>	<b>719,455.67</b>		
<b>2011 Sub Debt DSRF</b>				
<b>Regions Sweep</b>	<b>7,065,086.04</b>			
<b>CD's</b>		<b>7,065,086.04</b>		
<b>2011 Sub DSF</b>				
<b>Regions Sweep</b>	<b>394,236.45</b>	<b>394,236.45</b>		
<b>Operating Fund</b>				
<b>TexSTAR</b>	<b>681,220.69</b>			
<b>TexSTAR-Trustee</b>	<b>1,570,652.82</b>			
<b>Regions Sweep</b>	<b>-</b>	<b>2,251,873.51</b>		
<b>Revenue Fund</b>				
<b>TexSTAR</b>	<b>1.00</b>			
<b>Regions Sweep</b>	<b>3,056,923.64</b>	<b>3,056,924.64</b>		
<b>General Fund</b>				
<b>TexSTAR</b>	<b>53.78</b>			
<b>Regions Sweep</b>	<b>26,133,839.12</b>			
<b>Agencies</b>		<b>26,133,892.90</b>		
<b>2013 Sub Debt Service Reserve Fund</b>				
<b>Regions Sweep</b>	<b>3,383,064.26</b>			
<b>Agencies</b>	<b>5,039,237.75</b>	<b>8,422,302.01</b>		
<b>MoPac Construction Fund</b>				
<b>Regions Sweep</b>	<b>98,201,773.82</b>	<b>98,201,773.82</b>		
<b>2010 Senior Lien Construction Fund</b>				
<b>Regions Sweep</b>	<b>49,500.94</b>	<b>49,500.94</b>		
<b>2011 Sub Debt Project fund</b>				
<b>TexSTAR</b>	<b>4,173,019.16</b>			
<b>Agencies</b>				
<b>Regions Sweep</b>	<b>20,178,318.55</b>	<b>24,351,337.71</b>		
<b>2011 Sr Financial Assistance Fund</b>				
<b>Regions Sweep</b>	<b>18,446,180.59</b>	<b>18,446,180.59</b>		
<b>2011 Senior Lien Project Fund</b>				
<b>Regions Sweep</b>	<b>299,009.78</b>			
<b>Agencies</b>		<b>299,009.78</b>		
<b>45SW Trust Account Hays County</b>				
<b>Regions Sweep</b>	<b>96,859.17</b>	<b>96,859.17</b>		
<b>45SW Trust Account Travis County</b>				
<b>Regions Sweep</b>	<b>12,554,496.44</b>	<b>12,554,496.44</b>		
		<b>\$ 270,790,554.58</b>		

**CTRMA INVESTMENT REPORT**

Month Ending 7/31/2015							Rate
Balance 7/1/2015	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 7/31/2015	Rate	
<b>Amount in Trustee TexStar</b>							July 15
2011 Sub Lien Construction Fund	4,172,763.44		255.72		4,173,019.16	0.083%	
General Fund	53.78				53.78	0.083%	
Trustee Operating Fund	1,770,547.18	1,300,000.00	105.64	1,500,000.00	1,570,652.82	0.083%	
Renewal and Replacement	3,107.95		0.26		3,108.21	0.083%	
TxDOT Grant Fund	82,230.92		5.04		82,235.96	0.083%	
Revenue Fund	1.00				1.00	0.083%	
Senior Lien Debt Service Reserve Fund	590,292.96		36.18		590,329.14	0.083%	
	<b>6,618,997.23</b>	<b>1,300,000.00</b>	<b>402.84</b>	<b>1,500,000.00</b>	<b>6,419,400.07</b>		
<b>Amount in TexStar Operating Fund</b>							0.083%
	681,176.77	1,500,000.00	43.92	1,500,000.00	681,220.69	0.083%	
<b>Regions Sweep Money Market Fund</b>							
Operating Fund	0.00	1,300,000.00		1,300,000.00	0.00	0.100%	
45SW Trust Account Travis County	13,201,880.80		1,105.90	648,490.26	12,554,496.44	0.100%	
45SW Trust Account Hays County	105,072.82		17.61	8,231.26	96,859.17	0.100%	
2010 Senior Lien Project Acct	49,496.87		4.07		49,500.94	0.100%	
2011 Sub Lien Project Acct	20,442,470.40		1,697.11	265,848.96	20,178,318.55	0.100%	
2011 Senior Lien Project Acct	298,985.21		24.57		299,009.78	0.100%	
2011 Sr Financial Assistance Fund	24,303,683.03		1,997.56	5,859,500.00	18,446,180.59	0.100%	
2010 Senior DSF	1,717,819.19	286,183.43	130.21	1,717,525.00	286,607.83	0.100%	
2011 Senior Lien Debt Service Acct	8,949,363.75	6,373,438.82	715.85	8,946,606.25	6,376,912.17	0.100%	
2011 Sub Debt Service Fund	2,362,904.62	393,652.71	179.12	2,362,500.00	394,236.45	0.100%	
2013 Senior Lien Debt Service Acct	6,602,504.34	1,099,953.37	500.48	4,263,875.00	3,439,083.19	0.100%	
2013 Subordinate Debt Service Acct	2,813,733.51	468,758.87	213.29	2,563,250.00	719,455.67	0.100%	
TxDOT Grant Fund	5,735,818.19		471.44		5,736,289.63	0.100%	
Renewal and Replacement	687,596.46		58.43		687,654.89	0.100%	
Revenue Fund	2,246,885.87	5,670,807.33	185.74	4,860,955.30	3,056,923.64	0.100%	
General Fund	24,836,856.55	2,301,148.68	2,149.36	1,006,315.47	26,133,839.12	0.100%	
2011 Sub Debt Service Reserve Fund	7,064,505.40		580.64		7,065,086.04	0.100%	
Senior Lien Debt Service Reserve Fund	27,879,067.74		848.24		27,879,915.98	0.100%	
2013 Sub Debt Service Reserve Fund	3,382,786.22		278.04		3,383,064.26	0.100%	
MoPac Managed Lane Construction Fund	101,742,541.07		7,557.72	3,548,324.97	98,201,773.82	0.100%	
	<b>254,423,972.04</b>	<b>17,893,943.21</b>	<b>0.00</b>	<b>18,715.38</b>	<b>37,351,422.47</b>	<b>234,985,208.16</b>	
<b>Amount in Fed Agencies and Treasuries</b>							

**CTRMA INVESTMENT REPORT**

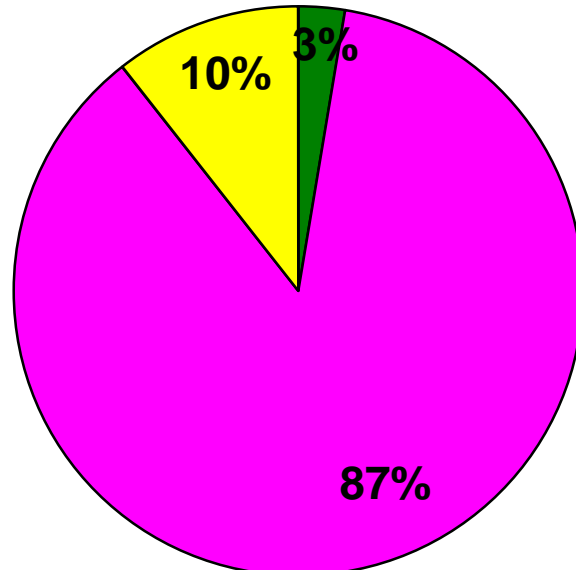
Month Ending 7/31/2015					
Balance 7/1/2015	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 7/31/2015
Amortized Principal		(6,658.25)			
<b>28,711,383.91</b>					<b>28,704,725.66</b>
<b>28,711,383.91</b>	<b>0.00</b>				<b>28,704,725.66</b>
<b>Certificates of Deposit</b>					<b>0.00</b>
<b>Total in Pools</b>	<b>7,300,174.00</b>	<b>2,800,000.00</b>	<b>446.76</b>	<b>3,000,000.00</b>	<b>7,100,620.76</b>
<b>Total in Money Market</b>	<b>254,423,972.04</b>	<b>17,893,943.21</b>	<b>18,715.38</b>	<b>37,351,422.47</b>	<b>234,985,208.16</b>
<b>Total in Fed Agencies</b>	<b>28,711,383.91</b>	<b>0.00</b>	<b>(6,658.25)</b>	<b>0.00</b>	<b>28,704,725.66</b>
<b>Total Invested</b>	<b>290,435,529.95</b>	<b>20,693,943.21</b>	<b>(6,658.25)</b>	<b>19,162.14</b>	<b>40,351,422.47</b>
					<b>270,790,554.58</b>

Rate  
July 15

All Investments in the portfolio are in compliance with the CTRMA's Investment policy.

William Chapman, CFO

## Allocation of Funds



■ Total in Pools ■ Total in Money Market ■ Total in Fed Agencies ■ Total in CD's



Amount of investments As of July 31, 2015

Agency	CUSIP #	COST	Book Value	Market Value	Yield to Maturity	Purchased	Matures	FUND
Federal Home Loan Bank	313371KG0	1,019,000.00	1,002,590.91	1,002,910.00	0.3912%	1/9/2014	10/28/2015	TxDOT Grant Fund
Fannie Mae	3135G0QB2	1,001,990.00	1,000,271.36	2,701,836.00	0.0381%	1/9/2014	10/22/2015	TxDOT Grant Fund
Fannie Mae	3135G0QB2	1,703,383.00	1,700,461.32		0.0381%	1/9/2014	10/22/2015	TxDOT Grant Fund
Fannie Mae	3135G0VA8	5,003,500.00	5,001,076.92	5,004,950.00	0.0468%	1/23/2014	3/1/3016	Senior DSRF
Federal Home loan Bank	3130A4MN9	2,499,600.00	2,499,725.00	2,500,475.00	0.3650%	3/11/2015	4/6/2016	Senior DSRF
Farmer Mac	31315PV55	2,501,200.00	2,500,950.00	2,502,175.00	0.7751%	3/11/2015	2/23/2017	Senior DSRF
Federal Farm Credit	3133ECA79	4,959,250.00	4,963,777.78	4,968,350.00	1.2155%	3/11/2015	3/19/2018	Senior DSRF
Freddie Mac	3134G6JF1	4,996,250.00	4,996,634.62	5,007,950.00	1.4239%	3/26/2015	6/26/2018	Senior DSRF
Federal Home Loan Bank	31398A3T7	5,164,996.34	5,039,237.75	5,038,414.22	0.3660%	1/9/2014	9/21/2015	2013 Sub DSRF
			28,704,725.66	28,727,060.22				

Agency	CUSIP #	COST	Cummulative Amortization	7/31/2015		Interest Income July 31, 2015		
				Book Value	Maturity Value	Accrued Interest	Amortization	Interest Earned
Federal Home Loan Bank	313371KG0	1,019,000.00	16,409.09	1,002,590.91	1,000,000.00	1,208.33	(863.64)	344.69
Fannie Mae	3135G0QB2	1,001,990.00	1,718.64	1,000,271.36	1,000,000.00	416.67	(90.45)	326.22
Fannie Mae	3135G0QB2	1,703,383.00	2,921.68	1,700,461.32	1,700,000.00	708.33	(153.77)	554.56
Fannie Mae	3135G0VA8	5,003,500.00	2,423.08	5,001,076.92	5,000,000.00	2,083.33	(134.62)	1,948.71
Federal Home loan Bank	3130A4MN9	2,499,600.00	(125.00)	2,499,725.00	2,500,000.00	638.02	25.00	663.02
Farmer Mac	31315PV55	2,501,200.00	250.00	2,500,950.00	2,500,000.00	1,666.67	(50.00)	1,616.67
Federal Farm Credit	3133ECA79	4,959,250.00	(4,527.78)	4,963,777.78	5,000,000.00	3,916.67	1,131.94	5,048.61
Freddie Mac	3134G6JF1	4,996,250.00	(384.62)	4,996,634.62	5,000,000.00	5,833.33	96.15	5,929.48
Federal Home Loan Bank	31398A3T7	5,164,996.34	125,758.59	5,039,237.75	5,026,000.00	8,376.67	(6,618.87)	1,757.80
		28,849,169.34	144,443.68	28,704,725.66	28,726,000.00	24,848.02	(6,658.26)	18,189.76

July 31, 2015

Certificates of Deposit Outstanding

Bank	CUSIP #	COST	Yield to Maturity	Purchased	Matures	July 31, 2015 Interest	FUND
		- <u>                    </u>				\$ - <u>                    </u>	

**Travis County Escrow account**

Balance		Accrued		Balance
7/1/2015	Additions	Interest	Withdrawls	7/31/2015
\$ 3,843,243.55		\$ 374.70	\$ 194,838.98	\$ 3,648,779.27



## Monthly Newsletter - July 2015

### Performance

#### As of July 31, 2015

Current Invested Balance	\$5,191,663,669.11
Weighted Average Maturity (1)	48 Days
Weighted Average Maturity (2)	61 Days
Net Asset Value	1.000063
Total Number of Participants	795
Management Fee on Invested Balance	0.05%*
Interest Distributed	\$553,546.46
Management Fee Collected	\$226,610.34
% of Portfolio Invested Beyond 1 Year	0.96%
Standard & Poor's Current Rating	AAAm

Rates reflect historical information and are not an indication of future performance.

#### July Averages

Average Invested Balance	\$5,366,160,822.36
Average Monthly Yield, on a simple basis	0.0722%
Average Weighted Average Maturity (1)*	50 Days
Average Weighted Average Maturity (2)*	63 Days

#### Definition of Weighted Average Maturity (1) & (2)

- (1) This weighted average maturity calculation uses the SEC Rule 2a-7 definition for stated maturity for any floating rate instrument held in the portfolio to determine the weighted average maturity for the pool. This Rule specifies that a variable rate instrument to be paid in 397 calendar days or less shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate.
- (2) This weighted average maturity calculation uses the final maturity of any floating rate instruments held in the portfolio to calculate the weighted average maturity for the pool.

\* The maximum management fee authorized for the TexSTAR Cash Reserve Fund is 12 basis points. This fee may be waived in full or in part in the discretion of the TexSTAR co-administrators at any time as provided for in the TexSTAR Information Statement.

### New Participants

We would like to welcome the following entity who joined the TexSTAR program in May:

★ Brazosport Water Authority

### Economic Commentary

July proved to be a more turbulent time for investors than broad asset class performance numbers may suggest. While global equities as a whole ended the month roughly flat and major government bond yields ended moderately lower, both asset classes experienced significant intra-month swings. There was no shortage of negative headlines as the Greek negotiations, collapse of the Chinese stock market and the increasing likelihood of a Puerto Rican default took center stage. Meanwhile, after stabilizing in the second quarter, crude oil prices began to decline again, the U.S. dollar showed some renewed signs of strength and major yield curves began to flatten again. Events during the month did little to clarify the timing of the first U.S. rate hike in more than nine years. While the FOMC statement was tweaked to note that the Committee only needs to see "some further improvement in the labor market" before raising rates, the other major requirement, reasonable confidence in inflation moving back to their longer-run objective of 2%, was unchanged. Thus, the Fed's policy stance remains data dependent between now and mid-September. While data released in July was mixed, the Fed appeared generally unconcerned, expecting continued improvement in the economy in the second half of the year.

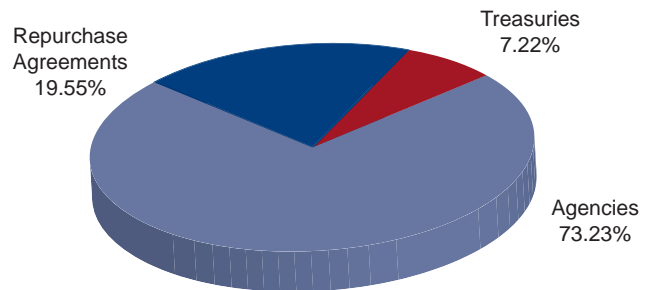
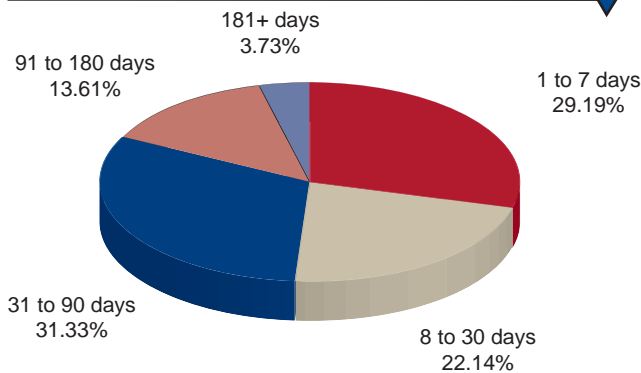
The solid economic activity that occurred in the second quarter is expected to continue into the second half of the year. Expectations are for labor markets to continue to improve, eroding labor market slack further and placing upward pressure on wages. Improved household incomes and individual balance sheets, better access to credit, lower energy prices and higher confidence are likely to result in better consumption and, in light of a much improved supply/demand backdrop, accelerated housing activity going forward. Continued, albeit gradual, appreciation of the U.S. dollar should further impair export growth. However, analysis suggests that the bulk of the adjustment has already occurred and net trade will be only a modest headwind. Core inflation is anticipated to accelerate toward 2% by the fourth quarter. Given the tight supply of rental properties, rent is expected to trend higher, providing uplift to core inflation. This will serve to offset some of the disinflationary pressures associated with a stronger dollar. Headline inflation should improve due to base effects and the waning drag from energy prices into the second half of the year. The outlook in 2016 is less clear. Despite disappointing wage data of late, wages should gradually improve as labor market slack is further diminished. The Fed should begin to tighten policy in the second half of 2015, but the pace will initially be slow and gradual. Financial asset price volatility is expected to remain higher during this transition period. Economic activity should gradually rise with the potential for global growth to stabilize and become less of a restraint to domestic activity in the years ahead.

This information is an excerpt from an economic report dated July 2015 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.

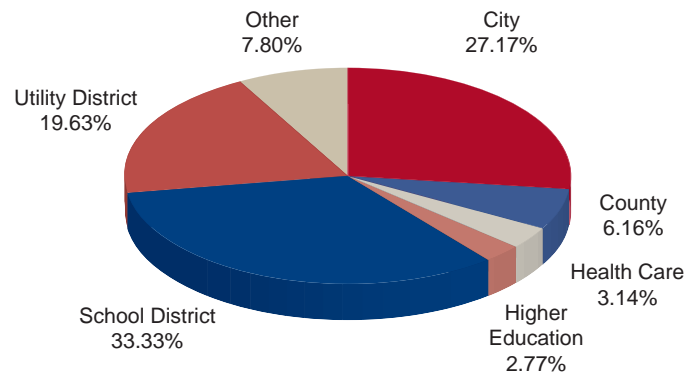
**For more information about TexSTAR, please visit our web site at [www.texstar.org](http://www.texstar.org).**

# Information at a Glance

## Portfolio by Type of Investment As of July 31, 2015



## Portfolio by Maturity As of July 31, 2015



## Distribution of Participants by Type As of July 31, 2015

# Historical Program Information

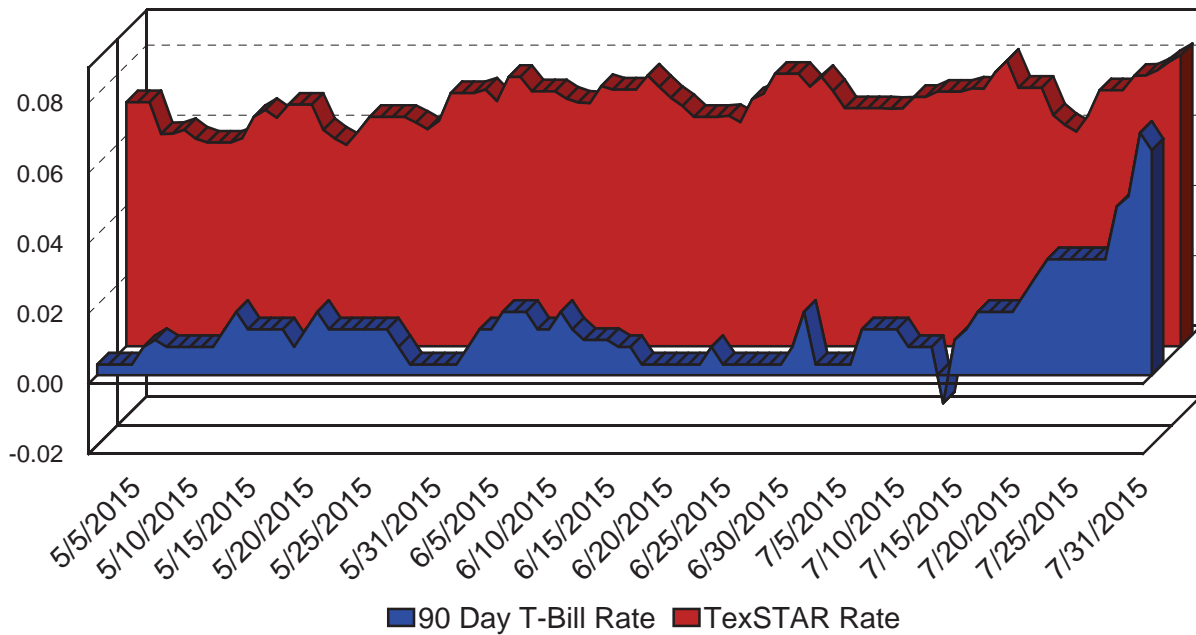
Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Jul 15	0.0722%	\$5,191,663,669.11	\$5,192,008,905.67	1.000063	50	63	795
Jun 15	0.0719%	5,113,377,874.72	5,113,798,319.64	1.000082	52	68	794
May 15	0.0643%	5,481,487,398.04	5,481,958,268.19	1.000085	52	70	794
Apr 15	0.0701%	5,578,041,120.52	5,578,486,668.16	1.000079	52	74	793
Mar 15	0.0604%	5,532,363,738.20	5,532,642,521.32	1.000050	52	76	792
Feb 15	0.0548%	6,025,452,923.84	6,025,900,171.82	1.000073	49	74	792
Jan 15	0.0542%	5,795,866,262.14	5,796,287,813.37	1.000076	50	77	791
Dec 14	0.0501%	5,158,234,676.14	5,158,405,384.45	1.000037	51	80	790
Nov 14	0.0387%	4,453,961,626.26	4,454,149,924.27	1.000042	52	84	790
Oct 14	0.0385%	4,433,918,584.81	4,434,061,738.75	1.000043	50	82	788
Sep 14	0.0317%	4,479,282,436.21	4,479,598,265.68	1.000070	50	80	788
Aug 14	0.0350%	4,815,579,162.38	4,815,792,254.70	1.000043	52	83	788

# Portfolio Asset Summary as of July 31, 2015

	Book Value	Market Value
Uninvested Balance	\$ 79.99	\$ 79.99
Accrual of Interest Income	419,315.27	419,315.27
Interest and Management Fees Payable	(589,800.11)	(589,800.11)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreement	1,015,250,999.92	1,015,250,999.92
Government Securities	4,176,583,074.04	4,176,928,310.60
<b>Total</b>	<b>\$ 5,191,663,669.11</b>	<b>\$ 5,192,008,905.67</b>

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by J.P. Morgan Chase & Co. and the assets are safekept in a separate custodial account at the Federal Reserve Bank in the name of TexSTAR. The only source of payment to the Participants are the assets of TexSTAR. There is no secondary source of payment for the pool such as insurance or guarantee. Should you require a copy of the portfolio, please contact TexSTAR Participant Services.

# TexSTAR versus 90-Day Treasury Bill



This material is for information purposes only. This information does not represent an offer to buy or sell a security. The above rate information is obtained from sources that are believed to be reliable; however, its accuracy or completeness may be subject to change. The TexSTAR management fee may be waived in full or in part at the discretion of the TexSTAR co-administrators and the TexSTAR rate for the period shown reflects waiver of fees. This table represents historical investment performance/return to the customer, net of fees, and is not an indication of future performance. An investment in the security is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the issuer seeks to preserve the value of an investment at \$1.00 per share, it is possible to lose money by investing in the security. Information about these and other program details are in the fund's Information Statement which should be read carefully before investing. The yield on the 90-Day Treasury Bill ("T-Bill Yield") is shown for comparative purposes only. When comparing the investment returns of the TexSTAR pool to the T-Bill Yield, you should know that the TexSTAR pool consist of allocations of specific diversified securities as detailed in the respective Information Statements. The T-Bill Yield is taken from Bloomberg Finance L.P. and represents the daily closing yield on the then current 90-day T-Bill.

## Daily Summary for July 2015

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	TexSTAR Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
7/1/2015	0.0727%	0.000001993	\$5,021,819,309.42	1.000089	54	69
7/2/2015	0.0678%	0.000001858	\$5,304,695,822.18	1.000101	48	63
7/3/2015	0.0678%	0.000001858	\$5,304,695,822.18	1.000101	48	63
7/4/2015	0.0678%	0.000001858	\$5,304,695,822.18	1.000101	48	63
7/5/2015	0.0678%	0.000001858	\$5,304,695,822.18	1.000101	48	63
7/6/2015	0.0676%	0.000001853	\$5,322,369,601.36	1.000082	47	62
7/7/2015	0.0677%	0.000001854	\$5,374,152,286.26	1.000081	47	61
7/8/2015	0.0710%	0.000001946	\$5,353,244,625.21	1.000090	49	63
7/9/2015	0.0710%	0.000001946	\$5,339,886,480.82	1.000098	50	64
7/10/2015	0.0725%	0.000001987	\$5,394,534,212.22	1.000085	49	62
7/11/2015	0.0725%	0.000001987	\$5,394,534,212.22	1.000085	49	62
7/12/2015	0.0725%	0.000001987	\$5,394,534,212.22	1.000085	49	62
7/13/2015	0.0734%	0.000002011	\$5,382,133,908.53	1.000081	48	62
7/14/2015	0.0733%	0.000002008	\$5,387,688,338.96	1.000083	47	61
7/15/2015	0.0780%	0.000002136	\$5,370,156,248.46	1.000079	49	63
7/16/2015	0.0813%	0.000002227	\$5,392,557,722.75	1.000078	53	66
7/17/2015	0.0736%	0.000002017	\$5,367,973,855.66	1.000098	51	64
7/18/2015	0.0736%	0.000002017	\$5,367,973,855.66	1.000098	51	64
7/19/2015	0.0736%	0.000002017	\$5,367,973,855.66	1.000098	51	64
7/20/2015	0.0658%	0.000001804	\$5,336,172,930.43	1.000079	52	65
7/21/2015	0.0630%	0.000001727	\$5,352,276,876.95	1.000071	52	65
7/22/2015	0.0611%	0.000001674	\$5,377,751,549.12	1.000058	52	64
7/23/2015	0.0657%	0.000001801	\$5,371,926,202.18	1.000057	54	67
7/24/2015	0.0729%	0.000001997	\$5,395,698,787.67	1.000069	52	64
7/25/2015	0.0729%	0.000001997	\$5,395,698,787.67	1.000069	52	64
7/26/2015	0.0729%	0.000001997	\$5,395,698,787.67	1.000069	52	64
7/27/2015	0.0770%	0.000002110	\$5,317,842,860.97	1.000074	52	64
7/28/2015	0.0771%	0.000002113	\$5,302,014,489.08	1.000071	51	64
7/29/2015	0.0786%	0.000002154	\$5,273,592,159.62	1.000054	50	63
7/30/2015	0.0810%	0.000002220	\$5,260,332,378.68	1.000056	50	62
7/31/2015	0.0829%	0.000002270	\$5,191,663,669.11	1.000063	48	61
<b>Average</b>	<b>0.0722%</b>	<b>0.000001977</b>	<b>\$5,336,160,822.36</b>		<b>50</b>	<b>63</b>

TexSTAR Participant Services  
First Southwest Asset Company, LLC  
325 North St. Paul Street, Suite 800  
Dallas, Texas 75201



### **TexSTAR Board Members**

<i>William Chapman</i>	<i>Central Texas Regional Mobility Authority</i>	<i>Governing Board President</i>
<i>Nell Lange</i>	<i>City of Frisco</i>	<i>Governing Board Vice President</i>
<i>Kenneth Huewitt</i>	<i>Houston ISD</i>	<i>Governing Board Treasurer</i>
<i>Michael Bartolotta</i>	<i>First Southwest Company</i>	<i>Governing Board Secretary</i>
<i>Joni Freeman</i>	<i>JP Morgan Chase</i>	<i>Governing Board Asst. Sec./Treas.</i>
<i>Eric Cannon</i>	<i>City of Allen</i>	<i>Advisory Board</i>
<i>Nicole Conley</i>	<i>Austin ISD</i>	<i>Advisory Board</i>
<i>Monte Mercer</i>	<i>North Central TX Council of Government</i>	<i>Advisory Board</i>
<i>Stephen Fortenberry</i>	<i>Plano ISD</i>	<i>Advisory Board</i>
<i>Becky Brooks</i>	<i>Government Resource Associates, LLC</i>	<i>Advisory Board</i>

**For more information contact TexSTAR Participant Services ★ 1-800-TEX-STAR ★ [www.texstar.org](http://www.texstar.org)**





## Central Texas Regional Mobility Authority

### Balance Sheet

as of 08/31/2015

as of 08/31/2014

#### Liabilities

#### Current Liabilities

Accounts Payable	1,198,899.79	684,432
Construction Payable-Maha Loop	3,723,457.41	15,746,280
Overpayments	104,380.97	51,022
Salaries Payable	0	
Interest Payable	6,639,245.80	6,661,369
Due to Other Funds		
TCDRS Payable	36,891.93	55,066
Deferred Compensation Payable		
Due to Other Entities	706,517	468,464

<b>Total Current Liabilities</b>	<b>12,409,393</b>	<b>23,666,633</b>
----------------------------------	-------------------	-------------------

#### Long Term Liabilities

Accrued Vac & Sick Leave Payable	189,089	189,089
<b>Total Long Term Payables</b>	<b>189,089</b>	<b>189,089</b>

#### Bonds Payable

Senior Lien Revenue Bonds		
Senior Lien Revenue Bonds 2010	112,379,320.23	108,737,934
Senior Lien Revenue Bonds 2011	308,820,341.09	308,043,967
Senior Refunding Bonds 2013	182,555,000	184,710,000
Sn Lien Rev Bnd Prem/Disc 2010	46,402.80	86,420
Sn Lien Rev Bnd Prem/Disc 2011	-3,384,307.94	-3,553,684
Sn Lien Rev Bnd Prem/Disc 2013	13,817,843.20	16,402,894
<b>Total Senior Lien Revenue Bonds</b>	<b>614,234,599</b>	<b>614,427,531</b>

#### Sub Lien Revenue Bonds

Subordinated Lien Bond 2011	70,000,000	70,000,000
Sub Refunding Bnds 2013	102,530,000	103,710,000
Sub Lien Bond 2011 Prem/Disc	-1,772,711	-1,870,692
Sub Refunding 2013 Prem/Disc	3,220,002	3,710,332
<b>Tot Sub Lien Revenue Bonds</b>	<b>173,977,292</b>	<b>175,549,640</b>

#### Other Obligations

2011 Regions Draw Down Note	1,221,439	2,747,233
2013 American Bank Loan	5,300,000	5,300,000

<b>Total Other Obligations</b>	<b>6,521,439</b>	<b>8,047,233</b>
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<b>Total Long Term Liabilities</b>	<b>794,922,419</b>	<b>798,213,493</b>
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<b>Total Liabilities</b>	<b>807,331,812</b>	<b>821,880,127</b>
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#### Net Assets

Contributed Capital	35,847,060	23,347,060
Net Assets Beginning	353,268,911	263,492,791
Current Year Operations	\$ (1,556,418)	\$ 24,435,056
<b>Total Net Assets</b>	<b>387,559,552</b>	<b>311,274,907</b>

