



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

## Regular Meeting of the Board of Directors

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**9:00 a.m.**

Wednesday, September 26, 2018

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

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*A live video stream of this meeting may be viewed on the internet at  
[www.mobilityauthority.com](http://www.mobilityauthority.com)*

## 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.

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

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3. Audit Committee Meeting
  - A. Audit Committee meeting called to order by Committee Chairman Singleton.
  - B. Introduction of external auditors from RSM US LLP.
  - C. Discuss, consider, and take appropriate action to accept the Fiscal Year 2018 Audit Reports.
  - D. Adjourn Audit Committee.

### ***Regular Items***

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

4. Approve the minutes from the July 25, 2018 Regular Board meeting and the August 22, 2018 Special Called Board Meeting.

5. Accept the financial statements for July 2018 and August 2018.
6. Approve Amendment No. 2 to the CDM Smith Inc. Agreement and Authorize Future Work Authorizations for Traffic and Revenue Studies on Mobility Authority Toll Projects.
7. Consider and take appropriate action on the proposed registered account parameters, fees and charges, and billing schedule for the new Pay By Mail program.
8. Adopt a Habitual Violator Policy for the implementation of new toll enforcement remedies and approve corresponding amendments to the Mobility Authority Policy Code.
9. Approve an interlocal agreement with the North East Texas Regional Mobility Authority for electronic and video toll collection transaction processing and image review services.
10. Approve a contract and work authorization for construction engineering and inspection services, approve a work authorization for general engineering consultant services, and approve a contingency budget for construction phase professional services for the Manor Expressway (290E) Phase III Project.
11. Authorize the Executive Director to enter into one or more Interlocal Agreements with the Capital Area Council of Governments for Emissions and Fuel Consumption Analysis on CTRMA Facilities.

### ***Briefings and Reports***

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

12. 183 South Project Update
13. Status Report on the 183 North Managed Lanes Project
14. Presentation on Transportation Innovation Initiative
15. Presentation on potential Park & Ride locations for inclusion in the CAMPO 2045 Long Range Plan and Project Connect.
16. Executive Director Board Report
  - A. Texas Senate Committee on Transportation Hearing – August 27, 2018
  - B. Update on Travis County Projects
  - C. 2018 Greater Austin Business Awards – Environmental Champion Award

## **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:*

17. Discuss acquisition of one or more parcels or interests in real property needed for the Bergstrom Expressway (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).
18. Discuss the potential sale or disposition of one or more parcels or interests in surplus real property owned by the Mobility Authority and related legal issues as authorized by §551.072 (Deliberation Regarding Real Property; Closed Meeting).
19. 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).
20. Discuss legal issues relating to procurement and financing of Mobility Authority transportation projects, as authorized by §551.071 (Consultation with Attorney).
21. 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.*

22. Determine that certain real property is not necessary or useful and authorize negotiation and execution of a contract to sell the following described surplus real property interest or parcel:
  - A. Parcel 51R of the Manor Expressway (290E) Phase I Project, a 0.158-acre tract of land **owned by the Central Texas Regional Mobility Authority** and located at 9745 U.S. Highway 290 East, Austin, Travis County, Texas.

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 E36E/F of the 183 South (Bergstrom Expressway) Project, an easement taking of 0.197 acres, from 4.392 acres of real estate, **owned by 8200 N. I-35 LLC, a Texas limited liability company**; and located at 912 Highway 183 South, Austin, Travis County, Texas.
24. Adjourn Meeting.

## Notes

**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 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.

**Participation by Telephone Conference Call.** One or more members of the Board of Directors may participate in this meeting through a telephone conference call, as authorized by Sec. 370.262, Texas Transportation Code (*see below*). Under that law, each part of the telephone conference call meeting law must be open to the public, shall be audible to the public at the meeting location, and will be tape-recorded. On conclusion of the meeting, the tape recording of the meeting will be made available to the public.

Sec. 370.262. MEETINGS BY TELEPHONE CONFERENCE CALL.

(a) Chapter 551, Government Code, does not prohibit any open or closed meeting of the board, a committee of the board, or the staff, or any combination of the board or staff, from being held by telephone conference call. The board may hold an open or closed meeting by telephone conference call subject to the requirements of Sections 551.125(c)-(f), Government Code, but is not subject to the requirements of Subsection (b) of that section.

(b) A telephone conference call meeting is subject to the notice requirements applicable to other meetings.

(c) Notice of a telephone conference call meeting that by law must be open to the public must specify the location of the meeting. The location must be a conference room of the authority or other facility in a county of the authority that is accessible to the public.

*Mobility Authority Board Meeting Agenda  
Wednesday, September 26, 2018*

(d) Each part of the telephone conference call meeting that by law must be open to the public shall be audible to the public at the location specified in the notice and shall be tape-recorded or documented by written minutes. On conclusion of the meeting, the tape recording or the written minutes of the meeting shall be made available to the public.

Sec. 551.125. OTHER GOVERNMENTAL BODY. (a) Except as otherwise provided by this subchapter, this chapter does not prohibit a governmental body from holding an open or closed meeting by telephone conference call.

~~(b) A meeting held by telephone conference call may be held only if:~~

~~(1) an emergency or public necessity exists within the meaning of Section 551.045 of this chapter; and~~

~~(2) the convening at one location of a quorum of the governmental body is difficult or impossible; or~~

~~(3) the meeting is held by an advisory board.~~

(c) The telephone conference call meeting is subject to the notice requirements applicable to other meetings.

(d) The notice of the telephone conference call meeting must specify as the location of the meeting the location where meetings of the governmental body are usually held.

(e) Each part of the telephone conference call meeting that is required to be open to the public shall be audible to the public at the location specified in the notice of the meeting as the location of the meeting and shall be tape-recorded. The tape recording shall be made available to the public.

(f) The location designated in the notice as the location of the meeting shall provide two-way communication during the entire telephone conference call meeting and the identification of each party to the telephone conference shall be clearly stated prior to speaking.

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



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

September 26, 2018  
AGENDA ITEM #1

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Welcome and opening remarks by the  
Chairman and members of the Board of  
Directors

Welcome, Opening Remarks and Board Member Comments

Board Action Required: No



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

September 26, 2018  
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:                      None.



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

September 26, 2018  
**AUDIT COMMITTEE MEETING**  
**AGENDA ITEM #3**

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Accept the Independent Audit Reports from  
RSM US LLP for the Fiscal Year Ending  
June 30, 2018

Strategic Plan Relevance: Regional Mobility  
Department: Finance  
Contact: Bill Chapman, Chief Financial Officer  
Associated Costs: N/A  
Funding Source: N/A  
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. RSM US LLP has completed the annual audit for FY 2017 and will present those reports to the Audit Committee.

The draft resolution accepts the annual audits for FY 2018.

- A. Audit Committee meeting called to order by Committee Chairman Singleton.
- B. Introduction of external auditors from RSM US LLP.
- C. Discuss, consider, and take appropriate action to accept the Fiscal Year 2018 Audit Reports.
- D. Adjourn Audit Committee.

Backup Provided: Draft Resolution  
FY 2018 Audit Reports – Report to the Board of Directors, Basic  
Financial Statements, Federal Awards Compliance Report & State  
Awards Compliance Report;



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

**RESOLUTION NO. 18-0XX**

**ACCEPT THE INDEPENDENT AUDIT REPORTS FROM RSM US LLP  
FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

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 RSM US 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, 2018, and has presented that audit to the Audit Committee; and

WHEREAS, the Audit Committee has reviewed the “Report to the Board of Directors”, the “Basic Financial Statements”, the “Federal Awards Compliance Report” and the “State Awards Compliance Report” prepared by RSM US LLP, attached respectively as Exhibits A, B, C and D to this resolution, and has heard and considered the presentation on the audit by RSM US LLP.

NOW THEREFORE, BE IT RESOLVED, that the Audit Committee accepts the independent audit reports of the Central Texas Regional Mobility Authority for the fiscal year ending on June 30, 2018; 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 26<sup>th</sup> day of September 2018.

Submitted and reviewed by:

Approved:

\_\_\_\_\_  
Geoffrey Petrov, General Counsel

\_\_\_\_\_  
David Singleton  
Chairman, Audit Committee

**Exhibit A**

**Report to the Board of Directors**

# Central Texas Regional Mobility Authority

Report to the Board of Directors  
September 18, 2018





**RSM US LLP**

811 Barton Springs Rd  
Suite 550  
Austin, TX 78704

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F +1 512 476 0462

[www.rsmus.com](http://www.rsmus.com)

September 18, 2018

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 financial statements of Central Texas Regional Mobility Authority (the Authority) as of and for the year ended June 30, 2018. 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. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to Central Texas Regional Mobility Authority.

*RSM US LLP*

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## Contents

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Required communications	1-2
Summary of significant accounting estimates	3
Exhibit A—Significant written communication between management and our firm	
Representation letter	

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## Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit, as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

<b>Area</b>	<b>Comments</b>
<b>Our Responsibilities With Regard to the Financial Statement Audit</b>	Our responsibilities under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States have been described to you in our arrangement letter dated April 6, 2018. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
<b>Overview of the Planned Scope and Timing of the Financial Statement Audit</b>	We have issued a separate communication and met with the Audit Committee to the Board of Directors during the March 23, 2018, Audit Committee meeting regarding the planned scope and timing of our audit and have discussed with you our identification of, and planned audit response to, significant risks of material misstatement.
<b>Accounting Policies and Practices</b>	<p><b>Preferability of Accounting Policies and Practices</b> Under accounting principles generally accepted in the United States of America, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.</p> <p><b>Adoption of, or Change in, Accounting Policies</b> Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Authority. The Authority did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.</p> <p><b>Significant or Unusual Transactions</b> We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p><b>Management's Judgments and Accounting Estimates</b> Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.</p>
<b>Audit Adjustments</b>	There were no audit adjustments made to the original trial balance presented to us to begin our audit.
<b>Uncorrected Misstatements</b>	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Area	Comments
<b>Disagreements With Management</b>	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.
<b>Consultations With Other Accountants</b>	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
<b>Significant Issues Discussed With Management</b>	No significant issues arising from the audit were discussed or the subject of correspondence with management.
<b>Significant Difficulties Encountered in Performing the Audit</b>	We did not encounter any significant difficulties in dealing with management during the audit.
<b>Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards</b>	We have separately issued a report on internal control over financial reporting and on compliance and other matters based on our audit of the financial statements and major program, as required by <i>Government Auditing Standards</i> and Title 2 U.S. Code of Federal Regulations Part 200, <i>Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards</i> (Uniform Guidance) and this communication is included within the compliance report of the Authority for the year ended June 30, 2018.
<b>Significant Written Communication Between Management and Our Firm</b>	A copy of a significant written communication between our firm and management of the Authority, the representation letter provided to us by management, is attached as Exhibit A.

## Summary of Significant Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses its knowledge and experience about past and current events, and certain assumptions about future events. Management may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the Authority's June 30, 2018, financial statements.

<b>Estimate</b>	<b>Accounting Policy</b>	<b>Management's Estimation Process</b>	<b>Basis for Our Conclusions on Reasonableness of Estimate</b>
<b>Unrealized Gains or Losses on Investments</b>	The money market mutual fund and local government investment pool are reported at net asset values (NAV) based on amortized cost. Investments in debt securities are reported at fair value based on pricing service models.	Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Investments in debt securities are reported at fair value based upon pricing service models. The money market mutual fund and local government investment pool are reported at the NAV of the underlying securities based on amortized cost.	We tested the fair value of investments at year-end by using a valuation specialist to price debt securities. For investments measured using NAV, we confirmed the year-end NAV with the individual money managers. We concluded management's valuation methods and estimates are reasonable.
<b>Depreciable Life of Property and Equipment</b>	The depreciable life of property and equipment is set at the estimated useful life of the related asset.	The determination is made at the time the asset is placed into service and involves various judgments and assumptions, including the estimated useful life and prior experience.	We concluded the estimates used by management are reasonable.
<b>Pension Expense and Net Pension Asset/Liability</b>	The Authority participates in the Texas County and District Retirement System (TCDRS), a statewide agent multiple-employer retirement system. The Authority records the pension expense and net pension asset/liability in its financial statements and discloses the pension expense and net pension asset/liability in Note 7 to the financial statements.	The pension expense and net pension asset/liability were measured as of December 31, 2017. This calculation is prepared by an independent actuarial company engaged by TCDRS, and the Authority's management reviews and considers the appropriateness of the assumptions.	We obtained the TCDRS actuarial valuation report and we confirmed the Authority's reported balances agreed with the actuarial report. We reviewed the significant assumptions and conclusions for reasonableness and tested the underlying data. We concluded the estimates used by management's are reasonable.



**Exhibit A—Significant Written Communication Between Management  
and Our Firm**



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

September 18, 2018

RSM US LLP  
811 Barton Springs Rd, 5<sup>th</sup> floor  
Austin, Texas 78704

This representation letter is provided in connection with your audits of the basic financial statements of Central Texas Regional Mobility Authority (the "Authority") as of and for the years ended June 30, 2018 and 2017, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of September 18, 2018:

#### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated April 6, 2018, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for 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.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party transactions, including those with other organizations for which the nature and significance of their relationship with the Authority are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete; including accounts and advances receivable and payable, sale and purchase transactions, long-term loans, leasing arrangements and guarantees, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

3300 N IH-35, Suite 300, Austin, TX 78705

Telephone: (512) 996-9778 / Fax: (512) 996-9784 / [www.MobilityAuthority.com](http://www.MobilityAuthority.com)

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Ray A. Wilkerson, *Chairman* • Nikelle Meade, *Vice-Chairman* • David Singleton, *Treasurer*  
David B. Armbrust • Mark Ayotte • John Langmore • Frank Leffingwell • Mike Heiligenstein, *Executive Director*

8. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in pre-November 30, 1989 FASB and AICPA Pronouncements*.
9. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, or to special assessment bond holders that is not disclosed in the financial statements.
10. We have no knowledge of any uncorrected misstatements in the financial statements.

**Information Provided**

11. We have provided you with:
  - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
  - b. Additional information that you have requested from us for the purpose of the audits;
  - c. Unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence; and
  - d. Minutes of the meetings of the Board of Directors and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of allegations of fraud or suspected fraud affecting the Authority's financial statements involving:
  - a. Management.
  - b. Employees who have significant roles in internal control.
  - c. Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority's financial statements received in communications from employees, former employees, analysts, regulators or others.
16. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects were considered when preparing financial statements.
17. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

18. We have disclosed to you the identity of the Authority's related parties and all the related-party relationships and transactions of which we are aware.
19. We are not aware of any significant deficiencies, or material weaknesses in the design or operation of internal controls that could adversely affect the Authority's ability to record, process, summarize and report financial data.
20. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

### **Supplementary Information**

21. With respect to supplementary information presented in relation to the financial statements as a whole:
  - a. We acknowledge our responsibility for the presentation of such information.
  - b. We believe such information, including its form and content, is fairly presented in accordance with guidelines prescribed by accounting principles generally accepted in the United States of America.
  - c. The methods of measurement or presentation have not changed from those used in the prior period.
  - d. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
22. With respect to Management's Discussion and Analysis and Required Supplementary Information – Pension presented as required by Governmental Accounting Standards Board to supplement the basic financial statements:
  - a. We acknowledge our responsibility for the presentation of such required supplementary information.
  - b. We believe such required supplementary information including its form and content, is fairly presented in accordance with guidelines prescribed by accounting principles generally accepted in the United States of America.
  - c. The methods of measurement or presentation have not changed from those used in the prior period.
23. During the course of your audits, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

### **Compliance Considerations**

In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

24. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
25. Is responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to the auditee.
26. Has disclosed to the auditor there are no instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
27. Has disclosed to the auditor there are no instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts.
28. Has disclosed to the auditor there are no instances that have occurred, or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements.
29. Is responsible for 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.
30. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.
31. There have been no instances of fraud; noncompliance with provisions of laws, regulations, contracts and grant agreements; or abuse that the auditor reports.
32. There have been no instances which require the tracking of the status of audit findings and recommendations.
33. There have been no previous audits, attestation engagements and other studies related to the audit objectives and whether related recommendations have been implemented.
34. There have been no findings which require views on the auditor's reported findings, conclusions and recommendations, as well as management's planned corrective actions, for the report.

35. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including a statement that it assumes all management responsibilities; that it oversees the services by designating William Chapman, Chief Financial Officer and Mary Temple, Controller, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

In connection with your audit of federal awards conducted in accordance with Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for State and Federal Awards* (Uniform Guidance) and the State of Texas Uniform Grant Management Standards (TUGMS), we confirm:

1. Management is responsible for complying, and has complied, with the requirements of Uniform Guidance and TUGMS.
2. Management is responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of its state and federal programs.
3. Management is responsible for establishing and maintaining, and has established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that the auditee is managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on its federal programs in existence prior to December 26, 2014, as well as for funding increments and new awards obtained after that date.
4. Management has prepared the schedule of expenditures of federal and state awards in accordance with the Uniform Guidance and TUGMS and has included expenditures made during the period being audited for all awards provided by federal and state agencies in the form of grants, federal or state cost reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations and other assistance.
5. Management has identified and disclosed all of its government programs and related activities subject to the Uniform Guidance compliance audit.
6. Management has identified and disclosed to the auditor the requirements of federal statutes, regulations, and the terms and conditions of federal and state awards that are considered to have a direct and material effect on each major program. Management has further identified each award resulting from programs in existence prior to December 26, 2014 and funding increments or new awards obtained after that date.
7. Management has made available all federal and state awards (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal and state agencies or pass-through entities.
8. There are no amounts questioned nor known noncompliance with the direct and material compliance requirements of federal and state awards.
9. Management believes that the auditee has complied with the direct and material compliance requirements.

10. Management has made available all documentation related to compliance with the direct and material compliance requirements, including information related to federal and state programs financial reports and claims for advances and reimbursements.
11. Management has provided to the auditor its interpretations of any compliance requirements that are subject to varying interpretations.
12. Management has disclosed to the auditor any communications from federal and state awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
13. Management has disclosed to the auditor the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
14. Management is responsible for taking corrective action on audit findings of the compliance audit.
15. Management has provided the auditor with all information on the status of the follow-up on prior audit findings by federal and state awarding agencies and pass-through entities, including all management decisions.
16. Management has disclosed the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.
17. Management has disclosed all known noncompliance with direct and material compliance requirements occurring subsequent to the period covered by the auditor's report or stated that there were no such known instances.
18. Management has disclosed whether any changes in internal control over compliance or other factors that might significantly affect internal control, and management is not aware of any instances which may indicate the existence of significant deficiencies and material weaknesses in internal control over compliance subsequent to the period covered by the auditor's report.
19. Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
20. The copies of federal and state program financial reports provided to the auditor are true copies of the reports submitted, or electronically transmitted, to the federal agency or pass-through entity, as applicable.
21. Management has charged costs to federal and state awards in accordance with applicable cost principles.
22. Management is responsible for, and has accurately prepared, the summary schedule of prior audit findings to include all findings required to be included by Uniform Guidance and TUGMS.
23. The reporting package does not contain protected personally identifiable information.

24. Management has accurately completed the appropriate sections of the data collection form. We further acknowledge our responsibility for the complete, accurate, and timely filing of the data collection form with the Federal Audit Clearinghouse.

Very truly yours,

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

  
Mike Heiligenstein - Executive Director

  
William Chapman - Chief Financial Officer

  
Mary Temple - Controller







**Exhibit B**

**Basic Financial Statements**

# Central Texas Regional Mobility Authority

Basic Financial Statements  
June 30, 2018

## Contents

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### Financial Section

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Independent auditor's report	1-2
Management's discussion and analysis	3-8

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### Basic Financial Statements

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Statements of net position	9
Statements of revenues, expenses and changes in net position	10
Statements of cash flows	11
Notes to financial statements	12-44
Required supplementary information—pension plan	45-49
Supplemental information—indenture cash flow and debt service coverage	50

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RSM US LLP

## Independent Auditor's Report

To the Board of Directors  
Central Texas Regional Mobility Authority

### Report on the Financial Statements

We have audited the accompanying financial statements of the Central Texas Regional Mobility Authority (the Authority), which comprise the Statements of Net Position as of June 30, 2018 and 2017; the related Statements of Revenues, Expenses and Changes in Net Position and Cash Flows for the years 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 audits. We conducted our audits 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.

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, 2018 and 2017, 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.

## **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 Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audits 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 50 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 basic financial statements. The 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 information 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 18, 2018, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's 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 the Authority's internal control over financial reporting and compliance.

*RSM US LLP*

Austin, Texas  
September 18, 2018

## Central Texas Regional Mobility Authority

### Management's Discussion and Analysis June 30, 2018 and 2017

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#### MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

The Central Texas Regional Mobility Authority (the Authority) presents the following discussion and analysis of the Authority's financial activities during the fiscal years that ended June 30, 2018 and 2017. This section is intended to be read in conjunction with the Authority's financial statements, which immediately follow this section.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this annual report consists of four parts: management's discussion and analysis, 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 *Statements of Net Position* present 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 Statements of Net Position can be found on page 9 of this report.

The *Statements of Revenues, Expenses and Changes in Net Position* present information showing how the Authority's net position changed during the fiscal years ended June 30, 2018 and 2017. 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 Statements of Revenues, Expenses and Changes in Net Position can be found on page 10 of this report.

The *Statements of Cash Flows* summarize 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 11 of this report. The Statements 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 noncash transactions from investing, capital, and financing activities



## Central Texas Regional Mobility Authority

### Management's Discussion and Analysis (Continued) June 30, 2018 and 2017

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The *Notes to Financial Statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The Notes to Financial Statements can be found starting on page 12 of this report.

#### FINANCIAL HIGHLIGHTS

- Total toll revenue increased to \$91.5 million in 2018 from \$75.6 million in 2017 or a 21 percent increase. Total toll revenue increased from \$64.3 million to \$75.6 million from 2016 to 2017 or a 18 percent increase.
- Total operating expenses were approximately \$56.6 million, \$45.0 million and \$41.0 million in 2018, 2017 and 2016, respectively.
- Total construction in progress was approximately \$645.7 million, \$594.3 million and \$338.6 million as of June 30, 2018, 2017 and 2016, respectively. Construction in progress increased by approximately \$51.4 million from 2017 to 2018 in part due to progress made on the MoPac Improvement Project of approximately \$21.6 million, the placing in service of \$179.0 million of the MoPac Improvement Project, progress made of the SH 45 Southwest Project of approximately \$42.6 million, starting the 290E Phase III Project of approximately \$4.2 million, continuing the 183 South Project (collectively, the Projects) of approximately \$154.7 million and various other projects which totaled approximately \$7.3 million.
- Construction in progress increased by approximately \$255.7 million from 2016 to 2017 in part due to progress made on the MoPac Improvement Project of approximately \$63.9 million and start of the SH 45 Southwest Project of approximately \$22.2 million and continuing the 183 South Project of approximately \$162.6 million.
- Total restricted cash and cash equivalents decreased by \$32.1 million from 2017 to 2018. The overall decrease in restricted cash and investments was largely due to construction of the Projects.
- Total restricted cash and cash equivalents decreased by \$124.4 million from 2016 to 2017. The overall decrease in restricted cash and investments was largely due to construction of the Projects.

#### 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 and deferred inflows by approximately \$635.0 million, \$636.2 million and \$466.8 million as of June 30, 2018, 2017 and 2016, respectively (see Table A-1). As of June 30, 2018 and 2017, the largest portion of the Authority's net position is reflected its investment in capital assets (the Tolling System infrastructure and related assets) net of any outstanding debt used to acquire those assets. The second largest portion of net position, as of June 30, 2018 and 2017, is expendable and reflects proceeds restricted for debt service or construction expenditures. 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, 2018 and 2017**

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

	2018	2017	2016
Current assets	\$ 182,094	\$ 204,850	\$ 143,984
Restricted assets	204,384	309,229	492,744
Pension asset	826	355	202
Capital assets	1,673,630	1,491,482	1,084,996
Total assets	2,060,934	2,005,916	1,721,926
Deferred outflows of resources	108,057	109,742	91,656
Total assets and deferred outflows of resources	<u>\$ 2,168,991</u>	<u>\$ 2,115,658</u>	<u>\$ 1,813,582</u>
Total liabilities	\$ 1,532,560	\$ 1,480,216	\$ 1,346,650
Deferred inflows of resources	278	286	172
Total liabilities and deferred inflows of resources	<u>\$ 1,532,838</u>	<u>\$ 1,480,502</u>	<u>\$ 1,346,822</u>
Net position:			
Invested in capital assets	\$ 447,015	\$ 436,282	\$ 200,628
Restricted for other purposes	106,764	141,068	227,787
Unrestricted	82,372	57,806	38,345
Total net position	636,151	635,156	466,760
Total liabilities, deferred inflows of resources and net position	<u>\$ 2,168,989</u>	<u>\$ 2,115,658</u>	<u>\$ 1,813,582</u>

For fiscal year 2018, current and restricted assets decreased as a result of the Authority's ongoing construction on the Projects. The Authority receives grant funds, and bond proceeds to fund the Projects.

For fiscal year 2017, current and restricted assets decreased as a result of the Authority's ongoing construction on the Projects. The Authority receives grant funds, and bond proceeds to fund the Projects.

For fiscal year 2018 and 2017, excluding accumulated depreciation, capital assets increased as a result of the ongoing construction and current period Project additions of approximately \$181.4 million and \$174.4 million, respectively.

