

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

RESOLUTION NO. 07-01

WHEREAS, the Central Texas Regional Mobility Authority ("CTRMA") was created pursuant to the request of Travis and Williamson Counties and in accordance with provisions of the Transportation Code and the petition and approval process established in 43 Tex. Admin. Code § 26.01, *et. seq.* (the "RMA Rules"); and

WHEREAS, the Board of Directors of the CTRMA has been constituted in accordance with the Transportation Code and the RMA Rules; and

WHEREAS, the CTRMA identified the proposed 183-A Turnpike Project (the "Project") as its initial project in a petition filed under the RMA rules and has subsequently undertaken to cause the Project to be constructed under the terms of a Comprehensive Development Agreement; and

WHEREAS, upon the completion of the Project, it will be necessary for the CTRMA to engage the services of peace officers to provide various law enforcement and policing services for the Project; and

WHEREAS, Section 370.181(c) of the Texas Transportation Code provides that an authority such as the CTRMA may contract with any state or local government for the services of peace officers provided by that government; and

WHEREAS, the Board of Directors agrees that such law enforcement and policing services should be procured for the Project and in Resolution No. 06-59, dated October 25, 2006, authorized the solicitation of information to solicit responses from those qualified governmental entities interested in providing such services to the CTRMA, and

WHEREAS, CTRMA staff caused a Solicitation of Information to be issued on November 14, 2006; and

WHEREAS, three governmental entities, the Williamson County Sheriff's Office, the City of Cedar Park Police Department and the Office of Constable Dale Vannoy of Williamson County Precinct 2, each submitted responses to the Solicitation of Information; and

WHEREAS, CTRMA staff received and evaluated the initial respective responses and presented information and a summary to the Board of Directors at the December 13, 2006 CTRMA Board Meeting, wherein Board Members discussed the matter further and instructed staff to have one-on-one meetings with each of the responding entities regarding various matters raised by the Board Members; and

WHEREAS, CTRMA staff has held such meetings and sought further information from each of the responding entities, and received such additional information in the form of amendments to the responding entities initial responses; and

WHEREAS, CTRMA staff has evaluated all of the information submitted by each of the responding entities and has prepared a recommendation; and


WHEREAS; based on their evaluation, CTRMA staff recommends that the CTRMA negotiate and enter into an Interlocal Agreement with the City of Cedar Park to provide law enforcement and policing services for the Project;

NOW THEREFORE, BE IT RESOLVED, that the CTRMA Board of Directors approves of the selection of the City of Cedar Park Police Department to provide law enforcement and policing services for the Project; and


BE IT FURTHER RESOLVED, that the Executive Director and CTRMA staff are directed to negotiate and finalize an Interlocal Agreement with the City of Cedar Park for the provision of law enforcement and policing services for the Project consistent with the Solicitation of Information and this Resolution, and that such agreement may be executed by the Executive Director upon its completion under the terms hereof.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 31st day of January, 2007.

Submitted and reviewed by:


Tom Nielson
General Counsel for the Central
Texas Regional Mobility Authority

Approved:


Robert E. Tesch
Chairman, Board of Directors
Resolution Number 07-01
Date Passed 1/31/07

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

RESOLUTION NO. 07-02

WHEREAS, the Central Texas Regional Mobility Authority ("CTRMA") was created pursuant to the request of Travis and Williamson Counties and in accordance with provisions of the Transportation Code and the petition and approval process established in 43 Tex. Admin. Code § 26.01, *et. seq.* (the "RMA Rules"); and

WHEREAS, the CTRMA is charged with funding and developing transportation improvements throughout the region to help solve the current mobility crisis and to improve the quality of life for residents of Central Texas; and

WHEREAS, CTRMA staff, working in partnership with the Austin District of the Texas Department of Transportation, developed a proposed "CTRMA/TxDOT Regional Implementation Program" (the "Program") which provides for the funding and development of various transportation system improvements through tolling of new roadway capacity; and

WHEREAS, in Resolution 04-62, dated December 8, 2004, the CTRMA Board of Directors adopted formal toll policies for the CTRMA (the "Toll Policies") that were consistent with the Program and reflected input received through public comment and a public hearing held by the CTRMA for such purpose; and

WHEREAS, the Board of Directors anticipated in Resolution 04-62 that the Toll Policies would be subject to revision and amendment from time to time to insure that the Toll Policies best implement the mission and goals of the CTRMA in its efforts to serve the public regarding mobility matters; and

WHEREAS, certain provisions of the Toll Policies are no longer consistent with the actual operational methods to be used in the operation of various transportation improvements developed under the Program; and

WHEREAS, CTRMA staff has undertaken development of various proposed amendments and revisions to the Toll Policies for the CTRMA and such proposed revisions to the Toll Policies are attached hereto as Attachment "A" ("Revisions to Toll Policies"); and


WHEREAS, CTRMA staff presented the proposed Revisions to Toll Policies to the CTRMA Board of Directors at the December 13, 2006 Board Meeting, and the Board of Directors approved Resolution 06-72 authorizing CTMRA staff to undertake the necessary review and analysis of the fiscal results of such revisions as required under the bond covenants the CTRMA is subject to in order to fully consider the impact of the proposed Revisions to Toll Policies; and

WHEREAS, such review and analysis has been completed and the impacts presented to the CTRMA Board of Directors and the Board of Directors has determined that the Revisions to Toll Policies are acceptable and in the best interest of furthering CTRMA's efforts to serve the public regarding mobility matters.

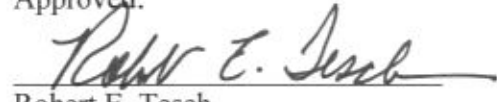
NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the CTRMA hereby adopts the Revisions to the Toll Policies attached hereto as Attachment "A" and hereby amends the CTRMA Toll Policies accordingly; and

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 31st day of January, 2007.

Submitted and reviewed by:


Tom Nielson
Legal Counsel for the Central
Texas Regional Mobility Authority

Approved:


Robert E. Tesch
Chairman, Board of Directors
Resolution Number 07-02
Date Passed 1/31/07

ATTACHMENT "A"
TO
RESOLUTION NO. 07-02

Additional Revisions to CTRMA Toll Policy
Regarding Brushy Creek Ramps

WHEREAS, the CTRMA Board of Directors has, by passage of its Resolution 07-02 dated January 31, 2007, adopted certain revisions to the Toll Policies of the Authority;

WHEREAS, most of the adopted revisions are reflected in the amendments dated January 31, 2007 and made to the Policies and Procedures for Toll Collection Operations on the CTRMA Turnpike System ("Policies and Procedures Document") originally adopted December 8, 2004;

WHEREAS, certain aspects of the adopted Toll Policies of the Authority are not included in the Policies and Procedures Document, but are instead set forth in the Toll Rates Structure (the "Official Statement Toll Rate Structure") included in the Official Statement dated February 16, 2005 in connection with the CTRMA issuance of various debt obligations (the "Official Statement"), including under Section 6.3 of the Traffic and Revenue Study attached as Appendix "D" to the Official Statement;

WHEREAS, to the extent authorized revisions have been made to the Policies and Procedures Document, such revisions are reflected therein, and the authorized revision to the Official Statement Toll Rate Structure is as stated below:

NOW THEREFORE, the following revision to the Official Statement Toll Rate Structure is authorized as follows:

The Official Statement Toll Rate Structure originally provided that the Brushy Creek Ramps toll collection booths would be manned twenty-four hours per day in order to allow discernment of the various types of vehicles passing through the cash collection lanes and determining the proper toll based on the number of axles of each vehicle. However, it has been determined that significant efficiencies will be realized if this provision is revised.

This revision provides that for the overnight hours of 10 pm to 6 am, all vehicles traveling through any of the Brushy Creek Ramps lanes will be charged the toll rate established for passenger cars. This will allow for the Brushy Creek Ramps toll collections booths to not be required to be manned between 10 pm and 6 am, all days of the week.

This revision shall be deemed part of the Official Statement Toll Rate Structure unless and until further revised by the CTRMA Board of Directors by appropriate resolution and in accordance with the provisions of the Official Statement.

ATTACHMENT "A"
TO
RESOLUTION 07-02
REVISIONS TO TOLL POLICIES

**POLICIES AND PROCEDURES
FOR TOLL COLLECTION OPERATIONS
ON THE CTRMA TURNPIKE SYSTEM**

SECTION 1. PURPOSE

These Policies and Procedures for Toll Collection Operations (“Policies and Procedures”) are established pursuant to CTRMA Resolution No. 04-62, adopted on December 8, 2004 and as further amended by CTRMA Resolution No. 07-02 adopted on January 31, 2007. Under provisions of Chapter 370 of the Texas Transportation Code, CTRMA possesses the authority to designate a turnpike project or a portion of a turnpike project as a controlled-access toll road (Sec. 370.179). These Policies and Procedures establish CTRMA practices and operations for toll collection systems on designated controlled-access toll roads operating within the CTRMA turnpike system, and incorporate provisions of Texas Transportation Code Sec. 370.177 regarding failure or refusal to pay turnpike project tolls and related penalties and offenses.

SECTION 2. DEFINITIONS

ACH	Automated Clearing House Network.
CSC	The TxDOT Customer Service Center or its successor(s).
Electronic Toll Tag or Toll Tag	A device that records the usage of a vehicle using a toll road; usually adhered to the windshield of the vehicle, allowing motorists to drive non-stop through designated electronic toll collection lanes. (Electronic Toll Tags are a type of “transponder” pursuant to Texas Transportation Code Sec. 370.178.)
ETC	Electronic Toll Collection.
IVR	Interactive Voice Response.
Non-payment Transaction	A transaction where the customer does not pay the toll in the lane at the time of travel through the toll lane.
Non-Tagged Non-payment	Vehicles not equipped with toll tags and that do not pay the toll at the time of travel through the toll lane.
Tag Class	The CTRMA class that is determined using the vehicle information that is programmed in the toll tag.
Tagged Non-payment	A vehicle equipped with a toll tag that is not valid and does not stop to pay toll.

U/O	Unusual Occurrence.
VES	Violation Enforcement System.
VPC	Violation Processing Center.

SECTION 3. EXEMPTION FROM TOLL PAYMENT

Users of CTRMA Toll Facilities shall be required to pay a toll unless they are determined to be exempt under Texas State Statutes or as authorized by the CTRMA Board under the provisions of the Texas State Statutes.