<b>Total Liabilities and Net Assets</b>	<b>\$ 1,194,891,364</b>	<b>\$ 1,133,155,033</b>
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**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2016	Actual Year to Date 8/31/2015	Percent of Budget	Actual PY to Date 8/31/2014
<b>Revenue</b>				
<b>Operating Revenue</b>				
Toll Revenue-TxTag-183A	32,107,731	4,598,756	14.32%	4,444,399
Toll Revenue-HCTRA-183A	1,678,072	402,968	24.01%	117,486
Toll Revenue-NTTA-183A	1,425,660	598,725	42.00%	323,736
Toll Revenue-TxTag-Manor	8,014,417	1,503,880	18.76%	1,111,294
Toll Revenue-HCTRA Manor	1,561,572	313,190	20.06%	229,325
Toll Revenue-NTTA-Manor	392,459	91,174	23.23%	58,907
Video Tolls 183A	9,541,998	1,269,167	13.30%	1,048,116
Video Tolls Manor Expressway	4,334,167	490,158	11.31%	325,238
Fee revenue 183A	2,471,500	465,056	18.82%	345,251
Fee revenue Manor Expressway	885,000	224,485	25.37%	145,785
<b>Total Operating Revenue</b>	<b>62,412,575</b>	<b>9,957,559</b>	<b>15.95%</b>	<b>8,149,536</b>
Other Revenue				
Interest Income	250,000	58,985	23.59%	56,236
Grant Revenue	3,130,258	746,003	23.83%	28,288,346
Reimbursed Expenditures	-	2,849		-
Misc Revenue	-	-	0.00%	100
<b>Total Other Revenue</b>	<b>3,380,258</b>	<b>807,838</b>	<b>23.90%</b>	<b>28,344,682</b>
<b>Total Revenue</b>	<b>\$ 65,792,833</b>	<b>\$ 10,765,396</b>	<b>16.36%</b>	<b>36,494,218</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2016	Actual Year to Date 8/31/2015	Percent of Budget	Actual PY to Date 8/31/2014
<b>Expenses</b>				
<b>Salaries and Wages</b>				
Salary Expense-Regular	2,710,710	382,168	14.10%	329,470
Part Time Salary Expense	36,000	-	0.00%	-
Overtime Salary Expense	3,000	-	0.00%	-
Salary Reserve	40,000	-	0.00%	-
TCDRS	349,552	54,118	15.48%	46,305
FICA	109,682	18,457	16.83%	15,380
FICA MED	34,956	5,561	15.91%	4,781
Health Insurance Expense	232,154	43,820	18.88%	30,854
Life Insurance Expense	6,468	640	9.89%	702
Auto Allowance Expense	10,200	1,700	16.67%	-
Other Benefits	203,942	16,557	8.12%	15,551
Unemployment Taxes	14,400	6	0.04%	30
<b>Total Salaries and Wages</b>	<b>3,751,064</b>	<b>523,028</b>	<b>13.94%</b>	<b>443,073</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2016	Actual Year to Date 8/31/2015	Percent of Budget	Actual PY to Date 8/31/2014
<b>Administrative</b>				
<b>Administrative and Office Expenses</b>				
Accounting	7,500	2,036	27.14%	1,269
Auditing	75,000	-	0.00%	5,112
Human Resources	50,000	387	0.77%	80,925
IT Services	64,000	1,926	3.01%	11,833
Internet	1,700	312	18.36%	275
Software Licenses	76,100	2,276	2.99%	99
Cell Phones	13,600	1,182	8.69%	1,215
Local Telephone Service	13,000	2,177	16.75%	2,440
Overnight Delivery Services	850	71	8.36%	15
Local Delivery Services	900	-	0.00%	-
Copy Machine	12,000	2,944	24.54%	1,808
Repair & Maintenance-General	1,000	-	0.00%	47
Meeting Facilities	250	-	0.00%	-
Community Meeting/ Events	2,000	-	0.00%	-
Meeting Expense	15,000	451	3.01%	498
Public Notices	2,000	-	0.00%	-
Toll Tag Expense	1,700	45	2.67%	589
Parking	3,475	550	15.81%	402
Mileage Reimbursement	9,600	839	8.74%	490
Insurance Expense	180,000	15,420	8.57%	15,228
Rent Expense	525,000	63,013	12.00%	61,751
Legal Services	220,000	32,109	14.59%	-
<b>Total Administrative and Office Expenses</b>	<b>1,274,675</b>	<b>125,737</b>	<b>9.86%</b>	<b>183,995</b>
<b>Office Supplies</b>				
Books & Publications	5,950	114	1.91%	345
Office Supplies	12,000	838	6.98%	1,016
Computer Supplies	20,200	4,352	21.54%	475
Copy Supplies	2,200	423	19.25%	354
Other Reports-Printing	13,000	-	0.00%	414
Office Supplies-Printed	2,700	-	0.00%	562
Misc Materials & Supplies	3,000	25	0.83%	-
Postage Expense	5,850	66	1.13%	153
<b>Total Office Supplies</b>	<b>64,900</b>	<b>5,818</b>	<b>8.96%</b>	<b>3,318</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2016	Actual Year to Date 8/31/2015	Percent of Budget	Actual PY to Date 8/31/2014
<b>Communications and Public Relations</b>				
Graphic Design Services	50,000	-	0.00%	-
Website Maintenance	100,000	-	0.00%	-
Research Services	50,050	-	0.00%	3,515
Communications and Marketing	250,000	-	0.00%	-
Advertising Expense	225,200	2,464	1.09%	2,517
Direct Mail	10,000	-	0.00%	-
Video Production	20,000	-	0.00%	-
Photography	10,000	-	0.00%	-
Radio	10,000	-	0.00%	-
Other Public Relations	27,500	-	0.00%	-
Promotional Items	17,500	-	0.00%	-
Displays	5,000	-	0.00%	-
Annual Report printing	14,000	-	0.00%	-
Direct Mail Printing	11,300	-	0.00%	-
Other Communication Expenses	1,500	215	14.30%	852
<b>Total Communications and Public Relations</b>	<b>802,050</b>	<b>2,679</b>	<b>0.33%</b>	<b>6,884</b>
<b>Employee Development</b>				
Subscriptions	1,500	-	0.00%	129
Memberships	37,100	3,384	9.12%	64
Continuing Education	4,550	-	0.00%	3,250
Professional Development	12,200	123	1.00%	-
Other Licenses	950	390	41.05%	166
Seminars and Conferences	41,000	1,375	3.35%	10,945
Travel	88,000	13,529	15.37%	6,719
<b>Total Employee Development</b>	<b>185,300</b>	<b>18,801</b>	<b>10.15%</b>	<b>21,273</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2016	Actual Year to Date 8/31/2015	Percent of Budget	Actual PY to Date 8/31/2014
<b>Financing and Banking Fees</b>				
Trustee Fees	16,000	-	0.00%	-
Bank Fee Expense	8,000	1,049	13.12%	1,023
Continuing Disclosure	10,000	-	0.00%	-
Arbitrage Rebate Calculation	8,000	-	0.00%	-
Loan Fee Expense	5,000	-	0.00%	-
Rating Agency Expense	50,000	14,000	28.00%	13,500
<b>Total Financing and Banking Fees</b>	<b>97,000</b>	<b>15,049</b>	<b>15.51%</b>	<b>14,523</b>
<b>Total Administrative</b>	<b>2,423,925</b>	<b>168,084</b>	<b>6.93%</b>	<b>229,993</b>
<b>Operations and Maintenance</b>				
<b>Operations and Maintenance Consulting</b>				
General Engineering Consultant	250,000	-	0.00%	(5,718)
GEC-Trust Indenture Support	142,000	-	0.00%	-
GEC-Financial Planning Support	10,000	-	0.00%	5,436
GEC-Toll Ops Support	20,000	-	0.00%	-
GEC-Roadway Ops Support	261,000	-	0.00%	28,774
GEC-Technology Support	15,000	-	0.00%	-
GEC-Public Information Support	-	-	0.00%	-
GEC-General Support	318,000	-	0.00%	6,267
General System Consultant	175,000	24,864	14.21%	6,713
Traffic and Revenue Consultant	60,000	22,452	37.42%	10,989
<b>Total Ops and Mtce Consulting</b>	<b>1,251,000</b>	<b>47,316</b>	<b>3.78%</b>	<b>52,461</b>
<b>Road Operations and Maintenance</b>				
Roadway Maintenance	1,800,000	818	0.05%	(142,563)
Landscape Maintenance	110,000	-	0.00%	47,640
Signal & Illumination Maint	20,000	-	0.00%	-
Maintenance Supplies-Roadway	30,000	31,570	105.23%	143
Tools & Equipment Expense	250	-	0.00%	-
Gasoline	6,000	125	2.08%	343
Repair & Maintenance-Vehicles	1,500	20	1.33%	1,684
Electricity - Roadways	160,000	12,806	8.00%	8,097
<b>Total Road Operations and Maintenance</b>	<b>2,127,750</b>	<b>45,339</b>	<b>2.13%</b>	<b>(84,656)</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2016	Actual Year to Date 8/31/2015	Percent of Budget	Actual PY to Date 8/31/2014
<b>Toll Processing and Collection Expense</b>				
Image Processing	4,527,740	305,749	6.75%	321,136
Tag Collection Fees	2,823,744	277,517	9.83%	219,141
Court Enforcement Costs	30,000	2,300	7.67%	4,350
DMV Lookup Fees	4,000	423	10.57%	220
<b>Total Toll Processing and Collections</b>	<b>7,385,484</b>	<b>585,988</b>	<b>7.93%</b>	<b>544,846</b>
<b>Toll Operations Expense</b>				
Generator Maintenance	10,000	1,850	18.50%	750
Generator Fuel	6,000	-	0.00%	-
Fire and Burglar Alarm	500	-	0.00%	-
Elevator Maintenance	2,800	-	0.00%	-
Refuse	800	70	8.79%	131
Pest Control	1,600	-	0.00%	128
Custodial	2,000	250	12.50%	581
Telecommunications	80,000	14,594	18.24%	8,538
Water	8,000	-	0.00%	689
Electricity	-	-	0.00%	10,166
Repair & Maintenance Toll Equip	500,000	-	0.00%	-
Law Enforcement	265,225	21,316	8.04%	-
ETC Maintenance Contract	1,368,000	113,775	8.32%	113,933
ETC Testing	70,000	-	0.00%	-
<b>Total Toll Operations</b>	<b>2,314,925</b>	<b>151,855</b>	<b>6.56%</b>	<b>134,915</b>
<b>Total Operations and Maintenance</b>	<b>13,079,159</b>	<b>830,498</b>	<b>6.35%</b>	<b>647,566</b>
<b>Other Expenses</b>				
<b>Special Projects and Contingencies</b>				
HERO	1,400,000	-	0.00%	126,353
Special Projects	200,000	1,775	0.89%	24,814
Other Contractual Svcs	130,000	4,000	3.08%	8,508
Contingency	165,000	2,059	1.25%	-
<b>Total Special Projects and Contingencies</b>	<b>1,895,000</b>	<b>7,833</b>	<b>0.41%</b>	<b>159,675</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2016	Actual Year to Date 8/31/2015	Percent of Budget	Actual PY to Date 8/31/2014
<b>Non Cash Expenses</b>				
Amortization Expense	275,000	63,872	23.23%	44,442
Amort Expense - Refund Savings	1,030,000	171,310	16.63%	171,310
Dep Exp- Furniture & Fixtures	5,000	-	0.00%	-
Dep Expense - Equipment	15,000	842	5.62%	1,454
Dep Expense - Autos & Trucks	10,000	575	5.75%	1,150
Dep Expense-Buildng & Toll Fac	200,000	29,519	14.76%	29,519
Dep Expense-Highways & Bridges	20,000,000	2,808,644	14.04%	2,768,847
Dep Expense-Communic Equip	250,000	32,686	13.07%	32,686
Dep Expense-Toll Equipment	3,000,000	458,798	15.29%	457,140
Dep Expense - Signs	350,000	54,316	15.52%	53,729
Dep Expense-Land Improvemts	900,000	147,489	16.39%	145,831
Depreciation Expense-Computers	28,000	2,808	10.03%	4,558
<b>Total Non Cash Expenses</b>	<b>26,063,000</b>	<b>3,770,859</b>	<b>14.47%</b>	<b>3,710,664</b>
<b>Total Other Expenses</b>	<b>27,958,000</b>	<b>3,778,692</b>	<b>13.52%</b>	<b>3,870,339</b>
<b>Non Operating Expenses</b>				
<b>Non Operating Expense</b>				
Bond issuance expense	200,000	35,585	17.79%	35,585
Interest Expense	44,660,046	6,985,928	15.64%	6,817,607
Community Initiatives	65,000	-	0.00%	15,000
<b>Total Non Operating Expense</b>	<b>44,925,046</b>	<b>7,021,513</b>	<b>15.63%</b>	<b>6,868,192</b>
<b>Total Expenses</b>	<b>\$ 92,137,194</b>	<b>\$ 12,321,815</b>	<b>13.37%</b>	<b>\$ 12,059,163</b>
Net Income	\$ (26,344,361)	\$ (1,556,418)		\$ 24,435,056

### INVESTMENTS by FUND

		Balance	
		August 31, 2015	
<b>Renewal &amp; Replacement Fund</b>			
<b>TexSTAR</b>	3,108.47		<b>7,401,115.57</b>
<b>Regions Sweep Agencies</b>	687,713.29	690,821.76	<b>CD's -</b>
			<b>Regions Sweep Agencies 31,229,784.07</b>
<b>TxDOT Grant Fund</b>			
<b>TexSTAR</b>	82,241.69		
<b>Regions Sweep</b>	5,736,776.82		
<b>CD's</b>			
<b>Agencies</b>	3,702,215.73	9,521,234.24	<b>\$ 271,330,225.04</b>
<b>Senior Debt Service Reserve Fund</b>			
<b>TexSTAR</b>	590,370.40		
<b>Regions Sweep</b>	25,357,683.86		
<b>Agencies</b>	22,494,949.47	48,443,003.73	
<b>2010 Senior Lien DSF</b>			
<b>Regions Sweep</b>	572,804.63		
<b>TexSTAR</b>	-	572,804.63	
<b>2011 Debt Service Acct</b>			
<b>Regions Sweep</b>	6,891,340.77	6,891,340.77	
<b>2013 Sr Debt Service Acct</b>			
<b>Regions Sweep</b>	4,539,286.46	4,539,286.46	
<b>2013 Sub Debt Service Account</b>			
<b>Regions Sweep</b>	1,188,257.66	1,188,257.66	
<b>2011 Sub Debt DSRF</b>			
<b>Regions Sweep</b>	7,065,686.09		
<b>CD's</b>		7,065,686.09	
<b>2011 Sub DSF</b>			
<b>Regions Sweep</b>	787,907.54	787,907.54	
<b>Operating Fund</b>			
<b>TexSTAR</b>	681,269.36		
<b>TexSTAR-Trustee</b>	1,870,760.12		
<b>Regions Sweep</b>	-	2,552,029.48	
<b>Revenue Fund</b>			
<b>TexSTAR</b>	1.00		
<b>Regions Sweep</b>	1,958,399.21	1,958,400.21	
<b>General Fund</b>			
<b>TexSTAR</b>	53.78		
<b>Regions Sweep</b>	28,575,764.21		
<b>Agencies</b>		28,575,817.99	
<b>2013 Sub Debt Service Reserve Fund</b>			
<b>Regions Sweep</b>	3,383,351.59		
<b>Agencies</b>	5,032,618.87	8,415,970.46	
<b>MoPac Construction Fund</b>			
<b>Regions Sweep</b>	95,212,529.54	95,212,529.54	
<b>2010 Senior Lien Construction Fund</b>			
<b>Regions Sweep</b>	0.00	0.00	
<b>2011 Sub Debt Project fund</b>			
<b>TexSTAR</b>	4,173,310.75		
<b>Agencies</b>			
<b>Regions Sweep</b>	19,876,727.02	24,050,037.77	
<b>2011 Sr Financial Assistance Fund</b>			
<b>Regions Sweep</b>	18,447,779.36	18,447,779.36	
<b>2011 Senior Lien Project Fund</b>			
<b>Regions Sweep</b>	299,035.18		
<b>Agencies</b>		299,035.18	
<b>45SW Trust Account Hays County</b>			
<b>Regions Sweep</b>	96,867.58	96,867.58	
<b>45SW Trust Account Travis County</b>			
<b>Regions Sweep</b>	12,021,414.59	12,021,414.59	
		<b>\$ 271,330,225.04</b>	



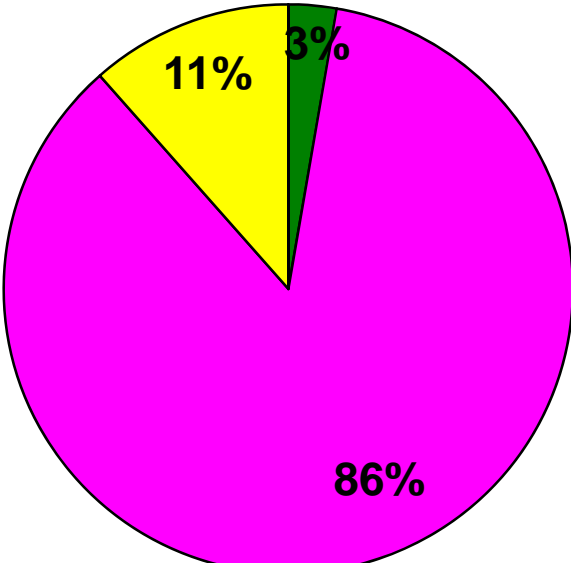
**CTRMA INVESTMENT REPORT**

	Month Ending 8/31/2015					Rate Aug 15	
	Balance 8/1/2015	Additions	Discount Amortization	Accrued Interest	Withdrawals		Balance 8/31/2015
<b>Amount in Trustee TexStar</b>							
2011 Sub Lien Construction Fund	4,173,019.16			291.59		4,173,310.75	0.097%
General Fund	53.78					53.78	0.097%
Trustee Operating Fund	1,570,652.82	1,300,000.00		107.30	1,000,000.00	1,870,760.12	0.097%
Renewal and Replacement	3,108.21			0.26		3,108.47	0.097%
TxDOT Grant Fund	82,235.96			5.73		82,241.69	0.097%
Revenue Fund	1.00					1.00	0.097%
Senior Lien Debt Service Reserve Fund	590,329.14			41.26		590,370.40	0.097%
	<b>6,419,400.07</b>	<b>1,300,000.00</b>		<b>446.14</b>	<b>1,000,000.00</b>	<b>6,719,846.21</b>	
<b>Amount in TexStar Operating Fund</b>	<b>681,220.69</b>	<b>1,000,000.00</b>		<b>48.67</b>	<b>1,000,000.00</b>	<b>681,269.36</b>	<b>0.097%</b>
<b>Regions Sweep Money Market Fund</b>							
Operating Fund	0.00	1,300,000.00			1,300,000.00	0.00	0.100%
45SW Trust Account Travis County	12,554,496.44			1,094.70	534,176.55	12,021,414.59	0.100%
45SW Trust Account Hays County	96,859.17			8.41		96,867.58	0.100%
2010 Senior Lien Project Acct	49,500.94	88.00		4.20	49,593.14	0.00	0.100%
2011 Sub Lien Project Acct	20,178,318.55			1,721.26	303,312.79	19,876,727.02	0.100%
2011 Senior Lien Project Acct	299,009.78			25.40		299,035.18	0.100%
2011 Sr Financial Assistance Fund	18,446,180.59			1,598.77		18,447,779.36	0.100%
2010 Senior DSF	286,607.83	286,183.43		13.37		572,804.63	0.100%
2011 Senior Lien Debt Service Acct	6,376,912.17	513,938.82		489.78		6,891,340.77	0.100%
2011 Sub Debt Service Fund	394,236.45	393,652.71		18.38		787,907.54	0.100%
2013 Senior Lien Debt Service Acct	3,439,083.19	1,099,953.37		249.90		4,539,286.46	0.100%
2013 Subordinate Debt Service Acct	719,455.67	468,758.87		43.12		1,188,257.66	0.100%
TxDOT Grant Fund	5,736,289.63			487.19		5,736,776.82	0.100%
Renewal and Replacement	687,654.89			58.40		687,713.29	0.100%
Revenue Fund	3,056,923.64	5,881,515.39		211.06	6,980,250.88	1,958,399.21	0.100%
General Fund	26,133,839.12	4,379,017.29		2,161.89	1,939,254.09	28,575,764.21	0.100%
2011 Sub Debt Service Reserve Fund	7,065,086.04			600.05		7,065,686.09	0.100%
Senior Lien Debt Service Reserve Fund	27,879,915.98			12,367.88	2,534,600.00	25,357,683.86	0.100%
2013 Sub Debt Service Reserve Fund	3,383,064.26			287.33		3,383,351.59	0.100%
MoPac Managed Lane Construction Fund	98,201,773.82			8,585.64	2,997,829.92	95,212,529.54	0.100%
	<b>234,985,208.16</b>	<b>14,323,107.88</b>	<b>0.00</b>	<b>30,026.73</b>	<b>16,639,017.37</b>	<b>232,699,325.40</b>	
<b>Amount in Fed Agencies and Treasuries</b>							
Amortized Principal	28,704,725.66	2,534,600.00	(9,541.59)			31,229,784.07	
	<b>28,704,725.66</b>	<b>2,534,600.00</b>				<b>31,229,784.07</b>	
<b>Certificates of Deposit</b>						<b>0.00</b>	
<b>Total in Pools</b>	<b>7,100,620.76</b>	<b>2,300,000.00</b>		<b>494.81</b>	<b>2,000,000.00</b>	<b>7,401,115.57</b>	
<b>Total in Money Market</b>	<b>234,985,208.16</b>	<b>14,323,107.88</b>		<b>30,026.73</b>	<b>16,639,017.37</b>	<b>232,699,325.40</b>	
<b>Total in Fed Agencies</b>	<b>28,704,725.66</b>	<b>2,534,600.00</b>	<b>(9,541.59)</b>		<b>0.00</b>	<b>31,229,784.07</b>	
<b>Total Invested</b>	<b>270,790,554.58</b>	<b>19,157,707.88</b>	<b>(9,541.59)</b>	<b>30,521.54</b>	<b>18,639,017.37</b>	<b>271,330,225.04</b>	

All Investments in the portfolio are in compliance with the CTRMA's Investment policy.

William Chapman, CFO

# Allocation of Funds



■ Total in Pools ■ Total in Money Market ■ Total in Fed Agencies ■ Total in CD's

Amount of investments As of August 31, 2015

Agency	CUSIP #	COST	Book Value	Market Value	Yield to Maturity	Purchased	Matures	FUND
Federal Home Loan Bank	313371KG0	1,019,000.00	1,001,727.27	1,002,080.00	0.3912%	1/9/2014	10/28/2015	TxDOT Grant Fund
Fannie Mae	3135G0QB2	1,001,990.00	1,000,180.91	2,701,107.00	0.0381%	1/9/2014	10/22/2015	TxDOT Grant Fund
Fannie Mae	3135G0QB2	1,703,383.00	1,700,307.55		0.0381%	1/9/2014	10/22/2015	TxDOT Grant Fund
Fannie Mae	3135G0VA8	5,003,500.00	5,000,942.31	5,004,500.00	0.0468%	1/23/2014	3/1/3016	Senior DSRF
Federal Home loan Bank	3130A4MN9	2,499,600.00	2,499,750.00	2,499,350.00	0.3650%	3/11/2015	4/6/2016	Senior DSRF
Farmer Mac	31315PV55	2,501,200.00	2,500,900.00	2,500,250.00	0.7751%	3/11/2015	2/23/2017	Senior DSRF
Federal Farm Credit	3133ECA79	4,959,250.00	4,964,909.72	4,965,300.00	1.2155%	3/11/2015	3/19/2018	Senior DSRF
Freddie Mac	3134G6JF1	4,996,250.00	4,996,730.77	4,987,150.00	1.4239%	3/26/2015	6/26/2018	Senior DSRF
Federal Home Loan Bank	31398A3T7	5,164,996.34	5,032,618.87	5,031,377.82	0.3660%	1/9/2014	9/21/2015	2013 Sub DSRF
Northeast Texas ISD	659155HX6	2,534,600.00	2,531,716.67	2,532,475.00	0.6010%	8/3/2015	8/1/2016	Senior DSRF
			31,229,784.07	31,223,589.82				

Agency	CUSIP #	COST	Cummulative Amortization	8/31/2015		Interest Income August 31, 2015		
				Book Value	Maturity Value	Accrued Interest	Amortization	Interest Earned
Federal Home Loan Bank	313371KG0	1,019,000.00	17,272.73	1,001,727.27	1,000,000.00	1,208.33	(863.64)	344.69
Fannie Mae	3135G0QB2	1,001,990.00	1,809.09	1,000,180.91	1,000,000.00	416.67	(90.45)	326.22
Fannie Mae	3135G0QB2	1,703,383.00	3,075.45	1,700,307.55	1,700,000.00	708.33	(153.77)	554.56
Fannie Mae	3135G0VA8	5,003,500.00	2,557.69	5,000,942.31	5,000,000.00	2,083.33	(134.62)	1,948.71
Federal Home loan Bank	3130A4MN9	2,499,600.00	(150.00)	2,499,750.00	2,500,000.00	638.02	25.00	663.02
Farmer Mac	31315PV55	2,501,200.00	300.00	2,500,900.00	2,500,000.00	1,666.67	(50.00)	1,616.67
Federal Farm Credit	3133ECA79	4,959,250.00	(5,659.72)	4,964,909.72	5,000,000.00	3,916.67	1,131.94	5,048.61
Freddie Mac	3134G6JF1	4,996,250.00	(480.77)	4,996,730.77	5,000,000.00	5,833.33	96.15	5,929.48
Federal Home Loan Bank	31398A3T7	5,164,996.34	132,377.47	5,032,618.87	5,026,000.00	8,376.67	(6,618.87)	1,757.80
Northeast Texas ISD	659155HX6	2,534,600.00	2,883.33	2,531,716.67	2,500,000.00	4,166.67	(2,883.33)	1,283.34
		31,383,769.34	153,985.27	31,229,784.07	31,226,000.00	29,014.69	(9,541.59)	19,473.10

August 31, 2015

Certificates of Deposit Outstanding

Bank	CUSIP #	COST	Yield to Maturity	Purchased	Matures	August 31, 2015 Interest	FUND
		- =====				\$ - =====	

**Travis County Escrow account**

Balance		Accrued		Balance
8/1/2015	Additions	Interest	Withdrawals	8/31/2015
\$ 3,648,779.27		\$ 322.49	\$ 1,253.00	\$ 3,647,848.76



## Monthly Newsletter - August 2015

### Performance

#### As of August 31, 2015

Current Invested Balance	\$5,444,712,315.25
Weighted Average Maturity (1)	47 Days
Weighted Average Maturity (2)	60 Days
Net Asset Value	1.000027
Total Number of Participants	796
Management Fee on Invested Balance	0.05%*
Interest Distributed	\$594,587.48
Management Fee Collected	\$224,642.33
% of Portfolio Invested Beyond 1 Year	1.38%
Standard & Poor's Current Rating	AAAm

Rates reflect historical information and are not an indication of future performance.

#### August Averages

Average Invested Balance	\$5,289,821,436.15
Average Monthly Yield, on a simple basis	0.0823%
Average Weighted Average Maturity (1)*	47 Days
Average Weighted Average Maturity (2)*	60 Days

#### Definition of Weighted Average Maturity (1) & (2)

- (1) This weighted average maturity calculation uses the SEC Rule 2a-7 definition for stated maturity for any floating rate instrument held in the portfolio to determine the weighted average maturity for the pool. This Rule specifies that a variable rate instrument to be paid in 397 calendar days or less shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate.
- (2) This weighted average maturity calculation uses the final maturity of any floating rate instruments held in the portfolio to calculate the weighted average maturity for the pool.

\* The maximum management fee authorized for the TexSTAR Cash Reserve Fund is 12 basis points. This fee may be waived in full or in part in the discretion of the TexSTAR co-administrators at any time as provided for in the TexSTAR Information Statement.

### New Participants

We would like to welcome the following entity who joined the TexSTAR program in August:

★ Italy ISD

### Holiday Reminder

In observance of **Columbus Day**, TexSTAR will be closed on **Monday, October 12, 2015**. All ACH transactions initiated on Friday, October 9th, will settle on Tuesday October 13th. Please plan accordingly for your liquidity needs.

### Economic Commentary

Economic news out of China and the renewed plunge in oil prices caused significant volatility in global stock and bond markets during the month of August. The related impact on inflationary expectations pushed market participants to reduce the likelihood of a September Fed rate hike. China surprised markets in mid-August, permitting a wider trading band (+/-2%) around its currency's tightly controlled daily fixing. The abrupt change, which devalued the Yuan by 3% versus the US dollar over two days, was seen as another sign of economic weakness in the world's second largest economy. This slowdown within the world's largest energy consumer became a catalyst for oil market volatility. U.S. economic releases throughout the month were generally very positive, with a solid employment report, quite strong vehicle sales, and better-than-expected readings on retail sales, housing starts and existing home sales. Most importantly, the government revised its estimate of second quarter 2015 real GDP growth to a better than expected annual rate of 3.7%, up from 2.3%.

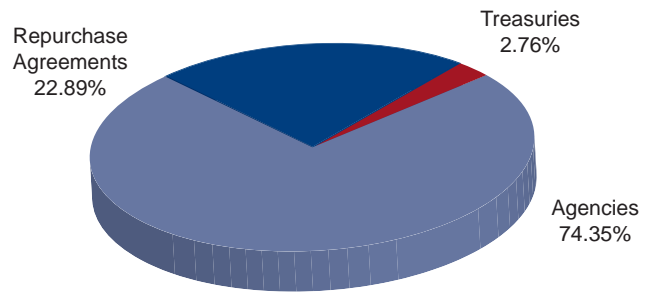
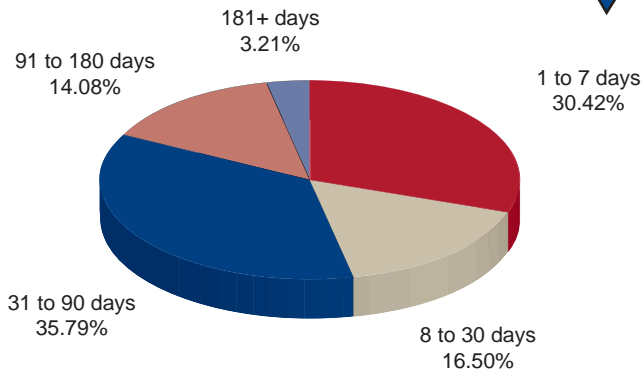
The tone of the Federal Open Market Committee (FOMC) July meeting minutes was somewhat more cautious than the FOMC statement and reflected heightened uncertainties around global developments. Fed officials initially responded to the volatility in global equity markets at the end of the month by tempering the potential for Fed lift-off in September. However, after the Jackson Hole conference, Fed officials appeared to stick with their plan to begin normalizing rates by the end of the year despite recent market turmoil, remaining confident in their forecast for steadily improving growth and inflation that should begin to gradually firm. The probability of a rate hike in September remains below 50%. The Federal Reserve has been waiting for a move in core CPI but it hasn't seen it yet. Core CPI is expected to move toward 2% by the fourth quarter. While domestic data appears to have met the Fed's criteria for tighter monetary policy at its September FOMC meeting, recent market volatility and a sharp decline in energy prices is likely to have affected the members' level of confidence. In order to achieve clarity on the timing of the initial rate hike, economists need to come to terms with whether the market is driving the Fed or whether the Fed is driving the market. If global growth jitters do cause the Fed to defer on a September lift-off, odds are still quite high that the first rate hike will happen this year. Regardless of the timing of the initial rate hike, the pace of tightening will be gradual.

This information is an excerpt from an economic report dated August 2015 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.

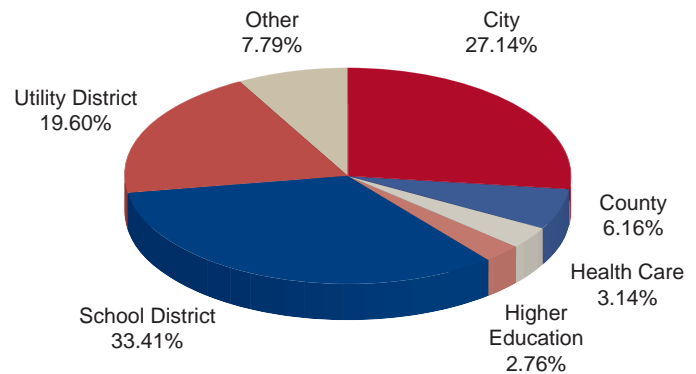
**For more information about TexSTAR, please visit our web site at [www.texstar.org](http://www.texstar.org).**

# Information at a Glance

## Portfolio by Type of Investment As of August 31, 2015



## Portfolio by Maturity As of August 31, 2015



## Distribution of Participants by Type As of August 31, 2015

# Historical Program Information

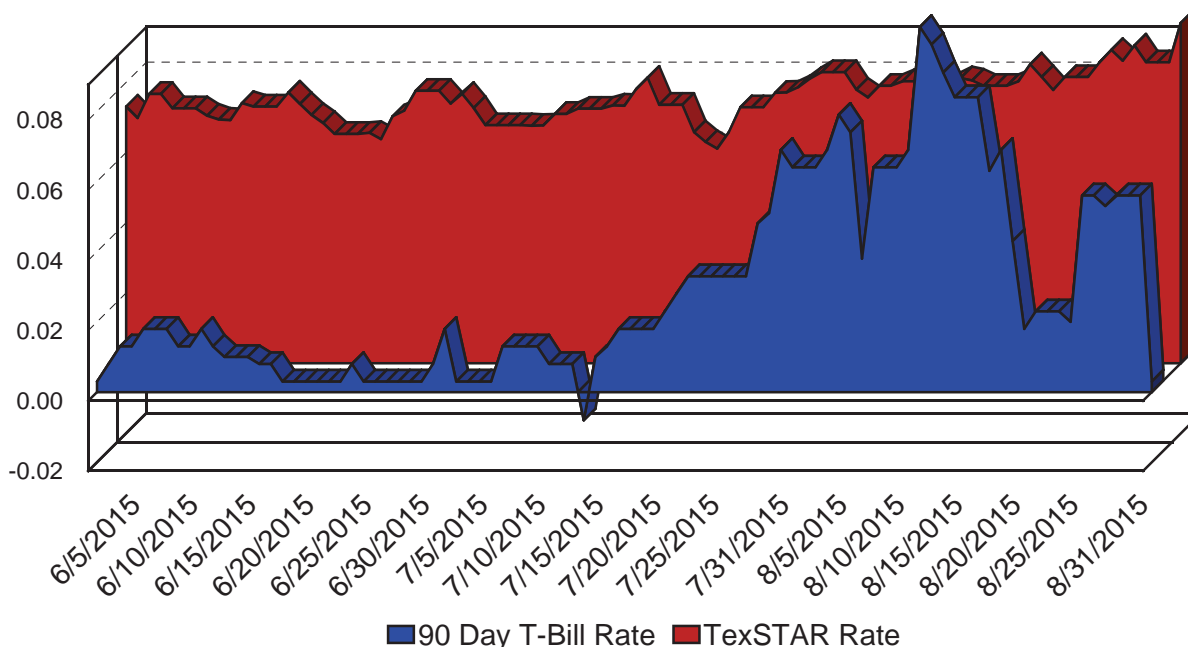
Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Aug 15	0.0823%	\$5,444,712,315.25	\$5,444,863,919.29	1.000027	47	60	796
Jul 15	0.0722%	5,191,663,669.11	5,192,008,905.67	1.000063	50	63	795
Jun 15	0.0719%	5,113,377,874.72	5,113,798,319.64	1.000082	52	68	794
May 15	0.0643%	5,481,487,398.04	5,481,958,268.19	1.000085	52	70	794
Apr 15	0.0701%	5,578,041,120.52	5,578,486,668.16	1.000079	52	74	793
Mar 15	0.0604%	5,532,363,738.20	5,532,642,521.32	1.000050	52	76	792
Feb 15	0.0548%	6,025,452,923.84	6,025,900,171.82	1.000073	49	74	792
Jan 15	0.0542%	5,795,866,262.14	5,796,287,813.37	1.000076	50	77	791
Dec 14	0.0501%	5,158,234,676.14	5,158,405,384.45	1.000037	51	80	790
Nov 14	0.0387%	4,453,961,626.26	4,454,149,924.27	1.000042	52	84	790
Oct 14	0.0385%	4,433,918,584.81	4,434,061,738.75	1.000043	50	82	788
Sep 14	0.0317%	4,479,282,436.21	4,479,598,265.68	1.000070	50	80	788

# Portfolio Asset Summary as of August 31, 2015

	Book Value	Market Value
Uninvested Balance	\$ 7,296.23	\$ 7,296.23
Accrual of Interest Income	435,880.51	435,880.51
Interest and Management Fees Payable	(624,124.72)	(624,124.72)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreement	1,246,098,999.90	1,246,098,999.90
Government Securities	4,198,794,263.33	4,198,945,867.37
<b>Total</b>	<b>\$ 5,444,712,315.25</b>	<b>\$ 5,444,863,919.29</b>

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by J.P. Morgan Chase & Co. and the assets are safekept in a separate custodial account at the Federal Reserve Bank in the name of TexSTAR. The only source of payment to the Participants are the assets of TexSTAR. There is no secondary source of payment for the pool such as insurance or guarantee. Should you require a copy of the portfolio, please contact TexSTAR Participant Services.