For fiscal year 2017 and 2016, excluding accumulated depreciation, capital assets increased as a result of the ongoing construction and current period additions of approximately \$171.4 million and \$214.0 million, respectively, on the Projects.

**Changes in net position:** The operating revenues continue to increase as the level of toll transactions increases within the completed projects of the Authority's Tolling System (which as of June 30, 2018, includes the 183A Turnpike Project (Phases I and II), the 290E Project (Phases I and II) and the SH 71 Express Project) and the addition of MoPac Improvement Project in October of 2017. The average daily Tolling System transactions increased in 2018 from approximately 222.7 thousand per day in 2017 to approximately 252.1 thousand per day or from an annual total of approximately 80.0 million to 92.0 million from 2017 to 2018.

## Central Texas Regional Mobility Authority

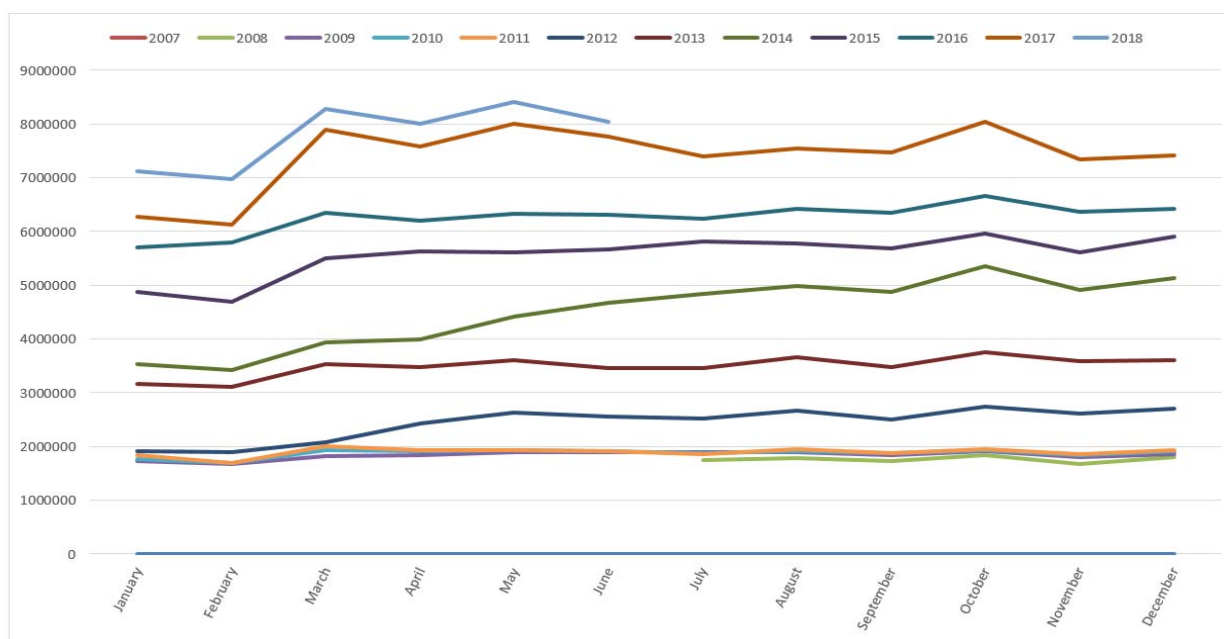
### Management's Discussion and Analysis (Continued) June 30, 2018 and 2017

Activity in the MoPac Improvement Project is not reflected in the total Tolling System transactions above. The MoPac Improvement Project is not included in the Authority's Tolling System established by the bond indenture securing the Authority's toll revenue obligations. For fiscal year 2018, activity of the MoPac Improvement Project consisted of approximately 7.4 million transactions and approximately \$8.5 million in revenue.

The average daily Tolling System transactions increased in 2017 from approximately 198 thousand per day to approximately 222.7 thousand per day in 2017 or from an annual total of approximately 62.0 million to 80.0 million from 2016 to 2017.

The chart below includes transactions for the completed projects of the Authority's Tolling System (which as of June 30, 2018, includes the 183A Turnpike Project (Phases I and II), the 290E Project (Phases I and II) and the SH 71 Express Project).

**Total Monthly Tolling System Transactions**



As noted at Table A-2 on the following page, operating expenses increased by \$11.6 million from 2017 to 2018 and by \$4.0 million from 2016 to 2017. The increases are related to the increase in the number of tolling transactions which result in additional expenses for road maintenance, image tag and collection fees.

The nonoperating expenses (net) increased from \$32.5 million in fiscal year 2017 to \$34.5 million in fiscal year 2018. The increase is attributable to the initial CAMPO RIF payment incurred in fiscal year 2018 relating to the MoPac Improvement Project.

The nonoperating expenses (net) decreased from \$50.8 million in fiscal year 2016 to \$32.5 million in fiscal year 2017. The decrease is attributed to financing expenses in 2016 from the issuance of new revenue bonds exceeding the 2017 financing expenses. Additionally, the Series 2016 Refunding Bonds allowed for lower cost of borrowing and the Authority also capitalized interest of \$13.9 million in 2017 compared to \$9.1 million in 2016.

**Central Texas Regional Mobility Authority**

**Management's Discussion and Analysis (Continued)**  
**June 30, 2018 and 2017**

The change in net position before capital grants and contributions is a gain of approximately \$0.978 million in fiscal year 2018 compared to a loss of \$0.2 million and \$26.0 million in fiscal years 2017 and 2016, respectively. See Table A-2.

**Table A-2**  
**Condensed Schedules of Revenue, Expenses and Changes in Net Position**  
(In Thousands of Dollars)

	2018	2017	2016
Revenues:			
Toll revenue	\$ 91,492	\$ 75,651	\$ 64,312
Grant proceeds and other operating	682	1,569	1,486
Total revenues	<u>92,174</u>	<u>77,220</u>	<u>65,798</u>
Expenses:			
Administration	25,390	20,501	16,721
Professional services	3,167	2,371	2,578
Depreciation and amortization	28,045	22,099	21,692
Total expenses	<u>56,602</u>	<u>44,971</u>	<u>40,991</u>
Operating income	35,572	32,249	24,807
Total net nonoperating revenue (expenses)	<u>(34,594)</u>	<u>(32,461)</u>	<u>(50,837)</u>
Change in net position—before capital grants and contributions	978	(212)	(26,030)
Capital grants and contributions, net	17	168,608	173,714
Change in net position	995	168,396	147,684
Total net position at beginning of year	635,156	466,760	319,076
Total net position at end of year	<u>\$ 636,151</u>	<u>\$ 635,156</u>	<u>\$ 466,760</u>

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets:** As of June 30, 2018, 2017 and 2016, the Authority had invested approximately \$642.5 million, \$594.3 million and \$338.6 million, respectively, in construction in progress. Of the \$645.7 million, and \$594.3 million of the construction in progress, the non-Tolling System projects (projects other than the 183A Turnpike Project, the 290E Project, the 183 South Project and the SH 71 Express Project) made up \$123.1 million and \$216.8 million of the total in 2018 and 2017, respectively. See Table A-3 and Note 3.

**Table A-3**  
**Capital Assets**  
(Net of Depreciation, in Thousands of Dollars)

	2018	2017	2016
Property and equipment	\$ 4,862	\$ 12,474	\$ 11,830
Toll road	1,171,794	1,009,918	837,774
Accumulated depreciation	(145,518)	(125,242)	(103,162)
Construction in progress	642,491	594,333	338,554
Net capital assets	<u>\$ 1,673,629</u>	<u>\$ 1,491,483</u>	<u>\$ 1,084,996</u>

## Central Texas Regional Mobility Authority

### Management's Discussion and Analysis (Continued) June 30, 2018 and 2017

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**Long-term debt:** As of June 30, 2018, 2017 and 2016, the Authority had total debt outstanding of approximately \$1,441.4 million, \$1,364.5 million and \$1,244.5 million, respectively. See Table A-4.

**Table A-4**  
**Total Debt**  
(In Thousands of Dollars)

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total debt:			
Total bonds and other obligations	\$ 1,441,425	\$ 1,360,946	\$ 1,239,227
Total notes	-	3,570	5,300
Total debt outstanding	<u>\$ 1,441,425</u>	<u>\$ 1,364,516</u>	<u>\$ 1,244,527</u>
Total debt service payments:			
Principal payments	\$ 8,755	\$ 6,425	\$ 6,905
Interest payments	54,324	45,132	38,004

The total debt obligations include the current portion of the obligations of \$7.4 million, \$6.9 million and \$6.4 million for 2018, 2017 and 2016, respectively.

Additional information on the Authority's long-term debt can be found in Note 4 of this report.

#### **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

## Statements of Net Position June 30, 2018 and 2017

	2018	2017
Current assets:		
Unrestricted:		
Cash and cash equivalents (Note 2)	\$ 49,687,164	\$ 903,311
Investments (Note 2)	35,008,355	67,774,818
Due from other governments (Note 8)	4,336,907	17,083,930
Accrued interest receivable	192,484	325,529
Prepaid expenses and other assets	46,518	37,999
<b>Total unrestricted</b>	<b>89,271,428</b>	<b>86,125,587</b>
Restricted:		
Cash and cash equivalents (Note 2)	92,822,518	118,725,139
<b>Total restricted</b>	<b>92,822,518</b>	<b>118,725,139</b>
<b>Total current assets</b>	<b>182,093,946</b>	<b>204,850,726</b>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents (Note 2)	26,661,063	81,632,324
Investments (Note 2)	177,722,684	227,597,046
<b>Total restricted assets</b>	<b>204,383,747</b>	<b>309,229,370</b>
Pension asset (Note 7)	826,397	355,139
Total capital assets, net (Note 3)	1,673,629,024	1,491,481,738
<b>Total assets</b>	<b>2,060,933,114</b>	<b>2,005,916,973</b>
Total deferred outflows of resources (Notes 5 and 7)	108,056,556	109,741,671
<b>Total assets and deferred outflows of resources</b>	<b>\$ 2,168,989,670</b>	<b>\$ 2,115,658,644</b>
Current liabilities:		
Payable from current assets:		
Accounts payable	\$ 1,079,771	\$ 1,838,473
Due to other governments	4,073,939	1,672,933
Accrued expenses	584,371	413,542
<b>Total payable from current assets</b>	<b>5,738,081</b>	<b>3,924,948</b>
Payable from restricted current assets:		
Construction accounts payable	45,136,616	73,481,537
CAMPO RIF payable	2,000,000	-
Accrued interest payable	25,942,463	25,975,163
Bonds, notes payable and other obligations, current portion (Note 4)	7,425,000	6,950,000
Unearned revenue	12,318,439	12,318,439
<b>Total payable from restricted current assets</b>	<b>92,822,518</b>	<b>118,725,139</b>
<b>Total current liabilities</b>	<b>98,560,599</b>	<b>122,650,087</b>
Noncurrent liabilities:		
Unearned revenue	-	-
Notes payable, net of current portion (Note 4)	-	1,805,000
Revenue bonds payable and other obligations, net of current portion (note 4)	1,433,999,854	1,355,761,123
<b>Total noncurrent liabilities</b>	<b>1,433,999,854</b>	<b>1,357,566,123</b>
<b>Total liabilities</b>	<b>1,532,560,453</b>	<b>1,480,216,210</b>
Total deferred inflows of resources (Notes 5 and 7)	278,184	286,449
<b>Total liabilities and deferred inflows of resources</b>	<b>1,532,838,637</b>	<b>1,480,502,659</b>
Net position:		
Net Investment in capital assets	447,015,053	436,282,193
Restricted for debt service	106,764,024	141,067,986
Unrestricted	82,371,956	57,805,806
<b>Total net position</b>	<b>636,151,033</b>	<b>635,155,985</b>
<b>Total liabilities and net position</b>	<b>\$ 2,168,989,670</b>	<b>\$ 2,115,658,644</b>

See notes to financial statements.

**Central Texas Regional Mobility Authority**

**Statements of Revenues, Expenses and Changes in Net Position  
Years Ended June 30, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
Operating revenues:		
Tolls	\$ 91,491,730	\$ 75,651,364
Grant proceeds and other operating	681,812	1,568,891
<b>Total operating revenues</b>	<u>92,173,542</u>	<u>77,220,255</u>
Operating expenses:		
Salaries and wages	4,871,271	4,337,946
Toll contractual services	12,258,054	8,356,483
Professional services	3,167,349	2,370,921
General and administrative	8,259,628	7,806,640
Depreciation and amortization	28,045,493	22,099,071
<b>Total operating expenses</b>	<u>56,601,795</u>	<u>44,971,061</u>
<b>Operating income</b>	<u>35,571,747</u>	<u>32,249,194</u>
Nonoperating revenues (expenses):		
Interest income	2,541,537	847,178
Financing expense	(226,753)	(1,358,618)
CAMPO RIF payment	(2,000,000)	-
Interest expense, net of interest capitalized	(34,908,809)	(31,949,097)
<b>Total nonoperating revenues (expenses), net</b>	<u>(34,594,025)</u>	<u>(32,460,537)</u>
<b>Change in net position before capital grants and contributions</b>	977,722	(211,343)
TxDOT capital grants and contributions, net	17,326	168,607,570
<b>Change in net position</b>	<u>995,048</u>	<u>168,396,227</u>
Total net position at beginning of year	<u>635,155,985</u>	<u>466,759,758</u>
Total net position at end of year	<u><u>\$ 636,151,033</u></u>	<u><u>\$ 635,155,985</u></u>

See notes to financial statements.

## Central Texas Regional Mobility Authority

### Statements of Cash Flows Years Ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Receipts from toll fees	\$ 91,130,996	\$ 73,772,971
Receipts from grants and other income	681,812	1,568,891
Payments to vendors	(22,051,246)	(17,059,484)
Payments to employees	(4,789,619)	(4,258,810)
<b>Net cash flows provided by operating activities</b>	<b>64,971,943</b>	<b>54,023,568</b>
Cash flows from capital and related financing activities:		
Proceeds from notes payable and other obligations	90,521,885	49,636,149
Payments on revenue bonds issuance	-	(3,855,854)
Payments on interest	(54,324,611)	(45,132,276)
Payments on bonds	(9,403,471)	(6,425,000)
Purchase of capital assets	(302,647)	(2,260,579)
Payments for construction in progress	(240,014,400)	(206,701,520)
Proceeds from capital grants	28,679,062	100,753,583
Proceeds from contributed capital	-	4,500,000
<b>Net cash flows used in capital and related financing activities</b>	<b>(184,844,182)</b>	<b>(109,485,497)</b>
Cash flows from investing activities:		
Interest income, gross of capitalized interest	5,083,086	3,170,825
Purchase of investments	(178,465,748)	(285,516,658)
Proceeds from sale or maturity of investments	261,164,872	213,417,984
<b>Net cash flows provided by (used in) investing activities</b>	<b>87,782,210</b>	<b>(68,927,849)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(32,090,029)</b>	<b>(124,389,778)</b>
Cash and cash equivalents at beginning of year	201,260,774	325,650,552
Cash and cash equivalents at end of year	<b>\$ 169,170,745</b>	<b>\$ 201,260,774</b>
Reconciliation of change in net position to net cash provided by operating activities:		
Operating income	\$ 35,571,747	\$ 32,249,194
Adjustments to reconcile change in net position to net cash provided by operating activities:		
Depreciation and amortization	28,045,493	22,099,071
Changes in assets and liabilities:		
Increase in due from other governments	(391,555)	(1,926,383)
(Increase) decrease in prepaid expenses and other assets	(8,519)	69,602
Increase (decrease) in accounts payable	(727,881)	555,604
Increase in accrued expenses	2,541,014	946,663
Increase in pension asset	(471,258)	(153,116)
Increase in deferred outflow of resources	421,167	68,501
Increase (decrease) in deferred inflow of resources	(8,265)	114,432
<b>Total adjustments</b>	<b>29,400,196</b>	<b>21,774,374</b>
<b>Net cash flows provided by operating activities</b>	<b>\$ 64,971,943</b>	<b>\$ 54,023,568</b>
Reconciliation of cash and cash equivalents:		
Unrestricted cash and cash equivalents	\$ 49,687,164	\$ 903,311
Restricted cash and cash equivalents:		
Current	92,822,518	118,725,139
Noncurrent	26,661,063	81,632,324
<b>Total</b>	<b>\$ 169,170,745</b>	<b>\$ 201,260,774</b>

See notes to financial statements.



## Central Texas Regional Mobility Authority

### Notes to Financial Statements June 30, 2018 and 2017

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#### Note 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 Texas Department of Transportation (TxDOT). The Authority receives its revenues from tolls, fees and reimbursement grants from the operation of turnpike projects and reimbursement grants for the construction of toll 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 (the Board) 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, liabilities and deferred inflows and outflows of resources 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 pursuant to the bond indenture, 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 the liability is incurred regardless of the timing of related cash flows, and depreciation of capital assets is recognized. Revenue from grants and contracts specifying allowable costs to be incurred are recognized as revenue when all eligibility requirements imposed by the provider are met and qualifying expenditures have been incurred.

## Central Texas Regional Mobility Authority

### Notes to Financial Statements June 30, 2018 and 2017

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#### Note 1. Organization and Summary of Significant Accounting Policies (Continued)

**C. Pledged revenue:** In accordance with the bond indenture, as amended, between the Authority and the trustee named therein, the Authority has designated the following projects as part of the "CTRMA Turnpike System" (the Tolling System): the 183A Turnpike Project, the 290E Project, the 183 South Project and the SH 71 Express Project. The trust estate established by the bond indenture is pledged to secure certain outstanding obligations of the Authority, and such trust estate includes the revenues from the Tolling System. The Tolling System may also include any future Project and other roads, bridges or other toll facilities for which the Authority has operational responsibility that the Authority designates as part of the Tolling System by official action of its Board of Directors.

**D. Cash, cash equivalents and investments:** Cash and cash equivalents include cash on hand, demand deposits, investments in the money market mutual fund and short-term investments with original maturities of three months or less from the date of acquisition. Bank deposits are fully collateralized or covered by federal depository insurance. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants. Investments in debt securities are reported at fair value based on pricing service modeling for fixed income securities. Investment in local government investment pools are reported at amortized cost. The net change in fair value of investments is recorded on the Statements 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.

**E. Compensated absences:** Full-time regular employees are eligible for vacation, which accrue monthly. The maximum paid accrual is from 180 hours for one to two years of service up to 336 hours for 10 plus years of service. Vested 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. Accrued vacation leave on the Statements of Net Position is \$282,775 and \$182,441 as of June 30, 2018 and 2017, respectively.

**F. Capital assets:** Capital assets, which include property and equipment, right of way and toll roads, are reported at cost. Capital assets acquired through contributions, such as those from developers or other governments, are recorded at estimated acquisition 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:

	<u>Estimated Useful Live</u>
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.

## Central Texas Regional Mobility Authority

### Notes to Financial Statements June 30, 2018 and 2017

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#### Note 1. Organization and Summary of Significant Accounting Policies (Continued)

**F. Capital assets (continued):** 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 2018 or 2017.

**G. Grants and contributions:** Revenues from grants and contributions are cash and noncash which include the following: (1) Capital grants and contributions which are restricted revenues whose resources may only be spent to purchase, build or use capital assets for specified programs or (2) Operating grants and contributions which are restricted in the way they may be spent for operations of a particular program.

The Authority has entered into several construction contracts with TxDOT for the construction of roadways using Highway Planning and Construction federal funding and certain state funding for transportation improvements. During the years ended June 30, 2018 and 2017, the Authority recognized capital grants and contributions of approximately \$15.5 million and \$168.6 million, respectively, from TxDOT. Revenues from federal and state cost reimbursement grants and contracts are recognized as earned when all eligibility requirements, including incurring allowable expenditures, have been met. As of June 30, 2018 and 2017, there was approximately \$12.3 million, for both years, of unearned revenue from a TxDOT construction contract which is recorded as unearned revenue in the Statements of Net Position until qualifying allowable expenditures are incurred.

**H. Restricted assets:** Certain assets of the Authority are classified as restricted assets in the Statement of Net Position because their use is limited by applicable bond covenants or TxDOT construction contracts. When the proceeds are restricted for the acquisition or construction of noncurrent assets or are restricted for liquidation of long-term debt, 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. In the financial statements, restricted net position is reported for amounts that are externally restricted by creditors (e.g., bond covenants), grantors, contributors or laws and regulations of other governments or law through constitutional provision or enabling legislation.

**I. 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 federal income taxes.

**J. Pensions:** The net pension liability, deferred outflows and deferred inflows of resources related to pensions, 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 in the TCDRS net pension liability calculations when due and payable in accordance with the benefit terms. The investments are stated at fair value.

## Central Texas Regional Mobility Authority

### Notes to Financial Statements June 30, 2018 and 2017

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#### Note 1. Organization and Summary of Significant Accounting Policies (Continued)

**K. Deferred outflows and inflows of resources:** The Authority has classified as deferred inflows of resources items that represent acquisition of net position that applies to future periods and will not be recognized as a revenue until then. 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. 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*. Deferred gains/losses on refunding (the difference between the reacquisition price and the carrying value of the existing debt) are recorded as deferred outflows of resources and amortized over the shorter of the life of the original bonds or the life of the refunding bonds.

**L. Long-term obligations:** Long term obligations are reported as liabilities in the statement of net position and consist of notes and bonds payable and related premiums and discounts. The Authority amortizes premiums and discounts over the estimated life of the bonds as an adjustment to interest expense using the effective interest method.

**M. 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 (the 183A Turnpike Project, the 290E Project, the 183 South Project and the SH 71 Express Project) and non-Tolling System (MoPac Improvement Project) operations. 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 Governmental Accounting 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.

**N. 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 in the financial statements and the accompanying notes. Actual results could differ from those estimates.

#### **O. Noncash disclosures for statements of cash flows:**

**Capital Appreciation Bonds:** The Authority's outstanding capital appreciation bonds Series 2010 and 2011 included accreted interest of \$5.5 million and \$5.2 million for the periods ended June 30, 2018 and 2017, respectively.

**SH 71 Express Project:** On February 27, 2013, the Authority elected to waive and decline the Authority's option under the Texas Transportation Code to develop, finance, and construct the SH 71 Express Project which consists of three miles of toll lanes (the Project). However, the Authority elected to retain its option to operate any potential toll lanes on the Project and to retain the revenues generated therefrom. Under an agreement executed in December 2013 between the Authority and TxDOT, TxDOT funded the development, design, and construction of the Project, subject to partial reimbursement from the Authority as provided in this agreement. The Project was substantially completed and operational in 2017. The completion of the Project resulted in the contribution of the SH 71 Express Project asset to the Authority's Tolling System in the amount of approximately \$161.0 million with a repayment liability of approximately \$65.0 million, from future toll collections, and a capital contribution from TxDOT of \$96.0 million of the toll project cost.

## Central Texas Regional Mobility Authority

### Notes to Financial Statements June 30, 2018 and 2017

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#### Note 1. Organization and Summary of Significant Accounting Policies (Continued)

**SH 71 Express Project (continued):** During fiscal year 2018 TxDOT updated certain capital balances and related debt on the SH 71 Express Project which resulted in a decrease of contributed capital by \$19.5 million and related debt by \$2.0 million (included in the TxDOT Capital grants and contributions, net on the Statement of Revenues and Expenses and Changes in Net Position).

Noncash Disclosure (in Millions)	2018	2017
SH 71 Express Project obligation:		
Increase (decrease) in highway and bridge capital asset	\$ (19.5)	\$ 161.0
Increase (decrease) in SH 71 Express Project obligation to TxDOT	(2.0)	65.0

**2016 Obligations:** The Authority issued its Series 2016 Subordinate Lien Revenue Refunding Bonds on August 9, 2016, called the 2016 Subordinate Lien Bonds. The refunding effected through the use of a portion of the proceeds of the 2016 Subordinate Lien Bonds resulted in the following noncash transactions during fiscal year 2017:

Noncash Disclosure (in Millions)	2018	2017
Payments to refunding bond escrow:		
2011 Subordinate Lien Bonds	\$ -	\$ 70.0
Issuance costs	-	1.0
Deferred outflow on refunding	-	19.4
Total	\$ -	\$ 90.4

#### Note 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.

TexSTAR Investment Pool balances are carried at amortized cost, which does not require categorization under GASB No. 72, *Fair Value Measurements and Application*.

**Central Texas Regional Mobility Authority**

**Notes to Financial Statements  
June 30, 2018 and 2017**

**Note 2. Cash and Investments (Continued)**

The Authority had the following investments as of June 30:

<b>Summary of Investments by Type</b>	<b>2018</b>	<b>2017</b>
Cash and cash equivalents	\$ 169,170,745	\$ 201,260,774
TexSTAR Investment Pool	127,974,817	169,963,150
US government sponsored enterprises and treasury notes	84,756,222	125,408,714
Total cash and investments	<u>\$ 381,901,784</u>	<u>\$ 496,632,638</u>
Unrestricted cash and cash equivalents	\$ 49,687,164	\$ 903,311
Unrestricted investments	35,008,355	67,774,818
Restricted cash and cash equivalents:		
Current	92,822,518	118,725,139
Noncurrent	26,661,063	81,632,324
Restricted investments	177,722,684	227,597,046
Total cash and cash equivalent and investment, as reported on the Statement of Net Position	<u>\$ 381,901,784</u>	<u>\$ 496,632,638</u>

The Authority utilizes various methods to measure the fair value of investments on a recurring basis. GASB Statement No. 72, *Fair Value Measurement and Application*, establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

**Level 1:** Inputs are unadjusted quoted prices in active markets for identical assets and liabilities that the Authority has the ability to access.