- (a) Emergency and Military Vehicles: In accordance with the provisions of Sec. 370.177, 362.901 and 541.201 of the Texas Transportation Code, CTRMA will create technical procedures to ensure that authorized emergency vehicles, as well as state and federal military vehicles, are exempt from paying tolls on the CTRMA toll road system.
- (b) Public Transportation Vehicles: As authorized under the provisions of Sec. 370.177 of the Texas Transportation Code and to facilitate a multi-modal transportation system that ensures safe and efficient travel for all individuals in Central Texas, public transportation vehicles with a carrying capacity of 16 or more individuals that are owned and/or operated on behalf of the Capital Metropolitan Transportation Authority or the Capital Area Rural Transportation System shall be exempt from paying tolls on CTRMA toll facilities..

SECTION 4. TOLL INCENTIVES AND DISCOUNTS

To promote the use of CTRMA toll roads and to maximize the use of toll tags on CTRMA facilities, the CTRMA will offer customers incentives and discounts.

- (a) Discounts for Toll Tag Users: Customers who pay their toll using a toll tag will receive a discount equal to ten percent (10%) off of the toll amount paid by cash toll customers.
- (b) Incentive Offers: From time to time the CTRMA may conduct promotions or marketing activities that encourage drivers to use CTRMA toll roads and/or TxTag and/or reward customers for such use.
- (c) 183A Introductory Period: CTRMA shall offer a four month introductory period after 183A is constructed and open to traffic. The initial two months of such introductory period will allow free usage for all customers. The period of free usage will be extended for an additional month for toll tag customers, and toll tag customers shall additionally be provided a fifty percent (50%) discount in the amount of the applicable toll charged during the fourth month of the introductory period.

SECTION 5. CUSTOMER SERVICE AND VIOLATION POLICIES

Upon implementation of the CTRMA toll collection system, CTRMA expects that there may be a high percentage of customers using a toll road who will not have a toll tag. The objective of the toll operations procedures and policies created by the CTRMA is to increase the percentage of toll road customers who establish toll tag accounts with the TxDOT CSC. Additionally, because tolling is a new concept for customers in the Central Texas region, it will take some time for customers to adjust to the toll road operations, rules and regulations. During the few months after the start of CTRMA toll collection operations, a tolerant and customer-friendly approach will be employed towards customers who use the road without paying toll charges. While it is understood that the objective of the CTRMA is to collect revenue and minimize toll violation abuse, CTRMA believes that a moderate approach towards customers who do not pay the toll ultimately will allow for a period of adjustment as customers begin using the new toll roads, and will create new toll customers for the CTRMA.

The TxDOT CSC provides customer service to CTRMA customers and supports all operations related to customer toll tag account setup, account maintenance and customer service. The efficient operation of the TxDOT CSC is critical to the success of the CTRMA toll collections. The CSC will adhere to the following provisions with respect to customer service, toll violations, and toll tag use:

(a) Customers That Use Toll Tag Lanes Without Corresponding Toll Tags:

If a customer who believes they caused a Non-payment Transaction contacts the TxDOT CSC and establishes (or re-establishes, if the customer has an invalid toll tag account) a valid, funded toll tag account within seven (7) days, or such period of time that is dictated by the terms of any agreement with TxDOT concerning the VPC, after the Non-payment Transaction was committed, the administrative fee that TxDOT is allowed to charge will be waived, and the unpaid toll amount will be deducted from the customer's account balance. In the event that the violating customer does not either open and adequately fund a new toll tag account, or adequately fund their existing toll tag account, within the specified time frame, that customer will then receive a "Notice of Nonpayment" via regular mail for the unpaid toll amount plus a \$5.00 administrative fee. If the violating customer contacts the TxDOT CSC within thirty (30) days after such notice is mailed, and either opens and adequately funds a new toll tag account, or adequately funds their existing toll tag account, all of the \$5.00 administrative fee will be waived, and any remainder of the fee not waived, plus the unpaid toll amount, will be deducted from the customer's account balance.

(b) Violation Enforcement Strategies:

If a customer who receives a "Notice of Nonpayment" does not take any of the actions described in subsection (a) above within thirty (30) days after such notice is mailed, the Non-payment Transaction becomes an offense under Sec. 370.177 of the Texas Transportation Code, and a collection process will be implemented to attempt collection of the unpaid toll amount plus the additional administrative fee (which may include the

collection agency's fees). If the collection process does not succeed in obtaining the toll amount and corresponding fees owed, the violating customer may be referred for prosecution. An offense for failure or refusal to pay a toll under Sec. 370.177 of the Texas Transportation Code is a misdemeanor subject to a fine of up to \$250.00 for each offense. If convicted of the offense, a violating customer will be liable for the unpaid toll amount, plus a \$100 administrative fee, plus court costs and a fine of up to \$250.00. In the prosecution of an offense under Sec. 370.177, proof that the vehicle passed through a toll collection facility without payment of the proper toll, together with proof that the defendant was the registered owner or the customer of the vehicle when the failure to pay occurred, establishes the nonpayment of the registered owner. The proof may be by testimony of a peace officer or CTRMA employee or representative, video surveillance, or any other reasonable evidence. Under provisions of Sec. 370.177, there are certain exceptions to violation for failure to pay toll regarding rental cars and vehicles sold but for which title has not been officially transferred by TxDOT. In addition, it is a defense to prosecution if the vehicle is stolen prior to the failure to pay a toll, but only if the theft is reported to the appropriate law enforcement agency within the required time period.

(c) Procedures for Disputing Toll Violations:

Customers may dispute an alleged failure to pay toll violation by contacting the TxDOT CSC by walk-in, telephone, regular mail, e-mail, or facsimile.

(d) Appealing a Toll Violation to CTRMA

A customer who has contacted the TxDOT CSC and has been unable to satisfactorily resolve a dispute regarding a toll violation may submit a written appeal to the CTRMA. Such appeal shall be for the purposes of the customer providing the CTRMA with the information upon which they base their appeal. The CTRMA may or may not determine that there is any merit to such appeal and is not required to undertake any formal proceedings to make such determination.

SECTION 6. TOLLING POLICY FOR PHASES OF CTRMA TURNPIKE PROJECT
"UNDER CONSTRUCTION"

- (a) For any phase of a toll project "under construction" as of the date the project is included in CAMPO's then governing transportation plan or transportation improvement program as a toll project or candidate toll project, the authority shall defer the commencement of toll collection operations on that phase until additional phases of the project are constructed so as to provide continuous uninterrupted travel for a distance, or to a destination, to be designated by the Board of Directors on a project specific basis. Toll projects subject to this provision shall be designated on Attachment "A" hereto, which shall be updated periodically by action of the Board. The deferral of toll collection

operations shall end once the component phases of the project or the designated travel corridor (as identified on Attachment "A") are "substantially complete".

- (b) For purposes of this policy the phrase "under construction" shall mean that a contract has been executed by the authority or TxDOT which provides for roadway construction of a phase of the toll project. The phrase "substantially complete" shall mean that the toll project is open to traffic for its entire length as designated on Attachment "A". Temporary closures due to emergencies or short-term construction or maintenance operations shall not preclude a toll project from being deemed substantially complete.
- (c) The authority may install signage and toll collection equipment on or along a project (or any phase thereof) indicating that toll collection operations are being deferred and that tolls will be collected on the entirety (or any portion) of the project in the future.
- (d) The designation of a project as a toll project or candidate toll project in CAMPO's then governing transportation plan or transportation improvement program prior to the time it is open to traffic shall preclude the project from being deemed a "conversion" under provisions of the Texas Transportation Code when toll collection operations begin.
- (e) Notwithstanding the foregoing, the Board of Directors may, upon receipt of a written request from CAMPO or from the Commissioners Court(s) of the county(s) in which a project is located, waive this policy and toll a phase of project that is under construction prior to completion of the entirety of the project.

ATTACHMENT "A"

INITIAL PHASE	CONTRACT EXECUTION DATES	TRAVEL CORRIDOR TO BE COMPLETED PRIOR TO TOLLING
US 183 (S): South of IH 35 (N) to South of US 290 (E)	February 10, 2003	From main lanes of US 183 at IH35 to Presidential Blvd. (permitting travel on main lanes unimpeded by traffic signals on US 183 South from IH35 to ABIA)
SH 71 (E): West of Burleson Rd. to West of Riverside Dr.	September 16, 2002	From main lanes of SH 71 from IH35 to Presidential Blvd. (permitting travel on main lanes unimpeded by traffic signals on SH71 East from IH35 to ABIA)
Loop 1 (MOPAC Blvd): South of William Cannon Dr. to US 290 (W)	September 15, 2003	From main lanes of Loop 1 at William Cannon Dr. to south of Barton Skyway (permitting travel on express lanes from William Cannon Dr. to south of Barton Skyway)

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

RESOLUTION NO. 07-03

WHEREAS, the Central Texas Regional Mobility Authority ("CTRMA") was created pursuant to the request of Travis and Williamson Counties and in accordance with provisions of the Transportation Code and the petition and approval process established in 43 TEX. ADMIN. CODE § 26.01, *et. seq.* (the "RMA Rules"); and

WHEREAS, the Board of Directors of the CTRMA has been constituted in accordance with the Transportation Code and the RMA Rules; and

WHEREAS, the CTRMA is charged with improving mobility throughout the Central Texas region; and

WHEREAS, the biennial session of the 80th Texas Legislature convened on January 9, 2007; and

WHEREAS, the 80th Legislature may consider the adoption of legislation relating to tolling, regional mobility authorities, rail relocation, and other areas of potential interest to the CTRMA; and

WHEREAS, CTRMA staff and consultants have developed a list of proposed legislative initiatives, attached hereto as Attachment "A", reflecting the interests of the CTRMA with regard to various legislative issues that may be considered by the 80th Legislature; and

WHEREAS, the Board of Directors of the CTRMA believes that the proposed legislative initiatives are in the best interest of the CTRMA and the residents of Travis and Williamson Counties and the Central Texas region.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the CTRMA approves the list of proposed legislative initiatives, attached hereto as Attachment "A"; and

BE IT FURTHER RESOLVED, that the Board of Directors authorizes CTRMA staff and consultants to work with members of the legislature to advance the issues reflected on Attachment "A".

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 31st day of January, 2007.