# TexSTAR versus 90-Day Treasury Bill



This material is for information purposes only. This information does not represent an offer to buy or sell a security. The above rate information is obtained from sources that are believed to be reliable; however, its accuracy or completeness may be subject to change. The TexSTAR management fee may be waived in full or in part at the discretion of the TexSTAR co-administrators and the TexSTAR rate for the period shown reflects waiver of fees. This table represents historical investment performance/return to the customer, net of fees, and is not an indication of future performance. An investment in the security is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the issuer seeks to preserve the value of an investment at \$1.00 per share, it is possible to lose money by investing in the security. Information about these and other program details are in the fund's Information Statement which should be read carefully before investing. The yield on the 90-Day Treasury Bill ("T-Bill Yield") is shown for comparative purposes only. When comparing the investment returns of the TexSTAR pool to the T-Bill Yield, you should know that the TexSTAR pool consist of allocations of specific diversified securities as detailed in the respective Information Statements. The T-Bill Yield is taken from Bloomberg Finance L.P. and represents the daily closing yield on the then current 90-day T-Bill.

## Daily Summary for August 2015

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	TexSTAR Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
8/1/2015	0.0829%	0.000002270	\$5,191,663,669.11	1.000063	48	61
8/2/2015	0.0829%	0.000002270	\$5,191,663,669.11	1.000063	48	61
8/3/2015	0.0779%	0.000002135	\$5,228,148,233.22	1.000056	49	62
8/4/2015	0.0757%	0.000002075	\$5,238,911,666.22	1.000058	48	61
8/5/2015	0.0790%	0.000002164	\$5,232,051,535.59	1.000037	48	60
8/6/2015	0.0790%	0.000002165	\$5,224,973,442.56	1.000040	47	59
8/7/2015	0.0803%	0.000002200	\$5,160,120,497.14	1.000042	45	58
8/8/2015	0.0803%	0.000002200	\$5,160,120,497.14	1.000042	45	58
8/9/2015	0.0803%	0.000002200	\$5,160,120,497.14	1.000042	45	58
8/10/2015	0.0792%	0.000002169	\$5,131,144,845.53	1.000030	45	57
8/11/2015	0.0796%	0.000002182	\$5,156,074,620.55	1.000030	45	57
8/12/2015	0.0812%	0.000002225	\$5,085,554,601.77	1.000026	48	61
8/13/2015	0.0805%	0.000002206	\$5,077,285,220.81	1.000009	46	59
8/14/2015	0.0790%	0.000002164	\$5,157,390,649.25	1.000014	45	57
8/15/2015	0.0790%	0.000002164	\$5,157,390,649.25	1.000014	45	57
8/16/2015	0.0790%	0.000002164	\$5,157,390,649.25	1.000014	45	57
8/17/2015	0.0803%	0.000002199	\$5,168,586,268.57	1.000010	45	57
8/18/2015	0.0851%	0.000002331	\$5,298,101,968.14	0.999999	46	61
8/19/2015	0.0815%	0.000002233	\$5,367,882,973.32	1.000000	45	59
8/20/2015	0.0778%	0.000002131	\$5,475,181,540.79	1.000011	47	61
8/21/2015	0.0815%	0.000002234	\$5,417,735,577.17	1.000012	48	62
8/22/2015	0.0815%	0.000002234	\$5,417,735,577.17	1.000012	48	62
8/23/2015	0.0815%	0.000002234	\$5,417,735,577.17	1.000012	48	62
8/24/2015	0.0857%	0.000002349	\$5,432,099,705.64	1.000004	47	61
8/25/2015	0.0892%	0.000002444	\$5,522,500,546.40	1.000019	49	62
8/26/2015	0.0861%	0.000002359	\$5,498,099,937.07	1.000025	48	61
8/27/2015	0.0905%	0.000002479	\$5,477,879,895.73	1.000021	49	62
8/28/2015	0.0857%	0.000002348	\$5,445,402,564.83	1.000017	47	60
8/29/2015	0.0857%	0.000002348	\$5,445,402,564.83	1.000017	47	60
8/30/2015	0.0857%	0.000002348	\$5,445,402,564.83	1.000017	47	60
8/31/2015	0.0969%	0.000002654	\$5,444,712,315.25	1.000027	47	60
Average	0.0823%	0.000002254	\$5,289,821,436.15		47	60

TexSTAR Participant Services  
First Southwest Asset Company, LLC  
325 North St. Paul Street, Suite 800  
Dallas, Texas 75201



## **TexSTAR Board Members**

<i>William Chapman</i>	<i>Central Texas Regional Mobility Authority</i>	<i>Governing Board President</i>
<i>Nell Lange</i>	<i>City of Frisco</i>	<i>Governing Board Vice President</i>
<i>Kenneth Huewitt</i>	<i>Houston ISD</i>	<i>Governing Board Treasurer</i>
<i>David Medanich</i>	<i>First Southwest Company</i>	<i>Governing Board Secretary</i>
<i>Joni Freeman</i>	<i>JP Morgan Chase</i>	<i>Governing Board Asst. Sec./Treas.</i>
<i>Eric Cannon</i>	<i>City of Allen</i>	<i>Advisory Board</i>
<i>Nicole Conley</i>	<i>Austin ISD</i>	<i>Advisory Board</i>
<i>Monte Mercer</i>	<i>North Central TX Council of Government</i>	<i>Advisory Board</i>
<i>Stephen Fortenberry</i>	<i>Plano ISD</i>	<i>Advisory Board</i>
<i>Becky Brooks</i>	<i>Government Resource Associates, LLC</i>	<i>Advisory Board</i>

**For more information contact TexSTAR Participant Services ★ 1-800-TEX-STAR ★ [www.texstar.org](http://www.texstar.org)**



**J.P.Morgan**  
Asset Management





**CENTRAL TEXAS  
Regional Mobility Authority**

Meeting Date: September 30, 2015  
AGENDA ITEM # 16

---

Approve the minutes for the July 21, 2015, Special Meeting, the minutes for the July 29, 2015, Regular Board Meeting, and the minutes for the August 24, 2015, Special Meeting

Strategic Plan Relevance: Regional Mobility  
Department: Law  
Contact: Andrew Martin, General Counsel  
Associated Costs: Not Applicable  
Funding Source: Not Applicable  
Action Requested: Consider and act on motion to approve minutes

Summary:

Approve the Minutes for the July 21, 2015, Special Meeting, the minutes for the July 29, 2015, Regular Board Meeting, and the minutes for the August 24, 2015, Special Meeting.

Backup provided: Draft Minutes, July 21, 2015, Special Meeting,  
Draft Minutes, July 29, 2015, Regular Board Meeting, and  
Draft Minutes, August 24, 2015 Special Meeting

**MINUTES**

**Special Called Meeting of the Board of Directors**

**of the**

**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**Tuesday, July 21, 2015**

**9:00 A.M.**

This meeting was held in the Mobility Authority's Williamson Conference Room at 3300 N. Interstate 35, #300, Austin, Texas 78705-1849. Notice of the meeting was posted July 17, 2015 at the respective County Courthouses of Williamson and Travis Counties; online on the website of the Secretary of State; online on the website of the Mobility Authority; and in the Mobility Authority's office lobby at 3300 N. Interstate 35, #300, Austin, Texas 78705-1849.

**An audio recording of this meeting is available at:**

<http://www.mobilityauthority.com/about/vod.php>

**1. Welcome and Opening Remarks by Chairman Ray Wilkerson.**

After noting that a quorum of the Board was present in person and by participating through the telephone conference call, Chairman Wilkerson called the meeting to order at 9:02 a.m.

Ray A. Wilkerson, Chairman	Present at the meeting place
James H. Mills, Vice Chairman	Present at the meeting place
Robert L. Bennett, Jr., Treasurer	Present by telephone
Nikelle Meade, Secretary	Present by telephone
David B. Armbrust	Present by telephone
David Singleton	Present by telephone
Charles Heimsath	Present at the meeting place

**Executive Session Pursuant to Government Code, Chapter 551**

Chairman Wilkerson announced in open session at 9:04 a.m. that the Board would recess the open meeting and reconvene in Executive Session to deliberate the following items:

- 2. Discuss legal issues related to claims by or against the Mobility Authority, pending or contemplated litigation and any related settlement offers; or other matters as authorized by §551.071 (Consultation With Attorney).**

3. Discuss legal issues relating to procurement and financing of Mobility Authority transportation projects, as authorized by §551.071 (Consultation With Attorney).
4. Discuss personnel matters as authorized by §551.074 (Personnel Matters).

After the board completed and recessed from its executive session, Chairman Wilkerson reconvened the Board's open session in the Lowell H. Lebermann, Jr., Board Room at 10:05 a.m.

Chairman Wilkerson asked if there were any comments or questions from a Board member under Agenda Item 5. There were none.

Chairman Wilkerson declared the meeting adjourned at 10:06 a.m. with unanimous consent.

**MINUTES**  
**Regular Meeting of the Board of Directors**  
**of the**  
**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**  
**Wednesday, July 29, 2015**

**9:00 A.M.**

The meeting was held in the Mobility Authority’s Lowell H. Lebermann, Jr. Board Room at 3300 N. Interstate 35, #300, Austin, Texas 78705-1849. Notice of the meeting was posted July 24, 2015 at the respective County Courthouses of Williamson and Travis Counties; online on the website of the Secretary of State; online on the website of the Mobility Authority; and in the Mobility Authority’s office lobby at 3300 N. Interstate 35, #300, Austin, Texas 78705-1849.

**An archived copy of the live-streamed video of this meeting  
is available at: <http://www.mobilityauthority.com/about/vod.php>**

**1. Welcome and Opening Remarks by Chairman Ray Wilkerson.**

After noting that a quorum of the Board was present, Chairman Ray Wilkerson called the meeting to order at 9:05 a.m.

Ray A. Wilkerson, Chairman	Present
James H. Mills, Vice Chairman	Present
Robert L. Bennett, Jr.	Absent
Nikelle Meade, Secretary	Present
David B. Armbrust	Present
David Singleton	Present
Charles Heimsath	Absent
Mike Heiligenstein	Present

**2. Opportunity for Public Comment.**

The Board heard public comment from Jeff Austin III.

**Consent Board Items**

Chairman Ray Wilkerson presented Items 3 through 7 for Board consideration as the consent agenda:

**MOTION:** Approval of consent agenda items 3-7.

**RESULT:** APPROVED (Unanimous)  
**MOTION BY:** David Singleton  
**SECONDED BY:** Nikelle Meade  
**AYE:** Wilkerson, Mills, Meade, Armbrust, and Singleton  
**NAY:** None

3. Approve a supplement to the work authorization with Atkins North America, Inc., for oversight of the design-build contract for the 183 South (Bergstrom Expressway) Project.

**ADOPTED AS: RESOLUTION NO. 15-041**

4. Approve a supplement to the work authorization with Atkins North America, Inc., for oversight of the design-build contract for the Manor Expressway (290E) Project.

**ADOPTED AS: RESOLUTION NO. 15-042**

5. Approve a supplement to the work authorization with Jacobs Engineering Group Inc. for preliminary engineering and environmental services for the MoPac South Project.

**ADOPTED AS: RESOLUTION NO. 15-043**

6. Approve a work authorization with Schneider Electric Mobility NA Inc. for toll systems integration services for the 183 South (Bergstrom Expressway) Project.

**ADOPTED AS: RESOLUTION NO. 15-044**

7. Authorize a procurement for communications and marketing consulting services.

**ADOPTED AS: RESOLUTION NO. 15-045**

### **Executive Session Pursuant to Government Code, Chapter 551**

Chairman Wilkerson announced in open session at 9:11 a.m. that the Board would recess the open meeting and reconvene in Executive Session to deliberate the following items:

14. Discuss legal issues related to claims by or against the Mobility Authority; pending or contemplated litigation and any related settlement offers; or other matters as authorized by §551.071 (Consultation With Attorney).
15. Discuss legal issues relating to procurement and financing of Mobility Authority transportation projects, as authorized by §551.071 (Consultation With Attorney).
16. Discuss personnel matters as authorized by §551.074 (Personnel Matters).

The Board then recessed into an executive session in the Travis Conference Room.

After completing the executive session, the Board reconvened in open meeting in Lebermann Board Room.

**Regular Board Items**

8. Chairman Ray Wilkerson presented the minutes for the July 1, 2015, regular meeting for the Board's consideration.

Speaking on: None

**MOTION:** Approve July 1, 2015 Regular Board Meeting Minutes as drafted.

**RESULT:** APPROVED (Unanimous)

**MOTION BY:** James H. Mills

**SECONDED BY:** Nikelle Meade

**AYE:** Wilkerson, Mills, Meade, Armbrust, and Singleton

**NAY:** None

9. Accept the financial statements for June 2015.

Speaking on: Bill Chapman

**MOTION:** Accept the financial statements for June 2015.

**RESULT:** APPROVED (Unanimous)

**MOTION BY:** Nikelle Meade

**SECONDED BY:** David B. Armbrust

**AYE:** Wilkerson, Mills, Meade, Armbrust, and Singleton

**NAY:** None

**ADOPTED AS:** RESOLUTION NO. 15-046

10. Authorize the borrowing of funds for the 183 South (Bergstrom Expressway) Project, and the execution and delivery of a secured loan agreement in connection therewith; and enacting other provisions related thereto.

Speaking on: Bill Chapman

**MOTION:** Authorize execution of secured loan agreement for 183 South Project.

**RESULT:** APPROVED (Unanimous)

**MOTION BY:** David S. Singleton

**SECONDED BY:** James H. Mills

**AYE:** Wilkerson, Mills, Meade, Armbrust, and Singleton

**NAY:** None

**ADOPTED AS:** RESOLUTION NO. 15-047

**11.** Designate an underwriting team for the proposed issuance, sale, and delivery of revenue bonds for the 183 South (Bergstrom Expressway) Project.

Speaking on: Bill Chapman

**MOTION:** Approve underwriting team for 183 South Project.

**RESULT:** APPROVED (Unanimous)

**MOTION BY:** David B. Armbrust

**SECONDED BY:** David S. Singleton

**AYE:** Wilkerson, Mills, Meade, Armbrust, and Singleton

**NAY:** None

**ADOPTED AS: RESOLUTION NO. 15-048**

**12.** Approve and authorize execution of a design-build contract with Colorado River Constructors for the 183 South (Bergstrom Expressway) Project.

Speaking on: Susan Wilcox, Justin Word

**MOTION:** Authorize execution of design-build contract with Colorado River Constructors for 183 South Project.

**RESULT:** APPROVED (Unanimous)

**MOTION BY:** James H. Mills

**SECONDED BY:** Nikelle Meade

**AYE:** Wilkerson, Mills, Meade, Armbrust, and Singleton

**NAY:** None

**ADOPTED AS: RESOLUTION NO. 15-049**

**Briefing and Discussion on the Following:**

**13.** Executive Director's Report –

Mike Heiligenstein spoke on:

- 183 North
- MoPac South
- University of Texas Center for Transportation Research
- SH 45 SW
- 183 South

- MoPac Improvement Project/CH2M
- MoPac Improvement Project - Express Lanes
- Kellen Road project

Heather Reavey and Steve Pustelnyk spoke on Mopac Improvement Project

17. After confirming that no member of the public wished to address the Board, Chairman Wilkerson declared the meeting adjourned.



**MINUTES**

**Special Called Meeting of the Board of Directors**

**of the**

**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**Monday, August 24, 2015**

**9:00 A.M.**

This meeting was held in the Mobility Authority’s Lowell H. Lebermann, Jr. Board Room at 3300 N. Interstate 35, #300, Austin, Texas 78705-1849. Notice of the meeting was posted August 20, 2015, at the Williamson County Courthouse and the Travis County Courthouse; online on the website of the Mobility Authority; and in the Mobility Authority’s office lobby at 3300 N. Interstate 35, #300, Austin, Texas 78705-1849.

**An audio recording of this meeting is available at: <https://soundcloud.com/mobilityauthority>**

**1. Welcome and Opening Remarks by Chairman Ray Wilkerson.**

After noting that a quorum of the Board was present, Chairman Ray Wilkerson called the meeting to order at 9:10 a.m.

Ray A. Wilkerson, Chairman	Present by telephone
James H. Mills, Vice Chairman	Present at the meeting place
Robert L. Bennett, Jr.	Present by telephone
Nikelle Meade, Secretary	Present by telephone
David B. Armbrust	Present by telephone
David Singleton	Not present
Charles Heimsath	Present by telephone

**2. Opportunity for Public Comment.**

No members of the public presented comments to the Board.

**Regular Board Items**

**3. Approve the financial assistance agreement with the Texas Department of Transportation for funding to develop and construct the 183 South (Bergstrom Expressway) Project.**

Speaking on: Mike Heiligenstein, Bill Chapman, Andy Martin

**MOTION:** Adopt the resolution provided as backup for Agenda Item 3.

**RESULT:** Approved (Unanimous)

**MOTION BY:** Ms. Meade

**SECONDED BY:** Mr. Bennett

**AYE:** Chairman Wilkerson, Mr. Mills, Mr. Bennett, Ms. Meade, Mr. Heimsath, and Mr. Armbrust

**NAY:** None

**ADOPTED AS:** **RESOLUTION NO. 15-050**

- 4. Consideration of the use of eminent domain to condemn property:** Declare a public necessity to acquire the following described parcels of land, or interests therein, for the 183 South (Bergstrom Expressway) Project; and with respect to each such parcel or interest therein authorize any of the following actions: (i) execution of a contract to purchase, (ii) execution of a possession and use agreement, or (iii) acquisition through negotiation or by the use of eminent domain to condemn the parcel or interest therein:

Speaking on Items A-F: Andy Martin

- A. Parcel 117 of the 183 South (Bergstrom Expressway) Project, a 0.461 acre parcel of real estate, and Parcel 117E of the 183 South (Bergstrom Expressway) Project, a 0.404 acre parcel of real estate, owned by Randall W. Ferneau, Roberta A. Ferneau, and Robin M. Ferneau as the sole successors-in-interest to Ferneau Investments, Inc., a dissolved California corporation, located in the 2800 block of Ed Bluestein, Austin, Travis County, Texas.

**MOTION:** Authorize the use of the power of eminent domain to acquire a fee simple interest in Parcel 117, a 0.461 acre parcel, and a drainage easement in Parcel 117E, a 0.404 acre parcel, located in the 2800 block of Ed Bluestein, at the northwest corner of Ed Bluestein and Shelton Road, Austin, Travis County, for public use to expand, construct, operate, and maintain the 183 South transportation project, by adopting the resolution provided as backup for Agenda Item 4-A.

**MOTION BY:** Ms. Meade

**SECONDED BY:** Mr. Bennett

**AYE:** Chairman Wilkerson, Mr. Mills, Mr. Bennett, Ms. Meade, Mr. Heimsath, and Mr. Armbrust

**NAY:** None

**RESULT:** Approved (Unanimous)

**ADOPTED AS: RESOLUTION NO. 15-051**

B. Parcel 131 of the 183 South (Bergstrom Expressway) Project, a 0.217 acre parcel of real estate owned by Ben Fuentes, Daniel C. Castro, Esther Nanez Ledesma, Edward Ledesma, Abel Ledesma, Tina Villareal, and Alfred Ledesma, located at 6501 Regiene Road, in the 3000 block of Ed Bluestein, Austin, Travis County, Texas.

**MOTION:** Authorize the use of the power of eminent domain to acquire a fee simple interest in Parcel 131, a 0.217 acre parcel, located at 6501 Regiene Road, in the 3000 block of Ed Bluestein, Austin, Travis County, for public use to expand, construct, operate, and maintain the 183 South transportation project, by adopting the resolution provided as backup for Agenda Item 4-B.

**MOTION BY:** Ms. Meade

**SECONDED BY:** Mr. Heimsath

**AYE:** Chairman Wilkerson, Mr. Mills, Mr. Bennett, Ms. Meade, Mr. Heimsath, and Mr. Armbrust

**NAY:** None

**RESULT:** Approved (Unanimous)

**ADOPTED AS: RESOLUTION NO. 15-052**

C. Parcel 132 of the 183 South (Bergstrom Expressway) Project, a 0.673 acre parcel of real estate owned by Brian Evans and Yoon Sin Kim, located at 6705 Regiene Road, Austin, Travis County, Texas.

**MOTION:** Authorize the use of the power of eminent domain to acquire a fee simple interest in Parcel 132, a 0.673 acre parcel, located at 6705 Regiene Road, Austin, Travis County, for public use to expand, construct, operate, and maintain the 183 South transportation project, by adopting the resolution provided as backup for Agenda Item 4-C.

**MOTION BY:** Ms. Meade

**SECONDED BY:** Mr. Mills

**AYE:** Chairman Wilkerson, Mr. Mills, Mr. Bennett, Ms. Meade, Mr. Heimsath, and Mr. Armbrust

**NAY:** None

**RESULT:** Approved (Unanimous)

**ADOPTED AS: RESOLUTION NO. 15-053**

D. Parcel 155 of the 183 South (Bergstrom Expressway) Project, a 0.131 acre parcel of real estate owned by Sunbelt Cleveland Properties, L.P., located in the 2700 block of Howard Road, Austin, Travis County, Texas.

**MOTION:** Authorize the use of the power of eminent domain to acquire a fee simple interest in Parcel 155, a 0.131 acre parcel, located in the 2700 block of Howard Road, at the northeast corner of Ed Bluestein Blvd. and Smith Road, Austin, Travis County, for public use to expand, construct, operate, and maintain the 183 South transportation project, by adopting the resolution provided as backup for Agenda Item 4-D.

**MOTION BY:** Ms. Meade

**SECONDED BY:** Mr. Mills

**AYE:** Chairman Wilkerson, Mr. Mills, Mr. Bennett, Ms. Meade, Mr. Heimsath, and Mr. Armbrust

**NAY:** None

**RESULT:** Approved (Unanimous)

**ADOPTED AS: RESOLUTION NO. 15-054**

E. Parcel 157 of the 183 South (Bergstrom Expressway) Project, a 0.163 acre parcel of real estate owned by William E. Selman, located in the 400 block of Bastrop Highway, Austin, Travis County, Texas.

**MOTION:** Authorize the use of the power of eminent domain to acquire a fee simple interest in Parcel 157, a 0.163 acre parcel, located on the west line, in the 400 block of Bastrop Highway, between Vargas Road and Thompson Lane, Austin, Travis County, for public use to expand, construct, operate, and maintain the 183 South transportation project, by adopting the resolution provided as backup for Agenda Item 4-E.

**MOTION BY:** Ms. Meade

**SECONDED BY:** Mr. Heimsath

**AYE:** Chairman Wilkerson, Mr. Mills, Mr. Bennett, Ms. Meade, Mr. Heimsath, and Mr. Armbrust

**NAY:** None

**RESULT:** Approved (Unanimous)

**ADOPTED AS: RESOLUTION NO. 15-055**

F. Parcel 158 of the 183 South (Bergstrom Expressway) Project, a 0.035 acre parcel of real estate owned by 422 Bastrop Hwy., Ltd., located at 436 Bastrop Highway, Austin, Travis County, Texas.

**MOTION:** Authorize the use of the power of eminent domain to acquire a fee simple interest in Parcel 158, a 0.035 acre parcel, located at 436 Bastrop Highway, Austin, Travis County, for public use to expand, construct, operate, and maintain the 183 South transportation project, by adopting the resolution provided as backup for Agenda Item 4-F.

**MOTION BY:** Ms. Meade

**SECONDED BY:** Mr. Heimsath

**AYE:** Chairman Wilkerson, Mr. Mills, Mr. Bennett, Ms. Meade, Mr. Heimsath, and Mr. Armbrust

**NAY:** None

**RESULT:** Approved (Unanimous)

**ADOPTED AS: RESOLUTION NO. 15-056**

Executive Director Heiligenstein advised Chairman Wilkerson and the board members that he knew of nothing that required discussion in an executive session.

Chairman Wilkerson announced that the board would not recess into executive session or discuss any executive session item listed on the agenda.

Chairman Wilkerson declared the meeting adjourned with unanimous consent at 9:26 a.m.



**CENTRAL TEXAS  
Regional Mobility Authority**

Meeting Date: September 30, 2015  
AUDIT COMMITTEE MEETING  
AGENDA ITEM # 17-C

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Accept the Independent Audit Reports by  
Padgett, Stratemann & Co., L.L.P, for the  
Fiscal Year Ending June 30, 2015.

Strategic Plan Relevance: Regional Mobility/Innovation/Economic Vitality/ Sustainability  
Department: Finance  
Contact: Bill Chapman, Chief Financial Officer  
Associated Costs: Not Applicable  
Funding Source: Not Applicable  
Action Requested: Consider and act on draft resolution

Summary:

Each year the Mobility Authority engages an independent CPA firm to conduct the Authority's required annual audit and single audit. Padgett, Stratemann & Co., L.L.P. has completed the annual audit for FY 2015 and will present those reports to the Audit Committee.

The draft resolution accepts the annual audits for FY2015.

Backup provided: FY 2015 Audit Reports; Draft Board Report, Audited Financial Statements with Management Discussion and Analysis; Single Audit Report (Signed Audits will be available at the Board Meeting without changes to the attached).  
Draft Resolution

**MEETING OF THE AUDIT COMMITTEE  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 15-\_\_\_**

**ACCEPT THE INDEPENDENT AUDIT REPORTS BY PADGETT, STRATEMANN &  
CO., LLP, FOR THE FISCAL YEAR ENDING JUNE 30, 2015.**

WHEREAS, by Resolution No. 09-50 enacted July 31, 2009, the Board of Directors established the Audit Committee as a standing committee of the Board of Directors, consisting of all of the members of the Board of Directors; and

WHEREAS, under Resolution No. 09-50 and Section 101.036 of the Mobility Authority Policy Code, the Audit Committee is authorized to exercise all powers and authority of the Board of Directors with respect to Mobility Authority finances, and accordingly acts as, and on behalf of, the Board of Directors with respect to the matters addressed by this resolution; and

WHEREAS, the firm of Padgett, Stratemann & Co., LLP, has been engaged to provide an independent audit of the finances of the Central Texas Regional Mobility Authority for the fiscal year ending on June 30, 2015, and has presented that audit to the Audit Committee; and

WHEREAS, the Audit Committee has reviewed the "Letter on Conduct of Audit", the "Basic Financial Statements" and the "Basic Financial Statements and Federal Awards Compliance Report" prepared by Padgett, Stratemann & Co., LLP, attached respectively as Exhibits 1, 2, and 3 to this resolution, and has heard and considered the presentation on the audit by Padgett, Stratemann & Co., LLP.

NOW THEREFORE, BE IT RESOLVED, that the Audit Committee accepts the attached independent audits of the Central Texas Regional Mobility Authority for the fiscal year ending on June 30, 2015; and

BE IT FURTHER RESOLVED that this resolution constitutes approval by the Audit Committee of the investment reports required by 43 *Texas Administrative Code* Rule §26.61.

Adopted by the Audit Committee of the Board of Directors of the Central Texas Regional Mobility Authority on the 30<sup>th</sup> day of September, 2015.

Submitted and reviewed by:

Approved:

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Andrew Martin, General Counsel

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Ray A. Wilkerson  
Chairman, Board of Directors

**EXHIBIT 1**

**AUDIT COMMITTEE RESOLUTION 15-**

**LETTER ON CONDUCT OF AUDIT**



**Central Texas  
Regional Mobility Authority**

**Letter on Conduct of Audit**

June 30, 2015



## Padgett Stratemann

September 11, 2015

To the Board of Directors  
Central Texas Regional Mobility Authority  
Austin, Texas

Dear Members of the Board of Directors:

We are pleased to present this report related to our audit of the basic financial statements of Central Texas Regional Mobility Authority (the "Authority") for the year ended June 30, 2015. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Authority's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

*Padgett, Stratemann & Co., LLP*

Certified Public Accountants

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## Required Communications

Area	Comments
<p><b><i>Our Responsibility Under Auditing Standards Generally Accepted in the United States of America</i></b></p>	<p>As communicated in our arrangement letter dated April 20, 2015, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.</p> <p>Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p> <p>We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.</p> <p>As communicated in the arrangement letter dated April 20, 2015, our responsibility, as described in <i>Government Auditing Standards</i>, the provisions of the Single Audit Act, and the United States Office of Management and Budget ("OMB") <i>Circular A-133</i> and OMB's <i>Compliance Supplement</i>, is to report on</p>



Area	Comments
	<p>the presentation of the Schedule of Expenditures of Federal Awards; the tests of internal control related to financial reporting and major federal programs; and the tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements. However, they do not provide a basis for an opinion on the Authority's internal control over financial reporting or on compliance and other matters.</p>
<p><b><i>Other Information in Documents Containing Audited Financial Statements</i></b></p>	<p>We are not aware of any other documents that contain the audited financial statements. If such documents were to be published, we would have a responsibility to determine such financial information was not materially inconsistent with the audited financial statements of the Authority.</p>
<p><b><i>Planned Scope and Timing of the Audit</i></b></p>	<p>We conducted our audit consistent with the planned scope and timing we previously communicated to you.</p>
<p><b><i>Qualitative Aspects of Significant Accounting Practices</i></b></p>	<p><b><i>Significant Accounting Policies</i></b></p> <p>Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 1 to the financial statements. There has been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended June 30, 2015 other than the required initial adoption of Governmental Accounting Standards Board ("GASB") Statement No. 68, <i>Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27</i>, and GASB Statement No. 71, <i>Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68</i>.</p> <p>No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for</p>

Area	Comments
	<p>significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p><i>Significant Accounting Estimates</i></p> <p>Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.</p> <p>The most sensitive accounting estimate affecting the financial statements is the estimated useful lives of capital assets. Management's estimate is based on information currently available, and the process used to calculate this estimate should be monitored throughout the year. This estimate was reviewed and it was determined it is reasonable in relation to the basic financial statements taken as a whole.</p> <p><i>Financial Statement Disclosures</i></p> <p>Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Authority's financial statements relate to commitments and contingencies, the restatement of net position, and federal grant compliance.</p>
<p><b><i>Significant Difficulties Encountered During the Audit</i></b></p>	<p>We encountered no difficulties in dealing with management relating to the performance of the audit.</p>



Area	Comments
<p><b><i>Uncorrected and Corrected Misstatements</i></b></p>	<p>For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those we believe are trivial, and communicate them to the appropriate level of management. We did not note any uncorrected misstatements.</p> <p>In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. A summary of the audit adjustments identified by us as a result of our audit procedures is as follows:</p> <ul style="list-style-type: none"> <li>• To record an increase in net position for the beginning of the year impact of GASB Statement No. 68 adoption of \$685,000</li> <li>• To record 2015 pension expense – \$274,000</li> <li>• To reclassify contributions from Hays and Travis Counties of \$13 million</li> <li>• To accrue as a receivable and revenue the TxDOT Highway 290E payments \$18 million</li> <li>• To record unearned revenue from TxDOT for MoPac Improvement Project payments of \$88 million for which qualifying expenses have not been incurred</li> </ul>
<p><b><i>Disagreements With Management</i></b></p>	<p>For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Authority’s financial statements or the auditor’s report. No such disagreements arose during the course of the audit.</p>

Area	Comments
<b><i>Representations Requested From Management</i></b>	We have requested and received certain written representations from management, which are dated September 11, 2015.
<b><i>Management's Consultations With Other Accountants</i></b>	In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.
<b><i>Other Significant Findings or Issues</i></b>	In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Authority, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

**EXHIBIT 2**

**AUDIT COMMITTEE RESOLUTION 15-**

**BASIC FINANCIAL STATEMENTS**



**Central Texas  
Regional Mobility Authority**

**Basic Financial Statements**

June 30, 2015

# Central Texas Regional Mobility Authority

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# Padgett Stratemann

## Independent Auditor's Report

To the Board of Directors  
Central Texas Regional Mobility Authority  
Austin, Texas

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the Central Texas Regional Mobility Authority (the "Authority"), which comprise the statement of net position as of June 30, 2015, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed on the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2015, and the changes in its financial position and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As described in Note 11 to the financial statements, effective July 1, 2014, the Authority implemented Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis and the Required Supplementary Information – Pension Plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The Indenture Cash Flow and Debt Service Coverage on page 41 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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.