**Level 2:** Inputs are observable other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument in an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

**Level 3:** Inputs are unobservable for the asset or liability, to the extent relevant observable inputs are not available, representing the Authority's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Investments measured at net asset value do not have significant terms or conditions for redemption or commitment for additional funding. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

## Central Texas Regional Mobility Authority

### Notes to Financial Statements June 30, 2018 and 2017

#### Note 2. Cash and Investments (Continued)

The following tables summarize the inputs used as of June 30, 2018 and 2017, for the Authority's investments measured at fair value:

Investment Type	Fair Value Hierarchy at June 30, 2018			
	Level 1	Level 2	Level 3	Balance
Federal HOME Loan Bank	\$ -	\$ 9,973,520	\$ -	\$ 9,973,520
Fannie Mae	-	19,909,580	-	19,909,580
US Treasury Notes	-	44,874,022	-	44,874,022
Farmer MAC	-	9,999,100	-	9,999,100
Total U.S. government sponsored enterprise securities and treasury notes	\$ -	\$ 84,756,222	\$ -	84,756,222
Investments at NAV based on amortized cost:				
Goldman Sachs Financial Square Treasury Obligations Fund				168,743,537
TexSTAR Investment Pool				127,974,817
Total				<u>\$ 381,474,576</u>

Investment Type	Fair Value Hierarchy at June 30, 2017			
	Level 1	Level 2	Level 3	Balance
Federal HOME Loan Bank	\$ -	\$ 75,626,854	\$ -	\$ 75,626,854
Federal Farm Credit Bank	-	39,975,000	-	39,975,000
Freddie MAC Callable	-	9,806,860	-	9,806,860
Total U.S. government sponsored enterprise securities	\$ -	\$ 125,408,714	\$ -	125,408,714
Investments at NAV based on amortized cost:				
Goldman Sachs Financial Square Treasury Obligations Fund				200,357,463
TexSTAR Investment Pool				169,963,150
Total				<u>\$ 495,729,327</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 percent of the carrying value.

The Authority was fully collateralized with pledged securities held in the name of the pledging financial institution for amounts in excess of the Federal Deposit Insurance Corporation limit as of June 30, 2018 and 2017. Cash balance as of June 30, 2018 and 2017, are \$427,208 and \$903,311, respectively.

**Custodial credit risk—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 Financial Statements June 30, 2018 and 2017

#### Note 2. Cash and Investments (Continued)

**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 pools. The Authority does not have a specific investment policy related to concentration of credit risk. The Authority does have a policy related to portfolio diversification.

With regards to investment composition, the Authority's investment policy currently states that local government investment pools may not exceed 80 percent of the total investment portfolio less bond funds. Bond funds may be invested at 100 percent of total investment portfolio. No other parameters for investment composition are stated in the approved investment policy.

The Authority's portfolio consisted of the following as of June 30:

	2018		2017	
TexSTAR Investment Pool	\$ 127,974,817	33.5%	\$ 169,963,150	34.3%
Goldman Sachs Financial Square Treasury Obligations Fund	168,743,537	44.2%	200,357,463	40.4%
Federal HOME Loan Bank	9,973,520	2.6%	75,626,854	15.3%
Federal Farm Credit Bank	-	0.0%	39,975,000	8.1%
Farmer MAC	9,999,100	2.6%	-	0.0%
Freddie MAC Callable	-	0.0%	9,806,860	2.0%
Fannie Mae	19,909,580	5.2%	-	0.0%
U.S. Treasury notes	44,874,022	11.8%	-	0.0%
Total	<u>\$ 381,474,576</u>		<u>\$ 495,729,327</u>	

**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.



## Central Texas Regional Mobility Authority

### Notes to Financial Statements June 30, 2018 and 2017

#### Note 2. Cash and Investments (Continued)

As of June 30, 2018 and 2017, the Authority's investments in debt securities mature as follows:

Investment Type	Investment Maturities (in Days)—2018				Fair Value
	90 Days or Less	91 to 180 Days	191 to 365 Days	Greater Than 365 Days	
Federal HOME Loan Bank	\$ -	\$ -	\$ 9,973,520	\$ -	\$ 9,973,520
Fannie Mae	-	19,909,580	-	-	19,909,580
U.S. Treasury Notes	-	24,913,086	19,960,936	-	44,874,022
Farmer MAC	-	-	9,999,100	-	9,999,100
Total U.S. government sponsored enterprise securities and treasury notes	\$ -	\$ 44,822,666	\$ 39,933,556	\$ -	\$ 84,756,222

Investment Type	Investment Maturities (in Days)—2017				Fair Value
	90 Days or Less	91 to 180 Days	191 to 365 Days	Greater Than 365 Days	
Federal HOME Loan Bank	\$ 21,275,076	\$ 14,387,328	\$ 39,964,450	\$ -	\$ 75,626,854
Federal Farm Credit Bank	24,996,000	-	14,979,000	-	39,975,000
Freddie Mac Callable	-	9,806,860	-	-	9,806,860
Total U.S. government sponsored enterprise securities	\$ 46,271,076	\$ 24,194,188	\$ 54,943,450	\$ -	\$ 125,408,714

**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 5-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.

The Chief Financial Officer of the Authority is the President of TexSTAR. The Authority has investments of \$127.9 million and \$170.0 million, respectively, in TexSTAR as of June 30, 2018 and 2017.

**Money market mutual fund:** The Goldman Sachs Financial Square Treasury Obligations Fund is a government money market fund under Rule 2a-7 of the Investment Company Act of 1940, as amended. As such, the fund values its securities using amortized cost. The fund is rated Aaa by Moody's. The redemption frequency is one day and there are no unfunded commitments.

**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

## Central Texas Regional Mobility Authority

### Notes to Financial Statements June 30, 2018 and 2017

#### Note 2. Cash and Investments (Continued)

The Authority's investments had the following credit risk structure as of June 30, 2018 and 2017, based on Standard & Poor's ratings:

U.S. Government Sponsored Enterprise Securities and Treasury Notes	Standard & Poor's		2018	2017
	Investment Grade Rating			
Federal HOME Loan Bank	AA+	\$	9,973,520	\$ 75,626,854
Federal Farm Credit Bank	AA+		-	39,975,000
Fannie Mae	AA+		19,909,580	-
Freddie MAC Callable	AA+		-	9,806,860
US Treasury Notes	Aaa		44,874,022	-
Farmer MAC	NR		9,999,100	-
Total		\$	84,756,222	\$ 125,408,714

#### Note 3. Capital Assets

The following schedule summarizes the capital assets of the Authority as of June 30, 2018 and 2017:

	2017	Additions	Disposals/ Adjustments	Transfers	2018
Nondepreciable assets:					
Construction in progress	\$ 594,333,090	\$ 227,501,014	\$ (61,180)	\$ (179,282,341)	\$ 642,490,583
Right of way	88,148,108	1,500	-	-	88,149,608
Total nondepreciable assets	682,481,198	227,502,514	(61,180)	(179,282,341)	730,640,191
Depreciable assets:					
Property and equipment	12,473,998	166,093	(7,777,841)	-	4,862,250
Toll road:					
Building and toll facilities	7,062,332	-	-	-	7,062,332
Highways and bridges	858,354,482	-	(19,449,859)	176,109,526	1,015,014,149
Toll equipment	29,106,931	2,010,383	-	3,172,815	34,290,129
Signs	13,001,702	31,900	-	-	13,033,602
Land improvements	14,243,759	-	-	-	14,243,759
Total depreciable assets	934,243,204	2,208,376	(27,227,700)	179,282,341	1,088,506,221
Property and equipment	(10,828,047)	(566,257)	7,770,769	-	(3,623,535)
Building and toll facilities	(1,771,794)	(176,840)	-	-	(1,948,634)
Highways and bridges	(93,834,827)	(23,392,958)	-	-	(117,227,785)
Toll equipment	(13,116,937)	(2,698,611)	-	-	(15,815,548)
Signs	(2,071,239)	(325,893)	-	-	(2,397,132)
Land improvements	(3,619,820)	(884,934)	-	-	(4,504,754)
Accumulated depreciation	(125,242,664)	(28,045,493)	7,770,769	-	(145,517,388)
Net property and equipment	\$ 1,491,481,738	\$ 201,665,397	\$ (19,518,111)	\$ -	\$ 1,673,629,024

## Central Texas Regional Mobility Authority

### Notes to Financial Statements June 30, 2018 and 2017

#### Note 3. Capital Assets (Continued)

	2016	Additions	Disposals/ Adjustments	Transfers	2017
Nondepreciable assets:					
Construction in progress	\$ 338,554,088	\$ 262,061,658	\$ -	\$ (6,282,656)	\$ 594,333,090
Right of way	86,849,831	1,298,277	-	-	88,148,108
Total nondepreciable assets	425,403,919	263,359,935	-	(6,282,656)	682,481,198
Depreciable assets:					
Property and equipment	11,829,980	662,733	-	(18,715)	12,473,998
Toll road:					
Building and toll facilities	7,062,332	-	-	-	7,062,332
Highways and bridges	688,882,100	163,189,726	-	6,282,656	858,354,482
Toll equipment	27,734,552	1,372,379	-	-	29,106,931
Signs	13,001,702	-	-	-	13,001,702
Land improvements	14,243,759	-	-	-	14,243,759
Total depreciable assets	762,754,425	165,224,838	-	6,263,941	934,243,204
Property and equipment	(10,234,692)	(612,070)	-	18,715	(10,828,047)
Building and toll facilities	(1,594,679)	(177,115)	-	-	(1,771,794)
Highways and bridges	(76,374,847)	(17,459,980)	-	-	(93,834,827)
Toll equipment	(10,477,858)	(2,639,079)	-	-	(13,116,937)
Signs	(1,745,346)	(325,893)	-	-	(2,071,239)
Land improvements	(2,734,886)	(884,934)	-	-	(3,619,820)
Accumulated depreciation	(103,162,308)	(22,099,071)	-	18,715	(125,242,664)
Net property and equipment	\$ 1,084,996,036	\$ 406,485,702	\$ -	\$ -	\$ 1,491,481,738

Construction in progress as of June 30, 2018 and 2017, consists of the following:

	2017	Additions	Disposals	Transfers	2018
Construction in progress:					
Preliminary and construction costs	\$ 563,265,424	\$ 210,271,099	\$ (61,180)	\$ (176,109,526)	\$ 597,365,817
Collection system	7,374,859	1,408,335	-	(3,172,815)	5,610,379
Capitalized interest	23,692,807	15,821,580	-	-	39,514,387
Net construction in progress	\$ 594,333,090	\$ 227,501,014	\$ (61,180)	\$ (179,282,341)	\$ 642,490,583

	2016	Additions	Disposals	Transfers	2017
Construction in progress:					
Preliminary and construction costs	\$ 323,615,537	\$ 245,980,128	\$ -	\$ (6,330,241)	\$ 563,265,424
Collection system	5,263,163	2,111,696	-	-	7,374,859
Capitalized interest	9,675,388	13,969,834	-	47,585	23,692,807
Net construction in progress	\$ 338,554,088	\$ 262,061,658	\$ -	\$ (6,282,656)	\$ 594,333,090

Depreciation expense for the years ended June 30, 2018 and 2017, totaled \$28,045,493 and \$22,099,071, respectively.

## Central Texas Regional Mobility Authority

### Notes to Financial Statements June 30, 2018 and 2017

#### Note 3. Capital Assets (Continued)

As of June 30, 2018 and 2017, the Authority has other non-Tolling System projects (projects other than the 183A Turnpike Project, the 290E Project, the 183 South Project and the SH 71 Express Project) construction in progress and capital assets for the following projects:

	2018	2017
Construction in progress non-Tolling System projects:		
MoPac Improvement Project	\$ 18,395,548	\$ 161,541,983
MoPac South	12,286,563	11,327,315
183N Mobility	10,975,004	8,455,862
SH45 Southwest	77,108,308	31,775,145
US290 West (Oak Hill)	4,387,198	3,793,939
Capital assets in non-Tolling System projects:		
Building and toll facilities, net of depreciation	173,908,157	-
Toll equipment, net of depreciation	2,946,185	-
Total non-Tolling System projects	<u>\$ 300,006,963</u>	<u>\$ 216,894,244</u>

#### Note 4. Notes and Bonds Payable

The following schedule summarizes total notes and bonds payable for the years ended June 30, 2018 and 2017:

	2017	Additions/ Accretion	Amortization/ Deductions	2018	Due Within One Year
American Bank Note	\$ 3,570,000	\$ -	\$ (3,570,000)	\$ -	\$ -
Total note	3,570,000	-	(3,570,000)	-	-
Series 2010 Obligations	43,549,710	-	-	43,549,710	1,310,000
Series 2010 CAB accretion	25,337,137	4,671,175	-	30,008,312	-
Total 2010 Bonds	68,886,847	4,671,175	-	73,558,022	1,310,000
Series 2011 Obligations	9,999,944	-	-	9,999,944	-
Series 2011 CAB accretion	4,498,178	925,166	-	5,423,344	-
Total 2011 Bonds	14,498,122	925,166	-	15,423,288	-
Series 2013 Obligations	245,215,000	-	(4,800,000)	240,415,000	5,715,000
Total 2013 Bonds	245,215,000	-	(4,800,000)	240,415,000	5,715,000
TIFIA Bond 2015—Series C	52,531	51,859,820	-	51,912,351	-
SIB Bond 2015—Series E	30,518,853	1,233,202	-	31,752,055	-
SHF Bond 2015—Series D	30,518,853	1,233,232	-	31,752,085	-
Series 2015 Bonds—Series A and B	367,575,000	-	-	367,575,000	-
Total 2015 Bonds	428,665,237	54,326,254	-	482,991,491	-
Sub Lien Refunding Bonds, Series 2016	74,690,000	-	(385,000)	74,305,000	400,000
Sr. Lien Refunding Bonds, Series 2016	358,030,000	-	-	358,030,000	-
Total 2016 Bonds	432,720,000	-	(385,000)	432,335,000	400,000
71E Toll Project Obligation	65,000,000	-	(2,667,942)	62,332,058	-
State Highway 45SW Obligation	-	22,080,000	-	22,080,000	-
Regions 2017 MoPac Obligation	-	17,000,000	-	17,000,000	-
Total 2017 obligations	65,000,000	39,080,000	(2,667,942)	101,412,058	-
Total bonds and obligations payable	1,254,985,206	99,002,595	(7,852,942)	1,346,134,859	7,425,000
Total notes, bonds and obligations payable	1,258,555,206	99,002,595	(11,422,942)	1,346,134,859	7,425,000
Net (premium) discount on revenue bonds payable	105,960,917	-	(10,670,922)	95,289,995	-
Total notes, bonds and obligations payable, net	1,364,516,123	\$ 99,002,595	\$ (22,093,864)	1,441,424,854	\$ 7,425,000
Less current maturities of notes and bonds payable	(6,950,000)	-	-	(7,425,000)	-
Total	<u>\$ 1,357,566,123</u>	-	-	<u>\$ 1,433,999,854</u>	-

## Central Texas Regional Mobility Authority

### Notes to Financial Statements June 30, 2018 and 2017

#### Note 4. Notes and Bonds Payable (Continued)

	2016	Additions/ Accretion	Amortization/ Deductions	2017	Due Within One Year
American Bank Note	\$ 5,300,000	\$ -	\$ (1,730,000)	\$ 3,570,000	\$ 1,765,000
Total note	5,300,000	-	(1,730,000)	3,570,000	1,765,000
Series 2010 Obligations	43,549,710	-	-	43,549,710	-
Series 2010 CAB accretion	21,005,210	4,331,927	-	25,337,137	-
Total 2010 Bonds	64,554,920	4,331,927	-	68,886,847	-
Series 2011 Obligations	79,999,944	-	(70,000,000)	9,999,944	-
Series 2011 CAB accretion	3,573,728	924,450	-	4,498,178	-
Total 2011 Bonds	83,573,672	924,450	(70,000,000)	14,498,122	-
Series 2013 Obligations	249,910,000	-	(4,695,000)	245,215,000	4,800,000
Total 2013 Bonds	249,910,000	-	(4,695,000)	245,215,000	4,800,000
TIFIA Bond 2015—Series C	51,130	1,401	-	52,531	-
SIB Bond 2015—Series E	5,701,479	24,817,374	-	30,518,853	-
SHF Bond 2015—Series D	5,701,479	24,817,374	-	30,518,853	-
Series 2015 Bonds—Series A and B	367,575,000	-	-	367,575,000	-
Total 2015 Bonds	379,029,088	49,636,149	-	428,665,237	-
Sub Lien Refunding Bonds, Series 2016	-	74,690,000	-	74,690,000	-
Sr. Lien Refunding Bonds, Series 2016	358,030,000	-	-	358,030,000	385,000
Total 2016 Bonds	358,030,000	74,690,000	-	432,720,000	385,000
71E Toll Project Obligation	-	65,000,000	-	65,000,000	-
Total bonds and obligations payable	1,135,097,680	194,582,526	(74,695,000)	1,254,985,206	5,185,000
Total notes, bonds and obligations payable	1,140,397,680	194,582,526	(76,425,000)	1,258,555,206	6,950,000
Net (premium) discount on revenue bonds payable	104,128,955	10,826,977	(8,995,015)	105,960,917	-
Total notes, bonds and obligations payable, net	1,244,526,635	\$ 205,409,503	\$ (85,420,015)	1,364,516,123	\$ 6,950,000
Less current maturities of notes and bonds payable	(6,425,000)			(6,950,000)	
Total	\$ 1,238,101,635			\$ 1,357,566,123	

The Series 2010 Obligations, the Series 2011 Obligations, the Series 2013 Obligations, the Series 2015 Obligations and the Series 2016 Obligations, each as further described below, were issued by the Authority pursuant to a bond indenture between the Authority and the trustee named therein, and are secured by and payable from the trust estate established thereby, in the manner described in and subject to the terms and conditions of the bond indenture. The trust estate established by the bond indenture includes the revenues from the Tolling System. The Authority is required to establish and maintain toll rates in connection with the Tolling System as shall be sufficient to satisfy its rate covenant under the bond indenture.

**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 2019 through 2020. 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 percent. Interest on the Series 2010 CIBs is payable on each July 1 and January 1, commencing July 1, 2010. As of June 30, 2018 and 2017, the outstanding principal amount was \$8.5 million for each year.

## Central Texas Regional Mobility Authority

### Notes to Financial Statements June 30, 2018 and 2017

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#### **Note 4. Notes and Bonds Payable (Continued)**

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, 2018 and 2017. As of June 30, 2018 and 2017, the aggregate maturity amount was \$34.9 million for both years.

Interest on the Series 2010 CABs will accrete from the date of initial delivery to stated maturity at rates ranging from 7.20 percent to 7.85 percent 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, 2018 and 2017 was \$30.0 million and \$25.3 million, respectively. The accumulated accreted interest is added to the outstanding principal on July 1 and January 1 of each year beginning July 1, 2010.

**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). The Series 2011 CIBs were refunded in full during fiscal year 2016.

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 290E Phase II Project and as otherwise authorized in the Indenture.

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, 2018 and 2017. As of June 30, 2018 and 2017, the aggregate maturity amount was \$9.9 million for both years.

Interest on the Series 2011 CABs will accrete from the date of initial delivery to stated maturity at rates ranging from 5.9 percent to 6.5 percent 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, 2018 and 2017 was \$5.4 million and \$4.5 million, respectively. The accumulated accreted interest is added to the outstanding principal on July 1 and January 1 of each year beginning July 1, 2011.

During fiscal year 2017, the Series 2011 Subordinate Lien Revenue Bonds were refunded in full in the principal amount of \$70.0 million with a portion of the proceeds from the Series 2016 Subordinate Lien Revenue Refunding Bonds. The Series 2011 Subordinate Lien Revenue Bonds were issued as current interest bonds and were scheduled to mature starting in 2023 through 2041. Interest on the Series 2011 Subordinate Lien Revenue Bonds is calculated on the basis of a 360-day year of 12, 30-day months at the rate of 6.75 percent. Interest on the Series 2011 Subordinate Lien Revenue Bonds is payable on each July 1 and January 1, commencing January 1, 2012.

## Central Texas Regional Mobility Authority

### Notes to Financial Statements June 30, 2018 and 2017

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#### Note 4. Notes and Bonds Payable (Continued)

**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 Series 2013B Senior Lien Put Bonds were refunded in full during fiscal year 2016.

The proceeds from the Series 2013 Obligations were used to (i) refund in full 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 and are scheduled to mature on dates ranging from 2017 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 percent. 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, 2018 and 2017, the outstanding principal amount was \$139.9 million and \$143.7 million, respectively.

The Series 2013 Subordinate Lien Bonds were issued as current interest bonds and are scheduled to mature in 2017 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 percent. 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, 2018 and 2017, the outstanding principal amount was \$100.5 million and \$101.5 million, respectively.

**Series 2015 Obligations:** The Authority issued its Senior Lien Revenue Bonds, Series 2015A (the Series 2015A Bonds) and its Senior Lien Revenue and Refunding Put Bonds, Series 2015B (the Series 2015B Bonds) on November 19, 2015. The Authority issued its Subordinate Lien Revenue Bond, Taxable Series 2015C (the 2015C TIFIA Bond), its Subordinate Lien Revenue Bond, Taxable Series 2015D (the 2015D SHF Bond), and its Subordinate Lien Revenue Bond, Taxable Series 2015E (the 2015E SIB Bond) on November 18, 2015. The Series 2015A Bonds, the Series 2015B Bonds, the 2015C TIFIA Bond, the 2015D SHF Bond and the 2015E SIB Bond are collectively referred to as the Series 2015 Obligations.

A portion of the proceeds of the Series 2015 Obligations was used to finance and refinance the costs of designing, engineering, developing and constructing the 183 South Project. The remaining proceeds of the Series 2015 Obligations were used to (i) refund and redeem in whole the Authority's outstanding Senior Lien Revenue Refunding Put Bonds, Series 2013B, (ii) prepay in whole the Authority's outstanding 2015 Draw Down Note, (iii) pay capitalized interest with respect to the Series 2015A Bonds, (iv) make deposits to the Senior Lien Debt Service Reserve Fund and (v) pay certain issuance costs of the Series 2015 Obligations.

**Series 2015A Bonds:** The Series 2015A Bonds were issued as current interest bonds and are scheduled to mature in 2025 through 2045. Interest on the Series 2015A Bonds is calculated on the basis of a 360-day year of 12, 30-day months at a rate of 5 percent. Interest on the Series 2015A Bonds is payable on each July 1 and January 1, commencing January 1, 2016. As of June 30, 2018 and 2017, the outstanding principal amount was \$298.8 million for both years.

## Central Texas Regional Mobility Authority

### Notes to Financial Statements June 30, 2018 and 2017

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#### Note 4. Notes and Bonds Payable (Continued)

**Series 2015B Bonds:** The Series 2015B Bonds were issued as current interest bonds and as variable rate obligations and are scheduled to mature in 2021 through 2045. Through the period that commenced on the issuance date thereof and ends on January 6, 2021 (initial multiannual rate period), the Series 2015B Bonds will bear interest at a rate of 5 percent. On January 7, 2021, the Series 2015B 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 2015B Bonds are not successfully remarketed, the Authority has no obligation to purchase such Bonds on such date, and all Series 2015B Bonds will continue to be outstanding and will bear interest at a rate of 9 percent per annum until subsequently remarketed.

Interest on the Series 2015B Bonds during the initial multiannual rate period is calculated on the basis of a 360-day year of 12, 30-day months and is payable on each January 1 and July 1, commencing January 1, 2016. Pursuant to the terms of the bond indenture, the Series 2015B Bonds are subject to mandatory tender for purchase and conversion to another interest rate mode at the times stated therein. As of June 30, 2018 and 2017, the outstanding principal amount was \$68.8 million for both years.

**2015C TIFIA Bond:** In November 2015, the Authority entered into a secured loan agreement (the TIFIA Loan Agreement) with the United States Department of Transportation, pursuant to which the Authority is authorized to borrow an amount not to exceed \$282,200,885 to pay eligible project costs of the 183 South Project. The Authority's obligation to repay amounts borrowed under the TIFIA Loan Agreement is evidenced by the 2015C TIFIA Bond. The 2015C TIFIA Bond bears interest at 3.08 percent per annum and the final maturity date thereof will be the earlier of (i) the date this is 35 years from the date of substantial completion of the 183 South Project and (ii) July 1, 2049. Payments of principal and interest due on the 2015C TIFIA Bond are payable in the amounts set forth in the TIFIA Loan Agreement on each January 1 and July 1, commencing on the earlier of (i) July 1, 2024 and (ii) the semiannual payment date on (or immediately preceding) the fifth anniversary of the date of substantial completion of the 183 South Project.

The Authority has received loan proceeds of approximately \$51.9 million through fiscal year 2018 under the TIFIA Loan Agreement. As of June 30, 2018 and 2017, the 2015C TIFIA Bond had an outstanding balance of \$51.9 million and \$52,531, respectively. As of June 30, 2018, the 2015C TIFIA Bond balance included accrued interest of approximately \$400,000 as part of the loan balance.