Submitted and reviewed by:



Thomas Nielson
General Counsel for the
Central Texas Regional Mobility Authority

Approved:



Robert E. Tesch
Chairman, Board of Directors
Resolution Number 07-03
Date Passed 01/31/07

ATTACHMENT "A"
To Resolution No. 07-03

CTRMA Legislative Issues

Set forth below is a list of potential legislative issues to be considered by the CTRMA (perhaps in conjunction with TxDOT and/or other RMAs) during the 80th legislative session:

1. Clarify definitions of "CDAs" and "Concession CDAs". Currently the phrase "CDA" is being used interchangeably to refer to both types of arrangements. This is causing confusion in an already politically charged environment. Traditional CDA's are design/build contracts (often combined with a public finance model), whereas Concession CDAs add the private finance, operate, and maintain components (the elements of a concession) to the traditional CDA. Therefore, it might be useful to separate the two concepts so that they are not confused in the course of local debate over preferred options.

2. Staggered Terms of Directors. Clarification is needed to Section 370.251(c) concerning two year terms for directors and the requirement that "not more than one half of the directors [terms] expiring on February 1st of each year." With an odd number of directors (including the gubernatorial appointment) this becomes a mathematical impossibility as more than one half of the directors' terms will have to expire during one of the years of a two year cycle. The easiest "fix" is to exclude the gubernatorial appointment from the specific application of the requirement, so that they are not counted for purposes of determining turnover in any particular year. This would not alter or change the term that the gubernatorial appointment would serve.

3. Harmonize Certain CDA provisions between TxDOT and RMA's. (*Combine with item 4 for RMA clean-up bill*) The goal is to resolve discrepancies which could impede the transfer of Concession CDA projects from TxDOT to an RMA. Specific provisions are:

- (a) 370.308(f) – amend to provide that alternate forms of security can be provided "instead of" performance and payment bonds (RMA statute currently provides that alternate forms of security can be provided "in addition" to bonds). Corresponding TxDOT provision: 223.205(f).
- (b) 370.302(i) – amend to allow for 70 year term for CDAs upon meeting the same requirements as the TxDOT statute (RMA statute currently provides for a maximum term of 50 years; TxDOT allows for 70 years upon meeting specified criteria). Corresponding TxDOT provision: 223.208(h).

Note: TxDOT Legislative Issues proposes to repeal limit on terms of CDAs. CTRMA should seek equal treatment.

- (c) 370.311 – amend to expand the types of provisions which may be included in a CDA to include provisions to: (i) purchase the interest of a private participant in a project "and related property", including a highway or

other facility designed, constructed, etc. under the CDA; (ii) identify a methodology for determining the purchase price of a buy-out; (iii) authorize the payment of obligations incurred pursuant to the CDA; (iv) permit a private participant to pledge its rights under a CDA; (v) clarify the private participant's right to operate and collect revenue from the project; and (vi) restrict rights to terminate the CDA without making applicable termination payments. (RMA statute provides for a buy-out but does not include the additional details described above). Corresponding TxDOT provision: 223.208(b)

- (d) Add a section authorizing a private entity to enforce an obligation regarding termination payments through a mandamus action (and waiving sovereign immunity for that purpose). Corresponding TxDOT provision: 223.208(e).
- (e) Amend Texas Tax Code provisions to include RMA highway (toll) facilities leased by an RMA to a private operator as being operated for a "public purpose" and exclude the leasehold interest from taxation (even though it is for more than one (1) year). Affected Tax Code sections: 11.11, 25.07

4. Miscellaneous Cleanup Provisions: (*Combine with item 3 for RMA clean-up bill*)

- (a) Amend 370.306(c) to clarify that a notice "advertising" a request for competing proposals must be published in the Texas Register (current provision provides that the request for competing qualifications must be published - it is easier (and common practice) to publish the advertisement). (See: 223.203(e))
- (b) Amend 370.306(i) to allow for "negotiations" with an apparent best value proposer (current provision limits the scope of discussions with the proposer to specific issues). (See: 223.203(i))
- (c) Amend 370.307(a)(1 & 2) to allow for release of information from a proposer under the PIA if the proposer consents (current provisions preclude disclosure). (See 223.204)
- (d) Create authorization for a private entity contracted by the RMA to operate a toll project to contract for policing and enforcement subject to the approval of the authority. (See 201.907)
- (e) Specifically authorize purchase of a conservation easement for environmental mitigation purposes. (See 201.617 (a-1)).

5. Harmonize Provisions Concerning Utility Relocations. (*No bill filing; follow TxDOT legislation*) Under current law RMA statutes provide for reimbursement of 100% of the cost of utility relocations to affected utilities. Under TxDOT statutes, only 50% of such costs are reimbursed until September 1, 2007, at which point none of the cost of utility relocations are reimbursed (similar to the treatment of most non-tolled projects). (Note that compensable property interests, such as easements, are paid for). This issue will be revisited during the 80th

legislative session, and it would seem appropriate to align the provisions governing TxDOT and RMA projects.

6. Toll Violation and Enforcement. *(No bill filing; follow TxDOT legislation)*
Conform the toll violation enforcement tools and authorization among the different types of operating toll entities (i.e. TxDOT, RMA's, RTA's, and County toll road authorities). Because there will be mandatory interoperability between the different toll agencies, it also makes sense to have uniform procedures and laws governing toll violation enforcement.

Note: TxDOT Legislative Issues includes reforms to toll violation enforcement.

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

RESOLUTION NO. 07-04

WHEREAS, the Central Texas Regional Mobility Authority ("CTRMA") 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 CTRMA expenditures for goods and services, including those related to project development, as well as close scrutiny of CTRMA's financial condition and records is the responsibility of the Board of Directors and its designees through procedures the Board may implement from time to time; and


WHEREAS, the Board of Directors has adopted policies and procedures intended to provide strong fiscal oversight and which authorize the Executive Director, working with the CTRMA'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 December 2006 and has caused a Financial Report to be prepared which is attached hereto as Attachment "A."


NOW THEREFORE, BE IT RESOLVED, that the Board of Directors accepts the Financial Report for December 2006, attached hereto as Attachment "A."

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 31st day of January, 2007.

Submitted and reviewed by:


Tom Nielson
General Counsel for the Central
Texas Regional Mobility Authority

Approved:


Robert E. Tesch
Chairman, Board of Directors
Resolution Number 07-04
Date Passed 1/31/07

Central Texas Regional Mobility Authority
Balance Sheet

As of

December 31, 2006

December 31, 2005

Assets

Current Assets

Cash in Operating Fund	8,147.49		27,880.51
Cash In TexSTAR	6,807,362.86		8,262,808.42
Cash in Chase Money Mkt Funds	0.00		5,087,245.67
Money Market Payroll Account	1,435.73		0.00
Restricted Cash-TexStar	21,304,010.28		27,360,636.11
Total Cash Equivalents	<u>28,112,808.87</u>		40,710,690.20
Accounts Receivable	2,049.40		1.30
Interest Receivable	90,353.02		66,782.25
Agencies		9,421,514.21	16,042,668.34
Prepaid Insurance	36,679.56		8,560.73
Prepaid Expenses	949.97		633.40
Total Prepaid Expenses	<u>37,629.53</u>		9,194.13
Total Current Assets		<u>37,672,502.52</u>	<u>56,857,216.73</u>

Construction Work In Process

Utility Relocation Expense	61,411.19		7,068.41
Consulting-Admin Services	680,522.33		102,100.99
Consulting-Reimbursed Expenses	421.82		184.14
Environmental Fees	398,750.00		398,750.00
Funding Costs	30,000.00		30,000.00
Legal Fees-Construction	2,174,971.27		1,501,091.58
Traffic & Revenue Analysis	2,288,832.75		947,855.73
Unsuccessful Proposers	356,625.82		356,625.82
Engineering	2,645,832.81		374,317.14
Right of Way	138,740.83		0.00
Total Preliminary Costs		<u>8,776,108.82</u>	3,717,993.81
Public Involvement	215,751.21		18,454.16
CDA Oversight	5,677,438.07		2,071,136.34
Engineering	14,082,913.49		12,723,724.12
Total Construction Engineering		<u>19,976,102.77</u>	14,813,314.62
Design	28,945,394.60		15,825,472.12
Construction-CDA	116,218,405.20		56,040,904.18
Other Construction Costs	228,847.24		0.00
Total Construction		<u>145,392,647.04</u>	71,866,376.30
Toll Collection System		5,918,354.63	769,876.49
Accrued Interest Income	(12,463,177.15)		(6,875,947.45)
Accrued Interest Expense	21,734,803.86		10,057,611.42
Amortization of Bond Premium	(2,902,323.48)		(1,357,291.50)
Amortization Bond Disc Invest	(292,817.82)		(49,835.83)
Total Accrued Interest		<u>6,076,485.41</u>	1,774,536.64
Amortization Bond Issue Costs		<u>2,637,053.78</u>	1,234,925.42
Total Construction WIP		<u>188,776,752.45</u>	<u>94,177,023.28</u>

Fixed Assets

Computers	115,571.52		107,202.01	
Accum Deprec-Computers	<u>(82,266.43)</u>	33,305.09	<u>(62,607.83)</u>	44,594.18
Computer Software	95,156.88		78,428.63	
Accumulated Amortization-Software	<u>(26,209.78)</u>	68,947.10	<u>(1,292.84)</u>	77,135.79
Furniture and Fixtures	68,051.96		19,628.00	
Accum Deprec-Furn & Fixtures	<u>(9,185.03)</u>	58,866.93	<u>0.00</u>	19,628.00
Equipment	28,777.93		3,536.81	
Accum Deprec-Equipment	<u>(8,854.10)</u>	19,923.83	<u>0.00</u>	3,536.81
Communication Equipment	30,256.02		16,275.09	
Accum Deprec-Comm Equip	<u>(5,928.51)</u>	24,327.51	<u>0.00</u>	16,275.09
Leasehold Improvements		49,443.68		101,575.53
Total Fixed Assets		254,814.14		262,745.40
Other Assets				
Security Deposits		8,643.30		8,643.30
Long Term Investments				
GIC		74,964,413.00		152,538,249.31
Other Assets				
Intangible Assets		650.00		0.00
2005 Bond Issuance Costs		10,293,315.38		11,699,214.86
Total Assets		311,970,440.79		315,543,092.88

Liabilities**Current Liabilities**

Accounts Payable		5,874,969.43		(259,008.20)
Vouchers Payable		0.00		259,599.60
Interest Payable		5,721,470.89		5,936,986.47
Deferred Compensation Payable		0.00		0.00
TCDRS Payable		15,433.39		0.00
Due to State of Texas		35.92		0.00
Total Current Liabilities		11,611,909.63		5,937,577.87

Long Term Liabilities

Retainage Payable		7,539,422.59		3,592,204.39
BANS 2005		66,000,000.00		66,000,000.00
Senior Lien Revenue Bonds 2005		168,943,735.37		167,967,610.70
Sn Lien Rev Bnd Prem/Disc 2005		6,955,883.07		8,500,915.05
Total Long Term Liabilities		249,439,041.03		246,060,730.14
Total Liabilities		261,050,950.66		251,998,308.01