*Padgett, Stratemann + Co., LLP*

Austin, Texas

September 11, 2015

# Central Texas Regional Mobility Authority

## Management's Discussion and Analysis

June 30, 2015 and 2014

This section of the Central Texas Regional Mobility Authority (the "Authority") financial report presents our discussion and analysis of the Authority's financial activities during the fiscal years that ended June 30, 2015 and 2014. Please read it in conjunction with the Authority's financial statements, which immediately follow this section.

### FINANCIAL HIGHLIGHTS

- Total toll revenue increased from \$40.0 million to \$53.6 million from 2014 to 2015 or a 34% increase.
- Total operating expenses were approximately \$38.0 million and \$27.4 million in 2015 and 2014, respectively.
- Total construction in progress was approximately \$139.1 million and \$70.4 million as of June 30, 2015 and 2014, respectively. Construction in progress increased by approximately \$80.9 million from 2014 to 2015 in part due to progress made on the MoPac Improvement Project (the "Project") and decreased by \$12.2 million due to the completion of construction contracts and movement of completed construction into property, toll road, and equipment for the Highway 290E Project (also known as the Manor Expressway Project).
- Total restricted cash and cash equivalents increased by \$49.3 million from 2014 to 2015. The overall increase in restricted cash and investments was largely due to an increase in grant funds available for the Project, which have been received in advance and are reflected as unearned grant revenue.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

The financial statements provide both long-term and short-term information about the Authority's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

**Basic Financial Statements.** The financial statements are designed to provide readers with an overview of the Authority's finances in a manner similar to private-sector business.

The *Statement of Net Position* presents information on all of the Authority's assets and deferred outflows, as well as the Authority's liabilities and deferred inflows with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. The Statement of Net Position can be found on page 11 of this report.

# Central Texas Regional Mobility Authority

## Management's Discussion and Analysis – Continued

June 30, 2015 and 2014

The *Statement of Revenues, Expenses, and Changes in Net Position* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The increase or decrease in net position may serve as an indicator of the effect of the Authority's current year operations on its financial position. The Statement of Revenues, Expenses, and Changes in Net Position can be found on page 12 of this report.

The *Statement of Cash Flows* summarizes all of the Authority's cash flows into three categories as applicable: 1) cash flows from operating activities, 2) cash flows from capital and related financing activities, and 3) cash flows from investing activities. The Statement of Cash Flows can be found on page 13 of this report. The Statement of Cash Flows, along with the related notes and information in other financial statements, can be useful in assessing the following:

- The Authority's ability to generate future cash flows
- The Authority's ability to pay its debt as the debt matures
- Reasons for the difference between the Authority's operating cash flows and operating income
- The impact of the Authority's financial position of cash and non-cash transactions from investing, capital, and financing activities

The *Notes to the Financial Statement* provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The Notes to the Financial Statements can be found starting on page 14 of this report.

### FINANCIAL ANALYSIS OF THE AUTHORITY

#### Net Position

As noted above, net position may serve over time as a useful indicator of the Authority's financial position. The net position reflects an un-expendable and expendable portion of net position. The Authority's assets and deferred outflows exceeded liabilities by approximately \$319 million and \$287 million as of June 30, 2015 and 2014, respectively (See Table A-1). As of June 30, 2015, the largest portion of the Authority's net position, 51%, is expendable and reflects proceeds restricted for debt service. The second largest, 38% as of June 30 2015, reflects its investment in capital assets (the Tolling System infrastructure and related assets) net of any outstanding debt used to acquire those assets. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

# Central Texas Regional Mobility Authority

## Management's Discussion and Analysis – Continued

June 30, 2015 and 2014

**Table A-1**  
**Condensed Schedule of Net Position**  
(In Thousands of Dollars)

	<u>2015</u>	<u>2014</u>
Current assets	\$ 74,548	\$ 10,167
Restricted assets	252,971	269,608
Capital assets	<u>892,639</u>	<u>832,757</u>
Total assets	1,220,158	1,112,532
Deferred outflow of resources	<u>18,080</u>	<u>19,018</u>
<b>Total assets and deferred outflow of resources</b>	<b>\$ <u>1,238,238</u></b>	<b>\$ <u>1,131,550</u></b>
Total liabilities	<u>\$ 919,162</u>	<u>\$ 844,282</u>
Net position:		
Invested in capital assets	122,740	34,606
Restricted for other purposes	164,206	224,107
Unrestricted	<u>32,131</u>	<u>28,555</u>
Total net position	<u>319,077</u>	<u>287,268</u>
<b>Total liabilities and net position</b>	<b>\$ <u>1,238,239</u></b>	<b>\$ <u>1,131,550</u></b>

For fiscal year 2015, current and restricted assets increased as a result of the Authority's ongoing construction on the Project. The Authority is expected to receive grant funds in the amount of approximately \$187 million to fund the Project. As of June 30, 2015, the Authority has received grant funds in advance and had recorded \$88 million of unearned grant revenue of the funding due to Project delays at June 30, 2015.

For fiscal year 2015, capital assets increased as a result of the ongoing construction and current period additions of approximately \$44 million on the Project.

### Changes in Net Position

The operating revenues continue to increase as the level of system transactions increases within the Tolling System (Highway 290E and Highway 183 Toll). The average daily system transactions increased in 2015 from approximately 124 thousand per day to 172 thousand per day or from an annual total of approximately 45 million to 62 million. As noted below, the total monthly system transactions increased in 2015 with the full year operations of Highway 290E commenced in the spring of 2014.



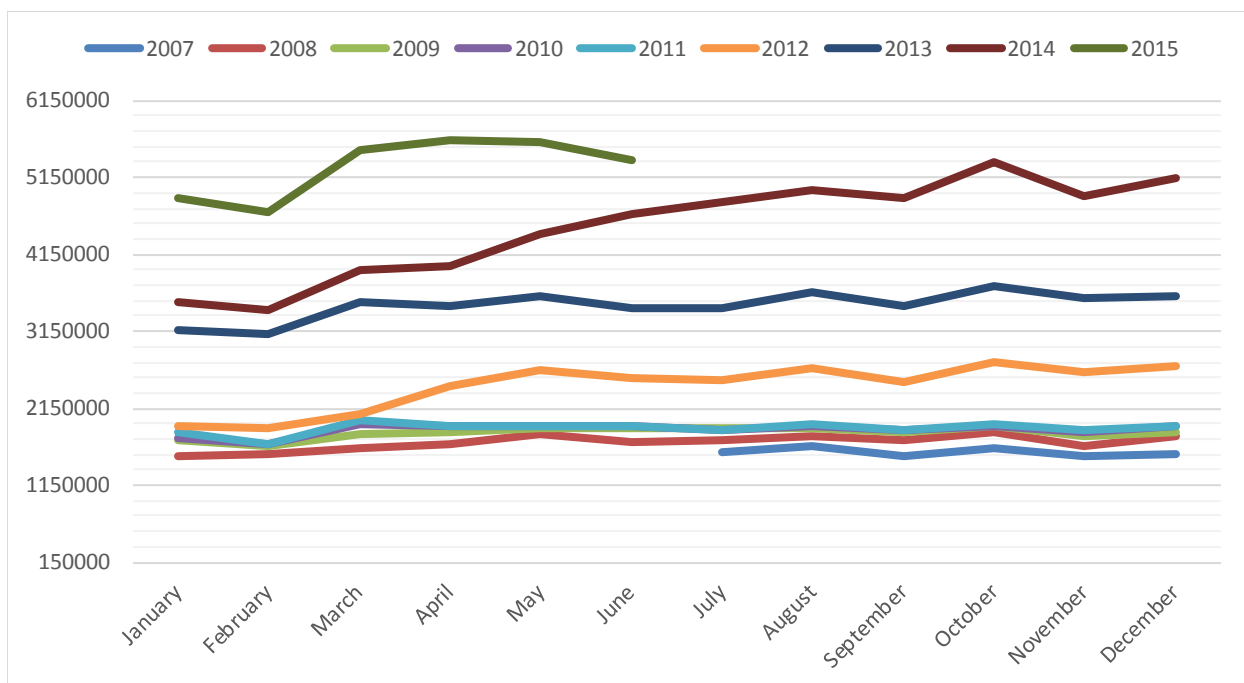
# Central Texas Regional Mobility Authority

## Management's Discussion and Analysis – Continued

June 30, 2015 and 2014

The operating expenses increased by \$10.8 million from 2014 to 2015. The majority of the increase is attributable to the increase in the number of tolling transactions which result in additional expenses for image and tag collection fees, which increased from \$3.1 million to \$4.8 million in 2015 and a full year of depreciation expense on Highway 290E in 2015. The Highway 290E portion of the system was placed in service during fiscal year 2014 and resulted in approximately \$8.5 million in additional depreciation during 2015.

### Total Monthly System Transactions



The nonoperating expenses (net) increased from \$17.6 million in fiscal year 2014 to \$41.9 million in fiscal year 2015. The increase is attributed to interest expense due to the completion of major bond funded projects which decreased the capitalizable interest.

The largest contributor to the change in net position in 2015 is the capital grants and contributions. See Table A-2.

# Central Texas Regional Mobility Authority

## Management's Discussion and Analysis – Continued

June 30, 2015 and 2014

**Table A-2**  
**Condensed Schedule of Revenue, Expenses, and Changes in Net Position**  
(In Thousands of Dollars)

	<u>2015</u>	<u>2014</u>
Revenues:		
Toll revenue	\$ 53,592	\$ 39,968
Grant proceeds and other	<u>2,222</u>	<u>2,907</u>
Total revenues	<u>55,814</u>	<u>42,875</u>
Expenses:		
Administration	14,149	10,345
Professional services	2,754	3,324
Depreciation and amortization	<u>21,233</u>	<u>13,712</u>
Total expenses	<u>38,136</u>	<u>27,381</u>
Operating income	17,678	15,494
Total net nonoperating revenue (expenses)	<u>(41,913)</u>	<u>(17,611)</u>
Change in net position – before capital grants and contributions	(24,235)	(2,117)
Capital grants and contributions	<u>55,357</u>	<u>117,666</u>
Change in net position	31,122	115,549
Total net position at beginning of year – restated	<u>287,954</u>	<u>171,719</u>
Total net position at end of year	<u>\$ 319,076</u>	<u>\$ 287,268</u>

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital Assets**

As of June 30, 2015 and 2014, the Authority had invested approximately \$139.1 million and \$70.4 million, respectively, in construction in progress, including engineering fees and preliminary costs, such as funding, consulting, environmental, legal, and traffic analysis fees. Of the \$139.1 million of the construction in progress, the Project made up \$92.7 million of the total. See Table A-3.

# Central Texas Regional Mobility Authority

## Management's Discussion and Analysis – Continued

June 30, 2015 and 2014

**Table A-3**  
**Capital Assets**  
(Net of Depreciation, in Thousands of Dollars)

	<u>2015</u>	<u>2014</u>
Property and equipment	\$ 11,767	\$ 11,174
Toll road	823,229	811,413
Accumulated depreciation	(81,489)	(60,289)
Construction in progress	<u>139,132</u>	<u>70,459</u>
Net capital assets	<u>\$ 892,639</u>	<u>\$ 832,757</u>

### Long-Term Debt

As of June 30, 2015, the Authority had total debt outstanding of approximately \$794.8 million. See Table A-4.

On December 05, 2014 Moody's Investors Service ("Moody's") affirms the Baa2 senior lien and Baa3 subordinate lien revenue bond ratings of the Authority. Moody's rating outlook for the Authority is stable.

On October 14, 2014, Standard & Poor's ("Standard & Poor's") Ratings Services raised its long-term and underlying rating (SPUR) to "BBB" from "BBB-" on the Authority's outstanding senior lien revenue bonds. At the same time, Standard & Poor's raised its long-term rating and SPUR to "BBB-" from "BB+" on the Authority's subordinate lien revenue bonds. The outlook on all ratings is stable.

**Table A-4**  
**Total Debt**  
(In Thousands of Dollars)

	<u>2015</u>	<u>2014</u>
Total debt:		
Total bonds	\$ 787,833	\$ 774,502
Total notes	<u>7,030</u>	<u>8,350</u>
Total debt outstanding	<u>\$ 794,863</u>	<u>\$ 782,852</u>
Total debt service payments:		
Principal payments	\$ 4,794	\$ -
Interest payments	39,848	36,140

The total debt obligations include the current portion of the obligations of \$6,905,258 and \$3,475,000 for 2015 and 2014, respectively.

Additional information on the Authority's long-term debt can be found in Note 4 of this report.

# Central Texas Regional Mobility Authority

## Management's Discussion and Analysis – Continued

June 30, 2015 and 2014

### **ECONOMIC FACTORS AFFECTING THE FUTURE**

**System Projects** – The Authority entered into an agreement with TxDOT in connection with the development and construction of the proposed US 183 South-Bergstrom Expressway. See Note 12, Subsequent Event, for further information.

Effective September 4, 2015, the Authority executed a note payable in the amount of \$75 million in connection with the development and construction of the US 183 South-Bergstrom Expressway. See Note 12, Subsequent Event, for further information.

### **CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide interested parties with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Central Texas Regional Mobility Authority, 3300 North IH 35, Suite 300, Austin, 78705.

# Central Texas Regional Mobility Authority

## Statement of Net Position

June 30, 2015

### CURRENT ASSETS

#### UNRESTRICTED

Cash and cash equivalents (note 2)	\$ 789,662
Investments (note 2)	681,177
Due from other agencies (note 9)	31,889,268
Accrued interest receivable	63,703
Prepaid expenses and other assets	23,130

TOTAL UNRESTRICTED 33,446,940

#### RESTRICTED

Cash and cash equivalents (note 2)	41,100,854
------------------------------------	------------

TOTAL RESTRICTED 41,100,854

TOTAL CURRENT ASSETS 74,547,794

### Noncurrent Assets

#### Restricted assets:

Cash and cash equivalents (note 2)	217,166,362
Investments (note 2)	35,330,381
Pension asset (note 8)	474,237

Total restricted assets 252,970,980

Property, toll roads, and equipment – net (note 3) 753,507,193

Construction work in progress (note 3) 139,131,886

Total assets 1,220,157,853

Deferred outflow of resources (note 5 and 8) 18,080,330

**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** \$ 1,238,238,183

### CURRENT LIABILITIES:

#### PAYABLE FROM CURRENT ASSETS

Accounts payable	\$ 406,874
Due to other agencies	593,317
Accrued expenses	337,805

TOTAL PAYABLE FROM CURRENT ASSETS 1,337,996

#### PAYABLE FROM RESTRICTED ASSETS

Accounts payable	14,337,815
Accrued interest payable	19,857,781
Bonds and notes payable – current portion	6,905,258

TOTAL PAYABLE FROM RESTRICTED ASSETS 41,100,854

TOTAL CURRENT LIABILITIES 42,438,850

### NONCURRENT LIABILITIES

Unearned revenue	88,765,187
Notes payable – net of current portion (note 4)	5,300,000
Revenue bonds payable – net of current portion (note 4)	782,657,697

TOTAL NONCURRENT LIABILITIES 876,722,884

**TOTAL LIABILITIES** 919,161,734

### NET POSITION

Investment in capital assets	122,739,839
Restricted	164,205,793
Unrestricted	32,130,817

TOTAL NET POSITION 319,076,449

**TOTAL LIABILITIES AND NET POSITION** \$ 1,238,238,183

See accompanying notes to the financial statements.

# Central Texas Regional Mobility Authority

## Statement of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2015

Operating revenues:	
Tolls	\$ 53,591,649
Grant proceeds and other	<u>2,222,384</u>
Total revenues	<u>55,814,033</u>
Operating expenses:	
Salaries and wages	3,058,056
Toll contractual services	4,949,771
Professional services	2,754,282
General and administrative	6,140,700
Depreciation and amortization	<u>21,232,500</u>
Total operating expenses	<u>38,135,309</u>
Operating income	<u>17,678,724</u>
Nonoperating revenues (expenses):	
Interest income – net of interest capitalized (note 2)	403,746
Interest expense	<u>(42,316,763)</u>
Total nonoperating revenue (expenses)	<u>(41,913,017)</u>
Change in net position, before capital grants and contributions	<u>(24,234,293)</u>
Capital grants and contributions	55,356,993
Change in net position	31,122,700
Total net position at beginning of year – as restated (note 11)	<u>287,953,749</u>
Total net position at end of year	<u><u>\$ 319,076,449</u></u>

*See accompanying notes to the financial statements.*

# Central Texas Regional Mobility Authority

## Statement of Cash Flows

Year Ended June 30, 2015

<b>Cash Flows From Operating Activities</b>	
Receipts from toll fees	\$ 54,805,045
Receipts from grants and other income	2,222,384
Payments to vendors	(15,235,177)
Payments to employees	<u>(3,100,566)</u>
Net cash flows provided by operating activities	<u>38,691,686</u>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Payments on interest	(39,848,965)
Payments on bonds	(4,794,562)
Acquisitions of construction in progress	(77,977,200)
Payments on Travis County project	(12,073,766)
Proceeds from grants	102,330,315
Proceeds from contributed capital	<u>13,000,000</u>
Net cash flows used in capital and related financing activities	<u>(19,364,178)</u>
<b>Cash Flows From Investing Activities</b>	
Interest income	454,056
Purchase of investments	(70,698,427)
Proceeds from sale or maturity of investments	<u>100,390,050</u>
Net cash flows provided by investing activities	<u>30,145,679</u>
Net increase in cash and cash equivalents	49,473,187
Cash and cash equivalents at beginning of year	<u>209,583,691</u>
Cash and cash equivalents at end of year	<u>\$ 259,056,878</u>
<b>Reconciliation of Change in Net Assets to Net Cash Provided By Operating Activities</b>	
Operating income	\$ 17,678,724
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation and amortization	21,232,500
Changes in assets and liabilities:	
Decrease in account receivable	1,263,706
Decrease in prepaid expenses and other assets	253,623
Decrease in accounts payable	(1,079,148)
Decrease in accrued expenses	(407,896)
Increase in deferred outflow of resources	<u>(249,823)</u>
Total adjustments	<u>21,012,962</u>
Net cash flows provided by operating activities	<u>\$ 38,691,686</u>
<b>Reconciliation of Cash and Cash Equivalents</b>	
Unrestricted cash and cash equivalents	\$ 789,662
Restricted cash and cash equivalents:	
Current	41,100,854
Noncurrent	<u>217,166,362</u>
Total	<u>\$ 259,056,878</u>

See accompanying notes to the financial statements.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

### 1. Organization and Summary of Significant Accounting Policies

The financial statements of the Central Texas Regional Mobility Authority (the "Authority") 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 more significant of the Authority's accounting policies are described below:

**A. Reporting Entity** – The Authority was authorized by the State of Texas in 2002. The Authority is authorized to construct, maintain, repair, and operate turnpike projects at locations authorized by the Legislature of the State of Texas and approved by the State Department of Transportation. The Authority receives its revenues from tolls, fees, grants, and rents from the operation of turnpike projects. The Authority may issue revenue bonds for the purpose of paying the costs of turnpike projects.

The Authority was formed through the joint efforts of Travis and Williamson Counties (the "Counties"). Their efforts began in September 2002, following the enactment of provisions by the 77<sup>th</sup> Texas Legislature authorizing the formation of regional mobility authorities ("RMAs"). The petition to form the Authority was filed by the Counties, and the Texas Transportation Commission granted approval for its formation in October 2002. The Counties appointed its initial board of directors in January 2003. Each County appointed three directors, and the Governor appointed the presiding officer. The members are appointed in belief that the composition of the board and the common interest in the region shared by all board members will result in adequate representation of all political subdivisions within the geographic area of the RMA and serve without pay for terms of two years. The Authority has full control over all operations, but must comply with certain bond indentures and trust agreements. The Authority employs an Executive Director who manages the day-to-day operations.

In evaluating how to define the Authority for financial reporting purposes, management has determined there are no entities over which the Authority exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the Authority. Since the Authority does not exercise significant influence or accountability over other entities, it has no component units.

**B. Basis of Accounting** – The operations of the Authority are accounted for within a single proprietary (enterprise) fund through which all financial activities are recorded. The measurement focus for an enterprise fund is the flow of economic resources. An enterprise fund follows the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operations are included on the Statements of Net Position. Net position (i.e., total assets and deferred outflows net of total liabilities and deferred inflows) is segregated into amounts of net investment in capital assets, amounts restricted for capital activity and debt service, and amounts which are unrestricted. 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 and depreciation of assets is recognized.



# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

- C. Cash, Cash Equivalents, and Investments** – Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. These deposits are fully collateralized or covered by federal depository insurance.

Investments are reported at fair value based on quoted prices for fixed income securities and net asset values per share for investment in mutual funds. The net change in fair value of investments is recorded on the Statement of Revenues, Expenses, and Changes in Net Position and includes the unrealized and realized gains and losses on investments.

The Authority's investment practices are governed by State statutes, the Authority's own investment policy and bond indentures, and the Texas Public Funds Investment Act.

- D. Compensated Absences** – Vested or accumulated vacation leave is recorded as an expense and a liability as the benefits accrue to employees. There are no accumulating sick leave benefits that vest for which any liability must be recognized.

- E. Capital Assets** – Capital assets, which include property, equipment, and infrastructure assets, are reported at cost. Capital assets acquired through contributions, such as those from developers or other governments, are recorded at estimated fair value at the date of donation. Capital assets are defined as assets with initial, individual costs exceeding \$500 to \$20,000, depending on the asset category. Depreciation is computed on the straight-line method over the following estimated useful lives:

Roads and bridges – 40 years  
Improvements – 5-20 years  
Buildings – 20-30 years  
Equipment – 3-10 years

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

The Authority capitalizes interest cost of restricted tax-exempt borrowings less any interest earned on temporary investment of the proceeds of those borrowings from the date of borrowing until the specified qualifying assets acquired with those borrowings are ready for their intended use.

The Authority tests for impairment of capital assets when significant unexpected decline in service utility occurs. There were no asset impairments in fiscal year 2015.

- F. Grants and Contributions** – Revenues from contributions include cash contributions from other governments and right-of-way property that is restricted to meeting the operational or capital requirements of a particular program.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

The Authority has entered into several grant agreements with the Texas Department of Transportation (“TxDOT”) for construction costs using Highway Planning and Construction federal funding and certain state funding for transportation improvements. During the year ended June 30, 2015, the Authority received approximately \$116 million from TxDOT. The Authority does not recognize the recognition of revenue when funds are received in advance of when the amounts are earned. Revenues from federal and state grants are recognized as earned when the related program expenses are incurred and all eligibility requirements have been met. As of June 30, 2015, there was approximately \$88 million unearned grant revenue.

During the year ended June 30, 2015, the Authority received grant revenue from contracts funded through federal and state governments. It is possible that at some time in the future these contracts could terminate or funding could be reduced. However, the Authority does not currently expect these contracts will be terminated or funding will be reduced in the near future.

- G. Restricted Assets** – Certain proceeds of the Authority’s bonds and grants, as well as certain other resources, are classified as restricted assets in the Statement of Net Position because they are maintained in separate investment accounts and their use is limited by applicable bond covenants and grant agreements. When the grant proceeds are restricted for the acquisition of construction of noncurrent assets or are restricted for liquidation of long-term debt, then they are further classified as noncurrent restricted assets. The Authority’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.
- H. Income Taxes** – The Authority 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 a 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.
- I. Pensions** – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority’s participation in the Texas County and District Retirement System (“TCDRS”), an Agent Plan, and additions to/deductions from TCDRS’s fiduciary net position have been determined on the same basis as they are reported by TCDRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.
- J. Deferred Outflows of Resources** – The Authority has classified as deferred outflows of resources certain items that represent a consumption of resources that applies to a future period and, therefore, will not be recognized as an expense until then.
- K. Bond Premiums, Discounts, and Issuance Costs** – The Authority amortizes premiums and discounts over the estimated life of the bonds as an adjustment to capitalized interest using the effective interest method. Bond issuance cost, other than prepaid insurance, is expensed as incurred, in accordance with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

- L. Classification of Operating and Nonoperating Revenue and Expenses** – The Authority defines operating revenues and expenses as those revenues and expenses generated by the Authority's Tolling System. It also includes all revenues and expenses not related to capital and related financing; noncapital financing or investing activities. This definition is consistent with the codification of Government and Financial Reporting Standards, 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, noncapital financing or investing activities. All revenues and expense not meeting this definition are reported as nonoperating revenue and expenses.
- M. Estimates** – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Examples of management's use of estimates and assumptions include, but are not limited to, depreciable lives and estimated residual value of property and equipment, and the valuation of investments.
- N. Subsequent Events** – The Authority evaluates events that occur subsequent to the statement of financial position date of periodic reports, but before financial statements are issued for periods ending on such dates, for possible adjustment to such financial statements or other disclosure. This evaluation generally occurs through the date at which the Authority's financial statements are issued. For the financial statements as of and for the year ended June 30, 2015 this date was September 11, 2015.
- O. Recent Accounting Pronouncements** – GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Governments should organize these disclosures by type of asset or liability reported at fair value. It also requires additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent).

The provisions of this statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged.

The Authority intends to apply GASB Statement No. 72 for fiscal years beginning after June 15, 2015. The statement is not expected to have a material impact on the Authority's financial position, results of operations, or cash flows.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

### 2. Cash and Investments

The Authority's Board has adopted an Investment Policy to set forth the factors involved in the management of investment assets for the Authority. The Authority seeks to mitigate risk by investing in compliance with the investment policy, State statutes, and bond indenture provisions by qualifying the broker or financial institution with whom the Authority will transact business, maintaining sufficient collateralization, portfolio diversification, and limiting maturities.

As of June 30, 2015, the Authority had the following investments:

<u>Summary of Investments by Type</u>	
Cash and cash equivalents	\$ 259,056,878
TexSTAR Investment Pool	7,300,174
United States government agency securities:	
Federal Home Loan Mortgage Corp.	<u>28,711,384</u>
Total cash and investments	<u>\$ 295,068,436</u>
Unrestricted cash and cash equivalents	789,662
Unrestricted investments	681,177
Restricted cash and cash equivalents:	
Current	41,100,854
Noncurrent	217,166,362
Restricted investments	<u>35,330,381</u>
Total cash and cash equivalent and investments – as reported on the Statement of Net Position	<u>\$ 295,068,436</u>

#### ***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 Authority 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. The Authority has a formal policy specific to custodial credit risk, which requires bank deposit accounts to be collateralized with pledged securities equal to 105% of the carrying value.

There is no limit on the amount the Authority may deposit in any one institution. The Authority was fully collateralized with pledged securities for amounts in excess of the Federal Deposit Insurance Corporation limit for the year ended June 30, 2015.

***Investments*** – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the Authority, and are held by the counterparty, its trust, or agent, but not in the Authority's name. The Authority's investment securities are not exposed to custodial credit risk because all securities are held by the Authority's custodial bank in the Authority's name.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

**Concentration of Credit Risk** – Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority’s investment in a single issuer. The Authority is authorized to invest funds in accordance with its investment policy, bond indentures, and the Texas Public Funds Investment Act. Authorized investments include, but are not limited to: United States Treasury and federal agency issues, certificates of deposit issued by a state or national bank domiciled in the State of Texas, repurchase agreements collateralized by United States Treasury or federal agency securities, guaranteed investment contracts (“GICs”), obligations of states and municipalities, Securities and Exchange Commission (“SEC”) registered no-load money market mutual funds, and local government investment funds.

With regards to investment composition, the Authority’s investment policy currently states that local government investment pools may not exceed 80% of the total investment portfolio less bond funds. Bond funds may be invested at 100% of total investment portfolio. No other parameters for investment composition are stated in the approved investment policy.

As of June 30, 2015, the Authority’s portfolio consisted of the following:

TexSTAR Investment Pool	20.3%
United States government agency securities	79.7%

**Interest Rate Risk** – Interest rate risk is the risk that the changes in interest rates will adversely affect the fair value of an investment. Interest rate risk may be mitigated by investing operating funds primarily in shorter term securities, money market funds or similar investment pools and limiting the average maturity of the portfolio.

The Authority’s investment policy notes that with regard to maximum maturities, the Authority will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Authority will not directly invest operating or general funds in securities maturing more than 16 months from the date of purchase, unless approved by the Authority’s Board. Investment of bond proceeds shall not exceed the projected expenditure schedule of the related project. Reserve funds may be invested in securities exceeding 12 months if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

As of June 30, 2015, all of the Authority’s investments in debt securities mature within one year.

**Local Government Investment Pool** – The Texas Short-Term Asset Reserve Fund (“TexSTAR”) is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Chapter 791, of the Texas Government Code, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. TexSTAR is managed by a 10 member board of trustees who has contracted with JPMorgan Investment Management, Inc. and First Southwest Asset Management, Inc. to administer the operations of the fund. TexSTAR is rated AAA by Standard & Poor’s and maintains a weighted average maturity of 60 days or less, with a maximum maturity of 13 months for any individual security. The amounts can be withdrawn with limited notice.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

Although TexSTAR is not registered with the SEC as an investment company, the Authority believes it operates as a Rule 2a7 like pool, as discussed in GASB Statement No. 59. As such, the Authority uses amortized cost to report its investments.

The Chief Financial Officer of the Authority is the President of TexSTAR. The Authority has investments of \$7.3 million in TexSTAR as of June 30, 2015.

**Credit Risk** – Credit risk is the risk than an issuer or other counterparty to an investment will not fulfill its obligations to the Authority. To help mitigate credit risk, credit quality guidelines are incorporated into the investment policy, as follows:

- Limiting investments to the safest types of securities, as listed above under the Concentration of Credit Risk section
- Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the Authority will do business

### 3. Capital Assets

The following schedule summarizes the capital assets of the Authority as of June 30, 2015.

Property, toll road, and equipment as of June 30, 2015:

	<u>2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>2015</u>
Property and equipment	\$ 11,174,332	\$ 42,724	\$ (32,692)	\$ 582,890	\$ 11,767,254
Toll road					
Building and toll facilities	7,073,225	-	-	-	7,073,225
Highways and bridges	664,681,779	137,935	-	9,551,275	674,370,989
Toll equipment	27,600,560	-	-	99,492	27,700,052
Signs	12,860,829	-	-	140,873	13,001,702
Land improvements	14,044,774	-	-	198,985	14,243,759
Right of way	85,152,005	-	-	1,686,915	86,838,920
Accumulated depreciation	<u>(60,288,900)</u>	<u>(21,232,500)</u>	<u>32,692</u>	<u>-</u>	<u>(81,488,708)</u>
Net property and equipment	<u>\$ 762,298,604</u>	<u>\$ (21,051,841)</u>	<u>\$ -</u>	<u>\$ 12,260,430</u>	<u>\$ 753,507,193</u>

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

Construction in progress as of June 30, 2015:

	<u>2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>2015</u>
Construction in progress:					
Preliminary costs	\$ 67,228,998	\$ 74,164,915	\$ -	\$ (8,878,926)	\$ 132,514,987
Engineering	10,249	(10,249)	-	-	-
Construction	1,540,456	4,254,445	-	(2,098,303)	3,696,598
Collection system	1,209,736	2,435,044	-	(1,282,987)	2,361,793
Capitalized interest	469,223	89,499	-	(214)	558,508
Net construction in progress	<u>\$ 70,458,662</u>	<u>\$ 80,933,654</u>	<u>\$ -</u>	<u>\$ (12,260,430)</u>	<u>\$ 139,131,886</u>

Depreciation expense for the year ended June 30, 2015 totaled \$21,232,500.

As of June 30, 2015, the Authority has non-system construction in progress of approximately \$92 million relating to the MoPac Improvement Project, which is being funded with grant funds from TxDOT.

#### 4. Notes and Bonds Payable

The following schedule summarizes total notes and bonds payable for the year ended June 30, 2015:

	<u>2014</u>	<u>Additions/ Amortization</u>	<u>Payments</u>	<u>2015</u>	<u>Due within One Year</u>
Draw Down Note	\$ 3,049,820	\$ -	\$ (1,319,562)	\$ 1,730,258	\$ 1,730,258
American Bank note payable	5,300,000	-	-	5,300,000	-
Total notes	<u>8,349,820</u>	<u>-</u>	<u>(1,319,562)</u>	<u>7,030,258</u>	<u>1,730,258</u>
Series 2010 Obligations	94,879,710	-	(140,000)	94,739,710	-
Series 2010 CAB accretion	13,247,404	3,734,194	-	16,981,598	-
Total 2010 Bonds – net	<u>108,127,114</u>	<u>3,734,194</u>	<u>(140,000)</u>	<u>111,721,308</u>	<u>-</u>
Series 2011 Obligations	375,929,944	-	-	375,929,944	-
Series 2011 CAB accretion	2,050,998	705,232	-	2,756,230	-
Total 2011 Bonds – net	<u>377,980,942</u>	<u>705,232</u>	<u>-</u>	<u>378,686,174</u>	<u>-</u>
Series 2013 Obligations	288,420,000	-	(3,335,000)	285,085,000	5,175,000
Total 2013 Bonds – net	<u>288,420,000</u>	<u>-</u>	<u>(3,335,000)</u>	<u>285,085,000</u>	<u>5,175,000</u>
Net (premium) discount on revenue bonds payable	15,517,745	-	(3,177,530)	12,340,215	-
Total notes and bonds payable – net	<u>\$ 798,395,621</u>	<u>\$ 4,439,426</u>	<u>\$ (7,972,092)</u>	<u>\$ 794,862,955</u>	<u>\$ 6,905,258</u>

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

**Series 2010 Obligations** – The Authority issued its Series 2010 Senior Lien Revenue Bonds and Taxable Series 2010 Subordinate Lien Revenue Build America Bonds (“Series 2010 Subordinate Lien BABs”) on March 1, 2010, collectively called the Series 2010 Obligations. The Series 2010 Senior Lien Revenue Bonds were issued in part as Current Interest Bonds (“Series 2010 CIBs”) and in part as Capital Appreciation Bonds (“Series 2010 CABs”). The Series 2010 Subordinate Lien BABs were refunded and redeemed in whole by the Authority on June 5, 2013.