**2015D SHF Bond:** In November 2015, the Authority entered into a secured loan agreement (the SHF Loan Agreement) with TxDOT, pursuant to which the Authority is authorized to borrow an amount not to exceed \$30 million to pay eligible projects costs of the 183 South Project. The Authority's obligation to repay amounts borrowed under the SHF Loan Agreement is evidenced by the 2015D SHF Bond. Interest on the 2015D SHF Bond is payable on each January 1 and July 1, commencing July 1, 2020, and installments of principal thereof are payable on each July 1, commencing July 1, 2025 in the amounts set forth in the SHF Loan Agreement. The 2015D SHF Bond bears interest at 4 percent per annum and the final maturity date thereof is July 1, 2049.

The Authority received loan proceeds of \$24.3 million during fiscal year 2017 under the SHF Loan Agreement. As of June 30, 2018 and 2017, the 2015D SHF Bond had an outstanding balance of \$31.8 million and \$30.5 million, respectively. As of June 30, 2018 and 2017, the 2015D SHF Bond balance included accrued interest of approximately \$1.7 million and \$500,000, respectively.



## Central Texas Regional Mobility Authority

### Notes to Financial Statements June 30, 2018 and 2017

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#### Note 4. Notes and Bonds Payable (Continued)

**2015E SIB Bond:** In November 2015, the Authority entered into a secured loan agreement (the SIB Loan Agreement) with TxDOT, pursuant to which the Authority is authorized to borrow an amount not to exceed \$30 million to pay eligible projects costs of the 183 South Project. The Authority's obligation to repay amounts borrowed under the SIB Loan Agreement is evidenced by the 2015E SIB Bond. Interest on the 2015E SIB Bond is payable on each January 1 and July 1, commencing July 1, 2020, and installments of principal thereof are payable on each July 1, commencing July 1, 2025, in the amounts set forth in the SIB Loan Agreement. The 2015E SIB Bond bears interest at 4 percent per annum and the final maturity date thereof is July 1, 2049.

The Authority received loan proceeds of \$24.3 million during fiscal year 2017 under the SIB Loan Agreement. As of June 30, 2018 and 2017, the 2015E SIB Bond had an outstanding balance of \$31.8 million and \$30.5 million, respectively. As of June 30, 2018 and 2017, the 2015E SIB Bond balance included accrued interest of approximately \$1.7 million and \$500,000, respectively.

**Series 2016 Obligations:** On August 9, 2016, the Authority issued its Series 2016 Subordinate Lien Revenue Refunding Bonds (2016 Subordinate Lien Bonds) and on June 1, 2016 the Authority issued its Series 2016 Senior Lien Revenue Refunding Bonds (2016 Senior Lien Bonds), collectively called the Series 2016 Obligations. The proceeds of the Series 2016 Senior Lien Bonds were used to (i) refund a portion of the Series 2010 CIBs and all outstanding Series 2011 CIBs and (ii) pay issuance costs of the Series 2016 Senior Lien Bonds.

The 2016 Subordinate Lien Bonds were issued as current interest bonds and are scheduled to mature in 2018 through 2041. Interest on the 2016 Subordinate Lien Bonds is calculated on the basis of a 360-day year of 12, 30-day months at rates ranging from 3.125 percent to 5.000 percent. Interest on the 2016 Subordinate Lien Bonds is payable on each July 1 and January 1, commencing January 1, 2017. As of June 30, 2018 and 2017, the outstanding principal amount was \$74.3 million and \$74.69 million, respectively.

The 2016 Senior Lien Bonds were issued as current interest bonds and are scheduled to mature in 2020 through 2046. Interest on the 2016 Senior Lien Bonds is calculated on the basis of a 360-day year of 12, 30-day months at rates ranging from 3.375 percent to 5.000 percent. Interest on the 2016 Senior Lien Bonds is payable on each July 1 and January 1, commencing July 1, 2016. As of June 30, 2018 and 2017, the outstanding principal amount was \$358.0 million for both years.

**American Bank 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 percent per annum and matures on January 1, 2019. The Loan requires semiannual interest payments on the outstanding balance starting January 1, 2013.

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.

During fiscal year 2018, the Loan was repaid in full in the amount of \$3.6 million. The Loan had an outstanding balance of \$3.6 million as of June 30, 2017.

## Central Texas Regional Mobility Authority

### Notes to Financial Statements June 30, 2018 and 2017

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#### Note 4. Notes and Bonds Payable (Continued)

**71E Toll Project Obligation to TxDOT:** The Authority, the Capitol Area Metropolitan Planning Organization (CAMPO) and TxDOT approved the execution of a Project Agreement (the SH 71 Agreement) for the development of toll lanes on SH 71 extending from Presidential Boulevard to just east of SH 130, including the realignment of FM 973 where that road intersects with SH 71 (the SH 71 Project). The SH 71 Project is also referred to as the SH 71 Express Project.

Pursuant to a resolution adopted by the Authority's Board, the Authority waived and declined to exercise its option to develop, finance, and construct the SH 71 Project, and retained (and did not waive) its option to operate any potential toll lanes on the SH 71 Project and to retain the revenues generated therefrom. Upon completion of the SH 71 Project, the SH 71 Agreement obligates the Authority to operate and maintain the toll lanes and related infrastructure of the SH 71 Project developed, financed and constructed by TxDOT. The Authority will retain the revenues generated from the SH 71 Project, which will be used to pay operation and maintenance costs of the toll lanes, toll facilities and related equipment. After payment of such operation and maintenance costs, one-half of the remaining revenues from the SH 71 Project must be used to reimburse TxDOT for up to \$65.0 million of the costs of the SH 71 Project (the TxDOT Reimbursement Amount), plus interest thereon at 3.62 percent per annum.

The SH 71 Agreement obligates the Authority to repay the TxDOT Reimbursement Amount solely from one-half of the net revenues of the SH 71 Project over a 35-year term. The first payment is due on the first anniversary of substantial completion of the SH 71 Project and continuing every year thereafter for a total of 35 years or until the TxDOT Reimbursement Amount and all accrued interest is paid. The SH 71 Project was substantially completed on March 8, 2017, and, accordingly, the first payment payable by the Authority to TxDOT under the SH 71 Agreement is due on March 8, 2018. In accordance with the SH 71 Agreement a payment was made by the Authority in March 2018 for \$2.7 million, of which \$648,471 was payment of principal on the TxDOT Reimbursement Amount and \$2.1 million was payment of interest. In the event any annual payment is not sufficient to pay for all accrued interest due, the unpaid amount of accrued interest is added to the TxDOT Reimbursement Amount.

Under the SH 71 Agreement, TxDOT is obligated to operate and maintain all other aspects of the SH 71 Project, including but not limited to, the general purpose lanes and the FM 973 realigned intersection with SH 71.

As of June 30, 2017, the toll lanes of the SH 71 Project were operational and the Authority recorded a capital contribution of \$96.0 million and a note payable to TxDOT of \$65.0 million; however, payments made by the Authority in respect of the TxDOT Reimbursement Amount are paid as, and constitute, Operating Expenses under the terms of the Authority's bond indenture securing its outstanding toll revenue obligations. During fiscal year 2018, the Authority made a debt service payment on the TxDOT Reimbursement Amount of approximately \$2.7 million in principal and interest as described above. In addition, TxDOT provided updated final project cost after final project acceptance which reduced the final project costs and related liability by \$19.5 million and \$2.0 million, respectively.

As of June 30, 2018 and 2017, the outstanding principal amount was \$62.3 million and \$65 million, respectively.

## Central Texas Regional Mobility Authority

### Notes to Financial Statements June 30, 2018 and 2017

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#### Note 4. Notes and Bonds Payable (Continued)

**2016 SHF SH 45SW Loan:** In October 2016, the Authority entered into a secured loan agreement (the SHF SH 45SW Loan Agreement) with TxDOT, pursuant to which the Authority is authorized to borrow an amount not to exceed \$60 million to pay eligible project costs of the SH 45 Southwest Project. Interest on amounts borrowed under the SHF SH 45SW Loan Agreement (i) will accrete at 4 percent per annum, compounding semiannually on each January 1 and July 1, until the January 1 or July 1 which is six months prior to the initial interest payment date, and (ii) is payable on each January 1 and July 1, commencing on July 1, 2022. Principal installment payments are due on amounts borrowed under the SHF SH 45SW Loan Agreement on each January 1, commencing on the January 1, 2027, in the amounts set forth therein. Amounts borrowed under the SHF SH 45SW Loan Agreement will bear interest at 4 percent per annum and the final maturity date thereof is January 1, 2049. The Authority may defer up to 25 percent of the principal and interest due on any principal or interest payment date, not to exceed two years and not past the final maturity date. The net revenues from the SH 45 Southwest Project have been pledged as collateral for amounts borrowed under the SHF SH 45SW Loan Agreement.

As of June 30, 2018 and 2017, the Authority borrowed \$22.1 million and \$-0-, respectively, under the SHF SH 45SW Loan Agreement.

**Regions 2017 MoPac Note:** In December 2017, the Authority entered into a secured loan agreement with a bank for an aggregate principal amount not to exceed \$24,990,900 (the MoPac Note). The MoPac Note bears interest at LIBOR plus 1.44 percent per annum and matures on December 1, 2021. The MoPac Note requires monthly interest payments on the outstanding balance starting January 1, 2018. The net revenues from the MoPac Improvement Project have been pledged as collateral for the MoPac Note.

Proceeds from the MoPac Note are to be used to pay (i) expenses of studying the cost, design, engineering and feasibility of the MoPac Improvement Project; (ii) the costs of construction of the MoPac Improvement Project (iii) the acquisition of the right-of-way other interest in the real property; (iv) expenses associated with securing the MoPac Note and (v) 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 MoPac Improvement Project incurred prior to the execution of the MoPac Note.

During fiscal year 2018, the Authority borrowed \$17.0 million to be used for the MoPac Improvement Project. As of June 30, 2018, the outstanding principal amount of the MoPac Note was \$17.0 million.

Central Texas Regional Mobility Authority

Notes to Financial Statements  
June 30, 2018 and 2017

Note 4. Notes and Bonds Payable (Continued)

**Future payments on debt obligations:** Future payments of principal and interest on the Authority's bonds and notes described in this Note 4 (based on the scheduled payments) as of June 30, 2018, are as follows:

	Current Interest Bonds		Capital Appreciation Bonds		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 7,425,000	\$ 51,203,300	\$ -	\$ -	\$ -	\$ -
2020	14,460,000	51,393,175	-	-	-	-
2021	15,965,000	50,998,663	-	-	-	2,749,534
2022	18,105,000	49,958,950	480,449	404,551	17,000,000	2,749,534
2023	19,710,000	48,850,050	1,868,357	1,861,643	-	2,749,534
2024-2028	106,570,000	229,493,250	7,651,138	9,863,862	2,784,991	13,660,460
2029-2033	178,890,000	196,307,750	13,109,731	29,605,269	57,439,156	12,034,646
2034-2038	237,650,000	145,666,225	11,974,257	45,080,743	21,964,066	9,918,140
2039-2043	286,250,000	81,279,813	7,621,437	46,858,563	25,373,598	7,102,828
2044-2048	163,850,000	15,321,500	2,294,285	19,575,715	26,523,705	3,675,450
2049-2051	-	-	-	-	3,410,976	349,214
	<u>\$ 1,048,875,000</u>	<u>\$ 920,472,676</u>	<u>\$ 44,999,654</u>	<u>\$ 153,250,346</u>	<u>\$ 154,496,492</u>	<u>\$ 54,989,340</u>

	Total Debt Service	
	Principal	Interest
2019	\$ 7,425,000	\$ 51,203,300
2020	14,460,000	51,393,175
2021	15,965,000	54,152,748
2022	35,585,449	54,570,127
2023	21,578,357	53,461,227
2024-2028	117,006,129	253,017,572
2029-2033	249,438,887	237,947,665
2034-2038	271,588,323	200,665,108
2039-2043	319,245,035	135,241,204
2044-2048	192,667,990	38,572,665
2049-2051	3,410,976	349,214
Total	<u>1,248,371,146</u>	<u>\$ 1,130,574,005</u>
SH 71E Obligation	62,332,058	
Accreted interest	<u>35,431,655</u>	
	<u>97,763,713</u>	
	<u>\$ 1,346,134,859</u>	

As described above, the Series 2010 CABs and the Series 2011 CABs were issued as capital appreciation bonds. The accreted interest on the Series 2010 CABs and 2011 CABs are reflected on the Statement of Net Position as additional principal and is reflected in the interest column in this table in the amount of \$35,431,655.

## Central Texas Regional Mobility Authority

### Notes to Financial Statements June 30, 2018 and 2017

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#### Note 5. Deferred Outflow and Inflow 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 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 outflows and inflows of resources for certain pension related items in accordance with applicable pension standards as noted under Note 7.

The Authority's deferred outflow of resources balance is composed of the following:

	June 30	
	2018	2017
Deferred outflows from bond refundings	\$ 107,766,160	\$ 109,030,108
Employer pension contribution	245,788	227,392
Difference in pension investment assumption	(25,643)	418,615
Experience changes	28,161	32,857
Assumption changes	42,090	32,699
	<u>\$ 108,056,556</u>	<u>\$ 109,741,671</u>

The Authority's deferred inflow of resources balance is composed of the following:

	June 30	
	2018	2017
Experience changes	<u>\$ 278,184</u>	<u>\$ 286,449</u>

#### Note 6. 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 during fiscal years 2018 and 2017.

#### Note 7. Employee Retirement Plan

**Plan description:** The Authority participates in Texas County and District Retirement System (TCDRS). TCERS is a statewide, agent multiple-employer, public employee retirement system. TCERS is a nonprofit public trust providing pension, disability and death benefits for the eligible employees of participating counties and districts. TCERS was established by legislative act in 1967 under authority of Article XVI of the Texas Constitution. The TCERS Act (Subtitle F, Title 8, Texas Government Code) is the basis for TCERS administration. TCERS 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 Financial Statements June 30, 2018 and 2017

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#### Note 7. Employee Retirement Plan (Continued)

**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 percent and has elected a matching rate of \$2 to \$1. The employee's savings grow at a rate of 7 percent, 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 purposes 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.

**Employees covered by benefit terms:** The following employees were covered by the benefit terms as of the valuation date December 31:

	<u>2017</u>	<u>2016</u>
Inactive employees or beneficiaries currently receiving benefits	2	2
Inactive employees entitled to, but not yet receiving benefits	14	11
Active employees	25	24
Total	<u>41</u>	<u>37</u>

## Central Texas Regional Mobility Authority

### Notes to Financial Statements June 30, 2018 and 2017

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#### Note 7. Employee Retirement Plan (Continued)

**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 2018 and 2017, the contribution rate for the plan members was 7 percent of gross pay. The Authority pays a matching portion to the pension plan totaling 14 percent of gross pay for 2018 and 2017, which totaled \$475,880 and \$446,675, respectively.

**Net pension asset:** The Authority's net pension asset was measured as of December 31, 2017 and 2016, and the total pension liability used to calculate the net pension asset 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, 2017 were based on the results of an actuarial experience study for the period January 1, 2013, through December 31, 2016, except where required to be different by GASB Statement No. 68.

The actuarial assumptions that determined the total pension liability as of December 31, 2016 were based on the results of an actuarial experience study for the period from January 1, 2009, through December 31, 2012, except where required to be different by GASB Statement No. 68.

The total pension liability in the December 31, 2017 and 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>2017</u>	<u>2016</u>
Inflation	2.75%	3.0%
Salary increases (including inflation plus average merit of 1.6% and 1.4% and productivity of 0.5% for 2017 and 2016)	4.85%	4.9%
Investment rate of return	8.1%	8.1%

Mortality rates were based on the following.

**Depositing members:** For the December 31, 2017 valuation, 90 percent of the RP-2014 Active Employee Mortality Table for males and 90 percent of the RP-2014 Active Employee Mortality Table for females, projected with 110 percent of the MP-2014 Ultimate scale after 2014.

For the December 31, 2016 valuation, the RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both projected to 2014 with scale AA and then projected with 110 percent of the MP-2014 Ultimate scale after that.

**Service retirees, beneficiaries and nondepositing members:** For the December 31, 2017 valuation, 110 percent of the RP-2014 Healthy Annuitant Mortality Table for males and 110 percent of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110 percent of the MP-2014 Ultimate scale after 2014.

For the December 31, 2016 valuation, the RP-2000 Combined Mortality Table projected to 2014 with scale AA and then projected with 110 percent of the MP-2014 Ultimate scale after that, with a one-year set-forward for males and no age adjustment for females.

## Central Texas Regional Mobility Authority

### Notes to Financial Statements June 30, 2018 and 2017

#### Note 7. Employee Retirement Plan (Continued)

**Disabled retirees:** For the December 31, 2017 valuation, 130 percent of the RP-2014 Disabled Annuitant Mortality Table for males and 115 percent of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110 percent of the MP-2014 Ultimate scale after 2014

For the December 31, 2016 valuation, RP-2000 Disabled Mortality Table projected to 2014 with scale AA and then projected with 110 percent of the MP-2014 Ultimate scale after with no age adjustment for males and with a two-year set-forward for females.

**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' investment consultant. 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.

The capital market assumptions and information shown below are provided by TCDRS' investment consultant based on December 31, 2017, information for a seven- to 10-year time horizon.

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	11.5%	4.55%
Private Equity	Cambridge Associates Global Private Equity and Venture Capital Index (3)	16.0%	7.55%
Global Equities	MSCI World (net) Index	1.5%	4.85%
International Equities—Developed	MSCI World Ex USA (net)	11.0%	4.55%
International Equities—Emerging	MSCI EM Standard (net) index	8.0%	5.55%
Investment—Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.0%	0.75%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	8.0%	4.12%
Direct Lending	S&P/LSTA Leveraged Loan Index	10.0%	8.06%
Distressed Debt	Cambridge Associates Distressed Index (4)	2.0%	6.30%
REIT Equities	67% FTSE NAREIT Equity REITs Index plus 33% FRSE EPRA/NAREIT Global Real Estate Index	2.0%	4.05%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.0%	6.00%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (5)	6.0%	6.25%
Hedge Funds	Hedge Fund Research, Inc. Fund of Funds Composite Index	18.0%	4.10%



## Central Texas Regional Mobility Authority

### Notes to Financial Statements June 30, 2018 and 2017

#### Note 7. Employee Retirement Plan (Continued)

The capital market assumptions and information shown below are provided by TCDRS' investment consultant based on December 31, 2016, information for a seven- to 10-year time horizon.

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	13.5%	4.7%
Private Equity	Cambridge Associates Global Private Equity and Venture Capital Index (3)	16.0%	7.7%
Global Equities	MSCI World (net) Index	1.5%	5.0%
International Equities—Developed	MSCI World Ex USA (net)	10.0%	4.7%
International Equities—Emerging	MSCI EM Standard (net) index	7.0%	5.7%
Investment—Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.0%	0.6%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.0%	3.7%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.0%	3.8%
Direct Lending	S&P/LSTA Leveraged Loan Index	10.0%	8.2%
Distressed Debt	Cambridge Associates Distressed Index (4)	3.0%	6.7%
REIT Equities	67% FTSE NAREIT Equity REITs Index plus 33% FRSE EPRA/NAREIT Global Real Estate Index	2.0%	3.9%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.0%	5.6%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (5)	6.0%	7.2%
Hedge Funds	Hedge Fund Research, Inc. Fund of Funds Composite Index	20.0%	3.9%

- (1) Target asset allocation adopted at the April 2018 and 2017 TCDRS Board meetings.
- (2) Geometric real rates of return in addition to assumed inflation of 1.95 percent and 2.0 percent, respectively, per investment consultant's 2018 and 2017 capital market assumptions.
- (3) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.
- (4) Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.
- (5) 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 percent for both December 31, 2017 and 2016. 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.
- (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.

**Central Texas Regional Mobility Authority**

**Notes to Financial Statements  
June 30, 2018 and 2017**

**Note 7. Employee Retirement Plan (Continued)**

**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 percent. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.0 percent, net of all expenses, increased by 0.1 percent to be gross of administrative expenses.

<b>Changes in Net Pension Liability (Asset) 2018</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 June 30, 2017	\$ 5,719,320	\$ 6,074,459	\$ (355,139)
Changes for the year:			
Service cost	621,685	-	621,685
Interest on total pension liability (1)	512,318	-	512,318
Effect of plan changes (2)	-	-	-
Effect of economic/demographic (gains) or losses	(34,008)	-	(34,008)
Effect of assumptions changes or inputs	15,820	-	15,820
Refund of contributions	(16,897)	(16,897)	-
Benefit payments	(14,389)	(14,389)	-
Administrative expenses	-	(5,074)	5,074
Member contributions	-	228,848	(228,848)
Net investment income	-	897,084	(897,084)
Employer contributions	-	457,484	(457,484)
Other (3)	-	8,731	(8,731)
Balances as of June 30, 2018	<u>\$ 6,803,849</u>	<u>\$ 7,630,246</u>	<u>\$ (826,397)</u>

Central Texas Regional Mobility Authority

Notes to Financial Statements  
June 30, 2018 and 2017

Note 7. Employee Retirement Plan (Continued)

Changes in Net Pension Liability (Asset) 2017			
Changes in Net Pension Liability (Asset)	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances as of June 30, 2016	\$ 4,870,215	\$ 5,072,238	\$ (202,023)
Changes for the year:			
Service cost	636,083	-	636,083
Interest on total pension liability (1)	417,633	-	417,633
Effect of plan changes (2)	-	-	-
Effect of economic/demographic (gains) or losses	(152,926)	-	(152,926)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(37,296)	(37,296)	-
Benefit payments	(14,389)	(14,389)	-
Administrative expenses	-	(4,111)	4,111
Member contributions	-	211,078	(211,078)
Net investment income	-	378,134	(378,134)
Employer contributions	-	422,157	(422,157)
Other (3)	-	46,648	(46,648)
Balances as of June 30, 2017	<u>\$ 5,719,320</u>	<u>\$ 6,074,459</u>	<u>\$ (355,139)</u>

- (1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.
- (2) Reflects new annuity purchase rates applicable to all TCDRS employees effective January 1, 2018.
- (3) Relates to allocation of system-wide items.

**Sensitivity analysis:** The following presents the net pension asset/liability of the Authority, calculated using the discount rate of 8.1 percent, 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 percent) or 1 percentage point higher (9.1 percent) than the current rate.

	June 30, 2018		
	Current		
	1.0% Decrease 7.1%	Discount Rate 8.1%	1.0% Increase 9.1%
Total pension liability	\$ 7,670,245	\$ 6,803,849	\$ 6,068,401
Fiduciary net position	7,630,246	7,630,246	7,630,246
Net pension liability (asset)	39,999	(826,397)	(1,561,845)
	June 30, 2017		
	Current		
	1.0% Decrease 7.1%	Discount Rate 8.1%	1.0% Increase 9.1%
Total pension liability	\$ 6,475,773	\$ 5,719,320	\$ 5,088,480
Fiduciary net position	6,074,459	6,074,459	6,074,459
Net pension liability (asset)	401,314	(355,139)	(985,979)

**Central Texas Regional Mobility Authority**

**Notes to Financial Statements  
June 30, 2018 and 2017**

**Note 7. Employee Retirement Plan (Continued)**

**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):

<b>Pension Expense (Income)</b>	<b>June 30</b>	
	<b>2018</b>	<b>2017</b>
Service cost	\$ 621,685	\$ 636,083
Interest on total pension liability (1)	512,318	417,633
Effect of plan changes	-	-
Administrative expenses	5,074	4,111
Member contributions	(228,848)	(211,078)
Expected investment return net of investment expenses	(518,128)	(435,573)
Recognition of deferred inflows/outflows of resources:		
Recognition of economic/demographic gains or losses	(37,577)	(33,798)
Recognition of assumption changes or inputs	6,429	4,671
Recognition of investment gains or losses	65,301	141,093
Other (2)	(8,731)	(46,648)
<b>Pension expense</b>	<b>\$ 417,523</b>	<b>\$ 476,494</b>

(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.

**Deferred inflows and outflows of resources:** the deferred inflows and outflows of resources are as follows:

<b>Deferred Inflows/ Outflows of Resources</b>	<b>June 30, 2018</b>		<b>June 30, 2017</b>	
	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>
Differences between expected and actual experience	\$ 278,184	\$ 28,161	\$ 286,449	\$ 32,857
Changes of assumptions	-	42,090	-	32,699
Net difference between projected and actual earnings	-	(25,643)	-	418,615
Contributions made subsequent to measurement date	-	245,788	-	227,392
	<b>\$ 278,184</b>	<b>\$ 290,396</b>	<b>\$ 286,449</b>	<b>\$ 711,563</b>

**Central Texas Regional Mobility Authority**

**Notes to Financial Statements  
June 30, 2018 and 2017**

**Note 7. Employee Retirement Plan (Continued)**

Contributions made subsequent to the measurement date are eligible employer contributions made from January 1, 2018, through June 30, 2018. 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:

Years ending June 30:

2019	\$ 34,153
2020	18,003
2021	(95,541)
2022	(106,939)
2023	(31,148)
Thereafter	(52,104)
	<u>\$ (233,576)</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**

	Original Amount	Date Established	Original Recognition Period	Amount Recognized in 6/30/18 Expenses (1)	Balance of Deferred Inflows 6/30/2018	Balance of Deferred Outflows 6/30/2018
Investment (gains) losses	\$ (378,957)	12/31/2017	5 years	\$ (75,791)	\$ 303,165	\$ -
Investment (gains) losses	57,439	12/31/2016	5 years	11,488	-	34,464
Investment (gains) losses	567,272	12/31/2015	5 years	113,454	-	226,909
Investment (gains) losses	80,751	12/31/2014	5 years	16,150	-	16,150
Economic/demographic (gains) or losses	(34,008)	12/31/2017	9 years	(3,770)	(30,229)	-
Economic/demographic (gains) or losses	(152,926)	12/31/2016	9 years	(16,992)	(118,942)	-
Economic/demographic (gains) or losses	(193,519)	12/31/2015	9 years	(21,502)	(129,013)	-
Economic/demographic (gains) or losses	46,958	12/31/2014	10 years	4,696	-	28,161
Assumption changes or inputs	15,820	12/31/2017	9 years	1,758	-	14,062
Assumption changes or inputs	-	12/31/2016	9 years	-	-	-
Assumption changes or inputs	42,041	12/31/2015	9 years	4,671	-	28,028
Assumption changes or inputs	-	12/31/2014	10 years	-	-	-

- (1) Investment (gains)/losses are recognized in pension expense over a period of five years; economic/demographic (gain)/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 Financial Statements June 30, 2018 and 2017

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#### Note 8. Disaggregation of Receivable and Payable Balances

Due from other governments 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 and other tolling entities located both within and outside the State of Texas to handle customer service and operations related to the toll tag transactions at June 30, 2018 and 2017. Accounts payable balances are comprised of 100 percent current payables to contractors and vendors at June 30, 2018 and 2017.