Net Assets Section

Net Assets beginning		62,604,167.57		64,467,206.86
Current Year Operations		<u>(1,151,551.07)</u>		<u>(922,421.99)</u>
Total Liabilities and Net Assets		322,503,567.16		315,543,092.88

Central Texas Regional Mobility Authority
Disbursements
December 1 - 31, 2006

Date	Check No.	Amount	Vendor
12/1/2006	11800	392.99	Carolyn Chalender
12/1/2006	11801	918.60	Time Warner Telecom
12/1/2006	11802	630.01	Corporate Express
12/2/2006	11803	70.37	SAM'S Club
12/8/2006	11804	747.50	Pena Swaze & Company, LLP
12/8/2006	11805	40,080.40	TML Intergovernmental
12/8/2006	11806	347.34	Steve Pustelnyk
12/8/2006	11807	815.06	Standard Parking
12/8/2006	11808	1,790.72	Standard Parking
12/8/2006	11809	243.54	Benefit Systems, Inc.
12/8/2006	11810	352.11	Corporate Express
12/8/2006	11811	1,120.00	Tx Dept of Criminal Justice
12/8/2006	11812	2,500.00	HPS
12/8/2006	11813	3,327.51	Locke Liddell & Sapp LLP
12/7/2006	ACH	25,561.40	Payroll
12/8/2006	ACH	830.88	Nationwide Financial Services
12/8/2006	ACH	692.31	Payroll Deduction
12/8/2006	ACH	7,145.08	Payroll Taxes
12/8/2006	ACH	2,361.76	Nationwide Financial Services
12/15/2006	11817	40,618.00	City of Austin
12/15/2006	12678	178.34	Section 125 Plan
12/15/2006	11814	175.00	E Software Professionals
12/15/2006	11815	344.85	301 Congress Avenue, L.P.
12/15/2006	11816	153.12	Carolyn Chalender
12/15/2006	11818	78.69	Sandra King-Wells
12/15/2006	11819	43.16	Cecilia Martinez
12/15/2006	11820	250.00	Round Round Chamber
12/22/2006	11821	175.00	CNA Surety
12/22/2006	11822	13,670.10	Owen Consulting
12/22/2006	11823	15,164.44	301 Congress Avenue, L.P.
12/22/2006	11824	178.34	Benefit Systems, Inc.
12/22/2006	11825	10,535.00	TOPS
12/22/2006	11826	175.00	Cedar Park Chamber
12/22/2006	11827	41,596.81	Tate Austin
12/22/2006	11828	600.00	Time Warner Cable
12/29/2006	11829	150.02	Austin Hotshot Delivery Svc
12/29/2006	11830	819.03	William Chapman
12/29/2006	11831	7,145.98	Blue Cross Blue Shield
12/29/2006	11832	899.31	Bob Tesch

Central Texas Regional Mobility Authority
 Disbursements
 December 1 - 31, 2006

Date	Check No.	Amount	Vendor
12/20/2006	ACH	692.31	Payroll Deduction
12/20/2006	EFT	7,267.64	Payroll Taxes
12/20/2006	ACH	830.88	Nationwide Financial Services
12/21/2006	ACH	25,962.62	Payroll
12/22/2006	ACH	2,461.76	Nationwide Financial Services
12/22/2006	ACH	15,426.60	TCDRS
12/29/2006	11833	101.25	Fort Dearborn
12/29/2006	11834	174.25	Cingular Wireless
12/29/2006	11835	948.99	Time Warner Telecom
12/1/2006	Wire	242.33	Time Warner Telecom
12/1/2006	Wire	279.00	Thomson West Payment Center
12/1/2006	Wire	60,150.32	HNTB
12/1/2006	Wire	28,894.21	URS
12/1/2006	Wire	6,838.24	Locke Liddell
12/1/2006	Wire	4,867.50	Tate Austin
12/1/2006	Wire	626.03	Office Max Contract
12/1/2006	Wire	300.00	Time Warner Cable
12/1/2006	Wire	23,148.32	MSX International
12/1/2006	Wire	378,475.10	HNTB
12/1/2006	Wire	122,528.96	Locke Liddell
12/1/2006	Wire	448,091.35	Caseta
12/1/2006	Wire	440.00	Samuel Pearson
12/1/2006	Wire	440.00	B.W. Pruett
12/18/2006	Wire	1,080,684.20	Caseta
12/18/2006	Wire	23,593.45	Tate Austin
12/18/2006	Wire	94,551.19	URS Corporation
12/18/2006	Wire	20,729.16	MSX International
12/18/2006	Wire	39,737.86	Locke Liddell
12/18/2006	Wire	66,233.01	Locke Liddell
12/18/2006	Wire	105.21	Premiere Global Services
12/18/2006	Wire	5,062.50	Tate Austin
12/18/2006	Wire	6,028,965.84	Hill Country Constructors

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

Revenue	Budget	Actual Year	Percent	Actual Year
	FY 2007	To Date 12/31/2006	Of Budget	To Date 12/31/2005
Toll Revenue-Cash-183A	510,000.00	0.00		0.00
Toll Revenue-TxTag-183A	510,000.00	0.00		0.00
Interest Income	503,050.00	239,581.57	47.63%	217,527.66
Reimbursed Expenditures	51,000.00	25,272.78	49.55%	0.00
Total Revenue	1,574,050.00	264,854.35	16.83%	217,527.66

Expenditures	Budget	Actual Year	Percent	Actual Year
	FY 2007	To Date 12/31/2006	Of Budget	To Date 12/31/2005
Regular	1,210,148.00	453,122.82	37.44%	326,620.34
Part Time	17,000.00	2,136.76	12.57%	0.00
Overtime	10,000.00	667.23	6.67%	0.00
Contractual Employees	130,000.00	77,870.10	59.90%	62,936.30
TCDRS	155,866.00	61,192.44	39.26%	45,563.56
FICA	64,527.00	16,887.73	26.17%	14,031.73
FICA MED	17,939.00	6,445.77	35.93%	4,627.60
Health Insurance	117,223.00	42,216.96	36.01%	22,612.26
Life Insurance	1,682.00	602.50	35.82%	0.00
Auto Allowance	9,000.00	3,200.00	35.56%	4,550.00
Other Benefits	88,471.00	15,525.47	17.55%	0.00
Unemployment Taxes	4,590.00	248.15	5.41%	72.15
Workers Compensation	5,324.00	0.00		471.66
Total Salaries & Wages	1,831,770.00	680,115.93	37.13%	481,485.60

Contractual Services	Budget	Actual Year	Percent	Actual Year
	FY 2007	To Date 12/31/2006	Of Budget	To Date 12/31/2005
Professional Services				
Accounting	12,000.00	2,527.28	21.06%	14,633.35
Auditing	35,000.00	11,747.50	33.56%	10,800.00
Financial Advisors	4,000.00	0.00		820.00
General Engineering Consultant	450,000.00	0.00		5,568.75
General System Consultant	100,000.00	0.00		0.00
Geotechnical	1,200,000.00	0.00		0.00
Human Resources	22,000.00	2,826.00	12.85%	0.00
Legal	300,000.00	38,320.50	12.77%	197,016.79
Photography	15,000.00	11,016.32	73.44%	13,117.66
Traffic & Revenue Consultants	40,000.00	0.00		0.00
Communications and Marketing	150,000.00	83,042.03	55.36%	0.00
Transcripts	2,000.00	0.00		1,900.00
Total Professional Services	2,330,000.00	149,479.63	6.42%	243,856.55

	Budget FY 2007	Actual Year To Date 12/31/2006	Percent Of Budget	Actual Year To Date 12/31/2005
Other Contractual Services				
IT Services	25,000.00	1,840.25	7.36%	0.00
Graphic Design Services	50,000.00	750.00	1.50%	22,154.02
Website Maintenance	20,000.00	8,690.41	43.45%	0.00
Research Services	45,000.00	0.00		42,628.07
Copy Machine	13,000.00	4,368.10	33.60%	0.00
Software licenses	21,675.00	7,259.80	33.49%	0.00
Advertising	50,000.00	8,265.89	16.53%	0.00
Direct Mail	20,000.00	0.00		0.00
Video Production	50,000.00	77,744.48	155.49%	0.00
Television	150,000.00	133,560.68	89.04%	0.00
Radio	50,000.00	7,500.00	15.00%	0.00
Other Public Relations	0.00	13,933.75		59,714.68
Security Contracts	60,000.00	134.40	0.22%	0.00
Cell Phones	10,170.00	2,320.32	22.82%	2,461.13
Local	18,240.00	3,175.53	17.41%	0.00
Long Distance	2,400.00	449.49	18.73%	0.00
Internet	4,000.00	1,836.00	45.90%	0.00
Other Communication Expense	1,000.00	60.26	6.03%	836.50
Dues & Subscriptions	7,200.00	1,501.90	20.86%	1,245.00
Memberships	18,950.00	2,884.85	15.22%	0.00
Continuing Education	9,000.00	2,083.95	23.16%	0.00
Professional Development	11,000.00	950.00	8.64%	9,266.10
Seminars and Conferences	21,400.00	14,570.00	68.08%	4,428.39
Total Travel	70,500.00	13,351.83	18.94%	25,551.03
Other Contractual Svcs	9,000.00	2,784.50	30.94%	2,384.25
Contractual Contingencies	161,000.00	148.50	0.09%	
Total Other Contractual Services	826,860.00	310,164.89	37.51%	170,669.17
Total Contractual Expenses	3,156,860.00	459,644.52	14.56%	414,525.72

	Budget FY 2007	Actual Year To Date 12/31/2006	Percent Of Budget	Actual Year To Date 12/31/2005
Materials and Supplies				
Books & Publications	3,600.00	1,518.87	42.19%	0.00
Office Supplies	18,750.00	6,169.08	32.90%	9,020.64
Computer Supplies	17,500.00	1,623.66	9.28%	0.00
Copy Supplies	6,000.00	0.00		0.00
Annual Report	20,000.00	4,250.00	21.25%	7,200.00
Other Reports	60,500.00	1,006.00	1.66%	0.00
Office Supplies	18,350.00	838.02	4.57%	329.15
Maintenance Supplies	500.00	0.00		0.00
Promotional Items	12,500.00	7,926.37	63.41%	0.00
Displays	10,000.00	12,703.42	127.03%	0.00
Tools & Equipment	2,250.00	126.67	5.63%	135.69
Misc Materials & Supplies	6,000.00	261.19	4.35%	0.00
Total Materials & Supplies Exp	175,950.00	36,423.28	20.70%	16,685.48