The proceeds from the Series 2010 Obligations were used to (i) finance a portion of the costs of the 183A Phase II Project; (ii) currently refund and redeem, in whole, the Authority’s outstanding Revenue Notes, Taxable Series 2009; (iii) pay capitalized interest with respect to the Series 2010 Obligations; (iv) make a deposit to the Senior Lien Debt Service Reserve Fund and the Subordinate Lien Debt Service Reserve Fund; and (v) pay certain issuance costs of the Series 2010 Obligations.

The Series 2010 CIBs are scheduled to mature in 2017 through 2025. Interest on the Series 2010 CIBs is calculated on the basis of a 360-day year of 12, 30-day months at the rate of 5.75%. Interest on the Series 2010 CIBs is payable on each July 1 and January 1, commencing July 1, 2010. As of June 30, 2015, the outstanding principal amount is \$59.8 million.

The Series 2010 CABs are scheduled to mature in 2025 through 2040 at an aggregated maturity amount of \$176.1 million. The principal amount of \$34.9 million of the Series 2010 CABs represents the total amount of outstanding principal before the accreted and compounded interest as of June 30, 2015. As of June 30, 2015, the aggregate maturity amount is \$34.9 million plus the accretion of \$17 million.

Interest on the Series 2010 CABs will accrete from the date of initial delivery to stated maturity at rates ranging from 7.20% to 7.85% and will compound on each July 1 and January 1, commencing July 1, 2010. Such accreted and compounded interest will be paid as part of the maturity amount at stated maturity.

The amount of accumulated accreted interest on the Series 2010 CABs as of June 30, 2015 is \$17 million. The accumulated accreted interest is added to the outstanding principal on July 1 and January 1 of each year beginning July 1, 2010.

Under the bond indenture relating to the Series 2010 Obligations, the debt service reserve fund for the Series 2010 Senior Lien Revenue Bonds requires an amount equal to the least of (i) the maximum annual debt service of all outstanding senior lien obligations, (ii) 1.25 times the average annual debt service of all outstanding senior lien obligations, or (iii) 10% of the aggregate amount of the outstanding senior lien obligations, as determined on the date each series of senior lien obligations is issued.



# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

**Series 2011 Obligations** – The Authority issued its Series 2011 Senior Lien Revenue Bonds and Series 2011 Subordinate Lien Revenue Bonds on June 29, 2011, collectively called the Series 2011 Obligations. The Series 2011 Senior Lien Revenue Bonds were issued in part as Current Interest Bonds (“Series 2011 CIBs”) and in part as Capital Appreciation Bonds (“Series 2011 CABs”).

A portion of the proceeds from the Series 2011 Obligations was used to (i) prepay a State Infrastructure Bank loan in full, (ii) redeem the Authority’s Series 2010 Notes in whole, (iii) pay capitalized interest with respect to the Series 2011 Obligations, (iv) make a deposit to the Senior Lien Debt Service Reserve Fund and the Subordinate Lien Debt Service Reserve Fund, and (v) pay certain issuance costs of the Series 2011 Obligations. The remaining proceeds of the Series 2011 Obligations were used to finance a portion of the costs of the Manor Expressway Phase II Project and as otherwise authorized in the Indenture.

The Series 2011 CIBs are scheduled to mature starting in 2026 through 2046. Interest on the Series 2011 CIBs is calculated on the basis of a 360-day year of 12, 30-day months at rates ranging from 5.75% to 6.25%. Interest on the Series 2011 CIBs is payable on each July 1 and January 1, commencing January 1, 2012. As of June 30, 2015, the outstanding principal amount is \$295.9 million.

The Series 2011 CABs are scheduled to mature starting in 2022 through 2026 at an aggregated maturity amount of \$22.1 million. The principal amount of \$9.9 million for the Series 2011 CABs represents the total amount of outstanding principal before the accreted and compounded interest as of June 30, 2015. As of June 30, 2015, the aggregate maturity amount is \$9.9 million plus the accretion of \$2.7 million.

Interest on the Series 2011 CABs will accrete from the date of initial delivery to stated maturity at rates ranging from 5.9% to 6.5% and will compound on each July 1 and January 1, commencing July 1, 2011. Such accreted and compounded interest will be paid as part of the maturity amount at stated maturity.

The amount of accumulated accreted interest on the Series 2011 CABs as of June 30, 2015 is \$2.7 million. The accumulated accreted interest is added to the outstanding principal on July 1 and January 1 of each year beginning July 1, 2011.

The Series 2011 Subordinate Lien Bonds are scheduled to mature starting in 2023 through 2041. Interest on the Series 2011 Subordinate Lien Bonds is calculated on the basis of a 360-day year of 12, 30-day months at the rate of 6.75%. Interest on the Series 2011 Subordinate Lien Bonds is payable on each July 1 and January 1, commencing January 1, 2012. As of June 30, 2015, the outstanding principal amount is \$70 million.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

Under the bond indenture relating to the Series 2011 Obligations, the debt service reserve fund for the Series 2011 Senior Lien Revenue Bonds requires an amount equal to the least of (i) the maximum annual debt service of all outstanding senior lien obligations, (ii) 1.25 times the average annual debt service of all outstanding senior lien obligations, or (iii) 10% of the aggregate amount of the outstanding senior lien obligations, as determined on the date each series of senior lien obligations is issued. The debt service reserve fund for the Series 2011 Subordinate Lien Bonds requires an amount equal to the least of (i) the maximum annual debt service on the Series 2011 Subordinate Lien Bonds, (ii) 1.25 times the average annual debt service on the Series 2011 Subordinate Lien Bonds, or (iii) 10% of the stated principal amount of the Series 2011 Subordinate Lien Bonds.

**Series 2013 Obligations** – The Authority issued its Series 2013A Senior Lien Revenue Refunding Bonds (“Series 2013A Senior Lien Bonds”), Series 2013B Senior Lien Revenue Refunding Put Bonds (“Series 2013B Senior Lien Put Bonds”), and Series 2013 Subordinate Lien Revenue Refunding Bonds (“Series 2013 Subordinate Lien Bonds”), collectively called the Series 2013 Obligations, on May 16, 2013.

The proceeds from the Series 2013 Obligations were used to (i) refund the Authority’s Series 2005 Senior Lien Revenue Bonds, the Authority’s 2005 TIFIA Bond, and the Authority’s Series 2010 Subordinate Lien BABs, (ii) make a deposit to the Subordinate Lien Debt Service Reserve Fund, and (iii) pay certain issuance costs of the Series 2013 Obligations.

The Series 2013A Senior Lien Bonds were issued as current interest bonds in the aggregate amount of \$155.8 million and are scheduled to mature on dates ranging from 2016 through 2043. Interest on the Series 2013A Senior Lien Bonds is calculated on the basis of a 360-day year of 12, 30-day months at a rate of 5%. Interest on the Series 2013A Senior Lien Bonds is payable on each July 1 and January 1, commencing July 1, 2013. As of June 30, 2015, the outstanding principal amount is \$152.5 million.

The Series 2013B Senior Lien Put Bonds were issued as current interest bonds in the aggregate amount of \$30 million, constitute variable rate obligations under the bond indenture, and are scheduled to mature starting on 2039 through 2045. Through the period that commenced on the issuance date thereof and ends on January 3, 2016 (initial multiannual rate period), the Series 2013B Senior Lien Put Bonds will bear interest at a rate of 3% per annum. Commencing on January 4, 2016, the Bonds are subject to mandatory tender at a purchase price equal to the principal amount thereof plus accrued interest to such purchase date. If, on such date, all Series 2013B Senior Lien Put Bonds are not successfully remarketed, the Authority has no obligation to purchase such Bonds on such date, and all Series 2013B Senior Lien Put Bonds will continue to be outstanding and will bear interest at a rate of 9% per annum until subsequently remarketed. As of June 30, 2015, the outstanding principal amount is \$30 million.

Interest on the Series 2013B Senior Lien Put Bonds during the initial multiannual rate period is payable on each July 1 and January 1, commencing July 1, 2013. Pursuant to the terms of the bond indenture, the Series 2013B Senior Lien Put Bonds are subject to conversion to another interest rate mode following the initial multiannual rate period.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

The Series 2013 Subordinate Lien Bonds are scheduled to mature in 2016 through 2042. Interest on the Series 2013 Subordinate Lien Bonds is calculated on the basis of a 360-day year of 12, 30-day months at the rate of 5%. Interest on the Series 2013 Subordinate Lien Bonds is payable on each July 1 and January 1, commencing July 1, 2013. As of June 30, 2015, the outstanding principal amount is \$102.5 million.

**Draw Down Note Facility** – In December 2011, the Authority entered into a secured loan agreement with a bank for a secured draw down note facility in an aggregate amount up to \$5 million (the “Draw Down Note”).

The loan bears interest at the one-month LIBOR rate plus 2.85%. The Draw Down Note matures on December 15, 2015 and requires monthly interest payments on outstanding balances. Certain funds of the Authority are collateral for the Draw Down Note.

Proceeds from the Draw Down Note are to be used to pay (i) expenses of studying the cost, design, engineering, and feasibility of transportation projects; (ii) expenses associated with securing the Draw Down Note; and (iii) the reimbursement to the Authority of costs attributable to certain preliminary cost and feasibility and other expenses relating to the preparation of financing of the transportation projects incurred prior to the execution of the Draw Down Note.

During fiscal year 2015, the Authority did not receive loan proceeds under the Draw Down Note and made principal and interest payments of \$1.3 million. The Draw Down Note has an outstanding balance of \$1.7 million as of June 30, 2015.

**2013 Note** – In June 2013, the Authority entered into a secured loan agreement with a bank for an aggregate principal amount not to exceed \$5,300,000 (the “Loan”). The Loan bears interest at 2.25% per annum and matures on January 1, 2019. The Loan requires semiannual interest payments on the outstanding balance starting January 1, 2013. Certain funds of the Authority are collateral for the Loan.

Proceeds from the Loan are to be used to pay (i) expenses of studying the cost, design, engineering, and feasibility of transportation projects; (ii) expenses associated with securing the Loan; and (iii) the reimbursement to the Authority of costs attributable to certain preliminary cost and feasibility and other expenses relating to the preparation of financing of the transportation projects incurred prior to the execution of the Loan.

The Authority received no loan proceeds during fiscal year 2015 under the Loan. The Loan has an outstanding balance of \$5.3 million as of June 30, 2015.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

***Future Payments on Debt Obligations*** – Future payments of principal and interest on the Draw Down Note, 2013 Note, Series 2010 Senior Lien Revenue Bonds, Series 2011 Obligations and Series 2013 Obligations (based on the scheduled payments) as of June 30, 2015 are as follows:

	<u>Current Interest Bonds</u>		<u>Capital Appreciation Bonds</u>		<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 5,175,000	\$ 39,715,563	\$ -	\$ -	\$ 1,730,258	\$ 149,301
2017	6,315,000	39,673,963	-	-	1,730,000	119,250
2018	8,275,000	39,290,957	-	-	1,765,000	80,325
2019	11,025,000	38,798,388	-	-	1,805,000	40,613
2020	12,800,000	36,941,594	-	-	-	-
2021-2025	78,210,000	179,609,227	12,037,024	16,257,976	-	-
2026-2030	92,670,000	157,173,713	16,708,205	43,636,795	-	-
2031-2035	126,635,000	127,301,688	9,945,013	46,439,988	-	-
2036-2040	170,520,000	86,724,050	6,309,414	46,915,587	-	-
2041-2045	167,510,000	33,861,563	-	-	-	-
2046-2050	31,620,000	1,976,250	-	-	-	-
	<u>\$ 710,755,000</u>	<u>\$ 781,066,956</u>	<u>\$ 44,999,656</u>	<u>\$ 153,250,346</u>	<u>\$ 7,030,258</u>	<u>\$ 389,489</u>
	<u><b>Total Debt Service</b></u>					
	<u>Principal</u>	<u>Interest</u>				
2016	\$ 6,905,258	\$ 39,864,864				
2017	8,045,000	39,793,213				
2018	10,040,000	39,371,282				
2019	12,830,000	38,839,001				
2020	12,800,000	36,941,594				
2021-2025	90,247,024	195,867,203				
2026-2030	109,378,205	200,810,508				
2031-2035	136,580,013	173,741,676				
2036-2040	176,829,414	133,639,637				
2041-2045	167,510,000	33,861,563				
2046-2050	31,620,000	1,976,250				
	<u>\$ 762,784,914</u>	<u>\$ 934,706,791</u>				

A portion of the Series 2010 and 2011 Bonds were sold as Capital Appreciation Bonds ("CABs"). The accreted interest on the CABs is reflected on the Statement of Net Position as additional principal and is reflected in the interest column in this table in the amount of \$19,737,828.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

### 5. Deferred Outflow of Resources

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Authority has classified all of the difference between the reacquisition price and the net carrying amount of the defeased debt as a deferred outflow of resources. The deferred outflow of resources is amortized over the term of the defeased bonds and recognized as a component of interest expense annually. The Authority has also deferred certain pension related items in accordance with applicable pension standards as noted under Note 8.

As of June 30, 2015, the Authority's deferred outflow of resource balance is composed of the following:

Deferred outflows from bond refunding	\$ 17,828,905
Employer pension contribution	144,576
Difference in pension investment assumption	64,600
Experience changes	42,249
	<hr/>
	\$ 18,080,330
	<hr/> <hr/>

### 6. Rebatable Arbitrage

Current federal income tax law and the bond indentures require that certain arbitrage profits earned on nonpurpose investments attributable to outstanding tax-exempt bonds must be rebated to the United States Treasury. The Authority has not accrued any rebatable arbitrage as of June 30, 2015.

### 7. Risk Management

In conjunction with its normal operations, the Authority is exposed to various risks related to the damage or destruction of its assets from both natural and man-made occurrences; tort/liability claims; errors and omissions claims; and professional liability claims. As a result of these exposures, the Authority carries insurance with a governmental risk pool under an "all risks" policy. All categories of insurance coverage in place were either maintained at current levels or increased as to overall limits of coverage and reduction of self-retained risk so as to reduce the overall exposure of risk to the Authority. There were no settlements in excess of insurance coverage in 2015.

### 8. Employee Retirement Plan

**Plan Description** – The Authority participates in TCDRS. TCDRS is a non-profit public trust providing pension, disability, and death benefits for the eligible employees of participating counties and districts. TCDRS was established by legislative act in 1967 under authority of Article XVI of the Texas Constitution. The TCDRS Act (Subtitle F, Title 8, Texas Government Code) is the basis for TCDRS administration. TCDRS issues a publicly available annual financial report that includes financial statements and required supplementary information for the plan. That annual report may be downloaded at <http://www.tcdrs.com>.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

**Benefits Provided** – Effective the date of participation, the Authority provides retirement, disability and death benefits. A percentage of each employee's paycheck is deposited into his or her TCDRS account. That percentage has been set by the Authority at 7% and has elected a matching rate of \$2 to \$1. The employee's savings grow at a rate of 7%, compounded annually. At retirement, the employee's account balance is combined with the Authority's matching and converted into a lifetime monthly benefit. Employees receive a month of service time for each month that they make a deposit into their account. The amount of service an employee needs to earn a future benefit is called the vesting requirement. When an employee is vested, he or she has the right to a monthly benefit, which includes the employer matching contribution, at age 60 or older.

The Authority adopted a 10 year/Age 60 Retirement Eligibility described in Section 844.207 of the TCDRS Act, under which: (a) any TCDRS member who has 10 or more years of service credit with the District and other subdivisions that have adopted the provisions of Section 844.207 or 844.210, is a vested member and shall have the right to retire and receive a service retirement annuity after attaining age 60, unless the optional 8 year/age 60 Retirement Eligibility and/or Optional Rule 75 Retirement Eligibility is adopted, as allowed by the plan. The Authority has adopted both the Optional 8 year/Age 60 Retirement Eligibility, which allows an 8-year service eligibility requirement for vesting, service, and disability retirement; and Optional Rule 75, which allows the member to have the right to retire and receive service retirement annuity when years of such credited service added to his or her years of attained age equal or exceed 75.

Any TCDRS member who is a vested member may terminate employment with all participating subdivisions prior to attaining age 60, and remain eligible to retire and receive a service retirement annuity after attaining age 60 provided his or her membership is not terminated other than by retirement.

Any TCDRS member who is a vested member under Section 844.207(d) may retire and receive a disability retirement annuity if he or she is certified as disabled, as defined by the plan.

Any TCDRS member who has four or more years of service credit with the District and other subdivisions is eligible for purpose of the Survivor Annuity Death Benefit.

Retirees elect to receive their lifetime benefit by choosing one of seven actuarially equivalent payment options. Prior service gives employees monetary credit for time worked for an eligible organization before it joined the system. Buybacks allow current employees to re-establish a closed TCDRS account from previous service with an employer. Partial lump sum payments at retirement allow employees to withdraw part of their TCDRS account balance as a lump sum at retirement with a reduced monthly benefit. In addition, the Authority may choose to adopt a cost-of-living adjustment ("COLA") for its retirees. This adjusts retiree benefits to restore purchasing power lost due to the effects of inflation.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

**Employees Covered by Benefit Terms** – At June 30, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	0
Inactive employees entitled to, but not yet receiving benefits	5
Active employees	<u>19</u>
Total	<u>24</u>

**Contributions** – Plan members and the Authority are required to contribute at a rate set by statute. The contribution requirements of plan members and the Authority are established and may be amended. For 2015, the contribution rate for the plan members was 7% of gross pay. The Authority pays a matching portion to the pension plan totaling 14% of gross pay for 2015, which totaled \$314,786 for 2015.

**Net Pension Liability** – The Authority's net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions** – The actuarial assumptions that determined the total pension liability as of December 31, 2014 were based on the results of an actuarial experience study for the period January 1, 2009 - December 31, 2012, except where required to be different by GASB Statement No. 68.

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	3.5% including inflation plus average merit of 1.4%
Investment rate of return	8.1%

Mortality rates were based on the following:

***Depositing members*** – RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

***Service retirees, beneficiaries, and nondepositing members*** – The RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females.

***Disabled retirees*** – RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA.

***Long-term rate of return on assets*** – The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS'

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

investment consultant. The numbers shown are based on January 2015 information for a 7-10 year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013.

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (Expected Minus Inflation) (2)
United States Equities	Dow Jones U.S. Total Stock Market Index	16.5%	5.4%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (3)	12.0%	8.4%
Global Equities	MSCI World (net) Index	1.5%	5.7%
International Equities – Developed	50% MSCI World Ex USA (net) + 50% MSCI World ex USA 100% Hedged to USD (net) Index	11.0%	5.4%
International Equities – Emerging	50% MSCI EM Standard (net) Index + 50% MSCI EM 100% Hedged to USD (net) Index	9.0%	6.4%
Investment – Grade Bonds	Barclays Capital Aggregate Bond Index	3.0%	0.6%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.0%	3.8%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	5.0%	5.5%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	2.0%	5.8%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.0%	6.8%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.0%	4.0%
Commodities	Bloomberg Commodities Index	2.0%	-0.2%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.0%	5.3%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	3.0%	7.2%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.0%	5.2%

- (1) Target asset allocation adopted at the April 2015 TCDRS Board meeting.
- (2) Geometric real rates of return in addition to assumed inflation of 1.7%, per investment consultant's 2015 capital market assumptions.
- (3) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.
- (4) Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

*Discount rate* – The discount rate used to measure the total pension liability was 8.1%. In order to determine the discount rate to be used by the employer, the TCDRS used an alternative method to determine the sufficiency of the fiduciary net position in all future years. The alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act.

- (1) TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability shall be amortized as a level percent of pay over 20-year closed layered periods.
- (2) Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.



# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

- (3) The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
- (4) Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

***Changes in Net Pension Liability (Asset)*** – Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the Authority is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB Statement No. 68 purposes. Therefore, the system has used a discount rate of 8.1%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.0%, net of all expenses, increased by 0.1% to be gross of administrative expenses.

<b>Changes in Net Pension Liability/(Asset)</b>			
<b>Changes in Net Pension Liability/(Asset)</b>	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Fiduciary Net Position (b)</b>	<b>Net Pension Liability/(Asset) (a) - (b)</b>
Balances as of December 31, 2013	\$ 3,418,425	\$ 3,946,226	\$ (527,801)
Changes for the year:			
Service cost	461,237	-	461,237
Interest on total pension liability (1)	295,209	-	295,209
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	46,943	-	46,943
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	-	-	-
Benefit payments	-	-	-
Administrative expenses	-	(3,345)	3,345
Member contributions	-	163,979	(163,979)
Net investment income	-	261,626	(261,626)
Employer contributions	-	327,807	(327,807)
Other (2)	-	(242)	242
Balances as of December 31, 2014	<u>\$ 4,221,814</u>	<u>\$ 4,696,051</u>	<u>\$ (474,237)</u>

- (1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.
- (2) Relates to allocation of system-wide items.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

**Sensitivity Analysis** – The following presents the net pension asset/liability of the Authority, calculated using the discount rate of 8.1%, as well as what the net pension asset/liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.1%) or 1 percentage point higher (9.1%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>7.1%</u>	<u>8.1%</u>	<u>9.1%</u>
Total pension liability	\$ 4,682,906	\$ 4,221,814	\$ 3,816,408
Fiduciary net position	4,696,051	4,696,051	4,696,051
Net pension liability (asset)	(13,145)	(474,237)	(879,643)

**Pension Plan Fiduciary Net Position** – Detailed information about the pension plan’s fiduciary net position is available in the separate issued TCDRS report.

**Pension Expense** – the Authority recognized the following pension related expense (income):

<u>Pension Expense/(Income)</u>	<u>January 1, 2014 to December 31, 2014</u>
Service cost	\$ 461,237
Interest on total pension liability (1)	295,209
Effect of plan changes	-
Administrative expenses	3,345
Member contributions	(163,979)
Expected investment return net of investment expenses	(342,377)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	4,694
Recognition of assumption changes or inputs	-
Recognition of investment gains or losses	16,150
Other (2)	243
	<hr/>
Pension expense	\$ <u><u>274,522</u></u>

(1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

(2) Relates to allocation of system-wide items.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

**Deferred Inflows and Outflows of Resources** – As of December 31, 2014, the deferred inflows and outflows of resources are as follows:

<u>Deferred Inflows/Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 42,249
Changes of assumptions	-	-
Net difference between projected and actual earnings	-	64,600
Contributions made subsequent to measurement date	NA	144,576

Contributions made subsequent to the measurement date are eligible employer contributions made from January 1, 2015 through June 30, 2015. Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year ended December 31,	
2015	\$ 20,485
2016	20,485
2017	20,485
2018	20,485
2019	4,694
Thereafter	<u>20,216</u>
	<u>\$ 106,850</u>

The remaining balance to be recognized in future years (and included in the thereafter category), if any, will be impacted by additional future deferred inflows and outflows of resources.

### Schedule of Deferred Inflows and Outflows of Resources

	<u>Original Amount</u>	<u>Date Established</u>	<u>Original Recognition Period</u>	<u>Amount Recognized in 12/31/14 Expenses (1)</u>	<u>Balance of Deferred Inflows 12/31/2014</u>	<u>Balance of Deferred Outflows 12/31/2014</u>
Investment (gains) losses	\$ 80,751	12/31/2014	5	\$ 16,150	\$ -	\$ 64,600
Economic/demographic (gains) or losses	46,943	12/31/2014	10	4,694	-	42,249
Assumption changes or inputs	-	12/31/2014	10	-	-	-
Employer contributions made subsequent to measurement date	157,597		-	-	-	144,576

- (1) Investment losses are recognized in pension expense over a period of five years; economic/demographic losses and assumption changes or inputs are recognized over the average remaining service life for all active, inactive, and retired members.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

### 9. Disaggregation of Receivable and Payable Balances

Due from other agencies are comprised of current intergovernmental receivables and amounts due from other Texas tolling authorities related to toll tag transactions on the Authority's toll roads. The Authority does not issue toll tags; however, the Authority has contracted with TxDOT to handle customer service and operations related to the toll tag transactions at June 30, 2015. Accounts payable balances are comprised of 100% current payables to contractors and vendors at June 30, 2015.

As of June 30, 2015, the receivable from TxDOT comprises approximately 94% and the total balance are as follows:

TxDOT	\$ 30,151,439
Other agencies	<u>1,737,829</u>
Total	<u>\$ 31,889,268</u>

### 10. Commitments and Contingent Liabilities

#### **Commitments**

On May 2014, the Authority entered into a 10-year lease agreement for office space. The aggregate future minimum lease payments under the new lease are as follows:

Year ended December 31,	
2016	\$ 323,627
2017	335,395
2018	347,163
2019	358,932
2020	370,700
Thereafter	<u>1,113,407</u>
	<u>\$ 2,849,224</u>

The Authority's rental expense for fiscal year 2015 totaled \$373,000, which includes common area maintenance and property taxes.

The Authority has a capital improvement program for roadway construction projects extending into future years. As of June 30, 2015, the Authority has a capital budget of approximately \$1.095 billion for future toll projects, which may or may not materialize. Excluding the US 183 South-Bergstrom Expressway, which is described in Note 12, the Authority's contractual commitments related to its capital improvement plan are approximately \$221 million. The majority of the \$221 million is related to the MoPac Improvement Project and is expected to be funded by grant funds to be received by the Authority from TxDOT. All contracts contain a termination for convenience clause in which such contracts may be terminated, in whole or in part, for the convenience of the Authority.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

### **Litigation**

As of June 30, 2015, the Authority is involved in various contract disputes on its construction projects. Based on the status of the claims and the information available, the Authority believes that a liability has not been incurred as of the date of the financial statements. The claims are for increased project costs relating to the MoPac Improvement Project and are approximately \$70 million. The Authority believes it has substantial defenses against these claims and the resolution of these matters will not have a material adverse effect on its financial statements.

### **11. Pension Restatement**

Effective July 1, 2014, the Authority implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68*. Upon adoption, net pension liability, deferred inflows and outflows and pension expense will now be reflected on the financial statements in accordance with the guidance provided for within the standards. The implementation resulted in a restatement of the beginning net position in 2015, the year in which the provisions of GASB Statement No. 68 were adopted. The adoption increased net position by \$685,398 and includes deferred outflows of resources of approximately \$157,000.

Net position at end of year – as previously reported	\$ 287,268,351
Implementation of GASB Statement Nos. 68 and 71	<u>685,398</u>
Net position at beginning of year – as restated	<u>\$ 287,953,749</u>

### **12. Subsequent Events**

**System Projects** – The Authority entered into an agreement with TxDOT in connection with the development and construction of the proposed US 183 South-Bergstrom Expressway in Travis County (“183S”). 183S is an 8-mile project to add three tolled lanes and three improved non-tolled frontage road lanes in each direction within the existing US 183 corridor. The Authority has received approval from TxDOT for financial assistance in the approximate amount of \$143 million, plus the value of the right-of-way, which is to be transferred from TxDOT to the Authority. The 183S project is expected to be financed with a combination of state and federal grants, revenue bonds, a TIFIA loan, and a TxDOT loan, and has a total estimated cost of \$743 million.

Effective September 4, 2015, the Authority executed a note payable with a bank in the amount of \$75 million in connection with the development and construction of 183S. The note payable has an interest rate of 0.70% and interest is payable on each January 1 and July 1. In the event the loan is not paid in full by January 1, 2016, the interest rate will be 1.79% commencing on January 1, 2016 and thereafter. The loan requires scheduled principal payments through January 1, 2018. The Authority anticipates prepaying the loan in full with a portion of the proceeds of the revenue bonds to be issued to finance a portion of the costs of 183S. The loan is secured by grant funds to be received by the Authority from TxDOT.

# Central Texas Regional Mobility Authority

## Required Supplementary Information – Pension Plan

June 30, 2015

### Schedule of Changes in Net Pension Assets and Related Ratios Year Ended December 31, 2014

Total pension liability:	
Service cost	\$ 461,237
Interest on total pension liability	295,209
Effect of plan changes	-
Effect of assumption changes or inputs	-
Effect of economic/demographic (gains) or losses	46,943
Benefit payments/refunds of contributions	<u>-</u>
Net change in total pension liability	803,389
Total pension liability at beginning of year	<u>3,418,425</u>
Total pension liability at end of year (a)	4,221,814
Fiduciary net position:	
Employer contributions	327,807
Member contributions	163,979
Investment income net of investment expense	261,626
Benefit payments/refunds of contributions	-
Administrative expenses	(3,345)
Other	<u>(242)</u>
Net change in fiduciary net position	749,825
Fiduciary net position at beginning of year	3,946,226
Fiduciary net position at end of year (b)	<u>4,696,051</u>
Net pension asset at end of year = (a) - (b)	\$ <u><u>(474,237)</u></u>
Fiduciary net position as a percentage of total pension liability	111.23%
Pensionable covered payroll	\$ 2,342,556
Net pension liability (asset) as a percentage of covered payroll	(20.24%)

The Schedule of Changes in Net Pension Assets and related Ratio disclosure is required for 10 years. The schedule noted above is the only year for which the new GASB Statements have been implemented.

# Central Texas Regional Mobility Authority

## Required Supplementary Information – Pension Plan – Continued

June 30, 2015

### Schedule of Employer Contributions

<u>Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll*</u>	<u>Actual Contribution as a Percentage of Covered Payroll</u>
2005	Not available	Not available	Not available	Not available	Not available
2006	\$ 129,061	\$ 129,061	\$ -	\$ 945,504	13.6%
2007	152,487	152,487	-	1,208,299	12.6%
2008	177,644	177,644	-	1,410,996	12.6%
2009	208,394	224,770	(16,376)	1,605,503	14.0%
2010	212,249	235,472	(23,222)	1,623,942	14.5%
2011	248,565	270,179	(21,614)	1,862,303	14.5%
2012	251,978	286,786	(34,811)	2,048,602	14.0%
2013	261,182	304,447	(43,266)	2,174,701	14.0%
2014	284,621	327,807	(43,187)	2,342,556	14.0%

\*Payroll is calculated based on contributions as reported to TCDRS.

# Central Texas Regional Mobility Authority

## Required Supplementary Information – Pension Plan – Continued

June 30, 2015

### Notes to Schedule of Employer Contributions and Net Pension Liability

#### *Actuarial Methods and Assumptions Used*

Following are the key assumptions and methods used in these schedules:

<b>Valuation Timing</b>	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
<b>Actuarial Cost Method</b>	Individual entry age normal cost method, as required by GASB Statement No. 68, used for GASB calculations. A slightly different version of the entry age normal cost method is used for the funding actuarial valuation.
<b>Asset Valuation Method</b> Smoothing period Recognition method Corridor	5 years Non-asymptotic None
<b>Economic Assumptions</b> Inflation Salary Increases  Investment Rate of Return  COLAs	3.0% 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee  8.1%  COLAs for the Authority are not considered to be substantively automatic under GASB Statement No. 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.



# Central Texas Regional Mobility Authority

## Required Supplementary Information – Pension Plan – Continued

June 30, 2015

### Demographic Assumptions

#### Retirement Age

#### Annual Rates of Service Retirement\*

<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Age</u>	<u>Male</u>	<u>Female</u>
40-44	4.5%	4.5%	62	25%	25%
45-49	9	9	63	16	16
50	10	10	64	16	16
51	10	10	65	30	30
52	10.5	10.5	66	25	25
53	10.5	10.5	67	24	24
54	10.5	10.5	68	22	22
55	11	11	69	22	22
56	11	11	70	22	22
57	11	11	71	22	22
58	12	12	72	22	22
59	12	12	73	22	22
60	14	14	74 **	22	22

\* Deferred members are assumed to retire (100% probability) at the later of: a) age 60 b) earliest retirement eligibility.

\*\* For all eligible members ages 75 and later, retirement is assumed to occur immediately.

**Other Terminations of Employment** — The rate of assumed future termination from active participation in the plan for reasons other than death, disability or retirement are all set at 0% and the rates do not vary by length of service, entry-age group (age at hire), and sex. No termination after eligibility for retirement is assumed.

# Central Texas Regional Mobility Authority

## Required Supplementary Information – Pension Plan – Continued

June 30, 2015

**Withdrawals** — Members who terminate may either elect to leave their account with TCDRS or withdraw their funds. The probability that a member elects a withdrawal varies by length of service and vesting schedule. Rates applied to your plan are shown in table below. For nondepositing members who are not vested, 100% are assumed to elect a withdrawal.

### Probability of Withdrawal

<u>Years of Service</u>	<u>Probability</u>	<u>Years of Service</u>	<u>Probability</u>
0	100%	15	40%
1	100	16	38
2	100	17	36
3	100	18	34
4	100	19	32
5	60	20	30
6	60	21	28
7	55	22	26
8	50	23	24
9	49	24	22
10	48	25	20
11	47	26	15
12	46	27	10
13	44	28*	5
14	42		

\*Members with more than 28 years of service are not assumed to refund.