As of June 30, 2018 and 2017, the receivable from TxDOT comprises approximately 19 percent and 82 percent, respectively, and the total balances are as follows:

	June 30	
	2018	2017
TxDOT	\$ 845,325	\$ 13,983,903
Other governments	3,491,582	3,100,027
Total	<u>\$ 4,336,907</u>	<u>\$ 17,083,930</u>

#### Note 9. Commitments and Contingent Liabilities

**Commitments:** In 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:

Years ending December 31:	
2019	\$ 358,932
2020	370,700
2021	382,468
2022	394,236
2023	336,703
	<u>\$ 1,843,039</u>

The Authority's rental expense for fiscal year 2018 and 2017 totaled \$527,968 and \$544,164, respectively, 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, 2018 and 2017, the Authority has a capital budget of approximately \$1.198 billion and \$1.209 billion, respectively, for future toll projects, which may or may not materialize. Including the 183 South Project, the Authority's contractual commitments related to its capital improvement plan are approximately \$464.0 million and \$664.0 million, respectively, for the years ended June 30, 2018 and 2017. 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 Financial Statements June 30, 2018 and 2017

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#### **Note 9. Commitments and Contingent Liabilities (Continued)**

**CAMPO Interlocal Agreement:** Capital Area Metropolitan Planning Organization (CAMPO) is the designated metropolitan planning organization for Central Texas. As part of the designated planning organization, CAMPO received approximately \$136 million in grant funds of which \$130 million was allocated to the MoPac Improvement Project. The funding received was made available for transportation projects in the Austin area. As part of the construction of the MoPac Improvement Project, the Authority executed an agreement with CAMPO. The executed agreement calls for the sharing of surplus revenue generated from the MoPac Improvement Project by setting up a Regional Infrastructure Fund (RIF) account. The RIF account was created upon execution of the agreement with CAMPO. As of September 1, 2017, \$2,000,000 of the surplus revenue from the MoPac Improvement Project was deposited into the RIF account. The amounts placed in the RIF account in accordance with the agreement are to be used to fund other CAMPO identified transportation projects in the region. As of June 30, 2018, the Authority has a payable RIF balance of \$2,000,000 which will be deposited into the RIF account. The remaining commitment to the RIF account is dependent upon there being surplus revenue of the MoPac Improvement Project in the future such that the remaining amount payable to the RIF account pursuant to the CAMPO agreement of \$228 million, may be paid through fiscal year 2041.

**Litigation:** As of June 30, 2018 and 2017, 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 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.

#### **Note 10. Authority's Tolling System Disclosure**

During fiscal year 2018, the Authority had non-Tolling System assets generating revenue (the MoPac Improvement Project) and non-Tolling System assets under construction. Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for defined activities in the notes to the financial statements. For purposes of this disclosure, a segment is an identifiable activity reported as or within an enterprise fund or an other stand-alone entity for which one or more revenue bonds or other revenue-backed debt instruments outstanding with a revenue pledge to support that debt. In addition, the activities, revenue, expenses, gains and losses, assets and liabilities are required to be accounted for separately. The requirement for separate accounting for the Authority's Tolling System is also imposed by the bond indenture. A segment has a specific identifiable revenue stream pledged in support of revenue bonds or other revenue backed debt and has related expenses, gains and losses, assets, and liabilities that can be identified.

**Central Texas Regional Mobility Authority**

**Notes to Financial Statements  
June 30, 2018 and 2017**

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**Note 10. Authority's Tolling System Disclosure (Continued)**

During fiscal year 2018, the Authority's Non Toll System MoPac Project was placed into operations. Accordingly, the following condensed financial information for the Authority's Tolling System activities are presented below:

**Statement of Net Position  
June 30, 2018**

<b>Assets and Deferred Outflows</b>	
Current assets	\$ 75,898,630
Restricted assets	300,624,180
Pension asset	826,397
Capital assets	<u>1,378,573,371</u>
Total assets	<u>1,755,922,578</u>
Deferred outflows of resources	<u>108,056,556</u>
Total assets and deferred outflows of resources	<u><u>\$ 1,863,979,134</u></u>
<b>Liabilities and Deferred Inflows</b>	
Current liabilities	\$ 81,222,707
Noncurrent liabilities	<u>1,394,919,854</u>
Total liabilities	<u>1,476,142,561</u>
Deferred inflows of resources	<u>278,184</u>
Total liabilities and deferred inflows of resources	<u>1,476,420,745</u>
Net position:	
Net investment in capital assets	194,237,697
Restricted for other purposes	106,764,024
Unrestricted	<u>86,556,668</u>
Total net position	<u>387,558,389</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 1,863,979,134</u></u>

**Statements of Revenues, Expenses and Changes in Net Position  
Year Ended June 30, 2018**

Operating revenues	\$ 84,756,778
Operating expenses, including depreciation and amortization	<u>49,738,897</u>
Operating income	35,017,881
Total net nonoperating revenues (expenses)	<u>(31,363,082)</u>
Change in net position—before capital grants and contributions	3,654,799
Capital grants and contributions, net of TxDOT adjustment	<u>(14,289,985)</u>
Change in net position	<u>(10,635,186)</u>
Total net position at beginning of year	398,193,575
Total net position at end of year	<u><u>\$ 387,558,389</u></u>



**Central Texas Regional Mobility Authority**

**Notes to Financial Statements**

**June 30, 2018 and 2017**

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**Note 10. Authority's Tolling System Disclosure (Continued)**

**Statement of Cash Flows  
Year Ended June 30, 2018**

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Net cash flows provided by operating activities	\$ 57,417,921
Net cash flows used in capital and related financing activities	(186,251,682)
Net cash flows provided by investing activities	<u>87,012,957</u>
Net decrease in cash and cash equivalents	(41,820,804)
Cash and cash equivalents at beginning of year	<u>201,260,774</u>
Cash and cash equivalents at end of year	<u><u>\$ 159,439,970</u></u>

**Note 11. Subsequent Events**

During the first quarter of fiscal year 2019, the Authority received additional borrowings of approximately \$94.0 million and \$18.0 million, respectively, from the 2015C TIFIA Bond and the 2016 SHF SH 45SW Loan Agreement.

Subsequent events have been evaluated through September 18, 2018, the date the financial statements were available to be issued.

**Central Texas Regional Mobility Authority**

**Required Supplementary Information—Pension Plan  
Schedule of Changes in Net Pension Assets and Related Ratios  
As of Years Ended June 30**

	2018	2017	2016	2015
<b>Total pension liability:</b>				
Service cost	\$ 621,685	\$ 636,083	\$ 474,778	\$ 461,237
Interest on total pension liability	512,318	417,633	361,003	295,209
Effect of plan changes	-	-	(33,691)	-
Effect of assumption changes or inputs	(34,008)	-	42,041	-
Effect of economic/demographic (gains) or losses	15,820	(152,926)	(193,519)	46,943
Benefit payments/refunds of contributions	(31,286)	(51,685)	(2,211)	-
<b>Net change in total pension liability</b>	<b>1,084,529</b>	<b>849,105</b>	<b>648,401</b>	<b>803,389</b>
<b>Total pension liability at beginning of year</b>	<b>5,719,320</b>	<b>4,870,215</b>	<b>4,221,814</b>	<b>3,418,425</b>
<b>Total pension liability at end of year (a)</b>	<b>6,803,849</b>	<b>5,719,320</b>	<b>4,870,215</b>	<b>4,221,814</b>
<b>Fiduciary net position:</b>				
Employer contributions	457,484	422,157	361,493	327,807
Member contributions	228,848	211,078	180,742	163,979
Investment income net of investment expense	897,084	378,134	(162,009)	261,626
Benefit payments/refunds of contributions	(31,286)	(51,685)	(2,211)	-
Administrative expenses	(5,074)	(4,111)	(3,541)	(3,345)
Other	8,731	46,648	1,713	(242)
<b>Net change in fiduciary net position</b>	<b>1,555,787</b>	<b>1,002,221</b>	<b>376,187</b>	<b>749,825</b>
Fiduciary net position at beginning of year	6,074,459	5,072,238	4,696,051	3,946,226
Fiduciary net position at end of year (b)	7,630,246	6,074,459	5,072,238	4,696,051
<b>Net pension asset at end of year = (a) - (b)</b>	<b>\$ (826,397)</b>	<b>\$ (355,139)</b>	<b>\$ (202,023)</b>	<b>\$ (474,237)</b>
Fiduciary net position as a percentage of total pension liability	112.15%	106.21%	104.15%	111.23%
Pensionable covered payroll	\$ 3,269,251	\$ 3,015,395	\$ 2,582,032	\$ 2,342,556
Net pension liability (asset) as a percentage of covered payroll	(25.28%)	(11.78%)	(7.82%)	(20.24%)

The Schedule of Changes in Net Pension Assets and related Ratio disclosure is required for 10 years. The schedule noted above is only for the years which the new GASB Statements have been implemented.

**Central Texas Regional Mobility Authority**

**Required Supplementary Information—Pension Plan (Continued)  
 Schedule of Employer Contributions  
 As of June 30,**

<b>Year Ending</b>	<b>Actuarially Determined Contribution (1)</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Pensionable Covered Payroll (2)</b>	<b>Actual Contribution as a Percentage of Covered Payroll</b>
2009	\$ 177,644	\$ 177,644	\$ -	\$ 1,410,996	12.6%
2010	208,394	224,770	(16,376)	1,605,503	14.0%
2011	212,249	235,472	(23,222)	1,623,942	14.5%
2012	248,565	270,179	(21,614)	1,863,303	14.5%
2013	251,978	286,786	(34,811)	2,048,602	14.0%
2014	261,182	304,447	(43,266)	2,174,701	14.0%
2015	284,621	327,807	(43,187)	2,341,479	14.0%
2016	302,614	339,408	(58,879)	2,424,343	14.0%
2017	341,041	446,675	(81,115)	3,190,536	14.0%
2018	383,156	475,880	(74,328)	3,399,143	14.0%

(1) TCDRS calculates actuarially determined contributions on a calendar year basis. GASB No. 68 indicates the Authority should report contribution amounts on a fiscal year basis.

(2) Payroll is calculated based on contributions as reported for the fiscal year to TCDRS.

**Central Texas Regional Mobility Authority**

**Required Supplementary Information—Pension Plan (Continued)  
Notes to Schedule of Employer Contributions and Net Pension Liability  
June 30, 2018 and 2017**

**Actuarial methods and assumptions used:** Following are the key assumptions and methods used in determining the actuarially determined contribution:

<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	2.75 percent 4.85 percent (made up of 2.75 percent inflation and 0.5 percent productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.6 percent per year for a career employee.  8.1 percent  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)  
Notes to Schedule of Employer Contributions and Net Pension Liability  
June 30, 2018 and 2017

Demographic assumptions—related to December 31, 2017 valuation:

Annual Rates of Service Retirement*					
Retirement Age	Male	Female	Age	Male	Female
40-44	4.5%	4.5%	62	20%	20%
45-49	9	9	63	15	15
50	10	10	64	15	15
51	9	9	65	25	25
52	9	9	66	25	25
53	9	9	67	24	24
54	10	10	68	22	22
55	10	10	69	22	22
56	10	10	70	22	22
57	10	10	71	22	22
58	12	12	72	22	22
59	12	12	73	22	22
60	12	12	74 **	22	22
61	12	12			

\* Deferred members are assumed to retire (100 percent 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 percent 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)  
Notes to Schedule of Employer Contributions and Net Pension Liability  
June 30, 2018 and 2017**

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**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 percent are assumed to elect a withdrawal.

<b>Probability of Withdrawal</b>			
<b>Years of Service</b>	<b>Probability</b>	<b>Years of Service</b>	<b>Probability</b>
0	100%	15	40%
1	100	16	38
2	100	17	36
3	100	18	33
4	100	19	30
5	50	20	28
6	49	21	26
7	48	22	24
8	47	23	22
9	46	24	20
10	45	25	18
11	44	26	16
12	43	27	14
13	42	28	12
14	41	29*	10

\*Members with more than 29 years of service are not assumed to refund.

**Central Texas Regional Mobility Authority**

**Supplemental Information—Indenture Cash Flow and Debt Service Coverage  
June 30, 2018**

Toll revenues		\$ 84,074,966
Other revenues*		680,462
Miscellaneous revenue		1,350
Interest income available to pay debt service		<u>2,541,537</u>
<b>Total revenues</b>		<b>87,298,315</b>
Less system operating expenses		<u>(20,096,093)</u>
Revenues available for rate covenant and additional bonds tests		67,202,222
Net senior lien debt service	\$ 28,920,913	
Net subordinate lien debt service	<u>7,095,986</u>	
<b>Total net debt service</b>	<b>36,016,899</b>	
Debt service coverage ratios for rate covenant and additional bonds test:		
Senior lien obligations	2.32	
Senior and subordinate lien obligations	1.87	
Less system maintenance expenses		<u>(2,988,960)</u>
<b>Revenues available for debt service</b>		<b>64,213,262</b>
Debt service coverage ratios for revenues available for debt service:		
Senior lien obligations	2.22	
Senior and subordinate lien obligations	1.78	
Less total net debt service		(36,016,899)
Less deposits to renewal and replacement fund		-
Less debt service payments on other obligations		<u>-</u>
<b>Annual excess</b>		<b><u><u>\$ 28,196,363</u></u></b>

\*The HERO operating grant revenues are included in "Other Revenues" above as the corresponding expenses are included in "System Operating Expenses."





**Exhibit C**

**Federal Awards Compliance Report**

# Central Texas Regional Mobility Authority

Federal Awards Compliance Report  
Year Ended June 30, 2018

## Contents

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Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	1-2
Report on compliance for the major federal program, report on internal control over compliance and report on schedule of expenditures of federal awards required by the Uniform Guidance	3-4

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Schedule of expenditures of federal awards	5
Note to schedule of expenditures of federal awards	6
Schedule of findings and questioned costs	7
Summary schedule of prior audit findings	8

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RSM US LLP

**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***

**Independent Auditor's Report**

To the Board of Directors  
Central Texas Regional Mobility Authority

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, 2018, 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 18, 2018.

**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.

**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 are 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.

*RSM US LLP*

Austin, Texas  
September 18, 2018



RSM US LLP

**Report on Compliance For the Major Federal Program, Report on Internal Control Over Compliance and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

**Independent Auditor's Report**

To the Board of Directors  
Central Texas Regional Mobility Authority

**Report on Compliance for the 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, 2018. 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 federal statutes, regulations and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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.

**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, 2018.

### **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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the Authority as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We have issued our report thereon dated September 18, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 basic financial statements. The 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 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.

*RSM US LLP*

Austin, Texas  
September 18, 2018

**Central Texas Regional Mobility Authority**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2018**

Federal Grantor/Program Title	Federal CFDA Number	Pass Through Entity Grant Award Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Transportation</b>				
<b>Highway Planning and Construction Cluster:</b>				
<i>Pass through Texas Department of Transportation:</i>				
Highway Planning and Construction—MoPac	20.205	CSJ 3136-01-107	\$ -	\$ 15,165,626
Highway Planning and Construction—US290W Project	20.205	0113-08-060	-	293,094
Highway Planning and Construction—US290W Multi. Projects	20.205	0265-01-080	-	131,081
Highway Planning and Construction—HERO Project	20.205	CSJ 0914-00-358; 0914-00-361	-	544,370
<b>Total Highway Planning and Construction Cluster</b>			-	16,134,171
<b>U.S. Department of Transportation</b>				
Transportation Infrastructure Finance and Innovation Act—TIFIA 183 South	20.223		-	20,433,697
<b>Total Federal Expenditures</b>			<b>\$ -</b>	<b>\$ 36,567,868</b>

See notes to Schedule of Expenditures of Federal Awards.



## Central Texas Regional Mobility Authority

### Note to Schedule of Expenditures of Federal Awards Year Ended June 30, 2018

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#### Note 1. Summary of Significant Accounting Policies

**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). 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.

**Basis of presentation:** The Schedule presents total federal awards expended for each individual program and CFDA number in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance).

**Basis of accounting:** The expenditures for each of the federal financial assistance programs are presented on the accrual basis of accounting for the Authority's fiscal year. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State and Local and Governments*, or the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. In accordance with the Uniform Guidance, the Authority did not apply or use the 10 percent de minimis cost rate as defined by the Uniform Guidance for the period ending June 30, 2018.

**Loan and loan guarantees—Transportation Infrastructure Finance and Innovation Act (TIFIA):** The United States Department of Transportation provided a secured loan to the Authority of \$282 million to pay or reimburse a portion of the 183 South Toll Project. The secured loan agreement was entered into pursuant to the provisions of TIFIA, and the loan will be repaid with toll revenues from the Toll System.

During fiscal 2018, \$20.4 million of TIFIA loan proceeds were expended to fund the project's construction costs. The TIFIA loan proceeds expended on eligible project expenditures are subject to the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and are included in the Schedule of Expenditures of Federal Awards.

**Central Texas Regional Mobility Authority**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2017**

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**Section I**

Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

Significant deficiency(ies) identified? \_\_\_\_\_ Yes  X  None Reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes  X  No

2. Federal Awards

Internal control over major federal program:

Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

Significant deficiency(ies) identified? \_\_\_\_\_ Yes  X  None Reported

Type of auditor's report issued on compliance for the major federal program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516 (a) \_\_\_\_\_ Yes  X  No

Identification of major federal program:

CFDA Number(s)  
20.223

Name of Federal Program or Cluster  
Transportation Infrastructure Finance and Innovation Act (TIFIA) Program

Dollar threshold used to distinguish between type A and type B programs: \$ 1,097,036

Auditee qualified as low-risk auditee?  X  Yes \_\_\_\_\_ No

**Section II**

Financial Statement Findings

None reported

**Section III**

Federal Award Finding and Questioned Costs

None reported

**Central Texas Regional Mobility Authority**

**Schedule of Prior Audit Findings  
Year Ended June 30, 2017**

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Prior-Year Federal Award Finding and Questioned Costs

None reported



**Exhibit D**

**State Awards Compliance Report**

# Central Texas Regional Mobility Authority

State Awards Compliance Report  
Year Ended June 30, 2018

## Contents

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Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	1-2
Report on compliance for each major state program, report on internal control over compliance and report on schedule of expenditures of state awards required by the state of Texas <i>Uniform Grant Management Standards</i>	3-4
<hr/>	
Schedule of expenditures of state awards	5
Note to schedule of expenditures of state awards	6
Schedule of findings and questioned costs	7
Summary schedule of prior audit findings	8

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RSM US LLP

**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**

**Independent Auditor's Report**

To the Board of Directors  
Central Texas Regional Mobility Authority

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, 2018, 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 18, 2018.

**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.

**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 are 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.

*RSM US LLP*

Austin, Texas  
September 18, 2018



RSM US LLP

**Report on Compliance for Each Major State Program,  
Report on Internal Control Over Compliance and Report on  
Schedule of Expenditures of State Awards Required by the  
State of Texas *Uniform Grant Management Standards***

**Independent Auditor's Report**

To the Board of Directors  
Central Texas Regional Mobility Authority

**Report on Compliance for the Major State Program**

We have audited Central Texas Regional Mobility Authority's (the Authority) compliance with the types of compliance requirements described in the state of Texas *Uniform Grant Management Standards* (UGMS) that could have a direct and material effect on the Authority's major State program for the year ended June 30, 2018. The Authority's major state 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 state statutes, regulations, contracts and terms and conditions of its state awards applicable to its state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the Authority's major state 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 the UGMS. Those standards and the UGMS 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 state 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 state program. However, our audit does not provide a legal determination of the Authority's compliance.

**Opinion on the Major State 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 the major state program for the year ended June 30, 2018.

### **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 the major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state program and to test and report on internal control over compliance in accordance with the UGMS, 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 state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state 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 state 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 the UGMS. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of State Awards Required by the State of Texas *Uniform Grant Management Standards***

We have audited the financial statements of the Authority as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We have issued our report thereon dated September 18, 2018, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The accompanying Schedule of Expenditures of State Awards is presented for purposes of additional analysis as required by the UGMS 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 basic financial statements. The 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 State Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*RSM US LLP*

Austin, Texas  
September 18, 2018

**Central Texas Regional Mobility Authority**

**Schedule of Expenditures of State Awards  
Year Ended June 30, 2018**

State Grantor/Program Title	State Grant Award Number	Passed Through to Subrecipients	State Expenditures
<b>Texas Department of Transportation:</b>			
SH 45SW Toll Project	CSJ 1200-06-004; 1200-07-001	\$ -	\$ 12,699,162
US290W Scenic Brook to Joe Tanner Grant	CSJ 0113-08-060	-	73,273
MoPac Improvement Project	CSJ 3136-01-107	-	3,791,406
MoPac South Project Environmental Assessment Highway Planning and Construction—US290W Multi. Projects Grant	CSJ 3136-01-176	-	709,930
Highway Planning and Construction—HERO Project	CSJ 0265-01-080	-	32,770
	CSJ 0914-00-358; 0914-00-361	-	136,092
<b>Total state expenditures</b>		<b>\$ -</b>	<b>\$ 17,442,633</b>

See notes to Schedule of Expenditures of State Awards.

## Central Texas Regional Mobility Authority

### Note to Schedule of Expenditures of State Awards Year Ended June 30, 2018

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#### Note 1. Summary of Significant Accounting Policies

**Reporting entity:** The Schedule of Expenditures of State Awards (the Schedule) includes the activity of all state programs administered by Central Texas Regional Mobility Authority (the Authority). 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.

**Basis of presentation:** The Schedule presents total state awards expended for each individual program in accordance with the Texas *Uniform Grant Management Standards*.

**Basis of accounting:** The expenditures for each of the state financial assistance programs are presented on the accrual basis of accounting for the Authority's fiscal year. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State and Local and Governments*, or the cost principles contained in the Texas *Uniform Grant Management Standards*, Cost Principles and Audit Requirements for State Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Loan and loan guarantees:** The Authority has no loan or loan guarantees.

**Central Texas Regional Mobility Authority**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2018**

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**Section I**

Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued on whether the financial statements were presented in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

       Yes        X   No

Significant deficiency(ies) identified?

       Yes        X   None Reported

Noncompliance material to financial statements noted?

       Yes        X   No

2. State Awards

Internal control over major state program:

Material weakness(es) identified?

       Yes        X   No

Significant deficiency(ies) identified?

       Yes        X   None Reported

Type of auditor's report issued on compliance for the major state program:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the *State of Texas Single Audit Circular*

       Yes        X   No

Identification of major state program:

State Award Number(s)  
CSJ 1200-06-004 and CSJ 1200-07-001

Name of State Program or Cluster  
SH 45SW Toll Project

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

  X   Yes             No

**Section II**

Financial Statement Findings

None reported

**Section III**

State Award Finding and Questioned Costs

None reported

**Central Texas Regional Mobility Authority**

**Schedule of Prior Audit Findings  
Year Ended June 30, 2018**

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Prior Year State Award Finding and Questioned Costs

None reported







CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

September 26, 2018  
**AGENDA ITEM #4**

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Approve the minutes from the July 25, 2018  
Regular Board Meeting and the August 22, 2018  
Special Called Board Meeting

Strategic Plan Relevance: Regional Mobility  
Department: Legal  
Contact: Geoffrey Petrov, General Counsel  
Associated Costs: N/A  
Funding Source: N/A  
Action Requested: Consider and act on motion to approve minutes

Summary:

Approve the attached draft minutes for the July 25, 2018 Regular Board Meeting and the draft minutes for the August 22, 2018 Special Called Board Meeting.

Backup provided: Draft minutes, July 25, 2018 Regular Board Meeting  
Draft minutes, August 22, 2018 Special Called Board Meeting

**July 25, 2018**  
**Regular Board Meeting**  
**Minutes**

## MINUTES

### Regular Meeting of the Board of

### Directors of the

### CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

**Wednesday, July 25, 2018**

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 20, 2018 at the respective County Court Houses of Williamson and Travis Counties; 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:**

<https://mobilityauthority.swagit.com/play/07252018-575>

**1. Welcome and opening remarks by the Chairman and the members of the Board of Directors.**

After noting that a quorum of the Board was present, Chairman Wilkerson called the meeting to order at 9:02a.m. with the following Board members present: David Armbrust, Mark Ayotte, John Langmore, Frank Leffingwell, Nikelle Meade, and David Singleton.