	Budget FY 2007	Actual Year To Date 12/31/2006	Percent Of Budget	Actual Year To Date 12/31/2005
Operating Expenses				
Gasoline	10,000.00	0.00		18.92
Mileage Reimbursement	8,200.00	2,333.68	28.46%	3,129.72
Parking	22,100.00	8,777.14	39.72%	823.30
Meeting Facilities	3,000.00	0.00		0.00
Community Events	20,000.00	250.00	1.25%	0.00
Meeting Expense	4,900.00	1,427.13	29.13%	682.67
Public Notices	3,500.00	9.00	0.26%	565.16
Postage	11,500.00	687.51	5.98%	112.87
Overnight Services	2,200.00	81.49	3.70%	0.00
Delivery Services	3,200.00	915.17	28.60%	1,022.16
Insurance	26,200.00	14,713.22	56.16%	6,534.01
Reimbursements	1,150.00	0.00		28.36
Repair and Maintenance	3,600.00	0.00		158.00
Rent	162,290.00	82,244.94	50.68%	1,000.00
Water	17,000.00	0.00		0.00
Electricity	7,400.00	1,740.46	23.52%	0.00
Natural Gas	500.00	0.00		0.00
Amortization Expense	30,000.00	17,507.80	58.36%	1,292.84
Dep Exp- Furniture & Fixtures	12,000.00	4,998.41	41.65%	0.00
Dep Expense - Equipment	12,000.00	4,692.36	39.10%	0.00
Dep Expense-Communic Equip	6,000.00	2,993.43	49.89%	0.00
Depreciation Expense-Computers	48,000.00	19,662.21	40.96%	12,085.09
Recruitment	4,000.00	0.00		0.00
Community Initiative Grants	200,000.00	63,929.20	31.96%	10,000.00
Total Operating Expense	618,740.00	226,963.15	36.68%	37,453.10
Financing Expenses				
Arbitrage Rebate	1,000.00	0.00		0.00
Loan Fees	10,500.00	11,000.00	104.76%	10,500.00
Bond Issuance Cost	25,000.00	0.00		0.00
Trustee Fees	3,800.00	1,900.02	50.00%	1,899.96
Bank Fees	1,000.00	358.52	35.85%	316.44
Credit Card Fees	1,000.00	0.00		0.00
Contingency	20,000.00	0.00		0.00
Total Financing Expense	62,300.00	13,258.54	21.28%	12,716.40
Total Expenses	5,845,620.00	1,416,405.42	24.23%	962,866.30
Net Income	-4,271,570.00	-1,151,551.07		-745,338.64

CTRMA INVESTMENT REPORT

	Quarter Ending 12/31/2006					Current Rate as of 12/31/2006	Maturity
	Balance 9/30/2006	Additions	Discount Amortization	Accrued Interest	Withdrawals		
Amount in repo							
Construction Fund	84,898,590.28			582,845.08	25,801,297.30	59,680,138.06	3.35% April 1, 2007
Debt Service Fund	15,157,909.25			125,916.38		15,283,825.63	3.35% April 1, 2007
totals	100,056,499.53	0.00	0.00	708,761.46	25,801,297.30	74,963,963.69	
Amount in Trustee TexStar							
Additional Projects Fund	8,630,075.63			111,062.77	733,222.06	8,007,916.34	5.346%
Renewal & Replacement Fund	83,106.47			1,112.93		84,219.40	5.346%
TxDOT Grant Fund	6,153,517.54			82,405.36		6,235,922.90	5.346%
Debt Service Reserve Fund	6,883,767.06			92,184.58		6,975,951.64	5.346%
	21,750,466.70	0.00	0.00	286,765.64	733,222.06	21,304,010.28	
Amount in TexStar Operating Fund							
	7,536,835.82		0.00	95,284.38	824,757.34	6,807,362.86	5.346%
Chase Money Market Fund							
-Proceeds Fund	3,478.98			43.94	3,522.92	0.00	4.939%
-Operating Fund	1,039,883.01	1,015,000.00		33,756.92		2,088,639.93	4.939%
-Additional Projects Fund	73,285.36	733,222.06		27,192.99	833,700.41	0.00	4.939%
-Construction Fund	1,309,209.26	25,804,820.22		3,777.60	27,101,946.85	15,860.23	4.939%
-Debt Service Fund	235,677.49			2,981.06		238,658.55	4.939%
-Subordinate Lien DS Fund	1,974.87			24.97		1,999.84	4.939%
-TxDOT Grant Fund	1,035,005.46	1,000,000.00		85,936.26		2,120,941.72	4.939%
-Renewal and Replacement	730.86			10,126.84		10,857.70	4.939%
-Debt Service Reserve Fund	23,409.99	6,000,000.00		296.11		6,023,706.10	4.939%
	3,722,655.28	34,553,042.28	0.00	164,136.69	27,939,170.18	10,500,664.07	
Money Market Fund-payroll							
	2,093.80	197,700.00		70.61	198,428.68	1,435.73	4.939%
Amount in Fed Agencies							
Amortized Principal	17,344,279.62		92,235.13	101,494.46	8,015,000.00	9,421,514.75	
Accrued Interest	17,344,279.62	0.00	92,235.13		8,015,000.00	9,421,514.75	
Total in Repo's	100,056,499.53	0.00	0.00	708,761.46	25,801,297.30	74,963,963.69	
Total in Pools	29,287,302.52	0.00	0.00	382,050.02	1,557,979.40	28,111,373.14	
Total in Money Market	3,724,749.08	34,750,742.28	0.00	164,207.30	28,137,598.86	10,502,099.80	
Total in Fed Agencies	17,344,279.62	0.00	92,235.13	0.00	8,015,000.00	9,421,514.75	
Total Invested	150,412,830.75	34,750,742.28	92,235.13	1,255,018.78	63,511,875.56	122,998,951.38	

The Weighted Average Maturity (WAM) is 74.6 days. The portfolio yield is 3.84%.
 All Investments in the portfolio are in compliance with the CTRMA's Investment policy.

William Chapman, CFO

CTRMA INVESTMENT REPORT

	Month Ending 12/31/2006						Current Rate as of 12/31/2006	Maturity
	Balance 11/30/2006	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 12/31/2006		
Amount in repo								
Construction Fund	67,645,929.13			179,712.46	8,145,503.53	59,680,138.06	3.35% April 1, 2007	
Debt Service Fund	15,241,853.50			41,972.13		15,283,825.63	3.35% April 1, 2007	
totals	82,887,782.63	0.00	0.00	221,684.59	8,145,503.53	74,963,963.69		
Amount in Trustee TexStar								
Additional Projects Fund	8,222,046.65			36,421.59	250,551.90	8,007,916.34	5.346%	
Renewal & Replacement Fund	83,842.06			377.34		84,219.40	5.346%	
TxDOT Grant Fund	6,207,983.31			27,939.59		6,235,922.90	5.346%	
Debt Service Reserve Fund	6,944,696.40			31,255.24		6,975,951.64	5.346%	
	21,458,568.42	0.00	0.00	95,993.76	250,551.90	21,304,010.28		
Amount in TexStar Operating Fund								
	7,051,313.98		0.00	31,112.38	275,063.50	6,807,362.86	5.346%	
Fidelity Money Market Fund								
-Proceeds Fund	3,508.37			14.55	3,522.92	0.00	4.939%	
-Operating Fund	2,080,010.87			8,629.06		2,088,639.93	4.939%	
-Additional Projects Fund	100,113.78	250,551.90		364.57	351,030.25	0.00	4.939%	
-Construction Fund	8,743.88	8,149,026.45		3,153.43	8,145,063.53	15,860.23	4.939%	
-Debt Service Fund	237,672.56			985.99		238,658.55	4.939%	
-Subordinate Lien DS Fund	1,991.52			8.32		1,999.84	4.939%	
-TxDOT Grant Fund	1,106,317.02	1,000,000.00		14,624.70		2,120,941.72	4.939%	
-Renewal and Replacement	854.13			10,003.57		10,857.70	4.939%	
-Debt Service Reserve Fund	23,608.16	6,000,000.00		97.94		6,023,706.10	4.939%	
	3,562,820.29	15,399,578.35	0.00	37,882.13	8,499,616.70	10,500,664.07		
Money Market Fund-payroll								
	3,344.72	64,000.00		27.75	65,936.74	1,435.73	4.939%	
Amount in Fed Agencies								
Amortized Principal	16,394,777.86		26,736.89		7,000,000.00	9,421,514.75		
Accrued Interest	16,394,777.86	0.00	26,736.89	28,497.47		9,421,514.75		
Total in Repo's	82,887,782.63	0.00	0.00	221,684.59	8,145,503.53	74,963,963.69		
Total in Pools	28,509,882.40	0.00	0.00	127,106.14	525,615.40	28,111,373.14		
Total in Money Market	3,566,165.01	15,463,578.35	0.00	37,909.88	8,565,553.44	10,502,099.80		
Total in Fed Agencies	16,394,777.86	0.00	26,736.89	0.00	7,000,000.00	9,421,514.75		
Total Invested	131,358,607.90	15,463,578.35	26,736.89	386,700.61	24,236,672.37	122,998,951.38		

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

William Chapman, CFO

Amount in Fed Agencies As of December 31, 2006

Agency	CUSIP #	COST	Book Value	Market Value	Yield to Maturity	Purchased	Matures	FUND
Federal Home Loan Bank	3133XC5C3	493,295.00	496,728.61	497,190.00	5.344%	4/21/2006	6/22/2007	Renewal and Replacement Fund
Federal Home Loan Bank	3133XDKQ3	2,000,000.00	2,000,000.00	1,998,760.00	4.500%	11/9/2005	2/9/2007	TxDOT Grant Fund
Federal Home Loan Bank	3133XBPW9	990,810.00	998,884.52	997,035.00	4.778%	1/27/2006	2/16/2007	TxDOT Grant Fund
Federal Home Loan Bank	3133XEK57	1,000,000.00	1,000,000.00	998,440.00	4.750%	2/16/2006	8/16/2007	TxDOT Grant Fund
Federal Home Loan Mortgage	3128X4Q95	939,624.00	939,928.09	939,426.60	5.092%	3/8/2006	3/30/2007	Additional Projects Fund
Federal Home Loan Bank	3133X7C51	1,476,113.31	1,491,660.33	1,491,330.00	5.019%	4/13/2006	5/15/2007	Additional Projects Fund
Federal Home Loan Bank	3133X8KT8	1,473,398.44	1,494,313.18	1,493,910.00	5.139%	4/21/2006	3/7/2007	Additional Projects Fund
Federal Home Loan Bank	3133XGJE5	1,000,000.00	1,000,000.00	1,000,310.00	5.550%	8/8/2006	8/8/2007	Additional Projects Fund
		9,373,240.75	9,421,514.73	9,416,401.60				
			Matured					
Federal Home Loan Bank	3133XD6H9	1,000,000.00	1,000,000.00	1,000,000.00	4.050%	9/29/2005	12/29/2006	TxDOT Grant Fund
FHLMC Discount note	313397U90	3,890,485.00	4,000,000.00	4,000,000.00	5.431%	6/23/2006	12/29/2006	Debt Service Reserve Fund
FHLMC Discount note	313397U66	1,947,877.20	2,000,000.00	2,000,000.00	5.366%	6/27/2006	12/26/2006	Debt Service Reserve Fund
		6,838,362.20	7,000,000.00	7,000,000.00				