# Central Texas Regional Mobility Authority

## Supplemental Information – Indenture Cash Flow and Debt Service Coverage

June 30, 2015

Toll Revenues		\$	53,217,000
Other Revenues			2,003,729 *
Miscellaneous Revenue			15,959
Interest income available to pay debt service			<u>403,746</u>
<b>Total Revenues</b>			<b>55,640,434</b>
Less System Operating Expenses			<u>(13,006,276)</u>
Revenues available for rate covenant and additional bonds tests			42,634,158
Net Senior Lien Debt Service	\$	17,585,762	
Net Subordinate Lien Debt Service		<u>8,716,200</u>	
<b>Total net debt service</b>		<b>26,301,962</b>	
Debt service coverage ratio for rate covenant and additional bonds test			
Senior Lien Obligations		2.42	
Senior and Subordinate Lien Obligations		1.62	
Less System Maintenance Expenses			<u>(1,136,362)</u>
Revenues available for debt service			41,497,796
Debt service coverage ratios for Revenues available for debt service			
Senior Lien Obligations		2.36	
Senior and Subordinate Lien Obligations		1.58	
Less total net debt service			(26,301,962)
Less deposits to Renewal and Replacement Fund			-
Less debt service payments on Other Obligations			<u>-</u>
Annual excess		\$	<u><u>15,195,834</u></u>

\* The HERO grant revenues are included in "Other Revenues" above as the corresponding expenses are included in "System Operating Expenses" and the amounts net to zero.

**EXHIBIT 2**

**AUDIT COMMITTEE RESOLUTION 15-**

**BASIC FINANCIAL STATEMENTS AND  
FEDERAL AWARDS COMPLIANCE REPORT**

**Central Texas  
Regional Mobility Authority**

**Basic Financial Statements and  
Federal Awards Compliance Report**

Year Ended June 30, 2015

# Central Texas Regional Mobility Authority

## Basic Financial Statements and Federal Awards Compliance Report

Year Ended June 30, 2015

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## Financial Section



# Padgett Stratemann

## Independent Auditor's Report

To the Board of Directors  
Central Texas Regional Mobility Authority  
Austin, Texas

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Central Texas Regional Mobility Authority (the "Authority"), which comprise the Statement of Net Position as of June 30, 2015, and the related Statements of Revenues, Expenses, and Changes in Net Position and Cash Flows for the year then ended, and related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2015, and the changes in its financial position and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As described in Note 1 to the financial statements, effective July 1, 2014, the Authority implemented Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management’s Discussion and Analysis and the Required Supplementary Information – Pension Plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority’s basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2015 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.

*Padgett, Statemann + Co., LLP*

Austin, Texas

September 11, 2015

# Central Texas Regional Mobility Authority

## Management's Discussion and Analysis

June 30, 2015 and 2014

This section of the Central Texas Regional Mobility Authority (the "Authority") financial report presents our discussion and analysis of the Authority's financial activities during the fiscal years that ended June 30, 2015 and 2014. Please read it in conjunction with the Authority's financial statements, which immediately follow this section.

### FINANCIAL HIGHLIGHTS

- Total toll revenue increased from \$40.0 million to \$53.6 million from 2014 to 2015 or a 34% increase.
- Total operating expenses were approximately \$38.0 million and \$27.4 million in 2015 and 2014, respectively.
- Total construction in progress was approximately \$139.1 million and \$70.4 million as of June 30, 2015 and 2014, respectively. Construction in progress increased by approximately \$80.9 million from 2014 to 2015 in part due to progress made on the MoPac Improvement Project (the "Project") and decreased by \$12.2 million due to the completion of construction contracts and movement of completed construction into property, toll road, and equipment for the Highway 290E Project (also known as the Manor Expressway Project).
- Total restricted cash and cash equivalents increased by \$49.3 million from 2014 to 2015. The overall increase in restricted cash and investments was largely due to an increase in grant funds available for the Project, which have been received in advance and are reflected as unearned grant revenue.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

The financial statements provide both long-term and short-term information about the Authority's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

**Basic Financial Statements.** The financial statements are designed to provide readers with an overview of the Authority's finances in a manner similar to private-sector business.

The *Statement of Net Position* presents information on all of the Authority's assets and deferred outflows, as well as the Authority's liabilities and deferred inflows with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. The Statement of Net Position can be found on page 11 of this report.

# Central Texas Regional Mobility Authority

## Management's Discussion and Analysis – Continued

June 30, 2015 and 2014

The *Statement of Revenues, Expenses, and Changes in Net Position* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The increase or decrease in net position may serve as an indicator of the effect of the Authority's current year operations on its financial position. The Statement of Revenues, Expenses, and Changes in Net Position can be found on page 12 of this report.

The *Statement of Cash Flows* summarizes all of the Authority's cash flows into three categories as applicable: 1) cash flows from operating activities, 2) cash flows from capital and related financing activities, and 3) cash flows from investing activities. The Statement of Cash Flows can be found on page 13 of this report. The Statement of Cash Flows, along with the related notes and information in other financial statements, can be useful in assessing the following:

- The Authority's ability to generate future cash flows
- The Authority's ability to pay its debt as the debt matures
- Reasons for the difference between the Authority's operating cash flows and operating income
- The impact of the Authority's financial position of cash and non-cash transactions from investing, capital, and financing activities

The *Notes to the Financial Statement* provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The Notes to the Financial Statements can be found starting on page 14 of this report.

### FINANCIAL ANALYSIS OF THE AUTHORITY

#### Net Position

As noted above, net position may serve over time as a useful indicator of the Authority's financial position. The net position reflects an un-expendable and expendable portion of net position. The Authority's assets and deferred outflows exceeded liabilities by approximately \$319 million and \$287 million as of June 30, 2015 and 2014, respectively (See Table A-1). As of June 30, 2015, the largest portion of the Authority's net position, 51%, is expendable and reflects proceeds restricted for debt service. The second largest, 38% as of June 30 2015, reflects its investment in capital assets (the Tolling System infrastructure and related assets) net of any outstanding debt used to acquire those assets. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

# Central Texas Regional Mobility Authority

## Management's Discussion and Analysis – Continued

June 30, 2015 and 2014

**Table A-1**  
**Condensed Schedule of Net Position**  
(In Thousands of Dollars)

	<u>2015</u>	<u>2014</u>
Current assets	\$ 74,548	\$ 10,167
Restricted assets	252,971	269,608
Capital assets	<u>892,639</u>	<u>832,757</u>
Total assets	1,220,158	1,112,532
Deferred outflow of resources	<u>18,080</u>	<u>19,018</u>
<b>Total assets and deferred outflow of resources</b>	<b>\$ <u>1,238,238</u></b>	<b>\$ <u>1,131,550</u></b>
Total liabilities	<u>\$ 919,162</u>	<u>\$ 844,282</u>
Net position:		
Invested in capital assets	122,740	34,606
Restricted for other purposes	164,206	224,107
Unrestricted	<u>32,131</u>	<u>28,555</u>
Total net position	<u>319,077</u>	<u>287,268</u>
<b>Total liabilities and net position</b>	<b>\$ <u>1,238,239</u></b>	<b>\$ <u>1,131,550</u></b>

For fiscal year 2015, current and restricted assets increased as a result of the Authority's ongoing construction on the Project. The Authority is expected to receive grant funds in the amount of approximately \$187 million to fund the Project. As of June 30, 2015, the Authority has received grant funds in advance and had recorded \$88 million of unearned grant revenue of the funding due to Project delays at June 30, 2015.

For fiscal year 2015, capital assets increased as a result of the ongoing construction and current period additions of approximately \$44 million on the Project.

### Changes in Net Position

The operating revenues continue to increase as the level of system transactions increases within the Tolling System (Highway 290E and Highway 183 Toll). The average daily system transactions increased in 2015 from approximately 124 thousand per day to 172 thousand per day or from an annual total of approximately 45 million to 62 million. As noted below, the total monthly system transactions increased in 2015 with the full year operations of Highway 290E commenced in the spring of 2014.

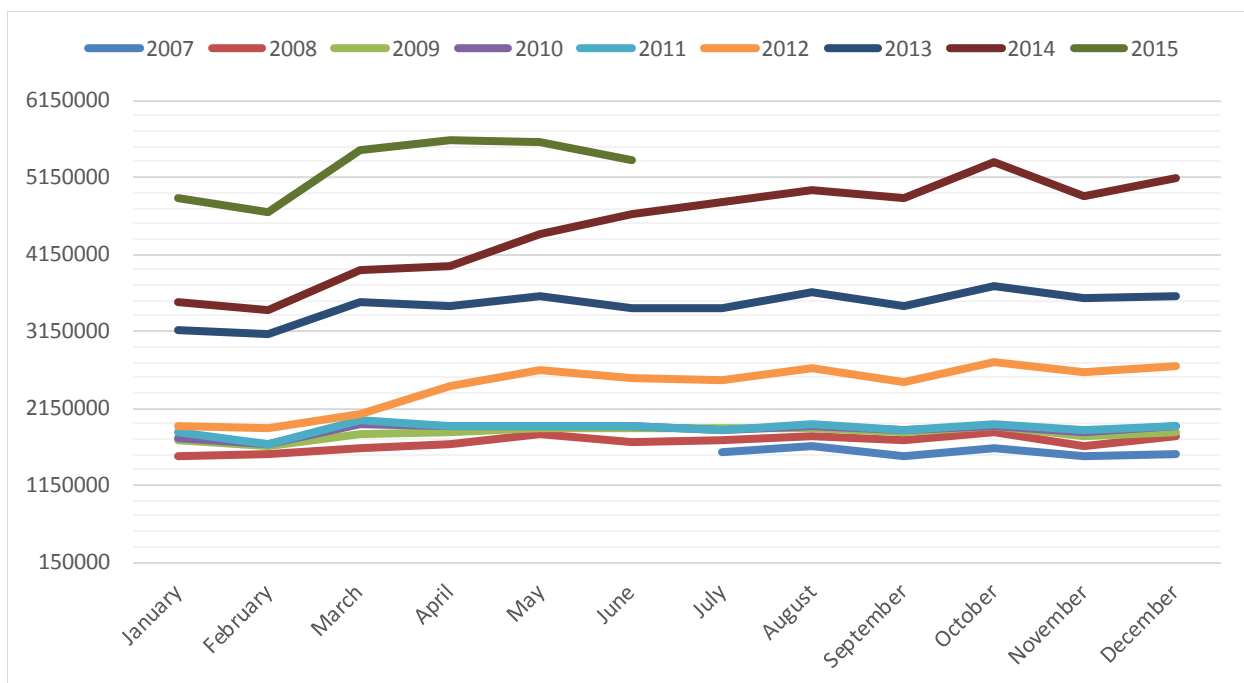
# Central Texas Regional Mobility Authority

## Management's Discussion and Analysis – Continued

June 30, 2015 and 2014

The operating expenses increased by \$10.8 million from 2014 to 2015. The majority of the increase is attributable to the increase in the number of tolling transactions which result in additional expenses for image and tag collection fees, which increased from \$3.1 million to \$4.8 million in 2015 and a full year of depreciation expense on Highway 290E in 2015. The Highway 290E portion of the system was placed in service during fiscal year 2014 and resulted in approximately \$8.5 million in additional depreciation during 2015.

### Total Monthly System Transactions



The nonoperating expenses (net) increased from \$17.6 million in fiscal year 2014 to \$41.9 million in fiscal year 2015. The increase is attributed to interest expense due to the completion of major bond funded projects which decreased the capitalizable interest.

The largest contributor to the change in net position in 2015 is the capital grants and contributions. See Table A-2.

# Central Texas Regional Mobility Authority

## Management's Discussion and Analysis – Continued

June 30, 2015 and 2014

**Table A-2**  
**Condensed Schedule of Revenue, Expenses, and Changes in Net Position**  
(In Thousands of Dollars)

	<u>2015</u>	<u>2014</u>
Revenues:		
Toll revenue	\$ 53,592	\$ 39,968
Grant proceeds and other	<u>2,222</u>	<u>2,907</u>
Total revenues	<u>55,814</u>	<u>42,875</u>
Expenses:		
Administration	14,149	10,345
Professional services	2,754	3,324
Depreciation and amortization	<u>21,233</u>	<u>13,712</u>
Total expenses	<u>38,136</u>	<u>27,381</u>
Operating income	17,678	15,494
Total net nonoperating revenue (expenses)	<u>(41,913)</u>	<u>(17,611)</u>
Change in net position – before capital grants and contributions	(24,235)	(2,117)
Capital grants and contributions	<u>55,357</u>	<u>117,666</u>
Change in net position	31,122	115,549
Total net position at beginning of year – restated	<u>287,954</u>	<u>171,719</u>
Total net position at end of year	<u>\$ 319,076</u>	<u>\$ 287,268</u>

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital Assets**

As of June 30, 2015 and 2014, the Authority had invested approximately \$139.1 million and \$70.4 million, respectively, in construction in progress, including engineering fees and preliminary costs, such as funding, consulting, environmental, legal, and traffic analysis fees. Of the \$139.1 million of the construction in progress, the Project made up \$92.7 million of the total. See Table A-3.

# Central Texas Regional Mobility Authority

## Management's Discussion and Analysis – Continued

June 30, 2015 and 2014

**Table A-3**  
**Capital Assets**  
(Net of Depreciation, in Thousands of Dollars)

	<u>2015</u>	<u>2014</u>
Property and equipment	\$ 11,767	\$ 11,174
Toll road	823,229	811,413
Accumulated depreciation	(81,489)	(60,289)
Construction in progress	<u>139,132</u>	<u>70,459</u>
Net capital assets	<u>\$ 892,639</u>	<u>\$ 832,757</u>

### Long-Term Debt

As of June 30, 2015, the Authority had total debt outstanding of approximately \$794.8 million. See Table A-4.

On December 05, 2014 Moody's Investors Service ("Moody's") affirms the Baa2 senior lien and Baa3 subordinate lien revenue bond ratings of the Authority. Moody's rating outlook for the Authority is stable.

On October 14, 2014, Standard & Poor's ("Standard & Poor's") Ratings Services raised its long-term and underlying rating (SPUR) to "BBB" from "BBB-" on the Authority's outstanding senior lien revenue bonds. At the same time, Standard & Poor's raised its long-term rating and SPUR to "BBB-" from "BB+" on the Authority's subordinate lien revenue bonds. The outlook on all ratings is stable.

**Table A-4**  
**Total Debt**  
(In Thousands of Dollars)

	<u>2015</u>	<u>2014</u>
Total debt:		
Total bonds	\$ 787,833	\$ 774,502
Total notes	<u>7,030</u>	<u>8,350</u>
Total debt outstanding	<u>\$ 794,863</u>	<u>\$ 782,852</u>
Total debt service payments:		
Principal payments	\$ 4,794	\$ -
Interest payments	39,848	36,140

The total debt obligations include the current portion of the obligations of \$6,905,258 and \$3,475,000 for 2015 and 2014, respectively.

Additional information on the Authority's long-term debt can be found in Note 4 of this report.



# Central Texas Regional Mobility Authority

## Management's Discussion and Analysis – Continued

June 30, 2015 and 2014

### **ECONOMIC FACTORS AFFECTING THE FUTURE**

**System Projects** – The Authority entered into an agreement with TxDOT in connection with the development and construction of the proposed US 183 South-Bergstrom Expressway. See Note 12, Subsequent Event, for further information.

Effective September 4, 2015, the Authority executed a note payable in the amount of \$75 million in connection with the development and construction of the US 183 South-Bergstrom Expressway. See Note 12, Subsequent Event, for further information.

### **CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide interested parties with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Central Texas Regional Mobility Authority, 3300 North IH 35, Suite 300, Austin, 78705.

## Basic Financial Statements

# Central Texas Regional Mobility Authority

## Statement of Net Position

June 30, 2015

### CURRENT ASSETS

#### UNRESTRICTED

Cash and cash equivalents (note 2)	\$ 789,662
Investments (note 2)	681,177
Due from other agencies (note 9)	31,889,268
Accrued interest receivable	63,703
Prepaid expenses and other assets	23,130

TOTAL UNRESTRICTED 33,446,940

#### RESTRICTED

Cash and cash equivalents (note 2)	41,100,854
------------------------------------	------------

TOTAL RESTRICTED 41,100,854

TOTAL CURRENT ASSETS 74,547,794

### Noncurrent Assets

#### Restricted assets:

Cash and cash equivalents (note 2)	217,166,362
Investments (note 2)	35,330,381
Pension asset (note 8)	474,237

Total restricted assets 252,970,980

Property, toll roads, and equipment – net (note 3) 753,507,193

Construction work in progress (note 3) 139,131,886

Total assets 1,220,157,853

Deferred outflow of resources (note 5 and 8) 18,080,330

**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** \$ 1,238,238,183

### CURRENT LIABILITIES:

#### PAYABLE FROM CURRENT ASSETS

Accounts payable	\$ 406,874
Due to other agencies	593,317
Accrued expenses	337,805

TOTAL PAYABLE FROM CURRENT ASSETS 1,337,996

#### PAYABLE FROM RESTRICTED ASSETS

Accounts payable	14,337,815
Accrued interest payable	19,857,781
Bonds and notes payable – current portion	6,905,258

TOTAL PAYABLE FROM RESTRICTED ASSETS 41,100,854

TOTAL CURRENT LIABILITIES 42,438,850

### NONCURRENT LIABILITIES

Unearned revenue	88,765,187
Notes payable – net of current portion (note 4)	5,300,000
Revenue bonds payable – net of current portion (note 4)	782,657,697

TOTAL NONCURRENT LIABILITIES 876,722,884

**TOTAL LIABILITIES** 919,161,734

### NET POSITION

Investment in capital assets	122,739,839
Restricted	164,205,793
Unrestricted	32,130,817

TOTAL NET POSITION 319,076,449

**TOTAL LIABILITIES AND NET POSITION** \$ 1,238,238,183

See accompanying notes to the financial statements.

# Central Texas Regional Mobility Authority

## Statement of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2015

Operating revenues:	
Tolls	\$ 53,591,649
Grant proceeds and other	<u>2,222,384</u>
Total revenues	<u>55,814,033</u>
Operating expenses:	
Salaries and wages	3,058,056
Toll contractual services	4,949,771
Professional services	2,754,282
General and administrative	6,140,700
Depreciation and amortization	<u>21,232,500</u>
Total operating expenses	<u>38,135,309</u>
Operating income	<u>17,678,724</u>
Nonoperating revenues (expenses):	
Interest income – net of interest capitalized (note 2)	403,746
Interest expense	<u>(42,316,763)</u>
Total nonoperating revenue (expenses)	<u>(41,913,017)</u>
Change in net position, before capital grants and contributions	<u>(24,234,293)</u>
Capital grants and contributions	55,356,993
Change in net position	31,122,700
Total net position at beginning of year – as restated (note 11)	<u>287,953,749</u>
Total net position at end of year	<u><u>\$ 319,076,449</u></u>

*See accompanying notes to the financial statements.*

# Central Texas Regional Mobility Authority

## Statement of Cash Flows

Year Ended June 30, 2015

<b>Cash Flows From Operating Activities</b>	
Receipts from toll fees	\$ 54,805,045
Receipts from grants and other income	2,222,384
Payments to vendors	(15,235,177)
Payments to employees	<u>(3,100,566)</u>
Net cash flows provided by operating activities	<u>38,691,686</u>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Payments on interest	(39,848,965)
Payments on bonds	(4,794,562)
Acquisitions of construction in progress	(77,977,200)
Payments on Travis County project	(12,073,766)
Proceeds from grants	102,330,315
Proceeds from contributed capital	<u>13,000,000</u>
Net cash flows used in capital and related financing activities	<u>(19,364,178)</u>
<b>Cash Flows From Investing Activities</b>	
Interest income	454,056
Purchase of investments	(70,698,427)
Proceeds from sale or maturity of investments	<u>100,390,050</u>
Net cash flows provided by investing activities	<u>30,145,679</u>
Net increase in cash and cash equivalents	49,473,187
Cash and cash equivalents at beginning of year	<u>209,583,691</u>
Cash and cash equivalents at end of year	<u>\$ 259,056,878</u>
<b>Reconciliation of Change in Net Assets to Net Cash Provided By Operating Activities</b>	
Operating income	\$ <u>17,678,724</u>
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation and amortization	21,232,500
Changes in assets and liabilities:	
Decrease in account receivable	1,263,706
Decrease in prepaid expenses and other assets	253,623
Decrease in accounts payable	(1,079,148)
Decrease in accrued expenses	(407,896)
Increase in deferred outflow of resources	<u>(249,823)</u>
Total adjustments	<u>21,012,962</u>
Net cash flows provided by operating activities	<u>\$ 38,691,686</u>
<b>Reconciliation of Cash and Cash Equivalents</b>	
Unrestricted cash and cash equivalents	\$ 789,662
Restricted cash and cash equivalents:	
Current	41,100,854
Noncurrent	<u>217,166,362</u>
Total	<u>\$ 259,056,878</u>

See accompanying notes to the financial statements.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

### 1. Organization and Summary of Significant Accounting Policies

The financial statements of the Central Texas Regional Mobility Authority (the "Authority") 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 more significant of the Authority's accounting policies are described below:

**A. Reporting Entity** – The Authority was authorized by the State of Texas in 2002. The Authority is authorized to construct, maintain, repair, and operate turnpike projects at locations authorized by the Legislature of the State of Texas and approved by the State Department of Transportation. The Authority receives its revenues from tolls, fees, grants, and rents from the operation of turnpike projects. The Authority may issue revenue bonds for the purpose of paying the costs of turnpike projects.

The Authority was formed through the joint efforts of Travis and Williamson Counties (the "Counties"). Their efforts began in September 2002, following the enactment of provisions by the 77<sup>th</sup> Texas Legislature authorizing the formation of regional mobility authorities ("RMAs"). The petition to form the Authority was filed by the Counties, and the Texas Transportation Commission granted approval for its formation in October 2002. The Counties appointed its initial board of directors in January 2003. Each County appointed three directors, and the Governor appointed the presiding officer. The members are appointed in belief that the composition of the board and the common interest in the region shared by all board members will result in adequate representation of all political subdivisions within the geographic area of the RMA and serve without pay for terms of two years. The Authority has full control over all operations, but must comply with certain bond indentures and trust agreements. The Authority employs an Executive Director who manages the day-to-day operations.

In evaluating how to define the Authority for financial reporting purposes, management has determined there are no entities over which the Authority exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the Authority. Since the Authority does not exercise significant influence or accountability over other entities, it has no component units.

**B. Basis of Accounting** – The operations of the Authority are accounted for within a single proprietary (enterprise) fund through which all financial activities are recorded. The measurement focus for an enterprise fund is the flow of economic resources. An enterprise fund follows the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operations are included on the Statements of Net Position. Net position (i.e., total assets and deferred outflows net of total liabilities and deferred inflows) is segregated into amounts of net investment in capital assets, amounts restricted for capital activity and debt service, and amounts which are unrestricted. 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 and depreciation of assets is recognized.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

- C. Cash, Cash Equivalents, and Investments** – Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. These deposits are fully collateralized or covered by federal depository insurance.

Investments are reported at fair value based on quoted prices for fixed income securities and net asset values per share for investment in mutual funds. The net change in fair value of investments is recorded on the Statement of Revenues, Expenses, and Changes in Net Position and includes the unrealized and realized gains and losses on investments.

The Authority's investment practices are governed by State statutes, the Authority's own investment policy and bond indentures, and the Texas Public Funds Investment Act.

- D. Compensated Absences** – Vested or accumulated vacation leave is recorded as an expense and a liability as the benefits accrue to employees. There are no accumulating sick leave benefits that vest for which any liability must be recognized.

- E. Capital Assets** – Capital assets, which include property, equipment, and infrastructure assets, are reported at cost. Capital assets acquired through contributions, such as those from developers or other governments, are recorded at estimated fair value at the date of donation. Capital assets are defined as assets with initial, individual costs exceeding \$500 to \$20,000, depending on the asset category. Depreciation is computed on the straight-line method over the following estimated useful lives:

Roads and bridges – 40 years  
Improvements – 5-20 years  
Buildings – 20-30 years  
Equipment – 3-10 years

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

The Authority capitalizes interest cost of restricted tax-exempt borrowings less any interest earned on temporary investment of the proceeds of those borrowings from the date of borrowing until the specified qualifying assets acquired with those borrowings are ready for their intended use.

The Authority tests for impairment of capital assets when significant unexpected decline in service utility occurs. There were no asset impairments in fiscal year 2015.

- F. Grants and Contributions** – Revenues from contributions include cash contributions from other governments and right-of-way property that is restricted to meeting the operational or capital requirements of a particular program.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

The Authority has entered into several grant agreements with the Texas Department of Transportation (“TxDOT”) for construction costs using Highway Planning and Construction federal funding and certain state funding for transportation improvements. During the year ended June 30, 2015, the Authority received approximately \$116 million from TxDOT. The Authority does not recognize the recognition of revenue when funds are received in advance of when the amounts are earned. Revenues from federal and state grants are recognized as earned when the related program expenses are incurred and all eligibility requirements have been met. As of June 30, 2015, there was approximately \$88 million unearned grant revenue.

During the year ended June 30, 2015, the Authority received grant revenue from contracts funded through federal and state governments. It is possible that at some time in the future these contracts could terminate or funding could be reduced. However, the Authority does not currently expect these contracts will be terminated or funding will be reduced in the near future.

- G. Restricted Assets** – Certain proceeds of the Authority’s bonds and grants, as well as certain other resources, are classified as restricted assets in the Statement of Net Position because they are maintained in separate investment accounts and their use is limited by applicable bond covenants and grant agreements. When the grant proceeds are restricted for the acquisition of construction of noncurrent assets or are restricted for liquidation of long-term debt, then they are further classified as noncurrent restricted assets. The Authority’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.
- H. Income Taxes** – The Authority 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 a 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.
- I. Pensions** – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority’s participation in the Texas County and District Retirement System (“TCDRS”), an Agent Plan, and additions to/deductions from TCDRS’s fiduciary net position have been determined on the same basis as they are reported by TCDRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.
- J. Deferred Outflows of Resources** – The Authority has classified as deferred outflows of resources certain items that represent a consumption of resources that applies to a future period and, therefore, will not be recognized as an expense until then.
- K. Bond Premiums, Discounts, and Issuance Costs** – The Authority amortizes premiums and discounts over the estimated life of the bonds as an adjustment to capitalized interest using the effective interest method. Bond issuance cost, other than prepaid insurance, is expensed as incurred, in accordance with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.



# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

- L. Classification of Operating and Nonoperating Revenue and Expenses** – The Authority defines operating revenues and expenses as those revenues and expenses generated by the Authority’s Tolling System. It also includes all revenues and expenses not related to capital and related financing; noncapital financing or investing activities. This definition is consistent with the codification of Government and Financial Reporting Standards, 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, noncapital financing or investing activities. All revenues and expense not meeting this definition are reported as nonoperating revenue and expenses.
- M. Estimates** – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Examples of management’s use of estimates and assumptions include, but are not limited to, depreciable lives and estimated residual value of property and equipment, and the valuation of investments.
- N. Subsequent Events** – The Authority evaluates events that occur subsequent to the statement of financial position date of periodic reports, but before financial statements are issued for periods ending on such dates, for possible adjustment to such financial statements or other disclosure. This evaluation generally occurs through the date at which the Authority’s financial statements are issued. For the financial statements as of and for the year ended June 30, 2015 this date was September 11, 2015.
- O. Recent Accounting Pronouncements** – GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Governments should organize these disclosures by type of asset or liability reported at fair value. It also requires additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent).

The provisions of this statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged.

The Authority intends to apply GASB Statement No. 72 for fiscal years beginning after June 15, 2015. The statement is not expected to have a material impact on the Authority’s financial position, results of operations, or cash flows.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

### 2. Cash and Investments

The Authority's Board has adopted an Investment Policy to set forth the factors involved in the management of investment assets for the Authority. The Authority seeks to mitigate risk by investing in compliance with the investment policy, State statutes, and bond indenture provisions by qualifying the broker or financial institution with whom the Authority will transact business, maintaining sufficient collateralization, portfolio diversification, and limiting maturities.

As of June 30, 2015, the Authority had the following investments:

<u>Summary of Investments by Type</u>	
Cash and cash equivalents	\$ 259,056,878
TexSTAR Investment Pool	7,300,174
United States government agency securities:	
Federal Home Loan Mortgage Corp.	<u>28,711,384</u>
Total cash and investments	<u>\$ 295,068,436</u>
Unrestricted cash and cash equivalents	789,662
Unrestricted investments	681,177
Restricted cash and cash equivalents:	
Current	41,100,854
Noncurrent	217,166,362
Restricted investments	<u>35,330,381</u>
Total cash and cash equivalent and investments – as reported on the Statement of Net Position	<u>\$ 295,068,436</u>

#### ***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 Authority 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. The Authority has a formal policy specific to custodial credit risk, which requires bank deposit accounts to be collateralized with pledged securities equal to 105% of the carrying value.

There is no limit on the amount the Authority may deposit in any one institution. The Authority was fully collateralized with pledged securities for amounts in excess of the Federal Deposit Insurance Corporation limit for the year ended June 30, 2015.

***Investments*** – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the Authority, and are held by the counterparty, its trust, or agent, but not in the Authority's name. The Authority's investment securities are not exposed to custodial credit risk because all securities are held by the Authority's custodial bank in the Authority's name.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

**Concentration of Credit Risk** – Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority’s investment in a single issuer. The Authority is authorized to invest funds in accordance with its investment policy, bond indentures, and the Texas Public Funds Investment Act. Authorized investments include, but are not limited to: United States Treasury and federal agency issues, certificates of deposit issued by a state or national bank domiciled in the State of Texas, repurchase agreements collateralized by United States Treasury or federal agency securities, guaranteed investment contracts (“GICs”), obligations of states and municipalities, Securities and Exchange Commission (“SEC”) registered no-load money market mutual funds, and local government investment funds.

With regards to investment composition, the Authority’s investment policy currently states that local government investment pools may not exceed 80% of the total investment portfolio less bond funds. Bond funds may be invested at 100% of total investment portfolio. No other parameters for investment composition are stated in the approved investment policy.

As of June 30, 2015, the Authority’s portfolio consisted of the following:

TexSTAR Investment Pool	20.3%
United States government agency securities	79.7%

**Interest Rate Risk** – Interest rate risk is the risk that the changes in interest rates will adversely affect the fair value of an investment. Interest rate risk may be mitigated by investing operating funds primarily in shorter term securities, money market funds or similar investment pools and limiting the average maturity of the portfolio.

The Authority’s investment policy notes that with regard to maximum maturities, the Authority will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Authority will not directly invest operating or general funds in securities maturing more than 16 months from the date of purchase, unless approved by the Authority’s Board. Investment of bond proceeds shall not exceed the projected expenditure schedule of the related project. Reserve funds may be invested in securities exceeding 12 months if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

As of June 30, 2015, all of the Authority’s investments in debt securities mature within one year.

**Local Government Investment Pool** – The Texas Short-Term Asset Reserve Fund (“TexSTAR”) is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Chapter 791, of the Texas Government Code, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. TexSTAR is managed by a 10 member board of trustees who has contracted with JPMorgan Investment Management, Inc. and First Southwest Asset Management, Inc. to administer the operations of the fund. TexSTAR is rated AAA by Standard & Poor’s and maintains a weighted average maturity of 60 days or less, with a maximum maturity of 13 months for any individual security. The amounts can be withdrawn with limited notice.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

Although TexSTAR is not registered with the SEC as an investment company, the Authority believes it operates as a Rule 2a7 like pool, as discussed in GASB Statement No. 59. As such, the Authority uses amortized cost to report its investments.

The Chief Financial Officer of the Authority is the President of TexSTAR. The Authority has investments of \$7.3 million in TexSTAR as of June 30, 2015.

**Credit Risk** – Credit risk is the risk than an issuer or other counterparty to an investment will not fulfill its obligations to the Authority. To help mitigate credit risk, credit quality guidelines are incorporated into the investment policy, as follows:

- Limiting investments to the safest types of securities, as listed above under the Concentration of Credit Risk section
- Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the Authority will do business

### 3. Capital Assets

The following schedule summarizes the capital assets of the Authority as of June 30, 2015.

Property, toll road, and equipment as of June 30, 2015:

	<u>2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>2015</u>
Property and equipment	\$ 11,174,332	\$ 42,724	\$ (32,692)	\$ 582,890	\$ 11,767,254
Toll road					
Building and toll facilities	7,073,225	-	-	-	7,073,225
Highways and bridges	664,681,779	137,935	-	9,551,275	674,370,989
Toll equipment	27,600,560	-	-	99,492	27,700,052
Signs	12,860,829	-	-	140,873	13,001,702
Land improvements	14,044,774	-	-	198,985	14,243,759
Right of way	85,152,005	-	-	1,686,915	86,838,920
Accumulated depreciation	<u>(60,288,900)</u>	<u>(21,232,500)</u>	<u>32,692</u>	<u>-</u>	<u>(81,488,708)</u>
Net property and equipment	<u>\$ 762,298,604</u>	<u>\$ (21,051,841)</u>	<u>\$ -</u>	<u>\$ 12,260,430</u>	<u>\$ 753,507,193</u>

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

Construction in progress as of June 30, 2015:

	<u>2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>2015</u>
Construction in progress:					
Preliminary costs	\$ 67,228,998	\$ 74,164,915	\$ -	\$ (8,878,926)	\$ 132,514,987
Engineering	10,249	(10,249)	-	-	-
Construction	1,540,456	4,254,445	-	(2,098,303)	3,696,598
Collection system	1,209,736	2,435,044	-	(1,282,987)	2,361,793
Capitalized interest	469,223	89,499	-	(214)	558,508
Net construction in progress	<u>\$ 70,458,662</u>	<u>\$ 80,933,654</u>	<u>\$ -</u>	<u>\$ (12,260,430)</u>	<u>\$ 139,131,886</u>

Depreciation expense for the year ended June 30, 2015 totaled \$21,232,500.

As of June 30, 2015, the Authority has non-system construction in progress of approximately \$92 million relating to the MoPac Improvement Project, which is being funded with grant funds from TxDOT.