**2. Opportunity for public comment.**

No comments were offered.

*Chairman Wilkerson took up Items 16 and 17 prior to the Consent Agenda in order to accommodate guest speakers on those items.*

**16. Consider and take appropriate action on a resolution in support of the 183A Frontage Roads south of RM 1431 in Cedar Park.**

Mayor Corbin Van Arsdale from Cedar Park spoke about the item. Mayor Van Arsdale's comments were followed by a presentation from Justin Word, P.E., Director of Engineering.

**MOTION:** Approve a resolution in support of the 183A Frontage Roads south of RM 1431 in Cedar Park.

**RESULT:** Approved (Unanimous); 7-0  
**MOTION BY:** David Singleton  
**SECONDED BY:** Nikelle Meade  
**AYE:** Wilkerson, Meade Singleton, Armbrust, Langmore, Ayotte, Leffingwell  
**NAY:** None.

**ADOPTED AS:** Resolution No. 18-026

17. Consider and take appropriate action on a resolution authorizing the Executive Director to negotiate an interlocal agreement with the City of Austin to establish a collaborative process and guidelines for stormwater and environmental controls.

Mike Heiligenstein, Executive Director presented this item. Additional comments were offered by Mike Personett, Interim Director of Watershed Protection, City of Austin.

**MOTION:** Approve a resolution authorizing the Executive Director to negotiate an interlocal agreement with the City of Austin to establish a collaborative process and guidelines for stormwater and environmental controls.

**RESULT:** Approved (Unanimous); 7-0  
**MOTION BY:** David Armbrust  
**SECONDED BY:** Mark Ayotte  
**AYE:** Wilkerson, Meade Singleton, Armbrust, Langmore, Ayotte, Leffingwell  
**NAY:** None.

**ADOPTED AS:** Resolution No. 18-027

### **Consent Agenda**

*At the request of Board Member Langmore, Items 5 and 6 were pulled from the Consent Agenda and taken up by the Board as Regular Items.*

3. Approve Work Authorization No. 7 with Fagan Consulting LLC to provide general systems consulting services for FY 2019.

**ADOPTED AS:** Resolution No. 18-028

4. Approve Work Authorization No. 8 with Fagan Consulting LLC to provide professional services supporting the implementation of the new Pay By Mail services contract.

**ADOPTED AS:** Resolution No. 18-029

7. Approve reallocation of budget for professional services contracts for the SH 45 SW Project.

**ADOPTED AS:** Resolution No. 18-030

8. Approve Personal Services Agreement with Neal Spelce for communications and support services.

**ADOPTED AS:** Resolution No. 18-031

**Regular Items**

5. Approve Work Authorization No. 16 with Kapsch TrafficCom USA, Inc. for support of the new Pay By Mail back office system implementation.

Presentation by Tracie Brown, Director of Operations.

**MOTION:** Approve a Work Authorization No. 16 with Kapsch TrafficComm USA, Inc. for support of the new Pay by Mail back office system implementation.

**RESULT:** Approved (Unanimous); 7-0

**MOTION BY:** John Langmore

**SECONDED BY:** Nikelle Meade

**AYE:** Wilkerson, Meade Singleton, Armbrust, Langmore, Ayotte, Leffingwell

**NAY:** None.

**ADOPTED AS:** Resolution No. 18-032

6. Approve agreement with Kapsch TrafficCom USA, Inc. for license plate image review services for the new Pay By Mail system.

Presentation by Tracie Brown, Director of Operations.

**MOTION:** Approve an agreement with Kapsch TrafficComm USA, Inc. for license plate image review services for the new Pay by Mail system.

**RESULT:** Approved (Unanimous); 7-0

**MOTION BY:** John Langmore

**SECONDED BY:** Frank Leffingwell

**AYE:** Wilkerson, Meade Singleton, Armbrust, Langmore, Ayotte, Leffingwell

**NAY:** None.

**ADOPTED AS:** Resolution No. 18-033

9. Approve the minutes from the June 27, 2018 Regular Board meeting.

**MOTION:** Approve the minutes from the June 27, 2018 Regular Board meeting.

**RESULT:** Approved (Unanimous); 7-0

**MOTION BY:** Mark Ayotte

**SECONDED BY:** Nikelle Meade

**AYE:** Wilkerson, Meade Singleton, Armbrust, Langmore, Ayotte, Leffingwell

**NAY:** None.

10. Accept the unaudited financial statements for June 2018.

Presentation by Mary Temple, Controller and Bill Chapman, Chief Financial Officer.

**MOTION:** Accept the unaudited financial statements for June 2018.

**RESULT:** Approved (Unanimous); 7-0

**MOTION BY:** Frank Leffingwell

**SECONDED BY:** Nikelle Meade

**AYE:** Wilkerson, Meade Singleton, Armbrust, Langmore, Ayotte, Leffingwell

**NAY:** None.

**ADOPTED AS:** Resolution No. 18-034

11. Approve the addition of Vining Sparks IBG, L.P. to the List of Financial Institutions and Qualified Brokers authorized to provide investment services and engage in investment transactions with the Mobility Authority.

Presentation by Mary Temple, Controller.

**MOTION:** Approve the addition of Vining Sparks IBG, L.P. to the List of Financial Institutions and Qualified Brokers authorized to provide investment services and engage in investment transactions with the Mobility Authority.

**RESULT:** Approved (Unanimous); 7-0

**MOTION BY:** Mark Ayotte

**SECONDED BY:** Frank Leffingwell

**AYE:** Wilkerson, Meade Singleton, Armbrust, Langmore, Ayotte, Leffingwell

**NAY:** None.

**ADOPTED AS:** Resolution No. 18-035

12. Approve Amendment No. 9 to the Stantec Consulting Services Inc. agreement for traffic and revenue consulting services.

Presentation by Bill Chapman, Chief Financial Officer.

**MOTION:** Approve Amendment No. 9 to the Stantec Consulting Services Inc. agreement for traffic and revenue consulting services.

**RESULT:** Approved (Unanimous); 7-0

**MOTION BY:** John Langmore

**SECONDED BY:** Nikelle Meade

**AYE:** Wilkerson, Meade Singleton, Armbrust, Langmore, Ayotte, Leffingwell

**NAY:** None.

**ADOPTED AS:** Resolution No. 18-036

13. Authorize the Executive Director to finalize and execute an Agreement for the Payoff and Termination of the Pass-Through Toll Agreement between the CTRMA and TXDOT for the U.S. 183/183A Intersection Project.

Presentation by Bill Chapman, Chief Financial Officer.

**MOTION:** Authorize the Executive Director to finalize and execute an Agreement for the Payoff and Termination of the Pass-Through Toll Agreement between the CTRMA and TXDOT for the U.S. 183/183A Intersection Project.

**RESULT:** Approved (Unanimous); 7-0

**MOTION BY:** Mark Ayotte

**SECONDED BY:** Frank Leffingwell

**AYE:** Wilkerson, Meade Singleton, Armbrust, Langmore, Ayotte, Leffingwell

**NAY:** None.

**ADOPTED AS:** Resolution No. 18-037

14. Authorize the Issuance, Sale and Delivery of Central Texas Regional Mobility Authority Senior Lien Revenue Bonds, Series 2018, and subordinate lien revenue bond anticipation notes, Series 2018, in accordance with specified parameters for the Manor Expressway (290E) Phase III Project.

Presentation by Bill Chapman, Chief Financial Officer. Richard Ramirez, Financial Advisor, Hilltop Securities also spoke on the item.

**MOTION:** Authorize the Issuance, Sale and Delivery of Central Texas Regional Mobility Authority Senior Lien Revenue Bonds, Series 2018, and subordinate lien revenue bond anticipation notes, Series 2018, in accordance with specified parameters for the Manor Expressway (290E) Phase III Project.

**RESULT:** Approved (Unanimous); 7-0

**MOTION BY:** John Langmore

**SECONDED BY:** Frank Leffingwell

**AYE:** Wilkerson, Meade Singleton, Armbrust, Langmore, Ayotte, Leffingwell

**NAY:** None.

**ADOPTED AS:** Resolution No. 18-038

**15.** Consider and take appropriate action on the Qualified Veterans Discount Program.

Presentation by Tracie Brown, Director of Operations.

Board Member John Langmore proposed an amendment to the resolution, requiring an end or a revision to the Qualified Veterans Discount Program by December 31, 2021.

**MOTION:** Approve the Qualified Veterans Discount Program through December 31, 2021.

**RESULT:** Approved (Unanimous); 7-0

**MOTION BY:** John Langmore

**SECONDED BY:** David Armbrust

**AYE:** Wilkerson, Meade Singleton, Armbrust, Langmore, Ayotte, Leffingwell

**NAY:** None.

**ADOPTED AS:** Resolution No. 18-039

**18.** Consider and take appropriate action on a resolution authorizing an administrative change order process and associated dollar amounts for use on construction projects.

Presentation by Justin Word, P.E., Director of Engineering.

**MOTION:** Approve an administrative change order process and associated dollar amounts for use on construction projects.

**RESULT:** Approved (Unanimous); 7-0

**MOTION BY:** John Langmore

**SECONDED BY:** David Singleton

**AYE:** Wilkerson, Meade Singleton, Armbrust, Langmore, Ayotte, Leffingwell



**NAY:** None.

**ADOPTED AS:** Resolution No. 18-040

19. Award a construction contract for Manor Expressway (290E) Phase III Project.

Chairman Wilkerson tabled this item for consideration after Executive Session.

20. Approve Supplement No. 1 to Work Authorization No. 7 for WSP USA, Inc. for general engineering consulting services related to MoPac.

Presentation by Justin Word, P.E., Director of Engineering.

**MOTION:** Approve Supplement No. 1 to Work Authorization No. 7 for WSP USA, Inc. for general engineering consulting services related to MoPac

**RESULT:** Approved (Unanimous); 7-0

**MOTION BY:** Mark Ayotte

**SECONDED BY:** David Singleton

**AYE:** Wilkerson, Meade Singleton, Armbrust, Langmore, Ayotte, Leffingwell

**NAY:** None.

**ADOPTED AS:** Resolution No. 18-041

21. Approve a supplement to the Daniel J. Edelman, Inc. agreement for services including customer messaging, toll discount program, Pay By Mail transition and veterans program.

Presentation by Dee Anne Heath, Director of External Affairs.

**MOTION:** Approve a supplement to the Daniel J. Edelman, Inc. agreement for services including customer messaging, toll discount program, Pay By Mail transition and veterans program.

**RESULT:** Approved (Unanimous); 7-0

**MOTION BY:** Mark Ayotte

**SECONDED BY:** David Singleton

**AYE:** Wilkerson, Meade Singleton, Armbrust, Langmore, Ayotte, Leffingwell

**NAY:** None.

**ADOPTED AS:** Resolution No. 18-042

## **Briefings and Reports**

### **22. Project Briefings**

#### A. MoPac Express Lane Six-Month Performance Update.

Presentation by Tracie Brown, Director of Operations. Additional comments provided by Sgt. Terry Gish, Austin Police Department and John Nevares, Assistant Director of Operations, TXDOT.

#### B. Quarterly Project Reports

##### i. MoPac Improvement project

Presentation by Jeff Dailey, Deputy Executive Director

##### ii. 183 South Project

Presentation by Justin Word, P.E., Director of Engineering, Steve Pustelnyk, Director of Community Relations and Aaron Autry, 183 South Project Manager, Atkins

##### iii. SH 45 Southwest Project

Presentation by Justin Word, P.E., Director of Engineering

### **23. Executive Director Board Report**

#### A. Projects under development

Presentation by Mike Heiligenstein, Executive Director

#### B. Local government highlights

Presentation by Mike Heiligenstein, Executive Director

#### C. Park and Ride Update

Presentation by Jeff Dailey, Deputy Executive Director

#### D. Austin Memorial Park landscaping coordination

Presentation by Lloyd Chance, Senior Project Manager – Construction

E. Texas Senate Committee on Transportation Hearing – August 27, 2018

Presentation by Mike Heiligenstein

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

Chairman Wilkerson announced in open session at 12:06 p.m. that the Board would recess the open meeting and reconvene in Executive Session to deliberate the following items:

24. Discuss acquisition of one or more parcels or interests in real property needed for the Bergstrom Expressway (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).
25. 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).
26. Discuss legal issues relating to procurement and financing of Mobility Authority transportation projects, as authorized by §551.071 (Consultation with Attorney).
27. Discuss personnel matters as authorized by §551.074 (Personnel Matters).

After completing the executive session, the Board reconvened in open meeting at 12:36 p.m.

**Regular Items**

19. Award a construction contract for Manor Expressway (290E) Phase III Project.

Chairman Wilkerson tabled this item for a future Board Meeting.

28. **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 E33D of the 183 South (Bergstrom Expressway) Project, an easement taking of 0.189 acre, from approximately 4.297 acres of real estate, owned by **724 Bastrop Hwy, LLC, a Texas limited liability company**, and located at 720 Bastrop Highway, Austin, Travis County, Texas on the west side of 183 South.

**MOTION:** Authorize the use of the power of eminent domain to acquire an easement interest of a 0.189 acres, from approximately 4.297 acres of real estate, owned by **724 Bastrop Hwy, LLC, a Texas limited liability company**, and located at 720 Bastrop Highway, Austin, Travis County, Texas on the west side of 183 South.

**RESULT:** Approved (Unanimous); 7-0

**MOTION BY:** Nikelle Meade

**SECONDED BY:** David Singleton

**AYE:** Wilkerson, Meade Singleton, Armbrust, Langmore, Ayotte, Leffingwell

**NAY:** None.

**ADOPTED AS:** Resolution No. 18-043

**August 22, 2018  
Special Called Board  
Meeting Minutes**

**MINUTES**  
**Special Called Meeting of the Board of Directors**  
**of the**  
**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**  
**Wednesday, August 22, 2018**  
**11:00 A.M.**

This was a telephone conference call meeting. Notice of the meeting was posted August 17, 2018, 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. Board Members on the call were Nikelle Meade, David Singleton, David Armbrust, Mark, Ayotte, and Frank Leffingwell.

**An archived copy of the live-streamed audio of this meeting is available at:**

<https://mobilityauthority.swagit.com/play/08222018-1426>

**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 11:05 a.m. Executive Director Heiligenstein had each Board Member who called in state their name for the record and confirm that they could both hear and be heard by all other attendees that were present in-person or on the phone.

**2. Opportunity for Public Comment.**

Sharon Blythe, representing Austin RAMP (Rescue Austin Memorial Parks) provided comment.

**Regular Board Items**

**3. Award a construction contract for the Manor Expressway (290E) Phase III Project.**

Presentation by Justin Word, P.E., Director of Engineering.

**MOTION:** Award a construction contract for the Manor Expressway (290E) Phase III Project.

**RESULT:** Approved (Unanimous); 6-0

**MOTION BY:** Frank Leffingwell  
**SECONDED BY:** David Singleton  
**AYE:** Wilkerson, Meade, Singleton, Armbrust, Ayotte, Leffingwell  
**NAY:** None.

**ADOPTED AS:** Resolution No. 18-044

Chairman Wilkerson announced that the Board would not meet in Executive Session and tabled Items 4 - 7.

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

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

**Regular Board Items**

7. **Discuss and take appropriate action regarding agreements with the Texas Department of Transportation for development of the 183 North Project, including potential amendments to the SH 45 SW Loan Agreement and the SH 71 Toll Lanes Project Development Agreement.**

After confirming that no member of the public wished to address the Board, Chairman Wilkerson declared the meeting adjourned at 11:12 a.m.

8. Adjourn Meeting.



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

September 26, 2018  
**AGENDA ITEM #5**

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Accept the financial statements  
for July 2018 and August 2018

Strategic Plan Relevance: Regional Mobility  
Department: Finance  
Contact: Bill Chapman, Chief Financial Officer  
Associated Costs: N/A  
Funding Source: N/A  
Action Requested: Consider and act on draft resolution

Summary:

Presentation and acceptance of the monthly financial statements for July 2018 and August 2018.

Backup provided: Financial statements for July and  
August 2018;  
Draft Resolution



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

**RESOLUTION NO. 18-0XX**

**ACCEPT THE FINANCIAL STATEMENTS FOR JULY 2018 AND AUGUST 2018**

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;

WHEREAS, the Executive Director, working with the Chief Financial Officer, has reviewed and authorized the disbursements necessary for the month of July 2018, and has caused financial statements to be prepared and attached to this resolution as Exhibit A; and

WHEREAS, the Executive Director, working with the Chief Financial Officer, has reviewed and authorized the disbursements necessary for the month of August 2018, and has caused financial statements to be prepared and attached to this resolution as Exhibit B.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors accepts the financial statements for July 2018 and August 2018, attached hereto as Exhibit A and Exhibit B respectively.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 26<sup>th</sup> day of September 2018.

Submitted and reviewed by:

Approved:

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Geoffrey Petrov, General Counsel

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Ray A. Wilkerson  
Chairman, Board of Directors

**Exhibit A**

**Financial Statements for July 2018**

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending July 31, 2018**

	Budget Amount FY 2018	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
<b>REVENUE</b>				
<b>Operating Revenue</b>				
Toll Revenue - Tags	73,700,000	6,387,408	8.67%	5,134,427
Video Tolls	17,587,500	1,371,172	7.80%	1,177,846
Fee Revenue	6,762,500	420,890	6.22%	364,265
<b>Total Operating Revenue</b>	<b>98,050,000</b>	<b>8,179,470</b>	<b>8.34%</b>	<b>6,676,539</b>
<b>Other Revenue</b>				
Interest Income	950,000	185,346	19.51%	173,836
Misc Revenue	2,000	-	-	-
<b>Total Other Revenue</b>	<b>952,000</b>	<b>185,346</b>	<b>19.47%</b>	<b>173,836</b>
<b>TOTAL REVENUE</b>	<b>\$99,002,000</b>	<b>\$8,364,816</b>	<b>8.45%</b>	<b>6,850,374</b>
<b>EXPENSES</b>				
<b>Salaries and Benefits</b>				
Salary Expense-Regular	4,138,603	128,384	3.10%	250,297
Salary Reserve	80,000	-	-	-
TCDRS	579,405	18,705	3.23%	35,160
FICA	190,792	5,670	2.97%	12,090
FICA MED	65,880	1,922	2.92%	3,576
Health Insurance Expense	391,184	25,311	6.47%	28,068
Life Insurance Expense	11,165	152	1.36%	310
Auto Allowance Expense	10,200	425	4.17%	850
Other Benefits	136,476	4,169	3.06%	6,197
Unemployment Taxes	4,212	-	-	3
<b>Total Salaries and Benefits</b>	<b>5,607,917</b>	<b>184,737</b>	<b>3.29%</b>	<b>336,550</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending July 31, 2018**

	Budget Amount FY 2018	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
<b>Administrative</b>				
<b>Administrative and Office Expenses</b>				
Accounting	10,000	634	6.34%	557
Auditing	125,000	-	-	-
Human Resources	35,000	133	0.38%	-
IT Services	174,000	545	0.31%	595
Internet	4,550	537	11.80%	11
Software Licenses	85,700	10,758	12.55%	9,563
Cell Phones	16,100	281	1.74%	281
Local Telephone Service	12,000	589	4.91%	1,220
Overnight Delivery Services	500	15	2.97%	-
Local Delivery Services	600	-	-	-
Copy Machine	24,000	1,228	5.11%	1,186
Repair & Maintenance-General	15,500	108	0.70%	-
Community Meeting/ Events	15,000	-	-	-
Meeting Expense	16,000	789	4.93%	339
Public Notices	100	-	-	-
Toll Tag Expense	3,150	-	-	150
Parking / Local Ride Share	1,800	66	3.67%	16
Mileage Reimbursement	9,900	123	1.24%	553
Insurance Expense	251,000	15,160	6.04%	12,321
Rent Expense	650,000	45,605	7.02%	43,044
Legal Services	396,500	-	-	-
<b>Total Administrative and Office Expenses</b>	<b>1,846,400</b>	<b>76,570</b>	<b>4.15%</b>	<b>69,835</b>
<b>Office Supplies</b>				
Books & Publications	5,700	20	0.35%	314
Office Supplies	16,000	682	4.26%	519
Computer Supplies	152,550	80	0.05%	7
Copy Supplies	3,000	-	-	48
Other Reports-Printing	8,000	-	-	-
Office Supplies-Printed	2,600	-	-	-
Misc Materials & Supplies	750	-	-	-
Postage Expense	800	-	-	26
<b>Total Office Supplies</b>	<b>189,400</b>	<b>781</b>	<b>0.41%</b>	<b>913</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending July 31, 2018**

	Budget Amount FY 2018	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
<b>Communications and Public Relations</b>				
Graphic Design Services	55,000	-	-	-
Website Maintenance	100,300	172	0.17%	-
Research Services	450,000	-	-	-
Communications and Marketing	800,000	-	-	-
Advertising Expense	821,500	244	0.03%	591
Direct Mail	15,800	-	-	-
Video Production	258,820	-	-	-
Photography	12,500	1,400	11.20%	-
Radio	75,000	-	-	-
Other Public Relations	60,000	-	-	-
Promotional Items	20,000	-	-	-
Displays	5,000	-	-	-
Annual Report printing	5,000	2,728	54.57%	-
Direct Mail Printing	5,000	-	-	-
Other Communication Expenses	70,000	45	0.06%	812
<b>Total Communications and Public Relations</b>	<b>2,753,920</b>	<b>4,589</b>	<b>0.17%</b>	<b>1,403</b>
<b>Employee Development</b>				
Subscriptions	3,050	-	-	-
Agency Memberships	53,500	-	-	-
Continuing Education	15,500	-	-	259
Professional Development	19,000	401	2.11%	-
Other Licenses	1,700	-	-	-
Seminars and Conferences	41,000	3,536	8.63%	5,030
Travel	70,000	9,040	12.91%	645
<b>Total Employee Development</b>	<b>203,750</b>	<b>12,977</b>	<b>6.37%</b>	<b>5,934</b>
<b>Financing and Banking Fees</b>				
Trustee Fees	45,000	3,763	8.36%	-
Bank Fee Expense	6,500	499	7.68%	551
Continuing Disclosure	15,000	-	-	-
Arbitrage Rebate Calculation	13,000	-	-	-
Rating Agency Expense	30,000	-	-	15,500
<b>Total Financing and Banking Fees</b>	<b>109,500</b>	<b>4,262</b>	<b>3.89%</b>	<b>16,051</b>
<b>Total Administrative</b>	<b>5,102,970</b>	<b>99,179</b>	<b>1.94%</b>	<b>94,136</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending July 31, 2018**

	Budget Amount FY 2018	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
<b>Operations and Maintenance</b>				
<b>Operations and Maintenance Consulting</b>				
GEC-Trust Indenture Support	169,000	-	-	-
GEC-Financial Planning Support	51,000	-	-	-
GEC-Toll Ops Support	249,786	-	-	-
GEC-Roadway Ops Support	1,129,978	-	-	-
GEC-Technology Support	857,428	-	-	-
GEC-Public Information Support	120,000	-	-	-
GEC-General Support	1,443,568	-	-	-
General System Consultant	500,000	-	-	-
Traffic Modeling	590,000	-	-	-
Traffic and Revenue Consultant	150,000	-	-	-
<b>Total Operations and Maintenance Consulting</b>	<b>4,670,760</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Roadway Operations and Maintenance</b>				
Roadway Maintenance	4,507,900	-	-	-
Maintenance Supplies-Roadway	117,800	-	-	-
Tools & Equipment Expense	1,000	131	13.11%	-
Gasoline	18,700	1,291	6.90%	1,077
Repair & Maintenance-Vehicles	6,500	104	1.61%	233
Electricity - Roadways	200,000	6,775	3.39%	6,789
<b>Total Roadway Operations and Maintenance</b>	<b>4,851,900</b>	<b>8,301</b>	<b>0.17%</b>	<b>8,100</b>
<b>Toll Processing and Collection Expense</b>				
Image Processing	3,200,000	126,225	3.94%	94,803
Tag Collection Fees	6,633,000	548,864	8.27%	347,104
Court Enforcement Costs	49,080	1,375	2.80%	1,350
DMV Lookup Fees	500	-	-	88
<b>Total Processing and Collection Expense</b>	<b>9,882,580</b>	<b>676,464</b>	<b>6.85%</b>	<b>443,345</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending July 31, 2018**

	Budget Amount FY 2018	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
<b>Toll Operations Expense</b>				
Generator Fuel	2,000	-	-	-
Fire and Burglar Alarm	500	-	-	-
Refuse	1,500	91	6.05%	70
Telecommunications	120,000	-	-	-
Water - Irrigation	10,000	-	-	126
Electricity	2,500	-	-	136
ETC spare parts expense	50,000	-	-	-
Repair & Maintenance Toll Equip	5,000	-	-	-
Law Enforcement	290,000	66,993	23.10%	22,857
ETC Maintenance Contract	1,988,386	-	-	-
ETC Toll Management Center System Operation	360,000	-	-	-
ETC Development	1,636,000	-	-	-
ETC Testing	100,000	-	-	-
<b>Total Toll Operations Expense</b>	<b>4,565,886</b>	<b>67,084</b>	<b>1.47%</b>	<b>23,189</b>
<b>Total Operations and Maintenance</b>	<b>23,971,126</b>	<b>751,849</b>	<b>3.14%</b>	<b>474,634</b>
<b>Other Expenses</b>				
<b>Special Projects and Contingencies</b>				
HERO	148,000	-	-	-
Special Projects	500,000	-	-	-
71 Express Net Revenue Payment	3,635,405	-	-	-
Technology Task Force	650,000	-	-	-
Other Contractual Svcs	150,000	-	-	-
Contingency	250,000	-	-	-
<b>Total Special Projects and Contingencies</b>	<b>5,333,405</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending July 31, 2018**