Agency	CUSIP #	COST	Cummulative Amortization	December 31		Maturity Value	Interest Income December 2006	
				Book Value	Market Value		Accrued Interest	Amortization
Federal Home Loan Bank	3133XC5C3	493,295.00	3,433.61	496,728.61	500,000.00	1,666.65	531.06	2,197.71
Federal Home Loan Bank	3133XDKQ3	2,000,000.00	0.00	2,000,000.00	2,000,000.00	7,500.00	0.00	7,500.00
Federal Home Loan Bank	3133XBPW9	990,810.00	8,074.52	998,884.52	1,000,000.00	3,229.16	743.65	3,972.81
Federal Home Loan Bank	3133XEK57	1,000,000.00	0.00	1,000,000.00	1,000,000.00	3,958.33	0.00	3,958.33
Federal Home Loan Mortgage	3128X4Q95	939,624.00	304.09	939,928.09	940,000.00	3,955.83	31.73	3,987.56
Federal Home Loan Bank	3133X7C51	1,476,113.31	15,547.02	1,491,660.33	1,500,000.00	4,375.00	1,853.26	6,228.26
Federal Home Loan Bank	3133X8KT8	1,473,398.44	20,914.74	1,494,313.18	1,500,000.00	3,812.50	2,546.34	6,358.84
Federal Home Loan Bank	3133XGJE5	1,000,000.00	0.00	1,000,000.00	1,000,000.00	28,497.47	5,706.04	34,203.51
		9,373,240.75	48,273.98	9,421,514.73	9,440,000.00			
			MATURED					
Federal Home Loan Bank	3133XD6H9	1,000,000.00	0.00	1,000,000.00	1,000,000.00	3,375.00	0.00	3,375.00
FHLMC Discount note	313397U90	3,890,485.00	109,515.00	4,000,000.00	4,000,000.00	0.00	13,459.94	13,459.94
FHLMC Discount note	313397U66	1,947,877.20	52,122.80	2,000,000.00	2,000,000.00	0.00	7,570.91	7,570.91
		6,838,362.20	161,637.80	7,000,000.00	7,000,000.00	3,375.00	21,030.85	24,405.85



Monthly Newsletter - December 2006

Performance

As of December 31, 2006

Current Invested Balance	\$4,277,003,031.52
Weighted Average Maturity (1)	16 Days
Weighted Average Maturity (2)	43 Days
Net Asset Value	.999923
Total Number of Participants	493
Management Fee on Invested Balance	0.12%*
Interest Distributed	\$18,768,089.69
Management Fee Collected	\$175,431.03
Standard & Poor's Current Rating	AAAm

December Averages

Average Invested Balance	\$4,130,996,874.53
Average Monthly Yield, on a simple basis	5.2991%
Average Weighted Average Maturity (1)*	15 Days
Average Weighted Average Maturity (2)*	49 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 entities who joined the TexSTAR program in December 2006:

- ★ Harris County MUD 411
- ★ Harris County MUD 396

- ★ YES Preparatory School, Inc
- ★ Driscoll ISD

- ★ City of Lake Dallas

Holiday Reminder

Please note that in observance of the Martin Luther King, Jr. holiday, **TexSTAR will be closed on Monday, January 15, 2007.** Any early transaction deadlines on the day preceding this holiday will be posted on our automated systems the week prior and notification will be sent by email to the primary contact on file for all TexSTAR participants.

Economic Commentary

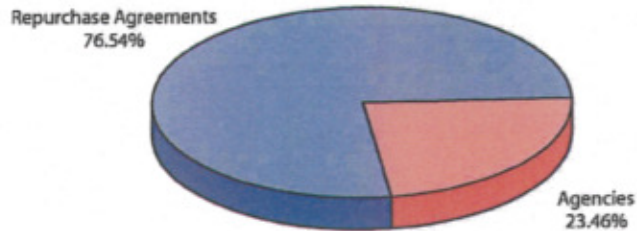
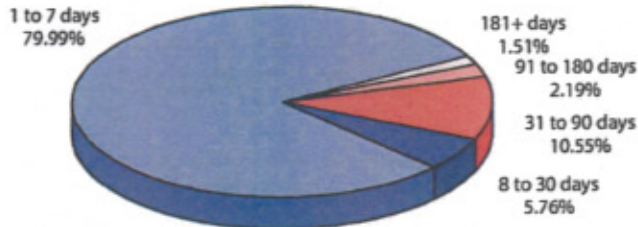
Economic reports released in the fourth quarter pointed to a rebound in growth. Payrolls increased to a third quarter average of 203,000, while the unemployment rate was 4.5% in November compared with a third quarter average of 4.7%. Consumer confidence remained healthy with the Conference Board Consumer Confidence Index ending the year at its highest level since April. Manufacturing surveys signaled a slowing in the sector, with the ISM index falling below 50 in November for the first time since April of 2003, before rebounding in December to 51.4. Housing data suggests the sector has begun to bottom out. Residential construction was a major drag on growth in the fourth quarter, but should prove less of a drag in the first quarter of 2007. The Core CPI was flat in October and November, pushing down the series' year-on-year increase to 2.6%, versus 2.9% in September. The core PCE deflator increased by 0.2% in October and remained flat in November, translating to a year-on-year increase of 2.2%. The US Treasury yield curve was slightly more inverted in the front end of the curve with the 3-month Treasury bill up 13 bps to end the quarter at 5.01%. Meanwhile, the spread between 1-month and 12-month yields transitioned to +1 bp from -2 bps at the end of September.

Real disposable income growth is expected to be above 5.0% in the fourth quarter of 2006. Also strong bonus and stock option income growth should boost incomes further in the first quarter of 2007 which should lead to a pick-up in consumption, with solid consumer spending continuing through the second quarter. This should set the stage for GDP to remain solid in the second quarter despite a small decline in consumption. The prospect of a Federal Reserve ease should fade by the end of the first half of 2007, with a mild increase of 25 bps to the fed funds rate expected by year-end. Over the second half of the year, higher interest rates are anticipated across the curve that will slow growth back to the economy's trend growth rate of about 2.50% - 2.75%.

For more information about TexSTAR, please visit our web site at www.texstar.org.

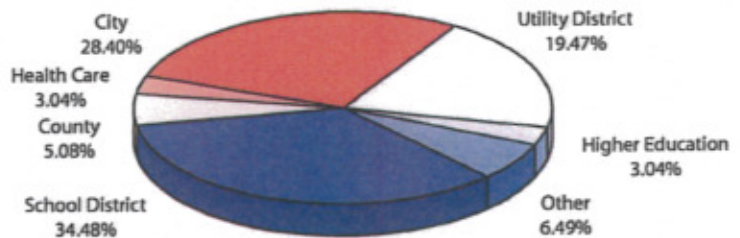
Information at a Glance

Portfolio by Type of Investment As of December 31, 2006



Portfolio by Maturity As of December 31, 2006

Distribution of Participants by Type As of December 31, 2006



Historical Program Information

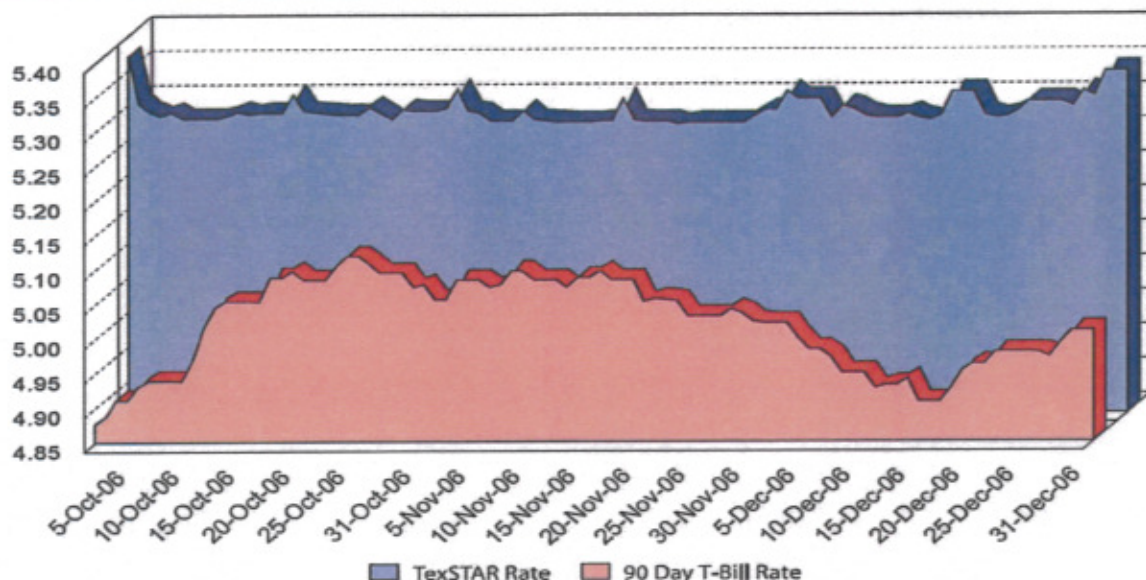
Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Dec 06	5.2991%	\$ 4,277,003,031.52	\$ 4,276,711,759.92	0.999923	15	49	493
Nov 06	5.2785%	3,929,299,527.54	3,928,963,502.14	0.999914	22	63	488
Oct 06	5.2903%	3,782,690,698.30	3,782,682,727.03	0.999997	30	75	484
Sep 06	5.2742%	3,711,282,274.72	3,712,264,237.96	1.000249	24	81	472
Aug 06	5.2601%	3,403,609,840.35	3,403,747,759.54	1.000040	16	76	466
Jul 06	5.2609%	3,652,659,353.06	3,652,612,174.26	0.999987	15	72	461
Jun 06	5.0063%	3,490,853,364.63	3,490,672,360.70	0.999935	14	72	457
May 06	4.8929%	3,709,022,855.02	3,708,815,237.78	0.999944	11	59	456
Apr 06	4.7679%	3,886,888,058.02	3,886,490,684.37	0.999897	14	60	451
Mar 06	4.5746%	3,914,969,328.87	3,914,628,496.64	0.999912	13	57	447
Feb 06	4.4898%	4,002,329,057.36	4,001,985,615.58	0.999914	12	53	442
Jan 06	4.3121%	3,730,218,809.33	3,729,885,751.81	0.999910	14	56	437
Dec 05	4.1835%	2,992,136,881.94	2,991,868,874.98	0.999895	18	57	430