#### 4. Notes and Bonds Payable

The following schedule summarizes total notes and bonds payable for the year ended June 30, 2015:

	<u>2014</u>	<u>Additions/ Amortization</u>	<u>Payments</u>	<u>2015</u>	<u>Due within One Year</u>
Draw Down Note	\$ 3,049,820	\$ -	\$ (1,319,562)	\$ 1,730,258	\$ 1,730,258
American Bank note payable	5,300,000	-	-	5,300,000	-
Total notes	<u>8,349,820</u>	<u>-</u>	<u>(1,319,562)</u>	<u>7,030,258</u>	<u>1,730,258</u>
Series 2010 Obligations	94,879,710	-	(140,000)	94,739,710	-
Series 2010 CAB accretion	13,247,404	3,734,194	-	16,981,598	-
Total 2010 Bonds – net	<u>108,127,114</u>	<u>3,734,194</u>	<u>(140,000)</u>	<u>111,721,308</u>	<u>-</u>
Series 2011 Obligations	375,929,944	-	-	375,929,944	-
Series 2011 CAB accretion	2,050,998	705,232	-	2,756,230	-
Total 2011 Bonds – net	<u>377,980,942</u>	<u>705,232</u>	<u>-</u>	<u>378,686,174</u>	<u>-</u>
Series 2013 Obligations	288,420,000	-	(3,335,000)	285,085,000	5,175,000
Total 2013 Bonds – net	<u>288,420,000</u>	<u>-</u>	<u>(3,335,000)</u>	<u>285,085,000</u>	<u>5,175,000</u>
Net (premium) discount on revenue bonds payable	15,517,745	-	(3,177,530)	12,340,215	-
Total notes and bonds payable – net	<u>\$ 798,395,621</u>	<u>\$ 4,439,426</u>	<u>\$ (7,972,092)</u>	<u>\$ 794,862,955</u>	<u>\$ 6,905,258</u>

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

**Series 2010 Obligations** – The Authority issued its Series 2010 Senior Lien Revenue Bonds and Taxable Series 2010 Subordinate Lien Revenue Build America Bonds (“Series 2010 Subordinate Lien BABs”) on March 1, 2010, collectively called the Series 2010 Obligations. The Series 2010 Senior Lien Revenue Bonds were issued in part as Current Interest Bonds (“Series 2010 CIBs”) and in part as Capital Appreciation Bonds (“Series 2010 CABs”). The Series 2010 Subordinate Lien BABs were refunded and redeemed in whole by the Authority on June 5, 2013.

The proceeds from the Series 2010 Obligations were used to (i) finance a portion of the costs of the 183A Phase II Project; (ii) currently refund and redeem, in whole, the Authority’s outstanding Revenue Notes, Taxable Series 2009; (iii) pay capitalized interest with respect to the Series 2010 Obligations; (iv) make a deposit to the Senior Lien Debt Service Reserve Fund and the Subordinate Lien Debt Service Reserve Fund; and (v) pay certain issuance costs of the Series 2010 Obligations.

The Series 2010 CIBs are scheduled to mature in 2017 through 2025. Interest on the Series 2010 CIBs is calculated on the basis of a 360-day year of 12, 30-day months at the rate of 5.75%. Interest on the Series 2010 CIBs is payable on each July 1 and January 1, commencing July 1, 2010. As of June 30, 2015, the outstanding principal amount is \$59.8 million.

The Series 2010 CABs are scheduled to mature in 2025 through 2040 at an aggregated maturity amount of \$176.1 million. The principal amount of \$34.9 million of the Series 2010 CABs represents the total amount of outstanding principal before the accreted and compounded interest as of June 30, 2015. As of June 30, 2015, the aggregate maturity amount is \$34.9 million plus the accretion of \$17 million.

Interest on the Series 2010 CABs will accrete from the date of initial delivery to stated maturity at rates ranging from 7.20% to 7.85% and will compound on each July 1 and January 1, commencing July 1, 2010. Such accreted and compounded interest will be paid as part of the maturity amount at stated maturity.

The amount of accumulated accreted interest on the Series 2010 CABs as of June 30, 2015 is \$17 million. The accumulated accreted interest is added to the outstanding principal on July 1 and January 1 of each year beginning July 1, 2010.

Under the bond indenture relating to the Series 2010 Obligations, the debt service reserve fund for the Series 2010 Senior Lien Revenue Bonds requires an amount equal to the least of (i) the maximum annual debt service of all outstanding senior lien obligations, (ii) 1.25 times the average annual debt service of all outstanding senior lien obligations, or (iii) 10% of the aggregate amount of the outstanding senior lien obligations, as determined on the date each series of senior lien obligations is issued.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

**Series 2011 Obligations** – The Authority issued its Series 2011 Senior Lien Revenue Bonds and Series 2011 Subordinate Lien Revenue Bonds on June 29, 2011, collectively called the Series 2011 Obligations. The Series 2011 Senior Lien Revenue Bonds were issued in part as Current Interest Bonds (“Series 2011 CIBs”) and in part as Capital Appreciation Bonds (“Series 2011 CABs”).

A portion of the proceeds from the Series 2011 Obligations was used to (i) prepay a State Infrastructure Bank loan in full, (ii) redeem the Authority’s Series 2010 Notes in whole, (iii) pay capitalized interest with respect to the Series 2011 Obligations, (iv) make a deposit to the Senior Lien Debt Service Reserve Fund and the Subordinate Lien Debt Service Reserve Fund, and (v) pay certain issuance costs of the Series 2011 Obligations. The remaining proceeds of the Series 2011 Obligations were used to finance a portion of the costs of the Manor Expressway Phase II Project and as otherwise authorized in the Indenture.

The Series 2011 CIBs are scheduled to mature starting in 2026 through 2046. Interest on the Series 2011 CIBs is calculated on the basis of a 360-day year of 12, 30-day months at rates ranging from 5.75% to 6.25%. Interest on the Series 2011 CIBs is payable on each July 1 and January 1, commencing January 1, 2012. As of June 30, 2015, the outstanding principal amount is \$295.9 million.

The Series 2011 CABs are scheduled to mature starting in 2022 through 2026 at an aggregated maturity amount of \$22.1 million. The principal amount of \$9.9 million for the Series 2011 CABs represents the total amount of outstanding principal before the accreted and compounded interest as of June 30, 2015. As of June 30, 2015, the aggregate maturity amount is \$9.9 million plus the accretion of \$2.7 million.

Interest on the Series 2011 CABs will accrete from the date of initial delivery to stated maturity at rates ranging from 5.9% to 6.5% and will compound on each July 1 and January 1, commencing July 1, 2011. Such accreted and compounded interest will be paid as part of the maturity amount at stated maturity.

The amount of accumulated accreted interest on the Series 2011 CABs as of June 30, 2015 is \$2.7 million. The accumulated accreted interest is added to the outstanding principal on July 1 and January 1 of each year beginning July 1, 2011.

The Series 2011 Subordinate Lien Bonds are scheduled to mature starting in 2023 through 2041. Interest on the Series 2011 Subordinate Lien Bonds is calculated on the basis of a 360-day year of 12, 30-day months at the rate of 6.75%. Interest on the Series 2011 Subordinate Lien Bonds is payable on each July 1 and January 1, commencing January 1, 2012. As of June 30, 2015, the outstanding principal amount is \$70 million.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

Under the bond indenture relating to the Series 2011 Obligations, the debt service reserve fund for the Series 2011 Senior Lien Revenue Bonds requires an amount equal to the least of (i) the maximum annual debt service of all outstanding senior lien obligations, (ii) 1.25 times the average annual debt service of all outstanding senior lien obligations, or (iii) 10% of the aggregate amount of the outstanding senior lien obligations, as determined on the date each series of senior lien obligations is issued. The debt service reserve fund for the Series 2011 Subordinate Lien Bonds requires an amount equal to the least of (i) the maximum annual debt service on the Series 2011 Subordinate Lien Bonds, (ii) 1.25 times the average annual debt service on the Series 2011 Subordinate Lien Bonds, or (iii) 10% of the stated principal amount of the Series 2011 Subordinate Lien Bonds.

**Series 2013 Obligations** – The Authority issued its Series 2013A Senior Lien Revenue Refunding Bonds (“Series 2013A Senior Lien Bonds”), Series 2013B Senior Lien Revenue Refunding Put Bonds (“Series 2013B Senior Lien Put Bonds”), and Series 2013 Subordinate Lien Revenue Refunding Bonds (“Series 2013 Subordinate Lien Bonds”), collectively called the Series 2013 Obligations, on May 16, 2013.

The proceeds from the Series 2013 Obligations were used to (i) refund the Authority’s Series 2005 Senior Lien Revenue Bonds, the Authority’s 2005 TIFIA Bond, and the Authority’s Series 2010 Subordinate Lien BABs, (ii) make a deposit to the Subordinate Lien Debt Service Reserve Fund, and (iii) pay certain issuance costs of the Series 2013 Obligations.

The Series 2013A Senior Lien Bonds were issued as current interest bonds in the aggregate amount of \$155.8 million and are scheduled to mature on dates ranging from 2016 through 2043. Interest on the Series 2013A Senior Lien Bonds is calculated on the basis of a 360-day year of 12, 30-day months at a rate of 5%. Interest on the Series 2013A Senior Lien Bonds is payable on each July 1 and January 1, commencing July 1, 2013. As of June 30, 2015, the outstanding principal amount is \$152.5 million.

The Series 2013B Senior Lien Put Bonds were issued as current interest bonds in the aggregate amount of \$30 million, constitute variable rate obligations under the bond indenture, and are scheduled to mature starting on 2039 through 2045. Through the period that commenced on the issuance date thereof and ends on January 3, 2016 (initial multiannual rate period), the Series 2013B Senior Lien Put Bonds will bear interest at a rate of 3% per annum. Commencing on January 4, 2016, the Bonds are subject to mandatory tender at a purchase price equal to the principal amount thereof plus accrued interest to such purchase date. If, on such date, all Series 2013B Senior Lien Put Bonds are not successfully remarketed, the Authority has no obligation to purchase such Bonds on such date, and all Series 2013B Senior Lien Put Bonds will continue to be outstanding and will bear interest at a rate of 9% per annum until subsequently remarketed. As of June 30, 2015, the outstanding principal amount is \$30 million.

Interest on the Series 2013B Senior Lien Put Bonds during the initial multiannual rate period is payable on each July 1 and January 1, commencing July 1, 2013. Pursuant to the terms of the bond indenture, the Series 2013B Senior Lien Put Bonds are subject to conversion to another interest rate mode following the initial multiannual rate period.



# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

The Series 2013 Subordinate Lien Bonds are scheduled to mature in 2016 through 2042. Interest on the Series 2013 Subordinate Lien Bonds is calculated on the basis of a 360-day year of 12, 30-day months at the rate of 5%. Interest on the Series 2013 Subordinate Lien Bonds is payable on each July 1 and January 1, commencing July 1, 2013. As of June 30, 2015, the outstanding principal amount is \$102.5 million.

**Draw Down Note Facility** – In December 2011, the Authority entered into a secured loan agreement with a bank for a secured draw down note facility in an aggregate amount up to \$5 million (the “Draw Down Note”).

The loan bears interest at the one-month LIBOR rate plus 2.85%. The Draw Down Note matures on December 15, 2015 and requires monthly interest payments on outstanding balances. Certain funds of the Authority are collateral for the Draw Down Note.

Proceeds from the Draw Down Note are to be used to pay (i) expenses of studying the cost, design, engineering, and feasibility of transportation projects; (ii) expenses associated with securing the Draw Down Note; and (iii) the reimbursement to the Authority of costs attributable to certain preliminary cost and feasibility and other expenses relating to the preparation of financing of the transportation projects incurred prior to the execution of the Draw Down Note.

During fiscal year 2015, the Authority did not receive loan proceeds under the Draw Down Note and made principal and interest payments of \$1.3 million. The Draw Down Note has an outstanding balance of \$1.7 million as of June 30, 2015.

**2013 Note** – In June 2013, the Authority entered into a secured loan agreement with a bank for an aggregate principal amount not to exceed \$5,300,000 (the “Loan”). The Loan bears interest at 2.25% per annum and matures on January 1, 2019. The Loan requires semiannual interest payments on the outstanding balance starting January 1, 2013. Certain funds of the Authority are collateral for the Loan.

Proceeds from the Loan are to be used to pay (i) expenses of studying the cost, design, engineering, and feasibility of transportation projects; (ii) expenses associated with securing the Loan; and (iii) the reimbursement to the Authority of costs attributable to certain preliminary cost and feasibility and other expenses relating to the preparation of financing of the transportation projects incurred prior to the execution of the Loan.

The Authority received no loan proceeds during fiscal year 2015 under the Loan. The Loan has an outstanding balance of \$5.3 million as of June 30, 2015.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

***Future Payments on Debt Obligations*** – Future payments of principal and interest on the Draw Down Note, 2013 Note, Series 2010 Senior Lien Revenue Bonds, Series 2011 Obligations and Series 2013 Obligations (based on the scheduled payments) as of June 30, 2015 are as follows:

	<u>Current Interest Bonds</u>		<u>Capital Appreciation Bonds</u>		<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 5,175,000	\$ 39,715,563	\$ -	\$ -	\$ 1,730,258	\$ 149,301
2017	6,315,000	39,673,963	-	-	1,730,000	119,250
2018	8,275,000	39,290,957	-	-	1,765,000	80,325
2019	11,025,000	38,798,388	-	-	1,805,000	40,613
2020	12,800,000	36,941,594	-	-	-	-
2021-2025	78,210,000	179,609,227	12,037,024	16,257,976	-	-
2026-2030	92,670,000	157,173,713	16,708,205	43,636,795	-	-
2031-2035	126,635,000	127,301,688	9,945,013	46,439,988	-	-
2036-2040	170,520,000	86,724,050	6,309,414	46,915,587	-	-
2041-2045	167,510,000	33,861,563	-	-	-	-
2046-2050	31,620,000	1,976,250	-	-	-	-
	<u>\$ 710,755,000</u>	<u>\$ 781,066,956</u>	<u>\$ 44,999,656</u>	<u>\$ 153,250,346</u>	<u>\$ 7,030,258</u>	<u>\$ 389,489</u>
	<b><u>Total Debt Service</u></b>					
	<u>Principal</u>	<u>Interest</u>				
2016	\$ 6,905,258	\$ 39,864,864				
2017	8,045,000	39,793,213				
2018	10,040,000	39,371,282				
2019	12,830,000	38,839,001				
2020	12,800,000	36,941,594				
2021-2025	90,247,024	195,867,203				
2026-2030	109,378,205	200,810,508				
2031-2035	136,580,013	173,741,676				
2036-2040	176,829,414	133,639,637				
2041-2045	167,510,000	33,861,563				
2046-2050	31,620,000	1,976,250				
	<u>\$ 762,784,914</u>	<u>\$ 934,706,791</u>				

A portion of the Series 2010 and 2011 Bonds were sold as Capital Appreciation Bonds (“CABs”). The accreted interest on the CABs is reflected on the Statement of Net Position as additional principal and is reflected in the interest column in this table in the amount of \$19,737,828.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

### 5. Deferred Outflow of Resources

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Authority has classified all of the difference between the reacquisition price and the net carrying amount of the defeased debt as a deferred outflow of resources. The deferred outflow of resources is amortized over the term of the defeased bonds and recognized as a component of interest expense annually. The Authority has also deferred certain pension related items in accordance with applicable pension standards as noted under Note 8.

As of June 30, 2015, the Authority's deferred outflow of resource balance is composed of the following:

Deferred outflows from bond refunding	\$ 17,828,905
Employer pension contribution	144,576
Difference in pension investment assumption	64,600
Experience changes	42,249
	<hr/>
	\$ 18,080,330
	<hr/> <hr/>

### 6. Rebatable Arbitrage

Current federal income tax law and the bond indentures require that certain arbitrage profits earned on nonpurpose investments attributable to outstanding tax-exempt bonds must be rebated to the United States Treasury. The Authority has not accrued any rebatable arbitrage as of June 30, 2015.

### 7. Risk Management

In conjunction with its normal operations, the Authority is exposed to various risks related to the damage or destruction of its assets from both natural and man-made occurrences; tort/liability claims; errors and omissions claims; and professional liability claims. As a result of these exposures, the Authority carries insurance with a governmental risk pool under an "all risks" policy. All categories of insurance coverage in place were either maintained at current levels or increased as to overall limits of coverage and reduction of self-retained risk so as to reduce the overall exposure of risk to the Authority. There were no settlements in excess of insurance coverage in 2015.

### 8. Employee Retirement Plan

**Plan Description** – The Authority participates in TCDRS. TCDRS is a non-profit public trust providing pension, disability, and death benefits for the eligible employees of participating counties and districts. TCDRS was established by legislative act in 1967 under authority of Article XVI of the Texas Constitution. The TCDRS Act (Subtitle F, Title 8, Texas Government Code) is the basis for TCDRS administration. TCDRS issues a publicly available annual financial report that includes financial statements and required supplementary information for the plan. That annual report may be downloaded at <http://www.tcdrs.com>.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

**Benefits Provided** – Effective the date of participation, the Authority provides retirement, disability and death benefits. A percentage of each employee’s paycheck is deposited into his or her TCDRS account. That percentage has been set by the Authority at 7% and has elected a matching rate of \$2 to \$1. The employee’s savings grow at a rate of 7%, compounded annually. At retirement, the employee’s account balance is combined with the Authority’s matching and converted into a lifetime monthly benefit. Employees receive a month of service time for each month that they make a deposit into their account. The amount of service an employee needs to earn a future benefit is called the vesting requirement. When an employee is vested, he or she has the right to a monthly benefit, which includes the employer matching contribution, at age 60 or older.

The Authority adopted a 10 year/Age 60 Retirement Eligibility described in Section 844.207 of the TCDRS Act, under which: (a) any TCDRS member who has 10 or more years of service credit with the District and other subdivisions that have adopted the provisions of Section 844.207 or 844.210, is a vested member and shall have the right to retire and receive a service retirement annuity after attaining age 60, unless the optional 8 year/age 60 Retirement Eligibility and/or Optional Rule 75 Retirement Eligibility is adopted, as allowed by the plan. The Authority has adopted both the Optional 8 year/Age 60 Retirement Eligibility, which allows an 8-year service eligibility requirement for vesting, service, and disability retirement; and Optional Rule 75, which allows the member to have the right to retire and receive service retirement annuity when years of such credited service added to his or her years of attained age equal or exceed 75.

Any TCDRS member who is a vested member may terminate employment with all participating subdivisions prior to attaining age 60, and remain eligible to retire and receive a service retirement annuity after attaining age 60 provided his or her membership is not terminated other than by retirement.

Any TCDRS member who is a vested member under Section 844.207(d) may retire and receive a disability retirement annuity if he or she is certified as disabled, as defined by the plan.

Any TCDRS member who has four or more years of service credit with the District and other subdivisions is eligible for purpose of the Survivor Annuity Death Benefit.

Retirees elect to receive their lifetime benefit by choosing one of seven actuarially equivalent payment options. Prior service gives employees monetary credit for time worked for an eligible organization before it joined the system. Buybacks allow current employees to re-establish a closed TCDRS account from previous service with an employer. Partial lump sum payments at retirement allow employees to withdraw part of their TCDRS account balance as a lump sum at retirement with a reduced monthly benefit. In addition, the Authority may choose to adopt a cost-of-living adjustment (“COLA”) for its retirees. This adjusts retiree benefits to restore purchasing power lost due to the effects of inflation.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

**Employees Covered by Benefit Terms** – At June 30, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	0
Inactive employees entitled to, but not yet receiving benefits	5
Active employees	<u>19</u>
Total	<u>24</u>

**Contributions** – Plan members and the Authority are required to contribute at a rate set by statute. The contribution requirements of plan members and the Authority are established and may be amended. For 2015, the contribution rate for the plan members was 7% of gross pay. The Authority pays a matching portion to the pension plan totaling 14% of gross pay for 2015, which totaled \$314,786 for 2015.

**Net Pension Liability** – The Authority's net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions** – The actuarial assumptions that determined the total pension liability as of December 31, 2014 were based on the results of an actuarial experience study for the period January 1, 2009 - December 31, 2012, except where required to be different by GASB Statement No. 68.

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	3.5% including inflation plus average merit of 1.4%
Investment rate of return	8.1%

Mortality rates were based on the following:

***Depositing members*** – RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

***Service retirees, beneficiaries, and nondepositing members*** – The RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females.

***Disabled retirees*** – RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA.

***Long-term rate of return on assets*** – The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS'

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

investment consultant. The numbers shown are based on January 2015 information for a 7-10 year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013.

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (Expected Minus Inflation) (2)
United States Equities	Dow Jones U.S. Total Stock Market Index	16.5%	5.4%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (3)	12.0%	8.4%
Global Equities	MSCI World (net) Index	1.5%	5.7%
International Equities – Developed	50% MSCI World Ex USA (net) + 50% MSCI World ex USA 100% Hedged to USD (net) Index	11.0%	5.4%
International Equities – Emerging	50% MSCI EM Standard (net) Index + 50% MSCI EM 100% Hedged to USD (net) Index	9.0%	6.4%
Investment – Grade Bonds	Barclays Capital Aggregate Bond Index	3.0%	0.6%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.0%	3.8%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	5.0%	5.5%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	2.0%	5.8%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.0%	6.8%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.0%	4.0%
Commodities	Bloomberg Commodities Index	2.0%	-0.2%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.0%	5.3%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	3.0%	7.2%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.0%	5.2%

- (1) Target asset allocation adopted at the April 2015 TCDRS Board meeting.
- (2) Geometric real rates of return in addition to assumed inflation of 1.7%, per investment consultant's 2015 capital market assumptions.
- (3) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.
- (4) Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

*Discount rate* – The discount rate used to measure the total pension liability was 8.1%. In order to determine the discount rate to be used by the employer, the TCDRS used an alternative method to determine the sufficiency of the fiduciary net position in all future years. The alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act.

- (1) TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability shall be amortized as a level percent of pay over 20-year closed layered periods.
- (2) Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

- (3) The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
- (4) Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

***Changes in Net Pension Liability (Asset)*** – Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the Authority is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB Statement No. 68 purposes. Therefore, the system has used a discount rate of 8.1%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.0%, net of all expenses, increased by 0.1% to be gross of administrative expenses.

<b>Changes in Net Pension Liability/(Asset)</b>			
<b>Changes in Net Pension Liability/(Asset)</b>	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Fiduciary Net Position (b)</b>	<b>Net Pension Liability/(Asset) (a) - (b)</b>
Balances as of December 31, 2013	\$ 3,418,425	\$ 3,946,226	\$ (527,801)
Changes for the year:			
Service cost	461,237	-	461,237
Interest on total pension liability (1)	295,209	-	295,209
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	46,943	-	46,943
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	-	-	-
Benefit payments	-	-	-
Administrative expenses	-	(3,345)	3,345
Member contributions	-	163,979	(163,979)
Net investment income	-	261,626	(261,626)
Employer contributions	-	327,807	(327,807)
Other (2)	-	(242)	242
Balances as of December 31, 2014	<u>\$ 4,221,814</u>	<u>\$ 4,696,051</u>	<u>\$ (474,237)</u>

- (1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.
- (2) Relates to allocation of system-wide items.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

**Sensitivity Analysis** – The following presents the net pension asset/liability of the Authority, calculated using the discount rate of 8.1%, as well as what the net pension asset/liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.1%) or 1 percentage point higher (9.1%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>7.1%</u>	<u>8.1%</u>	<u>9.1%</u>
Total pension liability	\$ 4,682,906	\$ 4,221,814	\$ 3,816,408
Fiduciary net position	4,696,051	4,696,051	4,696,051
Net pension liability (asset)	(13,145)	(474,237)	(879,643)

**Pension Plan Fiduciary Net Position** – Detailed information about the pension plan’s fiduciary net position is available in the separate issued TCDRS report.

**Pension Expense** – the Authority recognized the following pension related expense (income):

<u>Pension Expense/(Income)</u>	<u>January 1, 2014 to December 31, 2014</u>
Service cost	\$ 461,237
Interest on total pension liability (1)	295,209
Effect of plan changes	-
Administrative expenses	3,345
Member contributions	(163,979)
Expected investment return net of investment expenses	(342,377)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	4,694
Recognition of assumption changes or inputs	-
Recognition of investment gains or losses	16,150
Other (2)	243
	<hr/>
Pension expense	\$ <u>274,522</u>

(1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

(2) Relates to allocation of system-wide items.



# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

**Deferred Inflows and Outflows of Resources** – As of December 31, 2014, the deferred inflows and outflows of resources are as follows:

<u>Deferred Inflows/Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 42,249
Changes of assumptions	-	-
Net difference between projected and actual earnings	-	64,600
Contributions made subsequent to measurement date	-	144,576

Contributions made subsequent to the measurement date are eligible employer contributions made from January 1, 2015 through June 30, 2015. Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year ended December 31,	
2015	\$ 20,485
2016	20,485
2017	20,485
2018	20,485
2019	4,694
Thereafter	<u>20,216</u>
	<u>\$ 106,850</u>

The remaining balance to be recognized in future years (and included in the thereafter category), if any, will be impacted by additional future deferred inflows and outflows of resources.

### Schedule of Deferred Inflows and Outflows of Resources

	<u>Original Amount</u>	<u>Date Established</u>	<u>Original Recognition Period</u>	<u>Amount Recognized in 12/31/14 Expenses (1)</u>	<u>Balance of Deferred Inflows 12/31/2014</u>	<u>Balance of Deferred Outflows 12/31/2014</u>
Investment (gains) losses	\$ 80,751	12/31/2014	5	\$ 16,150	\$ -	\$ 64,600
Economic/demographic (gains) or losses	46,943	12/31/2014	10	4,694	-	42,249
Assumption changes or inputs	-	12/31/2014	10	-	-	-
Employer contributions made subsequent to measurement date	157,597		-	-	-	144,576

- (1) Investment losses are recognized in pension expense over a period of five years; economic/demographic losses and assumption changes or inputs are recognized over the average remaining service life for all active, inactive, and retired members.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

### 9. Disaggregation of Receivable and Payable Balances

Due from other agencies are comprised of current intergovernmental receivables and amounts due from other Texas tolling authorities related to toll tag transactions on the Authority's toll roads. The Authority does not issue toll tags; however, the Authority has contracted with TxDOT to handle customer service and operations related to the toll tag transactions at June 30, 2015. Accounts payable balances are comprised of 100% current payables to contractors and vendors at June 30, 2015.

As of June 30, 2015, the receivable from TxDOT comprises approximately 94% and the total balance are as follows:

TxDOT	\$ 30,151,439
Other agencies	<u>1,737,829</u>
Total	<u>\$ 31,889,268</u>

### 10. Commitments and Contingent Liabilities

#### Commitments

On May 2014, the Authority entered into a 10-year lease agreement for office space. The aggregate future minimum lease payments under the new lease are as follows:

Year ended December 31,	
2016	\$ 323,627
2017	335,395
2018	347,163
2019	358,932
2020	370,700
Thereafter	<u>1,113,407</u>
	<u>\$ 2,849,224</u>

The Authority's rental expense for fiscal year 2015 totaled \$373,000, which includes common area maintenance and property taxes.

The Authority has a capital improvement program for roadway construction projects extending into future years. As of June 30, 2015, the Authority has a capital budget of approximately \$1.095 billion for future toll projects, which may or may not materialize. Excluding the US 183 South-Bergstrom Expressway, which is described in Note 12, the Authority's contractual commitments related to its capital improvement plan are approximately \$221 million. The majority of the \$221 million is related to the MoPac Improvement Project and is expected to be funded by grant funds to be received by the Authority from TxDOT. All contracts contain a termination for convenience clause in which such contracts may be terminated, in whole or in part, for the convenience of the Authority.

# Central Texas Regional Mobility Authority

## Notes to the Financial Statements

June 30, 2015

### **Litigation**

As of June 30, 2015, the Authority is involved in various contract disputes on its construction projects. Based on the status of the claims and the information available, the Authority believes that a liability has not been incurred as of the date of the financial statements. The claims are for increased project costs relating to the MoPac Improvement Project and are approximately \$70 million. The Authority believes it has substantial defenses against these claims and the resolution of these matters will not have a material adverse effect on its financial statements.

### **11. Pension Restatement**

Effective July 1, 2014, the Authority implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68*. Upon adoption, net pension liability, deferred inflows and outflows and pension expense will now be reflected on the financial statements in accordance with the guidance provided for within the standards. The implementation resulted in a restatement of the beginning net position in 2015, the year in which the provisions of GASB Statement No. 68 were adopted. The adoption increased net position by \$685,398 and includes deferred outflows of resources of approximately \$157,000.

Net position at end of year – as previously reported	\$ 287,268,351
Implementation of GASB Statement Nos. 68 and 71	<u>685,398</u>
Net position at beginning of year – as restated	<u>\$ 287,953,749</u>

### **12. Subsequent Events**

**System Projects** – The Authority entered into an agreement with TxDOT in connection with the development and construction of the proposed US 183 South-Bergstrom Expressway in Travis County (“183S”). 183S is an 8-mile project to add three tolled lanes and three improved non-tolled frontage road lanes in each direction within the existing US 183 corridor. The Authority has received approval from TxDOT for financial assistance in the approximate amount of \$143 million, plus the value of the right-of-way, which is to be transferred from TxDOT to the Authority. The 183S project is expected to be financed with a combination of state and federal grants, revenue bonds, a TIFIA loan, and a TxDOT loan, and has a total estimated cost of \$743 million.

Effective September 4, 2015, the Authority executed a note payable with a bank in the amount of \$75 million in connection with the development and construction of 183S. The note payable has an interest rate of 0.70% and interest is payable on each January 1 and July 1. In the event the loan is not paid in full by January 1, 2016, the interest rate will be 1.79% commencing on January 1, 2016 and thereafter. The loan requires scheduled principal payments through January 1, 2018. The Authority anticipates prepaying the loan in full with a portion of the proceeds of the revenue bonds to be issued to finance a portion of the costs of 183S. The loan is secured by grant funds to be received by the Authority from TxDOT.

# Central Texas Regional Mobility Authority

## Required Supplementary Information – Pension Plan

June 30, 2015

### Schedule of Changes in Net Pension Assets and Related Ratios Year Ended December 31, 2014

Total pension liability:	
Service cost	\$ 461,237
Interest on total pension liability	295,209
Effect of plan changes	-
Effect of assumption changes or inputs	-
Effect of economic/demographic (gains) or losses	46,943
Benefit payments/refunds of contributions	<u>-</u>
Net change in total pension liability	803,389
Total pension liability at beginning of year	<u>3,418,425</u>
Total pension liability at end of year (a)	4,221,814
Fiduciary net position:	
Employer contributions	327,807
Member contributions	163,979
Investment income net of investment expense	261,626
Benefit payments/refunds of contributions	-
Administrative expenses	(3,345)
Other	<u>(242)</u>
Net change in fiduciary net position	749,825
Fiduciary net position at beginning of year	3,946,226
Fiduciary net position at end of year (b)	<u>4,696,051</u>
Net pension asset at end of year = (a) - (b)	\$ <u><u>(474,237)</u></u>
Fiduciary net position as a percentage of total pension liability	111.23%
Pensionable covered payroll	\$ 2,342,556
Net pension liability (asset) as a percentage of covered payroll	(20.24%)

The Schedule of Changes in Net Pension Assets and related Ratio disclosure is required for 10 years. The schedule noted above is the only year for which the new GASB Statements have been implemented.

# Central Texas Regional Mobility Authority

## Required Supplementary Information – Pension Plan – Continued

June 30, 2015

### Schedule of Employer Contributions

<u>Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll*</u>	<u>Actual Contribution as a Percentage of Covered Payroll</u>
2005	Not available	Not available	Not available	Not available	Not available
2006	\$ 129,061	\$ 129,061	\$ -	\$ 945,504	13.6%
2007	152,487	152,487	-	1,208,299	12.6%
2008	177,644	177,644	-	1,410,996	12.6%
2009	208,394	224,770	(16,376)	1,605,503	14.0%
2010	212,249	235,472	(23,222)	1,623,942	14.5%
2011	248,565	270,179	(21,614)	1,862,303	14.5%
2012	251,978	286,786	(34,811)	2,048,602	14.0%
2013	261,182	304,447	(43,266)	2,174,701	14.0%
2014	284,621	327,807	(43,187)	2,342,556	14.0%

\*Payroll is calculated based on contributions as reported to TCDRS.

# Central Texas Regional Mobility Authority

## Required Supplementary Information – Pension Plan – Continued

June 30, 2015

### Notes to Schedule of Employer Contributions and Net Pension Liability

#### *Actuarial Methods and Assumptions Used*

Following are the key assumptions and methods used in these schedules:

<b>Valuation Timing</b>	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
<b>Actuarial Cost Method</b>	Individual entry age normal cost method, as required by GASB Statement No. 68, used for GASB calculations. A slightly different version of the entry age normal cost method is used for the funding actuarial valuation.
<b>Asset Valuation Method</b> Smoothing period Recognition method Corridor	5 years Non-asymptotic None
<b>Economic Assumptions</b> Inflation Salary Increases  Investment Rate of Return  COLAs	3.0% 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee  8.1%  COLAs for the Authority are not considered to be substantively automatic under GASB Statement No. 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.

# Central Texas Regional Mobility Authority

## Required Supplementary Information – Pension Plan – Continued

June 30, 2015

### Demographic Assumptions

#### Retirement Age

#### Annual Rates of Service Retirement\*

<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Age</u>	<u>Male</u>	<u>Female</u>
40-44	4.5%	4.5%	62	25%	25%
45-49	9	9	63	16	16
50	10	10	64	16	16
51	10	10	65	30	30
52	10.5	10.5	66	25	25
53	10.5	10.5	67	24	24
54	10.5	10.5	68	22	22
55	11	11	69	22	22
56	11	11	70	22	22
57	11	11	71	22	22
58	12	12	72	22	22
59	12	12	73	22	22
60	14	14	74 **	22	22

\* Deferred members are assumed to retire (100% probability) at the later of: a) age 60 b) earliest retirement eligibility.