	Budget Amount FY 2018	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
<b>Non Cash Expenses</b>				
Amortization Expense	487,699	36,737	7.53%	41,906
Amort Expense - Refund Savings	1,027,860	86,768	8.44%	86,098
Dep Exp- Furniture & Fixtures	3,014	218	7.23%	218
Dep Expense - Equipment	15,999	1,333	8.33%	1,336
Dep Expense - Autos & Trucks	37,437	2,220	5.93%	1,390
Dep Expense-Buildng & Toll Fac	176,748	14,729	8.33%	14,760
Dep Expense-Highways & Bridges	22,541,478	1,832,102	8.13%	1,466,708
Dep Expense-Toll Equipment	2,485,026	207,351	8.34%	198,957
Dep Expense - Signs	326,893	27,158	8.31%	27,158
Dep Expense-Land Improvemts	884,934	73,745	8.33%	73,745
Depreciation Expense-Computers	20,317	1,693	8.33%	1,101
<b>Total Non Cash Expenses</b>	<b>28,007,405</b>	<b>2,284,053</b>	<b>8.16%</b>	<b>1,913,374</b>
<b>Total Other Expenses</b>	<b>33,340,810</b>	<b>2,284,053</b>	<b>6.85%</b>	<b>1,913,374</b>
<b>Non Operating Expenses</b>				
Bond issuance expense	1,413,508	18,896	1.34%	18,896
Interest Expense	40,371,558	2,685,537	6.65%	2,611,714
Community Initiatives	275,000	1,250	0.45%	-
<b>Total Non Operating Expenses</b>	<b>42,060,066</b>	<b>2,705,683</b>	<b>6.43%</b>	<b>2,630,610</b>
<b>TOTAL EXPENSES</b>	<b>\$110,082,889</b>	<b>\$6,025,502</b>	<b>5.47%</b>	<b>\$5,449,304</b>
<b>Net Income</b>	<b>(\$11,080,889)</b>	<b>\$2,339,314</b>		<b>1,401,070</b>



**Central Texas Regional Mobility Authority**  
**Balance Sheet**  
**as of July 31, 2018**

	as of 07/31/2018		as of 07/31/2017	
<b>ASSETS</b>				
<b>Current Assets</b>				
<b>Cash</b>				
Regions Operating Account	\$ 142,527		\$ 212,411	
Cash in TexStar	177,132		606,519	
Regions Payroll Account	225,189		50,935	
<b>Restricted Cash</b>				
Goldman Sachs FSGF 465	109,341,082		196,387,123	
Restricted Cash - TexSTAR	165,868,816		167,361,876	
Overpayments account	240,951		169,549	
<b>Total Cash and Cash Equivalents</b>		275,995,696		364,788,413
<b>Accounts Receivable</b>				
Due From Other Agencies	5,143		2,885	
Due From TTA	747,479		2,851,417	
Due From NTTA	664,583		721,322	
Due From HCTRA	952,402		1,013,479	
Due From TxDOT	750,600		11,976,216	
Interest Receivable	322,753		354,435	
<b>Total Receivables</b>		3,442,959		16,919,755
<b>Short Term Investments</b>				
Treasuries	24,891,016		-	
Agencies	154,201,415		100,550,389	
<b>Total Short Term Investments</b>		179,092,431		100,550,389
<b>Total Current Assets</b>		458,531,087		482,258,558
<b>Total Construction in Progress</b>		801,848,372		557,334,003
<b>Fixed Assets (Net of Depreciation and Amortization)</b>				
Computer	28,440		25,465	
Computer Software	970,678		1,328,348	
Furniture and Fixtures	12,415		15,028	
Equipment	18,038		(3,857)	
Autos and Trucks	57,298		75,637	
Buildings and Toll Facilities	5,098,970		5,275,779	
Highways and Bridges	722,046,107		763,052,949	
Communication Equipment	-		38,649	
Toll Equipment	15,321,045		15,791,038	
Signs	10,609,311		10,903,305	
Land Improvements	9,665,260		10,550,194	
Right of way	88,149,606		88,148,106	
Leasehold Improvements	133,339		147,299	
<b>Total Fixed Assets</b>		852,110,509		895,347,942
<b>Other Assets</b>				
Intangible Assets-Net	103,390,331		104,441,441	
2005 Bond Insurance Costs	4,270,165		4,483,673	
Prepaid Insurance	31,358		25,678	
Deferred Outflows (pension related)	290,396		711,563	
Pension Asset	826,397		355,139	
<b>Total Other Assets</b>		108,808,647		110,017,494
<b>Total Assets</b>		<b>\$ 2,221,298,614</b>		<b>\$ 2,044,957,997</b>

**Central Texas Regional Mobility Authority**  
**Balance Sheet**  
**as of July 31, 2018**

	as of 07/31/2018	as of 07/31/2017
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 32,282	\$ 19,389,517
Construction Payable	\$ 2,152,214	\$ 18,612
Overpayments	\$ 243,796	\$ 172,148
Interest Payable	4,307,911	4,331,721
Deferred Compensation Payable	\$ 142	\$ (1)
TCDRS Payable	\$ 57,112	\$ 54,717
Medical Reimbursement Payable	\$ (3,447)	\$ 1,735
Due to other Agencies	\$ 21,874	\$ 176
Due to TTA	\$ 1,949,088	\$ 339,417
Due to NTTA	\$ 156,462	\$ 86,338
Due to HCTRA	\$ 141,400	\$ 65,102
Due to Other Entities	\$ 1,856,158	\$ 6,061,542
71E TxDOT Obligation - ST	\$ 1,570,166	\$ 650,998
<b>Total Current Liabilities</b>	<b>12,485,158</b>	<b>31,172,022</b>
<b>Long Term Liabilities</b>		
Compensated Absences	\$ 282,775	\$ 182,441
Deferred Inflows (pension related)	278,184	286,449
<b>Long Term Payables</b>	<b>560,959</b>	<b>468,891</b>
<b>Bonds Payable</b>		
<b>Senior Lien Revenue Bonds:</b>		
Senior Lien Revenue Bonds 2010	73,969,559	69,268,845
Senior Lien Revenue Bonds 2011	15,501,574	14,574,030
Senior Refunding Bonds 2013	139,885,000	143,685,000
Senior Lien Revenue Bonds 2015	298,790,000	298,790,000
Senior Lien Put Bnd 2015	68,785,000	68,785,000
Senior Lien Refunding Revenue Bonds 2016	358,030,000	358,030,000
Sn Lien Rev Bnd Prem/Disc 2013	7,936,466	9,864,675
Sn Lien Revenue Bnd Prem 2015	20,677,640	21,874,145
Sn Lien Put Bnd Prem 2015	3,570,882	5,434,186
Senior lien premium 2016 revenue bonds	51,337,614	55,657,863
<b>Total Senior Lien Revenue Bonds</b>	<b>1,038,483,735</b>	<b>1,045,963,743</b>
<b>Sub Lien Revenue Bonds:</b>		
Sub Refunding Bnds 2013	100,530,000	101,530,000
Sub Debt Refunding Bonds 2016	74,305,000	74,690,000
Sub Refunding 2013 Prem/Disc	1,797,378	2,283,808
Sub Refunding 2016 Prem/Disc	9,083,379	9,951,600
<b>Total Sub Lien Revenue Bonds</b>	<b>185,715,757</b>	<b>188,455,408</b>
<b>Other Obligations</b>		
TIFIA note 2015	146,234,294	52,666
SIB loan 2015	31,857,894	30,620,628
State Highway Fund Loan 2015	31,857,924	30,620,628
State 45SW Loan	40,080,000	-
2013 American Bank Loan	-	3,570,000
71E TxDOT Obligation - LT	62,332,058	65,000,000
Regions 2017 MoPAC Note	17,000,000	-
<b>Total Other Obligations</b>	<b>329,362,170</b>	<b>129,863,921</b>
<b>Total Long Term Liabilities</b>	<b>1,554,122,620</b>	<b>1,364,751,963</b>
<b>Total Liabilities</b>	<b>1,566,607,777</b>	<b>1,395,923,985</b>
<b>NET ASSETS</b>		
Contributed Capital	121,202,391	136,725,550
Net Assets Beginning	510,907,391	510,907,392
Current Year Operations	22,581,055	1,401,070
<b>Total Net Assets</b>	<b>654,690,837</b>	<b>649,034,012</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,221,298,614</b>	<b>\$ 2,044,957,997</b>

**Central Texas Regional Mobility Authority**  
**Statement of Cash Flow**  
**as of July 31, 2018**

**Cash flows from operating activities:**

Receipts from toll fees	\$	8,199,436
Receipts from other fees		-
Receipts from interest income		(130,268)
Payments to vendors		(2,684,699)
Payments to employees		(227,247)
Net cash flows provided by (used in) operating activities		5,157,221

**Cash flows from capital and related financing activities:**

Proceeds from notes payable		112,321,943
Receipts from Department of Transportation		94,725
Receipt from Hays County		-
Payments on principal		-
Interest payments		(25,847,463)
Acquisition of capital assets		-
Acquisitions of construction in progress		(18,883,946)
Net cash flows provided by (used in) capital and related financing activities		67,685,260

**Cash flows from investing activities:**

Interest income		185,346
Purchase of investments		(194,345,246)
Proceeds from sale or maturity of investments		62,096,423
Net cash flows provided by (used in) investing activities		(132,063,477)
Net increase (decrease) in cash and cash equivalents		(59,220,997)
Cash and cash equivalents at beginning of period		169,170,746
Cash and cash equivalents at end of period	\$	109,949,749

**Reconciliation of change in net assets to net cash provided by operating activities:**

Operating income	\$	4,945,169
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization		2,197,286
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable		(148,820)
(Increase) decrease in prepaid expenses and other assets		15,160
(Decrease) increase in accounts payable		(1,953,541)
Increase (decrease) in accrued expenses		101,968
Total adjustments		212,053
Net cash flows provided by (used in) operating activities	\$	5,157,221

**Reconciliation of cash and cash equivalents:**

Unrestricted cash and cash equivalents	\$	608,667
Restricted cash and cash equivalents		109,341,082
Total	\$	109,949,749

**INVESTMENTS by FUND**

		Balance July 31, 2018		
Renewal & Replacement Fund				
TexSTAR	513,637.72		TexSTAR	164,968,389.09
Goldman Sachs	88,155.04		Goldman Sachs	105,085,882.20
Agencies/ Treasuries		601,792.76	Agencies & Treasury Notes	<u>179,092,430.47</u>
Grant Fund				\$ 449,146,701.76
TexSTAR	4,299,341.28			
Goldman Sachs	482,142.22			
Agencies/ Treasuries	4,922,847.61	9,704,331.11		
Senior Debt Service Reserve Fund				
TexSTAR	5,781,157.74			
Goldman Sachs	5,670,920.56			
Agencies/ Treasuries	69,636,456.33	81,088,534.63		
2010 Senior Lien DSF				
Goldman Sachs	808,578.03			
TexSTAR		808,578.03		
2011 Debt Service Acct				
Goldman Sachs	762,096.43	762,096.43		
2013 Sr Debt Service Acct				
Goldman Sachs	2,630,218.30	2,630,218.30		
2013 Sub Debt Service Account				
Goldman Sachs	1,242,246.60	1,242,246.60		
2015 Sr Capitalized Interest				
Goldman Sachs	9.39	39,146,567.81		
TexSTAR	39,146,558.42			
2015A Debt Service Account				
Goldman Sachs	-	-		
2015B Debt Service Account				
Goldman Sachs	292,798.33	292,798.33		
2016 Sr Lien Rev Refunding Debt Service Account				
Goldman Sachs	3,859,535.85	3,859,535.85		
2016 Sub Lien Rev Refunding Debt Service Account				
Goldman Sachs	520,091.77	520,091.77		
2016 Sub Lien Rev Refunding DSR				
Goldman Sachs	1,796,755.90			
Agencies/ Treasuries	4,922,847.61	6,719,603.51		
Operating Fund				
TexSTAR	177,131.63			
TexSTAR-Trustee	971,951.71			
Goldman Sachs	29,038.41	1,178,121.75		
Revenue Fund				
Goldman Sachs	5,175,556.88	5,175,556.88		
General Fund				
TexSTAR	25,147,932.56			
Goldman Sachs	28,939,254.56			
Agencies/ Treasuries	9,965,213.82	64,052,400.94		
2013 Sub Debt Service Reserve Fund				
TexSTAR	5,099,504.30			
Goldman Sachs	3,523,766.31	8,623,270.61		
71E Revenue Fund				
Goldman Sachs	4,397,242.35	4,397,242.35		
MoPac Revenue Fund				
Goldman Sachs	37,975.46	37,975.46		
MoPac Construction Fund				
Goldman Sachs	15,346,124.19	15,346,124.19		
MoPac General Fund				
Goldman Sachs	-			
MoPac Operating Fund				
Goldman Sachs	47,889.15			
MoPac Loan Repayment Fund				
Goldman Sachs	-			
2015B Project Account				
Goldman Sachs	8,099,245.53			
Agencies/ Treasuries	25,010,583.60			
TexSTAR	7,697,634.32	40,807,463.45		
2015A Project Account				
TexSTAR				
Goldman Sachs	0.00	0.00		
2015 TIFIA Project Account				
Goldman Sachs	6,578,043.13			
TexSTAR	54,056,302.78			
Agencies/ Treasuries	64,634,481.50	125,268,827.41		
2015 State Highway Fund Project Account				
Goldman Sachs	0.00	0.00		
2015 SIB Project Account				
TexSTAR	4,393,027.96			
Goldman Sachs	307,880.12	4,700,908.08		
2011 Sr Financial Assistance Fund				
Goldman Sachs	4.15	17,684,212.82		
TexSTAR	17,684,208.67			
45SW Project Fund				
Goldman Sachs	14,007,051.42	14,007,051.42		
45SW Trust Account Travis County				
Goldman Sachs	443,262.12	443,262.12		
		<u>\$ 449,098,812.61</u>		

**CTRMA INVESTMENT REPORT**

Month Ending 07/31/18						
Balance 7/1/2018	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 7/31/2018	Rate July
<b>Amount in Trustee TexStar</b>						
2011 Sr Lien Financial Assist Fund	20,495,119.62		28,589.05	2,839,500.00	17,684,208.67	1.8965%
2013 Sub Lien Debt Service Reserve	5,091,304.14		8,200.16		5,099,504.30	1.8965%
General Fund	25,457,456.56		40,476.00	350,000.00	25,147,932.56	1.8965%
Trustee Operating Fund	145,494.34	3,375,278.17	1,179.20	2,550,000.00	971,951.71	1.8965%
Renewal and Replacement	512,811.77		825.95		513,637.72	1.8965%
Grant Fund	9,228,557.07		11,784.21	4,941,000.00	4,299,341.28	1.8965%
Senior Lien Debt Service Reserve Fund	5,771,861.43		9,296.31		5,781,157.74	1.8965%
2015A Sr Ln Project Cap Interest	46,549,132.13		63,349.29	7,465,923.00	39,146,558.42	1.8965%
2015B Sr Ln Project	7,685,256.24		12,378.08		7,697,634.32	1.8965%
2015C TIFIA Project	0.00	94,008,000.00	48,302.78	40,000,000.00	54,056,302.78	1.8965%
2015E SIB Project Account	5,485,415.79		7,612.17	1,100,000.00	4,393,027.96	1.8965%
	<b>126,422,409.09</b>	<b>97,383,278.17</b>	<b>231,993.20</b>	<b>59,246,423.00</b>	<b>164,791,257.46</b>	
<b>Amount in TexStar Operating Fund</b>						
	<b>176,846.79</b>	<b>2,550,000.00</b>	<b>284.84</b>	<b>2,550,000.00</b>	<b>177,131.63</b>	<b>1.8965%</b>
<b>Goldman Sachs</b>						
Operating Fund	24,750.00	3,379,546.16	20.60	3,375,278.35	29,038.41	1.820%
45SW Trust Account Travis County	864,088.48		1,239.30	422,065.66	443,262.12	1.820%
45SW Project Fund	7,530.65	18,000,000.00	1,616.76	4,002,095.99	14,007,051.42	1.820%
2015A Project Account	0.04		0.00	0.04	0.00	1.820%
2015B Project Account	13,059,885.53	37,500.00	18,721.62	5,016,861.62	8,099,245.53	1.820%
2015D State Highway Fund Project Acct	215.50	0.00	0.21	215.71	0.00	1.820%
2015C TIFIA Project Account	27,011,519.11	134,008,000.00	48,233.22	154,489,709.20	6,578,043.13	1.820%
2015E SIB Project Account	43,149.57	1,100,215.75	1,026.86	836,512.06	307,880.12	1.820%
2011 Sr Financial Assistance Fund	4.14	2,839,500.00	0.01	2,839,500.00	4.15	1.820%
2010 Senior DSF	903,215.78	149,976.11	1,198.64	245,812.50	808,578.03	1.820%
2011 Senior Lien Debt Service Acct	761,005.51		1,090.92		762,096.43	1.820%
2013 Senior Lien Debt Service Acct	5,251,354.97	869,017.46	6,970.87	3,497,125.00	2,630,218.30	1.820%
2013 Subordinate Debt Service Acct	3,046,469.59	704,983.34	4,043.67	2,513,250.00	1,242,246.60	1.820%
2015 Sr Capitalized Interest	3,827.60	7,465,923.00	5.49	7,469,746.70	9.39	1.820%
2015A Debt Service Acct	3.30	7,469,746.70		7,469,750.00	0.00	1.820%
2015B Debt Service Acct	1,724,263.35	285,871.46	2,288.52	1,719,625.00	292,798.33	1.820%
2016 Sr Lien Rev Refunding Debt Service Account	8,755,140.57	3,814,988.63	11,925.40	8,722,518.75	3,859,535.85	1.820%
2016 Sub Lien Rev Refunding Debt Service Account	1,884,660.47	312,311.05	2,501.50	1,679,381.25	520,091.77	1.820%
2016 Sub Lein Rev Refunding DSR	6,729,020.77		8,722.35	4,940,987.22	1,796,755.90	1.820%
Grant Fund	481,439.28	4,941,000.00	690.16	4,940,987.22	482,142.22	1.820%
Renewal and Replacement	87,907.00		248.04		88,155.04	1.820%
Revenue Fund	4,373,087.92	8,815,360.79	3,563.43	8,016,455.26	5,175,556.88	1.820%
General Fund	40,414,176.68	393,943.09	54,638.79	11,923,504.00	28,939,254.56	1.820%
Senior Lien Debt Service Reserve Fund	25,431,902.28		2,967.17	19,763,948.89	5,670,920.56	1.820%
71E Revenue Fund	3,855,890.89	551,198.90	5,152.56	15,000.00	4,397,242.35	1.820%
2013 Sub Debt Service Reserve Fund	3,518,722.12		5,044.19		3,523,766.31	1.820%
MoPac Revenue Fund	36,986.04	172,386.28	122.06	171,518.92	37,975.46	1.820%
MoPac General Fund	0.00		0.66	0.66	0.00	1.820%
MoPac Operating Fund	73,627.01	120,511.11	189.29	146,438.26	47,889.15	1.820%
MoPac Loan Repayment Fund	0.00	51,008.47	9.46	51,017.93	0.00	1.820%
MoPac Managed Lane Construction Fund	15,986,657.45		21,830.77	662,364.03	15,346,124.19	1.820%
	<b>164,330,501.60</b>	<b>195,482,988.30</b>	<b>0.00</b>	<b>204,062.52</b>	<b>254,931,670.22</b>	<b>105,085,882.20</b>
<b>Amount in Fed Agencies and Treasuries</b>						
Amortized Principal	84,914,737.65	94,127,250.07	50,442.75		179,092,430.47	
	84,914,737.65	94,127,250.07	50,442.75	0.00	0.00	179,092,430.47
<b>Certificates of Deposit</b>						
Total in Pools	126,599,255.88	99,933,278.17		232,278.04	61,796,423.00	164,968,389.09
Total in GS FSGF	164,330,501.60	195,482,988.30		204,062.52	254,931,670.22	105,085,882.20
Total in Fed Agencies and Treasuries	84,914,737.65	94,127,250.07	50,442.75		0.00	179,092,430.47
<b>Total Invested</b>	<b>375,844,495.13</b>	<b>389,543,516.54</b>	<b>50,442.75</b>	<b>436,340.56</b>	<b>316,728,093.22</b>	<b>449,146,701.76</b>

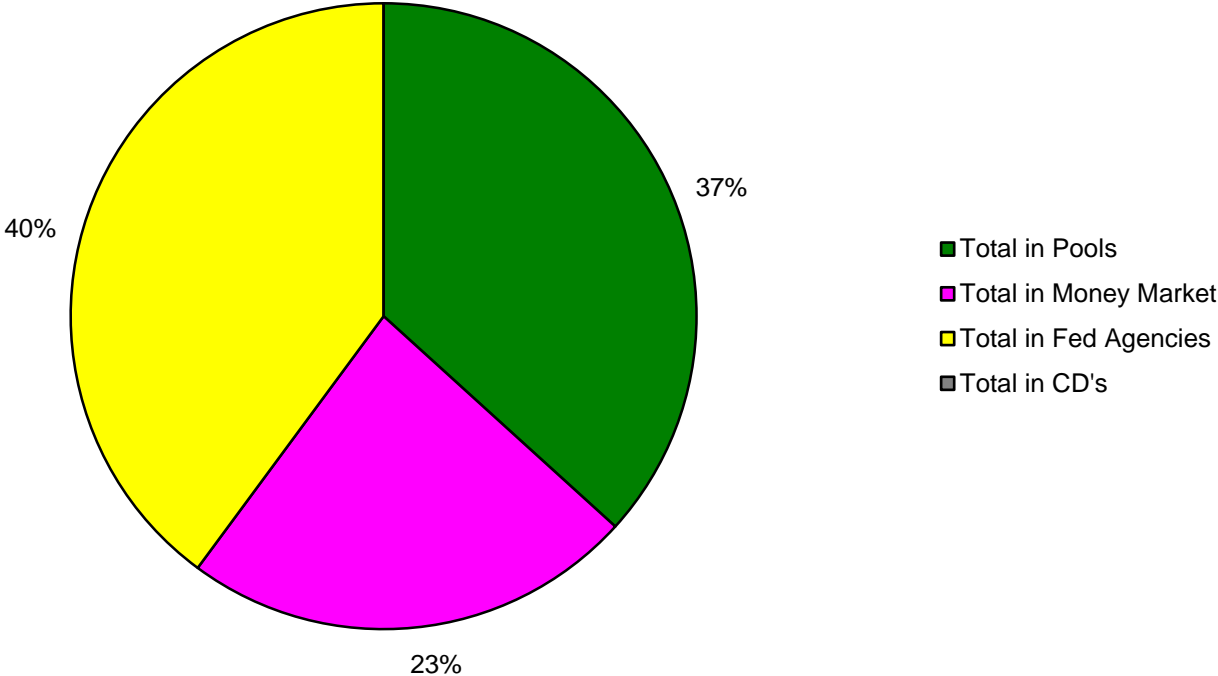
All Investments in the portfolio are in compliance with the CTRMA's Investment policy and the relevant provisions of the Public Funds Investment Act Chapter 2256.023

William Chapman, CFO

Mary Temple, Controller

7/31/2018

# Allocation of Funds



Amount of Investments As of July 31, 2018

Agency	CUSIP #	COST	Book Value	Market Value	Yield to Maturity	Purchased	Matures	FUND
Federal Home loan Bank	313378QK0	10,253,642.07	10,054,890.98	9,982,310.00	1.0369%	2/8/2016	3/8/2019	2015B Sr Project
US Treasury Note	919828A34	9,952,900.00	9,973,085.71	9,971,093.80	2.0748%	5/2/2018	11/30/2018	2015B Sr Project
Federal Home loan Bank	3135G0P49sub	4,921,265.00	4,922,847.61	4,921,620.00	2.4520%	7/20/2018	8/28/2019	2016 Sub DSRF
Federal Home loan Bank	3135G0P49	19,685,060.00	19,691,390.45	19,686,480.00	2.4520%	7/20/2018	8/28/2019	Senior DSRF
Fannie Mae	3135G0G72	19,946,880.00	19,985,244.45	19,924,660.00	1.3401%	9/15/2017	12/14/2018	Senior DSRF
US Treasury Note	912828C65	19,929,687.50	19,959,821.43	19,907,812.60	1.9260%	1/25/2018	3/31/2019	Senior DSRF
Farmer Mac	3132X0W64	10,000,000.00	10,000,000.00	9,993,700.00	2.3297%	5/8/2018	5/15/2019	Senior DSRF
US Treasury Note	912828B33	4,981,640.63	4,982,606.91	4,981,250.00	2.1997%	7/20/2018	1/31/2019	2015B Sr Project
US Treasury Note	912828B33a	9,963,281.25	9,965,213.82	9,962,500.00	2.1997%	7/20/2018	1/31/2019	General
Fannie Mae	3135G0P49gnt	4,921,265.00	4,922,847.61	4,921,620.00	2.4520%	7/20/2018	8/28/2019	Grant Fund
US Treasury Note	912828D23	9,946,093.75	9,948,018.97	9,944,531.30	2.3250%	7/20/2018	4/30/2019	2015C TIFIA Project
Federal Home loan Bank	313385M78	19,884,444.44	19,896,000.00	19,895,220.00	2.0396%	7/20/2018	11/1/2018	2015C TIFIA Project
Federal Home loan Bank	3137EADZ9	19,824,200.00	19,830,833.96	19,828,080.00	2.3352%	7/20/2018	4/15/2019	2015C TIFIA Project
US Treasury Note	912828A34	14,929,350.00	14,959,628.57	14,956,640.70	2.0708%	5/2/2018	11/30/2018	2015C TIFIA Project
		<u>179,139,709.64</u>	<u>179,092,430.47</u>	<u>178,877,518.40</u>				