Portfolio Asset Summary as of December 31, 2006

	Book Value	Market Value
Uninvested Balance	\$ 172,266.46	\$ 172,266.46
Accrual of Interest Income	6,707,982.01	6,707,982.01
Interest and Management Fees Payable	(18,801,485.44)	(18,801,485.44)
Payable for Investments Purchased	(58,687,020.00)	(58,687,020.00)
Repurchase Agreements	3,331,172,000.00	3,331,172,000.00
Government Securities	1,016,439,288.49	1,016,148,016.89
Total	\$ 4,277,003,031.52	\$ 4,276,711,759.92

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



Daily Summary for December 2006

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	TexSTAR Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
1-Dec-06	5.3063%	0.000145379	3,932,751,517.12	0.999956	16	56
2-Dec-06	5.3063%	0.000145379	3,932,751,517.12	0.999956	16	56
3-Dec-06	5.3063%	0.000145379	3,932,751,517.12	0.999956	16	56
4-Dec-06	5.2787%	0.000144621	3,939,779,036.32	0.999955	16	55
5-Dec-06	5.2962%	0.000145102	4,017,190,149.94	0.999956	15	54
6-Dec-06	5.2914%	0.000144971	4,066,658,001.68	0.999952	15	53
7-Dec-06	5.2826%	0.000144728	4,034,924,635.34	0.999950	16	54
8-Dec-06	5.2787%	0.000144621	4,096,207,388.61	0.999944	15	51
9-Dec-06	5.2787%	0.000144621	4,096,207,388.61	0.999944	15	51
10-Dec-06	5.2787%	0.000144621	4,096,207,388.61	0.999944	15	51
11-Dec-06	5.2847%	0.000144786	4,102,564,900.41	0.999942	15	51
12-Dec-06	5.2779%	0.000144600	4,121,718,232.38	0.999942	14	50
13-Dec-06	5.2750%	0.000144520	4,174,573,640.76	0.999940	14	49
14-Dec-06	5.2826%	0.000144730	4,217,822,908.95	0.999938	13	49
15-Dec-06	5.3159%	0.000145641	4,158,636,241.11	0.999947	14	49
16-Dec-06	5.3159%	0.000145641	4,158,636,241.11	0.999947	14	49
17-Dec-06	5.3159%	0.000145641	4,158,636,241.11	0.999947	14	49
18-Dec-06	5.2823%	0.000144720	4,153,634,010.56	0.999945	14	48
19-Dec-06	5.2783%	0.000144612	4,149,471,832.61	0.999942	16	48
20-Dec-06	5.2807%	0.000144676	4,130,860,076.10	0.999928	16	48
21-Dec-06	5.2886%	0.000144892	4,144,899,117.53	0.999939	16	48
22-Dec-06	5.3024%	0.000145272	4,164,423,199.51	0.999910	15	47
23-Dec-06	5.3024%	0.000145272	4,164,423,199.51	0.999910	15	47
24-Dec-06	5.3024%	0.000145272	4,164,423,199.51	0.999910	15	47
25-Dec-06	5.3024%	0.000145272	4,164,423,199.51	0.999910	15	47
26-Dec-06	5.2952%	0.000145074	4,212,022,992.46	0.999920	15	46
27-Dec-06	5.3178%	0.000145693	4,237,334,170.17	0.999920	16	45
28-Dec-06	5.3097%	0.000145472	4,305,962,072.16	0.999920	17	44
29-Dec-06	5.3458%	0.000146461	4,277,003,031.52	0.999923	16	43
30-Dec-06	5.3458%	0.000146461	4,277,003,031.52	0.999923	16	43
31-Dec-06	5.3458%	0.000146461	4,277,003,031.52	0.999923	16	43
Average	5.2991%	0.000145180	4,130,996,874.53		15	49

TexSTAR Participant Services
First Southwest Asset Management, Inc.
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>Melinda Garrett</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>Will Williams</i>	<i>JP Morgan Chase</i>	<i>Governing Board Asst. Sec./Treas.</i>
<i>Hardy Browder</i>	<i>City of Cedar Hill</i>	<i>Advisory Board</i>
<i>Oscar Cardenas</i>	<i>Northside ISD</i>	<i>Advisory Board</i>
<i>Scott Christensen</i>	<i>Reid Road MUD No. 1</i>	<i>Advisory Board</i>
<i>Ramiro Flores</i>	<i>Harlingen CISD</i>	<i>Advisory Board</i>
<i>Stephen Fortenberry</i>	<i>McKinney ISD</i>	<i>Advisory Board</i>
<i>Monte Mercer</i>	<i>North Central TX Council of Government</i>	<i>Advisory Board</i>
<i>Len Santow</i>	<i>Griggs & Santow</i>	<i>Advisory Board</i>
<i>S. Renee Tidwell</i>	<i>Tarrant County</i>	<i>Advisory Board</i>
<i>Charles Wall</i>	<i>Texas Tech University</i>	<i>Advisory Board</i>



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

RESOLUTION NO. 07-05

WHEREAS, the Central Texas Regional Mobility Authority ("CTRMA") was created pursuant to the request of Travis and Williamson Counties and in accordance with provisions of the Transportation Code and the petition and approval process established in 43 Tex. Admin. Code § 26.01, *et. seq.* (the "RMA Rules"); and

WHEREAS, the prudent and legally permissible management and investment of CTRMA funds is the responsibility of the Board of Directors and its designees; and

WHEREAS, CTRMA staff and consultants previously developed an Investment Policy, attached hereto as Attachment "A" (the "Investment Policy"), and such Investment Policy was approved by the Board of Directors on January 5, 2005, under Resolution No. 05-04; and


WHEREAS, the CTRMA's Financial Advisor has represented that the Investment Policy complies with the provisions of the Public Funds Investment Act, Tex. Govt. Code, Chapter 2256; and

WHEREAS, the Board of Directors has caused a review its Investment Policy and investment strategies to be undertaken as provided under the Public Funds Investment Act and such review has been completed with no revisions or changes being found to be necessary.


NOW THEREFORE, BE IT RESOLVED, that the CTRMA Board of Directors hereby states that a review of the Investment Policy and investment strategies has been undertaken and hereby reapproves the same as originally adopted and in the form attached hereto as Attachment "A".

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 31st day of January, 2007.

Submitted and reviewed by:


Tom Nielson
General Counsel for the Central
Texas Regional Mobility Authority

Approved:


Robert E. Tesch
Chairman, Board of Directors
Resolution Number 07-05
Date Passed 1/31/07



CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

INVESTMENT POLICY

EFFECTIVE: JANUARY 31, 2007

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**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
INVESTMENT POLICY**

I. OVERVIEW

This policy is created to comply with all current requirements of the Texas Public Funds Investment Act, Chapter 2256 of the Texas Government Code. It is the policy of the Central Texas Regional Mobility Authority (the "Authority") to invest public funds in a manner which will provide the maximum security with the highest investment return while meeting the daily cash flow demands of the Authority conforming to all state and local statutes governing the investment of public funds. The Authority's investment policy, as approved by the CTRMA Executive Committee, is adopted to provide investment policy guidelines for use by Authority Staff.

II. SCOPE

This policy applies to all investment activities of Authority funds except those subject to other investment covenants, or excluded by contract. All funds covered by this policy shall be invested in accordance with the Public Funds Investment Act as amended. These funds are accounted for in the Authority's annual financial report and include:

- A. Revenue Fund
- B. Rebate Fund
- C. Operating Fund
- D. Debt Service Fund
- E. Debt Service Reserve Fund
- F. Renewal and Replacement Fund
- G. Other Operating Fund
- H. General Fund
- I. Capital Projects Fund

III. OBJECTIVES

The primary objectives, in priority order, of investment activities shall be:

A. Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective shall be to mitigate credit risk and interest rate risk.

1. Credit Risk

Credit risk is the risk of loss due to the failure of the security issuer or backer. Credit risk may be mitigated by:

- a. Limiting investments to the safest types of securities; as listed in Section VII.
- b. Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the CTRMA will do business; and,
- c. Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

2. Interest Rate Risk

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. Interest rate risk may be mitigated by:

- a. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing projects, thereby avoiding the need to sell securities on the open market prior to maturity; and,
- b. By investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy (Section V.B.)

B. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all project and operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands.

C. Yield

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall be held to maturity with the following exceptions:

1. A declining credit security could be sold early to minimize loss of principal;
2. A security swap would improve the quality, yield, or target duration in the portfolio; or,
3. Liquidity needs of the portfolio require that the security be sold.

IV. STANDARDS OF CARE

A. Prudence

The standard of prudence to be used by investment officials shall be the "prudent

person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with the investment policy and written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

B. Ethics and Conflicts

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict or be perceived to conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Investment officers shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Investment officers shall refrain from undertaking personal investment transactions with the same individual person with whom business is conducted on behalf of the Authority.

C. Designation of Investment Officer

The Chief Financial Officer shall act as the Investment Officer of the Authority and shall have responsibility for managing the Authority's investment program. Additional Authority personnel may also be designated as Investment Officers with approval of the CTRMA. Written operational and investment procedures consistent with this policy shall be established. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the established procedures.

D. Investment Advisor

The CTRMA Board may select an Investment Advisor to advise the Authority on investment of funds and other responsibilities as outlined in this policy including but not limited to broker compliance, security selection, competitive bidding, reporting and security documentation. The Investment Advisor must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940 as well as with the Texas State Securities Board.

E. Required Training

The Chief Financial Officer and any other persons designated as Investment Officers shall attend at least one training session relating to the responsibilities of maintaining the investment portfolio within 12 months after taking office or

assuming duties; and shall attend a training session not less than once every two years and receive not less than ten (10) hours of training. Such training, from an independent source as approved by the CTRMA Board, shall include education in investment controls, security risks, strategy risks, market risks, and compliance with the Public Funds Investment Act.