\*\* For all eligible members ages 75 and later, retirement is assumed to occur immediately.

**Other Terminations of Employment** — The rate of assumed future termination from active participation in the plan for reasons other than death, disability or retirement are all set at 0% and the rates do not vary by length of service, entry-age group (age at hire), and sex. No termination after eligibility for retirement is assumed.

# Central Texas Regional Mobility Authority

## Required Supplementary Information – Pension Plan – Continued

June 30, 2015

**Withdrawals** — Members who terminate may either elect to leave their account with TCDRS or withdraw their funds. The probability that a member elects a withdrawal varies by length of service and vesting schedule. Rates applied to your plan are shown in table below. For nondepositing members who are not vested, 100% are assumed to elect a withdrawal.

### Probability of Withdrawal

<u>Years of Service</u>	<u>Probability</u>	<u>Years of Service</u>	<u>Probability</u>
0	100%	15	40%
1	100	16	38
2	100	17	36
3	100	18	34
4	100	19	32
5	60	20	30
6	60	21	28
7	55	22	26
8	50	23	24
9	49	24	22
10	48	25	20
11	47	26	15
12	46	27	10
13	44	28*	5
14	42		

\*Members with more than 28 years of service are not assumed to refund.



**Federal Awards Section**



## Padgett Stratemann

### Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Directors  
Central Texas Regional Mobility Authority  
Austin, Texas

We have audited, 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, the financial statements of Central Texas Regional Mobility Authority (the "Authority") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 11, 2015.

#### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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 Authority's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weakness may exist that have not been identified.

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### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and the Public Funds Investment Act, 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 instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* or the Public Funds Investment Act.

### ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Padgett, Statemann + Co., LLP*

Austin, Texas

September 11, 2015



# Padgett Stratemann

## Independent Auditor's Report on Compliance For the Major Federal Program and on Internal Control Over Compliance as Required by *OMB Circular A-133*

To the Board of Directors  
Central Texas Regional Mobility Authority  
Austin, Texas

### ***Report on Compliance for a Major Federal Program***

We have audited Central Texas Regional Mobility Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended June 30, 2015. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grant agreements applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the Authority's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Authority's compliance with those requirements.

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### ***Opinion on the Major Federal Program***

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2015.

### ***Report on Internal Control Over Compliance***

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Padgett, Stratemann + Co., LLP*

Austin, Texas

September 11, 2015

# Central Texas Regional Mobility Authority

## Schedule of Findings and Questioned Costs

Year Ended June 30, 2015

### A. Summary of Auditor's Results

#### 1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes  X  None Reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes  X  No

#### 2. Federal Awards

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes  X  None Reported

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? \_\_\_\_\_ Yes  X  No

Identification of major programs:

CFDA Number(s) Name of Federal Program or Cluster

20.205 Highway Planning and Construction

Dollar threshold used to distinguish between type A and type B programs: \$ 1,490,978

Auditee qualified as low-risk auditee?  X  Yes \_\_\_\_\_ No

### B. Financial Statement Findings

None reported

### C. Federal Award Finding and Questioned Costs

None reported

# Central Texas Regional Mobility Authority

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2015

Grantor/Program Title	Federal CFDA Number	Grant Award Number	Federal Expenditures
<b>Highway Planning and Construction Cluster</b>			
<b>United States Department of Transportation:</b>			
Highway Planning and Construction	20.205	CSJ 3136-01-107	\$ 35,064,444
Highway Planning and Construction	20.205	CSJ 0151-05-100; 0151-05-101; 0151-05-102	2,506,068
Highway Planning and Construction	20.205	CSJ 0151-09-036; 0151-09-127; 0265-01-080; 0151-09-130	9,545,383
Highway Planning and Construction	20.205	CSJ 0700-03-077; 0113-08-060	447,628
Highway Planning and Construction	20.205	CSJ 0914-00-358; 0914-00-361	1,305,288
Highway Planning and Construction	20.205	CSJ 0265-01-110	<u>424,398</u>
<b>Total Highway Planning and Construction Cluster</b>			<u>49,293,209</u>
Highway Research and Development	20.200	CSJ 0914-00-373	299,814
Highway Research and Development	20.200	CSJ 0914-00-348	<u>106,258</u>
<b>Total Highway Planning and Construction Cluster</b>			<u>406,072</u>
<b>Total Federal Expenditures</b>			<u>\$ 49,699,281</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards

# Central Texas Regional Mobility Authority

## Note to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2015

### 1. Summary of Significant Accounting Policies

#### ***(a) Reporting Entity***

The Schedule of Expenditures of Federal Awards (the "Schedule") includes the activity of all federal programs administered by Central Texas Regional Mobility Authority (the "Authority"). The Authority's organization is defined in Note 1 of the Authority's basic financial statements. Because this schedule presents only a selected portion of the operations of the Authority, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the Authority.

#### ***(b) Basis of Presentation***

The Schedule presents total federal awards expended for each individual program in accordance with the OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

#### ***(c) Basis of Accounting***

The expenditures for each of the federal financial assistance programs are presented on the accrual basis of accounting, which is defined in Note 1 of the Authority's basic financial statements.

### 2. Relationship to Federal Financial Reports

The amounts reported in the financial reports agree with the amounts reported in the accompanying Schedule which is prepared on the basis explained in Note 1 of the Authority's financial statements.





**CENTRAL TEXAS  
Regional Mobility Authority**

Meeting Date: September 30, 2015  
AGENDA ITEM # 18

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Executive Director's Report

Strategic Plan Relevance: Regional Mobility  
Department: Executive  
Contact: Mike Heiligenstein, Executive Director  
Associated Costs: Not Applicable  
Funding Source: Not Applicable  
Action Requested: Briefing and Board Discussion Only

Summary:

Executive Director's Monthly Report

- A. Project Updates
- B. Proposal for a joint board meeting with the Capital Metro Board of Directors
- C. Discussion of Mobility Authority market and brand research
- D. Introduction of new Mobility Authority employees

Backup provided: Executive Director's Report



# PROJECT UPDATES

## MoPac Improvement Project



- An Executive Partnering Session was conducted on Sept. 9 with representatives of the Mobility Authority, TxDOT, CH2M and HNTB.
- A Project Status Update Meeting was conducted on Sept. 11 with Dispute Resolution Board members and representatives from the Mobility Authority, CH2M and HNTB.
- Drilled shaft foundations for retaining walls and sound walls are approximately 50% complete.
- The installation of sound wall columns and panels continues on the south end of the project. Installation will progress northward.
- Construction activities related to the 42" City waterline relocation are underway at the Camp Mabry and Camp Hubbard (TxDOT facility) locations.
- Paving operations have resumed, mostly on the northern half of the project.
- Excavation continues at the southbound undercrossing location.



*An example section of sound wall along the along MoPac Expressway.*

## 183 North Mobility Project



- The design exception package was submitted to TxDOT on May 22, and is currently under TxDOT review.
- Project Level Toll Analysis, Regional Toll Analysis (RTA), and MSAT revisions have been completed. The RTA is currently with CAMPO for review.
- 90% schematic design was submitted to the Mobility Authority and to TxDOT on June 2. It is currently under review.
- The draft environmental document was submitted to TxDOT ENV on June 5.
- Stakeholder outreach continues.

## MoPac South Environmental Study



- The project team is studying five Express Lane operational configuration concepts developed by the Mobility Authority and an additional operational configuration put forth for further study by the City of Austin. These options are under evaluation for geometric, environmental, and operational impacts. The concepts and information and the results of the additional evaluation will be presented in several stakeholder meetings and at a public open house planned for November.
- UT's Center for Traffic Research substantially completed their study of the downtown street

system for 2020 (opening year).

The Center evaluated how the downtown street system would operate if Express Lanes on MoPac South were not constructed in order to draw comparisons to how the downtown network would operate if one-lane and two-lane Express Lanes operational configurations (with and without direct connections to downtown) were constructed on MoPac South. The results will be presented to stakeholders at the November Open House.

### MoPac Intersections Environmental Study

- TxDOT's Environmental Division approved the draft Environmental Assessment (EA) as satisfactory for further processing. The document is available for public review on the project website.
- A Public Hearing was held July 30 at Bowie High School. More than 120 people attended and more than 300 official comments were received during the official comment period.
- A Sound Wall workshop was held on Sept. 3 for homeowners that would be adjacent to proposed sound walls. These adjacent homeowners were provided ballots, which allowed them to vote on whether or not a wall should be built near their home. The Wildflower Center and City of Austin Parks Department were also given opportunity to vote on walls adjacent to their property.
- Responses to official comments are being developed and the EA is being finalized for resubmittal to TxDOT. An Environmental Decision is expected later this year. Once the project is environmentally cleared, TxDOT will assume responsibility for final design and construction.

### SH 45SW Environmental Study



- The Mobility Authority's design team submitted 60% design plans in August. The Mobility Authority and TxDOT reviewed and provided comments.
- The design team has included design refinements which would reduce environmental impacts and

improve safety. These design refinements required a reevaluation of the environmental impacts in the area of the changes. The areas of reevaluation were presented to the public in a virtual open house and at two community meetings. Official comments were received from Aug. 14 to Aug. 21. The reevaluation documents were submitted to TxDOT in September for review and determination.

- The Mobility Authority, TxDOT, and the design team continue to regularly meet with BSEACD, City of Austin, and Travis County to provide status update and receive input on the design approach. There have been eleven coordination or working meetings to date.
- The construction plans are anticipated to be complete by the end of the year. Letting for construction is expected early next year.

### 183 South



- On May 27, the Board unanimously approved the Colorado River Constructors (Flour / Balfour Beatty) as the design/build contractor for the 183 South Project. Final negotiations are now complete. Contract execution occurred on July 29 with Notice to Proceed 1 occurring on Sept. 10 allowing design to commence and construction to stay on schedule with launch in early 2016.
- Statements of Qualification for construction inspection, survey, and materials testing teams were evaluated by staff. Construction inspection's evaluation process continued on with two sets of interviews. It is anticipated that the results of all three procurements will be announced at the Sept. 30 Mobility Authority Board Meeting.
- Project programming activities continue as the team works to finalize project funding agreements with TxDOT and FHWA in

anticipation of finalizing these agreements in time for the issuance of Notice to Proceed 2.

- The team recently submitted the Project Management Plan and the Initial Finance Plan for approval by FHWA (TxDOT has already approved).
- Financing activities continue as we develop updates for the TIFIA Program, finalize the Engineers Report and the Preliminary Official Statement and continue coordination with TxDOT regarding the Toll Equity and SIB loans.
- Right of Way Acquisition continues in efforts to meet the commitments outlined in the design/build contract.

### **Kellam Road (Maha Loop) Project**

- Placement of rock riprap, vegetation, and plantings in the ponds is ongoing.
- Punch list items and as-built reviews are ongoing.
- The turn lanes on SH 71 are complete; the change order to add signals is negotiated and approved by the County; signal poles have been delivered; signal work began early July.

### **290 Toll Project**



- CTMC is finalizing the non-conflict utility relocations required by the project to obtain Final Acceptance.
- CTMC is submitting final documentation to achieve Final Acceptance.
- CTMC is submitting final documentation to achieve Final Acceptance.

### **290 Toll Interim Intersection Project**

- To address a mobility and safety issue at the intersection of the frontage roads of 290 East Toll and SH 130, the team has designed an interim improvement to be put in place.
- For these efforts, a re-evaluation of the Manor Expressway Environmental Assessment was provided and approved by the Texas Department of Transportation.

- Construction plans are nearing completion and discussions are underway regarding the construction letting schedule.
- Ultimately, when funding is identified, the Mobility Authority anticipates constructing a direct connector that facilitates a free flowing connection from SH 130 southbound to US 290E westbound.

### **Oak Hill Parkway Project**



- Efforts with TxDOT and the City of Austin continue for potential regional detention facilities.
- The design level schematics for both concepts moving forward into the alternatives analysis phase are continuing to be refined as the engineering aspects are reviewed.
- Significant outreach to stakeholders has been ongoing this summer and early fall. The team continues to contact and meet with stakeholders with concerns regarding right-of-way acquisition and other project-related issues. Multiple meetings have been held with OHAN leadership.
- More than 80 people attended a stakeholder meeting on the proposed redesign of the west end of the project in early September and the team is working to tweak the design per public input.
- A Water Quality Workshop was held on Aug. 25 for the whole community. It featured ideas for how the project will revitalize Williamson Creek and information on flooding and water quality measures. Forty members of the public attended.
- A Project Update was sent via e-newsletter on Sept. 8 and the website was updated with new information about the proposed elevated structures, renderings, alternatives evaluation, and toll financing.
- The team is planning for the sixth open house to occur Oct. 29 at Covington Middle School from 4:30 p.m. to 7 p.m. There will be a media workshop in advance of the event on Oct. 7.

## SH 71 Toll Lanes



- The project team hosted a construction Open House for the community on Sept. 22. at the Del Valle Opportunity Center. About 20 members of the public attended.
- Coordination meetings between McCarthy and the toll Integrator continue.
- Atkins and Schneider Electric continue to review design submittals and attend comment resolution meetings as necessary.
- McCarthy continues to progress design activities from 60% to Final Design.
- Earthwork activities at the SH 130 interchange continue.
- SH 71 bridge work over SH 130 has begun; substructure complete and anticipating deck pours to begin in mid-September.
- Work on walls near Presidential Blvd. has begun.
- McCarthy continues substructure work on the Onion Creek and SH 130 bridges.
- Utility adjustments are progressing on all utilities currently with the exception of Texas Gas.

### **System-wide Performance Based Maintenance Contract**

- The Mobility Authority received three proposals for evaluation for the System-wide Performance Based Maintenance Contract. It is anticipated that the results of this procurement will be announced at the Sept. 30 Board Meeting.



**CENTRAL TEXAS**  
**Regional Mobility Authority**

Meeting Date: September 30, 2015  
AGENDA ITEM #19

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*EXECUTIVE SESSION*

*Executive Session:*

Discuss acquisition of one or more parcels or interests in real property needed for the 183 South project and related legal issues, including consideration of the use of eminent domain to condemn property, pursuant to §551.072 (Deliberation Regarding Real Property; Closed Meeting) and §551.071 (Consultation With Attorney; Closed Meeting).



**CENTRAL TEXAS  
Regional Mobility Authority**

Meeting Date: September 30, 2015  
AGENDA ITEM #20

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*EXECUTIVE SESSION*

*Executive Session:*

Discuss legal issues related to claims by or against the Mobility Authority; pending or contemplated litigation and any related settlement offers; or other matters as authorized by §551.071 (Consultation With Attorney).



**CENTRAL TEXAS  
Regional Mobility Authority**

Meeting Date: September 30, 2015  
AGENDA ITEM #21

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*EXECUTIVE SESSION*

*Executive Session:*

Discuss legal issues relating to procurement and financing of Mobility Authority transportation projects, as authorized by §551.071 (Consultation With Attorney).





**CENTRAL TEXAS  
Regional Mobility Authority**

Meeting Date: September 30, 2015  
AGENDA ITEM #22

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*EXECUTIVE SESSION*

*Executive Session:*

Discuss personnel matters as authorized by §551.074 (Personnel Matters).



**CENTRAL TEXAS  
Regional Mobility Authority**

Meeting Date: September 30, 2015  
AGENDA ITEM # 23

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**Consideration of the use of eminent domain to  
condemn property**

Strategic Plan Relevance: Regional Mobility / Innovation  
Department: Engineering / Law  
Contact: Andrew Martin, General Counsel  
Associated Costs: Not Applicable  
Funding Source: Not Applicable  
Action Requested: Consider and act on draft resolutions

Summary:

The Mobility Authority must acquire additional right-of-way, related property interests, or both ("Property") from real estate that abuts or is near the existing 183 South Project right-of-way. Under the design-build contract with Colorado River Constructors, the Mobility Authority must provide the contractor with possession and use of the required additional right-of-way no later than 180 days after the Mobility Authority issues its first Notice To Proceed.

Each owner of a parcel or property interest identified on the next page has received an official written offer to purchase the Property for an amount determined by an independent, professional appraiser. The Mobility Authority is required to pay no less than the offer made for the Property.

If, for any reason, a negotiation to acquire a parcel reaches an impasse, having this authorization to file a condemnation suit will minimize the risk of a possible delay and additional costs.

The parcels for your consideration and action at this meeting are:

- A. Parcel 125 of the 183 South (Bergstrom Expressway) Project, a 0.853 acre parcel of real estate, **owned by Capital Metropolitan Transportation Authority** and located at 5316 Ed Bluestein Blvd., Austin, TX 78723, at the southwest corner of Ed Bluestein Blvd. and East 51st Street.
  
- B. Parcel 114E of the 183 South (Bergstrom Expressway) Project, a 0.055 acre parcel of real estate, **owned by Dr. Masoud Arami, Majid Kamalipour and Mohammed Arami** and located at 6111 FM 969, Austin, TX 78725, in the 4000 Block of Ed Bluestein.
  
- C. Parcel 120E of the 183 South (Bergstrom Expressway) Project, a 0.041 acre parcel of real estate, **owned by Hewlett-Packard Company** and located at 3301 Hibbetts Road, Austin, TX 78725, in the 3000 Block of Ed Bluestein.
  
- D. Parcel 127E of the 183 South (Bergstrom Expressway) Project, a 3.052 acre parcel of real estate, **owned by Church of Christ at East Side**, and located at 5701 E. Martin Luther King Jr. Blvd., Austin, TX 78721.
  
- E. Parcel 129E of the 183 South (Bergstrom Expressway) Project, a 3.874 acre parcel of real estate, **owned by MFPB Ed Bluestein, LLC**, and located at 3443 Ed Bluestein Blvd., Austin, TX 78721.

Backup provided:

Separate Draft Resolutions for Board Consideration

**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 15-\_\_\_**

**RESOLUTION AUTHORIZING ACQUISITION OF PROPERTY RIGHTS BY  
AGREEMENT OR CONDEMNATION OF CERTAIN PROPERTY IN TRAVIS  
COUNTY FOR THE 183 SOUTH / BERGSTROM EXPRESSWAY PROJECT  
(PARCEL 125)**

WHEREAS, pursuant to and under the authority of Subchapter E, Chapter 370, Texas Transportation Code and other applicable law, the Central Texas Regional Mobility Authority (“Mobility Authority”) hereby finds and determines that to promote the public safety, to facilitate the safety and movement of traffic, and to preserve the financial investment of the public in its roadways and the roadways of the State of Texas, public convenience and necessity requires acquisition of the fee simple interest and any leasehold interests in real property, excluding any rights to the mineral estate, as that fee simple interest in real property is described by metes and bounds in Exhibit 1 to this Resolution (the “Property”), owned by Capital Metropolitan Transportation Authority (the “Owner”), located adjacent to the US Hwy 183S in Travis County, for the construction, reconstruction, maintaining, widening, straightening, lengthening, and operating of the US 183 South / Bergstrom Expressway Project (the “Project”), as a part of the improvements to the Project; and

WHEREAS, an independent, professional appraisal report of the Property has been submitted to the Mobility Authority, and an amount has been established to be just compensation for the property rights to be acquired; and

WHEREAS, the Executive Director of the Mobility Authority, through agents employed or contracted with the Mobility Authority, has transmitted an official written offer to the Owner, based on the amount determined to be just compensation, and has entered into good faith negotiations with the Owner of the Property to acquire the Property; and

WHEREAS, as of the date of this Resolution, the Executive Director and the Owner have failed to agree on the amount determined to be just compensation due to said Owner for the Property; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors that the Executive Director is specifically authorized to negotiate and execute, if possible, an agreement to acquire the Property for consideration in an amount that does not exceed the official written offer previously transmitted to the Owner; and

BE IT FURTHER RESOLVED that the Executive Director is authorized and directed to negotiate an agreement to acquire the Property and all leasehold interests in the Property by agreement, subject to approval of the agreement and acquisition price by the Board of Directors; and

BE IT FURTHER RESOLVED that at such time as the Executive Director concludes that further negotiations with Owner to acquire the Property by agreement would be futile, the Executive Director or his designee is hereby authorized and directed to file or cause to be filed a suit in eminent domain to acquire the Property for the aforesaid purposes against the Owner and the owners of any interest in, and the holders of any lien secured by the Property described in the attached Exhibit 1; and

BE IT FURTHER RESOLVED that the Executive Director or his designee is hereby authorized and directed to incur such expenses and to employ such experts as he shall deem necessary to assist in the prosecution of such suit in eminent domain, including, but not limited to, appraisers, engineers, and land use planners.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 30<sup>th</sup> day of September, 2015.

Submitted and reviewed by:

Approved:

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Andrew Martin, General Counsel

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Ray A. Wilkerson, Chairman

**Exhibit 1 to Resolution \_\_\_\_\_**

**Description of Parcel 125**

**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 15-\_\_\_**

**RESOLUTION AUTHORIZING ACQUISITION OF PROPERTY RIGHTS BY  
AGREEMENT OR CONDEMNATION OF CERTAIN PROPERTY IN TRAVIS  
COUNTY FOR THE 183 SOUTH / BERGSTROM EXPRESSWAY PROJECT  
(PARCEL 114E)**

WHEREAS, pursuant to and under the authority of Subchapter E, Chapter 370, Texas Transportation Code and other applicable law, the Central Texas Regional Mobility Authority (“Mobility Authority”) hereby finds and determines that to promote the public safety, to facilitate the safety and movement of traffic, and to preserve the financial investment of the public in its roadways and the roadways of the State of Texas, public convenience and necessity requires acquisition of a drainage easement, as that drainage easement is described by metes and bounds in Exhibit 1 to this Resolution (the “Property”), owned by Dr. Masoud Arami, Majid Kamalipour and Mohammed Arami (the “Owner”), located adjacent to the US Hwy 183S in Travis County, for the construction, reconstruction, maintaining, widening, straightening, lengthening, and operating of the US 183 South / Bergstrom Expressway Project (the “Project”), as a part of the improvements to the Project; and

WHEREAS, an independent, professional appraisal report of the Property has been submitted to the Mobility Authority, and an amount has been established to be just compensation for the property rights to be acquired; and

WHEREAS, the Executive Director of the Mobility Authority, through agents employed or contracted with the Mobility Authority, has transmitted an official written offer to the Owner, based on the amount determined to be just compensation, and has entered into good faith negotiations with the Owner of the Property to acquire the Property; and

WHEREAS, as of the date of this Resolution, the Executive Director and the Owner have failed to agree on the amount determined to be just compensation due to said Owner for the Property; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors that the Executive Director is specifically authorized to negotiate and execute, if possible, an agreement to acquire the Property for consideration in an amount that does not exceed the official written offer previously transmitted to the Owner; and

BE IT FURTHER RESOLVED that the Executive Director is authorized and directed to negotiate an agreement to acquire the Property and all leasehold interests in the Property by agreement, subject to approval of the agreement and acquisition price by the Board of Directors; and

BE IT FURTHER RESOLVED that at such time as the Executive Director concludes that further negotiations with Owner to acquire the Property by agreement would be futile, the Executive Director or his designee is hereby authorized and directed to file or cause to be filed a suit in eminent domain to acquire the Property for the aforesaid purposes against the Owner and the owners of any interest in, and the holders of any lien secured by the Property described in the attached Exhibit 1; and

BE IT FURTHER RESOLVED that the Executive Director or his designee is hereby authorized and directed to incur such expenses and to employ such experts as he shall deem necessary to assist in the prosecution of such suit in eminent domain, including, but not limited to, appraisers, engineers, and land use planners.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 30<sup>th</sup> day of September, 2015.

Submitted and reviewed by:

Approved:

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Andrew Martin, General Counsel

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Ray A. Wilkerson, Chairman



**Exhibit 1 to Resolution \_\_\_\_\_**

**Description of Parcel 114E**

**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 15-\_\_\_**

**RESOLUTION AUTHORIZING ACQUISITION OF PROPERTY RIGHTS BY  
AGREEMENT OR CONDEMNATION OF CERTAIN PROPERTY IN TRAVIS  
COUNTY FOR THE 183 SOUTH / BERGSTROM EXPRESSWAY PROJECT  
(PARCEL 120E)**

WHEREAS, pursuant to and under the authority of Subchapter E, Chapter 370, Texas Transportation Code and other applicable law, the Central Texas Regional Mobility Authority (“Mobility Authority”) hereby finds and determines that to promote the public safety, to facilitate the safety and movement of traffic, and to preserve the financial investment of the public in its roadways and the roadways of the State of Texas, public convenience and necessity requires acquisition of a drainage easement, as that drainage easement are described by metes and bounds in Exhibit 1 to this Resolution (the “Property”), owned by Hewlett-Packard Company (the “Owner”), located adjacent to the US Hwy 183S in Travis County, for the construction, reconstruction, maintaining, widening, straightening, lengthening, and operating of the US 183 South / Bergstrom Expressway Project (the “Project”), as a part of the improvements to the Project; and

WHEREAS, an independent, professional appraisal report of the Property has been submitted to the Mobility Authority, and an amount has been established to be just compensation for the property rights to be acquired; and

WHEREAS, the Executive Director of the Mobility Authority, through agents employed or contracted with the Mobility Authority, has transmitted an official written offer to the Owner, based on the amount determined to be just compensation, and has entered into good faith negotiations with the Owner of the Property to acquire the Property; and

WHEREAS, as of the date of this Resolution, the Executive Director and the Owner have failed to agree on the amount determined to be just compensation due to said Owner for the Property; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors that the Executive Director is specifically authorized to negotiate and execute, if possible, an agreement to acquire the Property for consideration in an amount that does not exceed the official written offer previously transmitted to the Owner; and

BE IT FURTHER RESOLVED that the Executive Director is authorized and directed to negotiate an agreement to acquire the Property and all leasehold interests in the Property by agreement, subject to approval of the agreement and acquisition price by the Board of Directors; and

BE IT FURTHER RESOLVED that at such time as the Executive Director concludes that further negotiations with Owner to acquire the Property by agreement would be futile, the Executive Director or his designee is hereby authorized and directed to file or cause to be filed a suit in eminent domain to acquire the Property for the aforesaid purposes against the Owner and the owners of any interest in, and the holders of any lien secured by the Property described in the attached Exhibit 1; and

BE IT FURTHER RESOLVED that the Executive Director or his designee is hereby authorized and directed to incur such expenses and to employ such experts as he shall deem necessary to assist in the prosecution of such suit in eminent domain, including, but not limited to, appraisers, engineers, and land use planners.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 30<sup>th</sup> day of September, 2015.

Submitted and reviewed by:

Approved:

\_\_\_\_\_  
Andrew Martin, General Counsel

\_\_\_\_\_  
Ray A. Wilkerson, Chairman

**Exhibit 1 to Resolution \_\_\_\_\_**

**Description of Parcel 120E**

**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 15-\_\_**

**RESOLUTION AUTHORIZING ACQUISITION OF PROPERTY RIGHTS BY  
AGREEMENT OR CONDEMNATION OF CERTAIN PROPERTY IN TRAVIS  
COUNTY FOR THE 183 SOUTH / BERGSTROM EXPRESSWAY PROJECT  
(PARCEL 127E)**

WHEREAS, pursuant to and under the authority of Subchapter E, Chapter 370, Texas Transportation Code and other applicable law, the Central Texas Regional Mobility Authority (“Mobility Authority”) hereby finds and determines that to promote the public safety, to facilitate the safety and movement of traffic, and to preserve the financial investment of the public in its roadways and the roadways of the State of Texas, public convenience and necessity requires acquisition of a drainage easement, as that drainage easement is described by metes and bounds in Exhibit 1 to this Resolution (the “Property”), owned by Church of Christ at East Side (the “Owner”), located adjacent to the US Hwy 183S in Travis County, for the construction, reconstruction, maintaining, widening, straightening, lengthening, and operating of the US 183 South / Bergstrom Expressway Project (the “Project”), as a part of the improvements to the Project; and

WHEREAS, an independent, professional appraisal report of the Property has been submitted to the Mobility Authority, and an amount has been established to be just compensation for the property rights to be acquired; and

WHEREAS, the Executive Director of the Mobility Authority, through agents employed or contracted with the Mobility Authority, has transmitted an official written offer to the Owner, based on the amount determined to be just compensation, and has entered into good faith negotiations with the Owner of the Property to acquire the Property; and

WHEREAS, as of the date of this Resolution, the Executive Director and the Owner have failed to agree on the amount determined to be just compensation due to said Owner for the Property; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors that the Executive Director is specifically authorized to negotiate and execute, if possible, an agreement to acquire the Property for consideration in an amount that does not exceed the official written offer previously transmitted to the Owner; and

BE IT FURTHER RESOLVED that the Executive Director is authorized and directed to negotiate an agreement to acquire the Property and all leasehold interests in the Property by agreement, subject to approval of the agreement and acquisition price by the Board of Directors; and

BE IT FURTHER RESOLVED that at such time as the Executive Director concludes that further negotiations with Owner to acquire the Property by agreement would be futile, the Executive Director or his designee is hereby authorized and directed to file or cause to be filed a suit in eminent domain to acquire the Property for the aforesaid purposes against the Owner and the owners of any interest in, and the holders of any lien secured by the Property described in the attached Exhibit 1; and

BE IT FURTHER RESOLVED that the Executive Director or his designee is hereby authorized and directed to incur such expenses and to employ such experts as he shall deem necessary to assist in the prosecution of such suit in eminent domain, including, but not limited to, appraisers, engineers, and land use planners.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 30<sup>th</sup> day of September, 2015.

Submitted and reviewed by:

Approved:

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Andrew Martin, General Counsel

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Ray A. Wilkerson, Chairman

**Exhibit 1 to Resolution \_\_\_\_\_**

**Description of Parcel 127E**

**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 15-\_\_\_**

**RESOLUTION AUTHORIZING ACQUISITION OF PROPERTY RIGHTS BY  
AGREEMENT OR CONDEMNATION OF CERTAIN PROPERTY IN TRAVIS  
COUNTY FOR THE 183 SOUTH / BERGSTROM EXPRESSWAY PROJECT  
(PARCEL 129E)**

WHEREAS, pursuant to and under the authority of Subchapter E, Chapter 370, Texas Transportation Code and other applicable law, the Central Texas Regional Mobility Authority (“Mobility Authority”) hereby finds and determines that to promote the public safety, to facilitate the safety and movement of traffic, and to preserve the financial investment of the public in its roadways and the roadways of the State of Texas, public convenience and necessity requires acquisition of a drainage easement, as that drainage easement is described by metes and bounds in Exhibit 1 to this Resolution (the “Property”), owned by MFPB Ed Bluestein, LLC (the “Owner”), located adjacent to the US Hwy 183S in Travis County, for the construction, reconstruction, maintaining, widening, straightening, lengthening, and operating of the US 183 South / Bergstrom Expressway Project (the “Project”), as a part of the improvements to the Project; and

WHEREAS, an independent, professional appraisal report of the Property has been submitted to the Mobility Authority, and an amount has been established to be just compensation for the property rights to be acquired; and

WHEREAS, the Executive Director of the Mobility Authority, through agents employed or contracted with the Mobility Authority, has transmitted an official written offer to the Owner, based on the amount determined to be just compensation, and has entered into good faith negotiations with the Owner of the Property to acquire the Property; and

WHEREAS, as of the date of this Resolution, the Executive Director and the Owner have failed to agree on the amount determined to be just compensation due to said Owner for the Property; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors that the Executive Director is specifically authorized to negotiate and execute, if possible, an agreement to acquire the Property for consideration in an amount that does not exceed the official written offer previously transmitted to the Owner; and

BE IT FURTHER RESOLVED that the Executive Director is authorized and directed to negotiate an agreement to acquire the Property and all leasehold interests in the Property by agreement, subject to approval of the agreement and acquisition price by the Board of Directors; and



BE IT FURTHER RESOLVED that at such time as the Executive Director concludes that further negotiations with Owner to acquire the Property by agreement would be futile, the Executive Director or his designee is hereby authorized and directed to file or cause to be filed a suit in eminent domain to acquire the Property for the aforesaid purposes against the Owner and the owners of any interest in, and the holders of any lien secured by the Property described in the attached Exhibit 1; and

BE IT FURTHER RESOLVED that the Executive Director or his designee is hereby authorized and directed to incur such expenses and to employ such experts as he shall deem necessary to assist in the prosecution of such suit in eminent domain, including, but not limited to, appraisers, engineers, and land use planners.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 30<sup>th</sup> day of September, 2015.

Submitted and reviewed by:

Approved:

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Andrew Martin, General Counsel

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Ray A. Wilkerson, Chairman

**Exhibit 1 to Resolution \_\_\_\_\_**

**Description of Parcel 129E**



**CENTRAL TEXAS  
Regional Mobility Authority**

Meeting Date: September 30, 2015  
AGENDA ITEM # 24-A

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Authorize negotiation and execution of a contract to purchase each of the following described parcels or property interests for the 183 South (Bergstrom Expressway) Project.

Strategic Plan Relevance: Regional Mobility/Innovation  
Department: Engineering/Legal  
Contact: Andrew Martin, General Counsel  
Associated Costs: To be presented at the meeting  
Funding Source: Bond Sale Funds  
Action Requested: Consider and act on draft resolution

Summary:

This agenda item authorizes negotiation and execution of a contract to purchase the following described parcel or property interest for the 183 South (Bergstrom Expressway) Project:

- A. Parcel 126 of the 183 South (Bergstrom Expressway) Project, a 0.197 acre parcel of real estate, Parcel 113E of the 183 South (Bergstrom Expressway) Project, a 0.034 acre parcel of real estate, and Parcel 113AC of the 183 South (Bergstrom Expressway) Project, a 205.62 linear feet denial of access line, owned by the Young Mens Christian Association of Austin, Inc., and located at 5201 Ed Bluestein Blvd., Austin, TX.

Backup provided: Additional backup material will be provided at the meeting.