V. INVESTMENT STRATEGIES

The Authority's investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

A. Market Yield Benchmark

The Authority's investment strategy is conservative. Given this strategy, the basis used by the Chief Financial Officer to determine whether minimum market yields are being achieved shall be the six (6) month T-bill rate. Investment Officers and Investment Advisors shall strive to safely exceed minimum market yield within policy and market constraints.

B. Maximum Maturities

To the extent possible, the Authority will attempt to match its investments with anticipated project 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 twelve (12) months from the date of purchase, unless approved by the CTRMA Board. Investment of bond proceeds shall not exceed the projected expenditure schedule of the related project.

Reserve funds may be invested in securities exceeding twelve (12) months if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

C. Diversification

The Authority will seek to diversify investments, by security types and maturity dates in order to avoid incurring unreasonable risks.

VI. SAFEKEEPING AND CUSTODY

A. Authorized Financial Dealer and Institutions

The Chief Financial Officer shall maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of Texas. These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Executive Director with the following:

1. Audited financial statements;
2. Proof of National Association of Securities Dealers (NASD) certification;
3. Proof of state registration;
4. Completed broker/dealer questionnaire; and,
5. Certification of having read the entity's investment policy, and acknowledged that they have implemented reasonable procedures and controls in an effort to preclude imprudent investment activities with the Authority, except to the extent that this authorization is dependent on an analysis of the makeup of the entire Authority portfolio or requires an interpretation of subjective investment standards. The Authority will not enter into an investment transaction with a financial institution prior to receiving the written instrument described above.

A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the Authority invests. An annual review of the financial condition and registrations of qualified bidders will be conducted by the Executive Director.

B. Collateralization

The Authority, in accordance with State Statutes, requires all funds held by financial institutions above the Federal Deposit Insurance Corporation (FDIC) insurance limit to be collateralized with securities whose market value is pledged at 102% of principal and accrued interest by that institution with the Authority's custodial bank. Private insurance coverage is not an acceptable collateralization form. Securities which are acceptable for collateralization purposes are as follows:

1. FDIC insurance coverage.
2. A bond bill, certificate of indebtedness, or Treasury note of the United States, or other evidence of indebtedness of the United States that is guaranteed as to principal and interest by the United States (i.e. Treasury Agency issues).
3. Obligations, the principal and interest on which, are unconditionally guaranteed or insured by the State of Texas.
4. A bond of the State of Texas or a country, city or other political subdivision of the State of Texas having been rated as investment grade by a nationally recognized rating agency with a remaining maturity of ten years or less.

C. Custody - Delivery vs. Payment

All security transactions entered into by the Authority shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by the Authority's custodial bank and evidenced by safekeeping receipts.

D. Safekeeping of Securities

Securities purchased for the Authority's portfolios will be delivered in book entry form and will be held in third party safekeeping by a Federal Reserve member

financial institution designated as the Authority's safekeeping and custodian bank.

The Authority will execute Safekeeping Agreements prior to utilizing the custodian's safekeeping services. The safekeeping agreement must provide that the safekeeping agent will immediately record and promptly issue and deliver a safekeeping receipt showing the receipt and the identification of the security, as well as the Authority's interest. All securities owned by the Authority will be held in a Customer Account naming the Authority as the customer.

The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards no. 70 or SAS 70).

VII. AUTHORIZED AND SUITABLE INVESTMENTS

The investment of Authority funds will be made using only those investment types approved by the CTRMA Board and which are in accordance with State of Texas Government Code, Chapter 2256. The approved investment types will be limited to the following:

A. Allowable Investments

1. U.S. Treasury and Federal Agency Issues;
2. Certificates of Deposit issued by a state or national bank domiciled in the State of Texas guaranteed or insured by the FDIC or its successor, collateralized with U.S. Treasury or Agency issues whose market value is 102% of the Authority's investment, pledged and held with the Authority's custodial bank; and,
3. Repurchase Agreements, *including flexible Repurchase Agreements*, collateralized by U.S. Treasury or Federal Agency Securities whose market value is 102% of the Authority's investment and are pledged and held with the Authority's custodial bank or a third-party safekeeping agent approved by the Authority. Repurchase agreements must also be secured in accordance with State law. Each counter party to a repurchase transaction is required to sign a copy of the Bond Market Association Public Securities Association Master Repurchase Agreement as approved by the CTRMA Board. An executed copy of this agreement must be on file before the Authority enters into any transactions with a repo counter-party.
4. Guaranteed Investment Contracts (GIC's) collateralized by U.S. Treasury or Federal Agency Securities whose market value is 102% of the Authority's investment and are pledged and held with the Authority's custodial bank or a third-party safekeeping agent approved by the Authority. Bond proceeds, other than bond proceeds representing reserves and funds maintained for debt service purposes, may not be invested for a term which exceeds five years from the date of bond issuance.
5. Obligations of states, agencies, counties, cities, and other political subdivisions of any State having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of

not less than "AA" or its equivalent, with fixed interest rates and fixed maturities.

6. SEC registered no-load money market mutual funds with a dollar weighted average portfolio maturity of 90 days or less; that fully invest dollar for dollar all Authority funds without sales commissions or loads; and whose investment objectives include the maintenance of a stable net asset value of \$1 per share
7. Local government investment pools, which are AAA- rated by a nationally recognized bond rating company, e.g., Moody's, S&P, Fitch, and which participation in any particular investment pool(s) has been authorized by resolution of the CTRMA Board, not to exceed 50% of the total investment portfolio less bond funds. Bond funds may be invested at 100%.

B. Prohibited Investments

The Authority is prohibited from purchasing any security that is not authorized by Texas State law, or any direct investment in asset-backed or mortgage-backed securities. The Authority expressly prohibits the purchase of inverse floaters, interest-only (IO) and principal-only (PO) collateralized mortgage obligations (CMO's).

C. Downgrade Provisions

An Investment that requires a minimum rating does not qualify as an authorized investment during the period the investment does not have the minimum rating. The Authority shall take all prudent measures that are consistent with its investment policy to liquidate an investment that does not have the minimum rating.

VIII. REPORTING AND REVIEW

A. Quarterly Report Requirements

The Chief Financial Officer shall prepare a quarterly investment report, including a summary that provides a clear picture of the status of the current investment portfolio and transactions made over the last quarter. The report should be provided to the Executive Committee. The report shall include the following:

1. The investment position of the Authority on the date of the report.
2. Signature of all Investment Officers.
3. Summary for each fund stating:
 - a. Beginning market value;
 - b. Additions and changes; and
 - c. Ending market value.
4. Beginning and ending book value and market value for each investment along with fully accrued interest for the reporting period.
5. Maturity date of each investment.

6. Description of the account or fund for which the investments were made.
7. Statement that the investment portfolio is in compliance with the Authority's investment policy and strategies.

B. Security Pricing

Current market value of securities may be obtained by independent market pricing sources including, but not limited to, the Wall Street Journal, broker dealers and banks other than those who originally sold the security to the Authority as well as the Authority's safekeeping agent.

C. Annual Audit

If the Authority places funds in any investment other than registered investment pools or accounts offered by its depository bank, the above reports shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the Executive Committee.

In addition, the Authority's external auditors shall conduct a compliance audit of management controls on investments and adherence to the Investment Policy.

IX. POLICY

A. Exemption

Any investment currently held that does not meet the guidelines of this policy or subsequent amended versions shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

B. Annual Review

The Authority shall review the Investment Policy annually. This review shall be conducted by the Executive Committee with recommendations from the Executive Director. Any approved amendments shall be promptly incorporated into written policy.

**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
SECURITY BROKER/DEALER QUESTIONNAIRE**

1. Name of Firm: _____
2. Primary Representative: _____ Title: _____
 Acct Executive: _____ Phone #: _____
 Phone Number: _____
3. Is your firm registered with the Texas Securities Commission?
 No Yes [Include copy of registration]
 Is your firm NASD certified? No Yes [Include copy of certificates.]
4. Does your firm come under SEC regulation and their Uniform
 Net Capital Rule (Rule 152c3-1)? No Yes
5. What was your firm's total volume in US Treasuries/Agencies during you last fiscal year?

Firmwide	\$ _____	# of Transactions
Local Office	\$ _____	# of Transactions
6. Which instruments are traded regularly by the local desk?
 Treasuries Agencies
 Other
7. Please provide comparable public sector references.

Name of Entity	Contact Name	Phone Number
_____	_____	_____
_____	_____	_____
_____	_____	_____
8. Please submit a copy of your annual financial report.
9. Please submit your trading authorization form.
10. Please submit a copy of all necessary paperwork to establish an account with your firm.
11. Please describe a typical transaction between the Authority and your firm.
 Note deadlines or cut off times involved.
12. Do you clear through another firm? If so, what firm?
13. Has your firm ever been subject to a regulatory or state or federal agency investigation for alleged improper, fraudulent, disreputable or unfair activities related to the sale of government securities or money market instruments? Have any of your employees ever been so investigated? Explain.

CERTIFICATION

I hereby certify that I have personally read the Investment Policy and objectives of the Central Texas Regional Mobility Authority (CTRMA) and have implemented reasonable procedures and a system of controls designed to preclude imprudent investment activities arising out of transactions conducted between our firm and CTRMA. I agree that our firm will not deliver or propose any investments that are not allowed under the CTRMA Investment Policy. All sales personnel will be routinely informed of your investment objectives, strategies and risk constraints whenever we are so advised. We will notify you immediately by telephone and in writing in the event of a material adverse change in our financial condition. We pledge to exercise due diligence in informing you of all foreseeable risks associated with financial transactions conducted with our firm. I attest to the accuracy of our responses to your questionnaire.

Signature

Firm Representative

Title

Date

“For Agenda Item VII B”

Central Texas Regional Mobility Authority

Attachment “A” to Resolution No. 07-05

Authorized Investment Broker Dealers

UBS Financial Services Inc.
1000 Harbor Blvd., 6th Floor
Weehawken, NJ 07086

Merrill Lynch
2121 San Jacinto
Suite 1000
Dallas, Texas 75201

Coastal Securities
206 Wild Basin Road
Suite 109
Austin, Texas 78746

JPMChase Securities, Inc.
1717 Main Street
Lower Level 1
Dallas, TX 75201

Sterne, Agee & Leach
Institutional Group
6408 Bannington Drive
Charlotte, NC 28226