Agency	CUSIP #	COST	Cumulative Amortization	7/31/2018		Interest Income July 31, 2018		
				Book Value	Maturity Value	Accrued Interest	Amortization	Interest Earned
Federal Home loan Bank	313378QK0	10,253,642.07	198,751.09	10,054,890.98	10,000,000.00	15,625.00	(6,861.37)	8,763.63
US Treasury Note	919828A34	9,952,900.00	(20,185.71)	9,973,085.71	10,000,000.00	10,416.67	6,728.57	17,145.24
Federal Home loan Bank	3135G0P49sub	4,921,265.00	1,582.61	4,922,847.61	25,000,000.00	1,111.11	1,582.61	2,693.72
Federal Home loan Bank	3135G0P49	19,685,060.00	6,330.45	19,691,390.45	20,000,000.00	4,444.45	6,330.45	10,774.90
Fannie Mae	3135G0G72	19,946,880.00	(38,364.45)	19,985,244.45	20,000,000.00	18,750.00	2,951.11	21,701.11
US Treasury Note	912828C65	19,929,687.50	(30,133.93)	19,959,821.43	20,000,000.00	27,083.33	5,022.32	32,105.65
Farmer Mac	3132X0W64	10,000,000.00	-	10,000,000.00	10,000,000.00	19,416.67	-	19,416.67
US Treasury Note	912828B33	4,981,640.63	966.28	4,982,606.91	5,000,000.00	1,973.67	966.28	2,939.95
US Treasury Note	912828B33a	9,963,281.25	(1,932.57)	9,965,213.82	10,000,000.00	3,947.38	1,932.57	5,879.95
Fannie Mae	3135G0P49gnt	4,921,265.00	1,582.61	4,922,847.61	5,000,000.00	1,111.11	1,582.61	2,693.72
US Treasury Note	912828D23	9,946,093.75	1,925.22	9,948,018.97	10,000,000.00	4,513.89	1,925.22	6,439.11
Federal Home loan Bank	313385M78	19,884,444.44	11,555.56	19,896,000.00	20,000,000.00	-	11,555.56	11,555.56
Federal Home loan Bank	3137EADZ9	19,824,200.00	6,633.96	19,830,833.96	20,000,000.00	6,250.00	6,633.96	12,883.96
US Treasury Note	912828A34	14,929,350.00	(30,278.57)	14,959,628.57	15,000,000.00	15,625.00	10,092.86	25,717.86
		<u>179,139,709.64</u>	<u>108,432.55</u>	<u>179,092,430.47</u>	<u>200,000,000.00</u>	<u>130,268.28</u>	<u>50,442.75</u>	<u>180,711.03</u>

## ESCROW FUNDS

### Travis County Escrow Fund - Elroy Road

	<b>Balance</b>		<b>Accrued</b>		<b>Balance</b>
	<b>7/1/2018</b>	<b>Additions</b>	<b>Interest</b>	<b>Withdrawals</b>	<b>7/31/2018</b>
Goldman Sachs	2,374,719.74		3,402.38	219,216.57	2,158,905.55

### Campo Regional Infrastructure Fund

	<b>Balance</b>		<b>Accrued</b>		<b>Balance</b>
	<b>7/1/2018</b>	<b>Additions</b>	<b>Interest</b>	<b>Withdrawals</b>	<b>7/31/2018</b>
Goldman Sachs	2,018,393.91	-	2,893.43	-	2,021,287.34

### 183S Utility Custody Deposit

	<b>Balance</b>		<b>Accrued</b>		<b>Balance</b>
	<b>7/1/2018</b>	<b>Additions</b>	<b>Interest</b>	<b>Withdrawals</b>	<b>7/31/2018</b>
Goldman Sachs	19,923.30	300,000.00	16.75	295,950.97	23,989.08
TexStar	1,375,560.79	-	1,997.37	300,000.00	1,077,558.16





**183 South Design-Build Project**  
**Contingency Status**  
 July 31, 2018



**Original Construction Contract Value: \$581,545,700**

<b>Total Project Contingency</b>	<b>\$47,860,000</b>
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<b>Obligations</b>	CO#1 City of Austin ILA Adjustment	(\$2,779,934)
	CO#2 Addition of Coping to Soil Nail Walls	\$742,385
	CO#4 Greenroads Implementation	\$362,280
	CO#6 51st Street Parking Trailhead	\$477,583
	CO#9 Patton Interchange Revisions	\$3,488,230
	Others Less than \$300,000 (6)	\$549,576
	Executed Change Orders	\$2,840,120
	Change Orders Under Negotiation	\$9,890,000
Potential Contractual Obligations	\$10,590,000	

<b>(-) Total Obligations</b>	<b>\$23,320,120</b>
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<b>Remaining Project Contingency</b>	<b>\$24,539,880</b>
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**SH 45SW Construction  
Contingency Status**  
July 31, 2018



**Original Construction Contract Value: \$75,103,623**

<b>Total Project Contingency</b>		<b>\$ 7,520,000</b>
<b>Obligations</b>	CO #01 Asbestos Removal	\$ 1,962
	CO #02 TCEQ Protection Plan	\$ 103,773
	CO #03 Conduit Installation Revision	\$ (11,970)
	CO #04 Installation of PEC and TWC Conduits	\$ 458,439
	CO #05 Installation of SSTR Drilled Shafts and Moment Slab	\$ 538,945
	CO #06 Feature 004 Protection and Bridge Drain Assembly	\$ 2,932
	CO #07 Traffic Control Savings and Removal of Mulch	\$ (5,560)
	CO #08 Slope Protection Under Bear Creek Bridge	\$ 167,338
	CO #09 Temporary Relocation of Overhead Lines	\$ 7,227
	CO #10 Bridge Drain Outfall Revision and Bicycle Detour Plan	\$ 28,229
	CO #11 Additional Clearing for PEC Transmission Lines	\$ 86,609
	CO #12 Closure Plan / Mitigation for Potential Features 11 and 12	\$ -
	CO #13 Elevation Changes in Retaining Walls 20 and 24	\$ -
	CO #14 Driveway Revision and Spot Mowing	\$ -
	Executed Change Orders	<b>\$ 1,377,924</b>
Change Orders in Negotiations	\$ -	
Potential Contractual Obligations	<b>\$ 2,135,398</b>	
<b>(-) Total Obligations</b>		<b>\$ 3,513,322</b>
<b>Remaining Project Contingency</b>		<b>\$ 4,006,678</b>



**MOPAC Construction**  
**Financial Status**  
 July 31, 2018



**Original Construction Contract Value: \$ 136,632,100**

<b>Change Orders</b>	CO#01B	5th & Cesar Chavez SB Reconfig (Construction)	\$593,031	<b>Approved = \$11.7M</b>
	CO#05B	FM 2222 Bridge NB Ret Wall Abutment Repair (Construction)	\$850,000	
	CO#07	FM 2222 Exit Storage Lane	\$426,000	
	CO#08C	Refuge Area: Added Shoulder Adjustment Sound Wall #1	\$2,508,548	
	CO#09	Westover SB Frontage Repairs	\$450,000	
	CO#12	Barrier Rail Opaque Seal	\$542,419	
	CO#17	Bike and Ped Improvements at Far West Blvd Bridge/FM 2222	\$971,889	
	CO#20	Northern Terminus Sound Wall #3	(\$1,210,540)	
	CO#32	Void of CO#05B, #09, #10, UPRR	(\$1,501,437)	
	CO#33	Shared Use Path at US 183	(\$1,000,000)	
	CO#34	Undercrossing Fire Protection	\$1,412,574	
	CO#35	TxDOT Duct Bank Interference	\$1,357,196	
	CO#36	Non-Compliant Existing Illumination	\$2,226,189	
	CO#37	NB Pavement Cross Slope and Profile Corrections	\$3,635,477	
	CO#38	SB Pavement Cross Slope and Profile Corrections	\$3,100,298	
	CO#42	NB04, NB08, and Westminster Wall Revisions	(\$402,964)	
		Total of Others Less than \$300,000 (21)	\$1,572,258	
<b>Executed Change Orders</b>			<b>\$ 15,530,938</b>	
<b>Revised Construction Contract Value</b>			<b>\$ 152,163,038</b>	
<b>Change Orders under Negotiation</b>			<b>\$ 3,268,266</b>	
<b>Potential Construction Contract Value</b>			<b>\$ 155,431,304</b>	
<b>Incentive/Milestone</b>			<b>\$ 21,500,000</b>	
<b>Potential Construction Contract Value with Incentive/Milestone</b>			<b>\$ 176,931,304</b>	
<b>Amount paid CH2M for Incentives/Milestones</b>			<b>\$ (16,825,210)</b>	
<b>Amount paid CH2M through June 2018 draw (as of 06/30/2018)</b>			<b>\$ (122,243,668)</b>	
<b>Assessed Liquidated Damages</b>			<b>\$ (20,000,000)</b>	
<b>Potential Amount Payable to CH2M</b>			<b>\$ 17,862,427</b>	



## Monthly Newsletter - July 2018

### Performance

#### As of July 31, 2018

Current Invested Balance	\$6,837,425,331.68
Weighted Average Maturity (1)	17 Days
Weighted Average Maturity (2)	75 Days
Net Asset Value	1.000000
Total Number of Participants	877
Management Fee on Invested Balance	0.06%*
Interest Distributed	\$10,905,323.98
Management Fee Collected	\$334,429.04
% of Portfolio Invested Beyond 1 Year	6.43%
Standard & Poor's Current Rating	AAAm

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

#### July Averages

Average Invested Balance	\$6,563,262,191.95
Average Monthly Yield, on a simple basis	1.8965%
Average Weighted Average Maturity (1)*	19 Days
Average Weighted Average Maturity (2)*	84 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 July:

- ★ City of Alvin
- ★ North Texas Groudwater Conservation District
- ★ Rayburn Country Municipal Utility District

### Holiday Reminder

In observance of **Labor Day, TexSTAR will be closed on Monday, September 3, 2018.** All ACH transactions initiated on Friday, August 31st, will settle on Tuesday, September 4th. Please plan accordingly for your liquidity needs.

### Economic Commentary

The U.S. economy has maintained strong growth momentum despite rising market volatility and increased uncertainty over global trade policy. The biggest risk to the U.S. economy currently appears to be internationally focused with the risk that instability in China, a further slowdown in Europe or slower global trade due to more broad scale "trade wars" could spill over into the U.S. The fundamental landscape appears calmer than it has in recent months, with trade war rhetoric showing some signs of dampening. The domestic drivers of U.S. growth continue to remain intact, with consumption as a principal driver. Interest rates rose during the month as tax cuts and fiscal spending in the U.S. will likely cushion the impact of a trade war in the near term. Additionally, business investment and government spending are playing a larger role in contributing to growth this year. We expect the tailwind from government spending to provide a maximum impact in the coming four quarters. The combination of tax reform and the spending bill will create a significant boost to growth both this year and in 2019, which could be upwards of 0.5 percentage points. We expect the deficit to rise by an additional \$250 billion in 2018 versus the prior year and net marketable borrowing to rise to approximately \$1trillion.

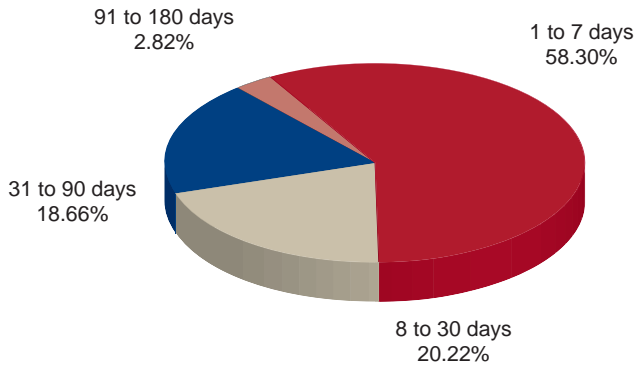
As anticipated, the Federal Open Market Committee (FOMC) left the federal funds rate unchanged at its July meeting. The Fed continued to offer an optimistic view of both the U.S. economy and inflation, but acknowledged trade risks. While not mentioned in the statement, the balance sheet runoff is expected to continue in the background. The Federal Reserve should continue to keep the pace of rate hikes "gradual" until the balance of risks in the economic environment significantly change. The Fed currently views the risks as roughly balanced and continues to indicate two more rate hikes in 2018. We agree with their expectation given our view that the U.S. unemployment rate will trend further below estimates of Non-Accelerating Inflation Rate of Unemployment (NAIRU), inflation will continue to rise and global growth will remain above trend. The Fed should be able to continue raising rates in 2019 as the fiscal stimulus from the tax and spending bills should have maximum impact in H2 2018 and H1 2019.

This information is an excerpt from an economic report dated July 2018 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.

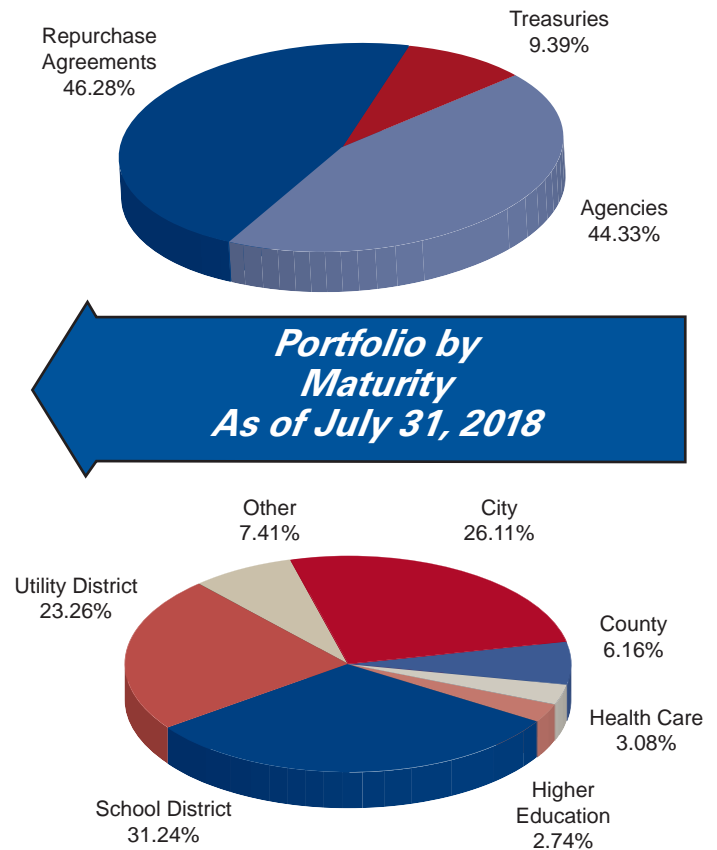
**For more information about TexSTAR, please visit our web site at [www.texstar.org](http://www.texstar.org).**

# Information at a Glance

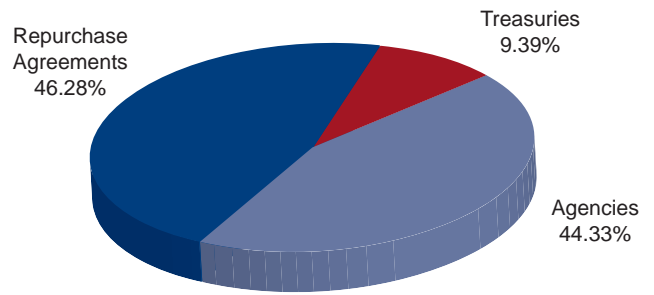
## Portfolio by Type of Investment As of July 31, 2018



## Distribution of Participants by Type As of July 31, 2018



## Portfolio by Maturity As of July 31, 2018



# Historical Program Information

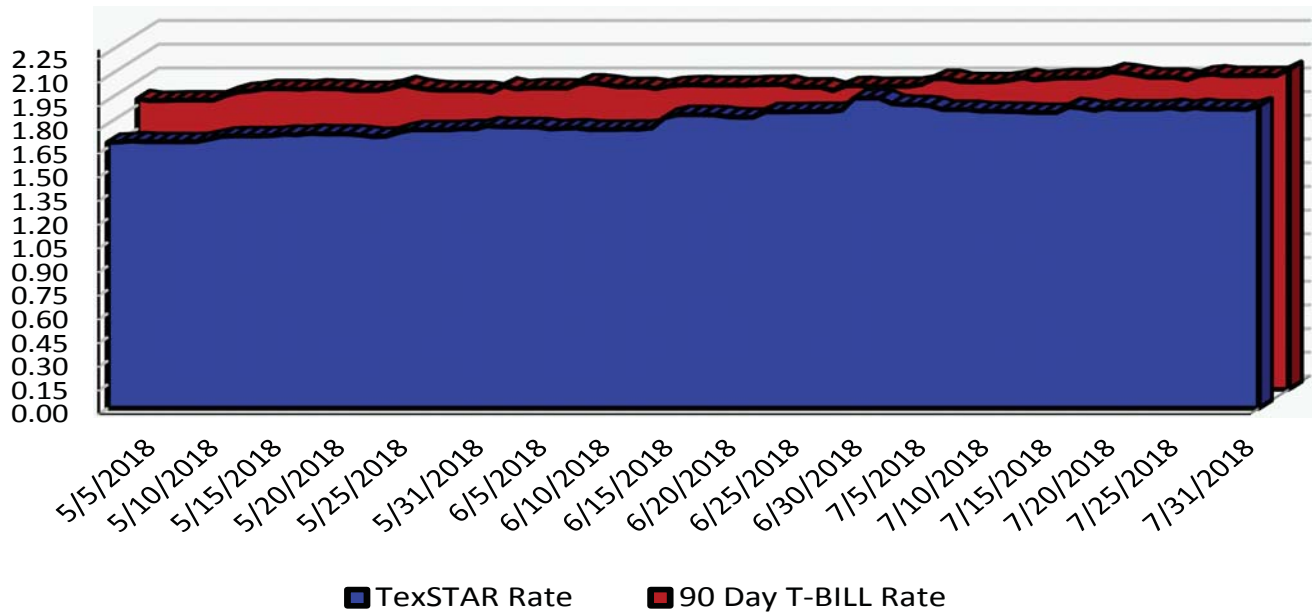
Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Jul 18	1.8965%	\$6,837,425,331.68	\$6,837,427,966.67	1.000000	19	84	877
Jun 18	1.8300%	6,250,002,595.51	6,250,027,195.61	0.999991	26	99	874
May 18	1.7258%	6,489,773,533.02	6,489,474,005.73	0.999953	29	106	868
Apr 18	1.6304%	6,358,425,417.53	6,358,101,312.82	0.999949	18	99	861
Mar 18	1.4995%	6,461,363,510.56	6,460,804,379.93	0.999892	28	105	857
Feb 18	1.3518%	7,130,310,070.00	7,129,718,573.04	0.999917	28	97	854
Jan 18	1.2900%	7,090,345,755.93	7,090,199,741.00	0.999979	31	83	853
Dec 17	1.1762%	6,518,450,917.63	6,518,448,483.33	0.999984	36	82	853
Nov 17	1.0695%	6,157,485,042.89	6,157,068,439.39	0.999932	38	90	853
Oct 17	1.0482%	5,848,642,382.89	5,848,708,234.12	1.000011	38	96	852
Sep 17	1.0384%	5,841,986,573.82	5,842,202,955.19	1.000022	28	92	848
Aug 17	1.0343%	5,770,863,631.13	5,770,945,786.15	1.000014	33	102	846

# Portfolio Asset Summary as of July 31, 2018

	Book Value	Market Value
Uninvested Balance	\$ 1,335,972.21	\$ 1,335,972.21
Accrual of Interest Income	3,801,065.89	3,801,065.89
Interest and Management Fees Payable	(10,984,676.72)	(10,984,676.72)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreement	3,167,472,999.60	3,167,472,999.60
Government Securities	3,675,799,970.70	3,675,802,605.69
<b>Total</b>	<b>\$ 6,837,425,331.68</b>	<b>\$ 6,837,427,966.67</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. The TexSTAR yield is calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940 as promulgated from time to time by the federal Securities and Exchange Commission.

## Daily Summary for July 2018

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	TexSTAR Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
7/1/2018	1.9627%	0.000053773	\$6,250,002,595.51	0.999991	22	94
7/2/2018	1.9276%	0.000052810	\$6,346,447,871.91	0.999991	21	92
7/3/2018	1.9211%	0.000052634	\$6,351,916,615.85	0.999985	20	90
7/4/2018	1.9211%	0.000052634	\$6,351,916,615.85	0.999985	20	90
7/5/2018	1.9139%	0.000052435	\$6,335,070,399.73	0.999988	20	90
7/6/2018	1.8901%	0.000051784	\$6,282,067,887.54	0.999988	18	89
7/7/2018	1.8901%	0.000051784	\$6,282,067,887.54	0.999988	18	89
7/8/2018	1.8901%	0.000051784	\$6,282,067,887.54	0.999988	18	89
7/9/2018	1.8801%	0.000051509	\$6,247,047,673.14	0.999984	18	89
7/10/2018	1.8805%	0.000051520	\$6,260,588,970.31	0.999930	18	88
7/11/2018	1.8783%	0.000051459	\$6,481,690,008.39	0.999994	17	85
7/12/2018	1.8776%	0.000051441	\$6,481,483,518.33	0.999992	18	84
7/13/2018	1.8719%	0.000051284	\$6,523,496,305.64	0.999992	16	82
7/14/2018	1.8719%	0.000051284	\$6,523,496,305.64	0.999992	16	82
7/15/2018	1.8719%	0.000051284	\$6,523,496,305.64	0.999992	16	82
7/16/2018	1.9081%	0.000052277	\$6,526,247,227.69	0.999991	22	85
7/17/2018	1.8999%	0.000052053	\$6,740,083,791.79	0.999983	21	83
7/18/2018	1.8846%	0.000051632	\$6,718,215,982.20	0.999988	21	82
7/19/2018	1.9003%	0.000052064	\$6,699,693,253.40	0.999989	21	84
7/20/2018	1.8927%	0.000051856	\$6,640,371,438.10	0.999992	20	83
7/21/2018	1.8927%	0.000051856	\$6,640,371,438.10	0.999992	20	83
7/22/2018	1.8927%	0.000051856	\$6,640,371,438.10	0.999992	20	83
7/23/2018	1.8931%	0.000051867	\$6,642,013,878.77	0.999990	20	82
7/24/2018	1.9029%	0.000052134	\$6,770,092,584.69	0.999987	19	80
7/25/2018	1.8902%	0.000051785	\$6,865,115,656.28	0.999996	19	79
7/26/2018	1.9029%	0.000052135	\$6,813,362,033.44	0.999997	19	79
7/27/2018	1.8932%	0.000051869	\$6,867,797,642.36	0.999999	18	76
7/28/2018	1.8932%	0.000051869	\$6,867,797,642.36	0.999999	18	76
7/29/2018	1.8932%	0.000051869	\$6,867,797,642.36	0.999999	18	76
7/30/2018	1.8900%	0.000051782	\$6,801,514,120.56	0.999999	18	76
7/31/2018	1.9120%	0.000052384	\$6,837,425,331.68	1.000000	17	75
Average	1.8965%	0.000051958	\$6,563,262,191.95		19	84

TexSTAR Participant Services  
Hilltop Securities Inc.  
1201 Elm Street, Suite 3500  
Dallas, Texas 75270



## **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>Eric Cannon</i>	<i>City of Allen</i>	<i>Governing Board Treasurer</i>
<i>David Medanich</i>	<i>FirstSouthwest / Hilltop Securities</i>	<i>Governing Board Secretary</i>
<i>Jennifer Novak</i>	<i>J.P. Morgan Asset Management</i>	<i>Governing Board Asst. Sec./Treas.</i>
<i>Nicole Conley</i>	<i>Austin ISD</i>	<i>Advisory Board</i>
<i>Becky Brooks</i>	<i>Government Resource Associates, LLC</i>	<i>Advisory Board</i>
<i>Monte Mercer</i>	<i>North Central TX Council of Government</i>	<i>Advisory Board</i>
<i>David Pate</i>	<i>Richardson ISD</i>	<i>Advisory Board</i>
<i>James Mauldin</i>	<i>University of North Texas System</i>	<i>Advisory Board</i>

For more information contact TexSTAR Participant Services ★ 1-800-839-7827 ★ [www.texstar.org](http://www.texstar.org)



**J.P.Morgan**  
Asset Management

**Exhibit B**

**Financial Statements for August 2018**



**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending August 31, 2018**

	Budget Amount FY 2018	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
<b>REVENUE</b>				
<b>Operating Revenue</b>				
Toll Revenue - Tags	73,700,000	13,387,451	18.16%	9,451,795
Video Tolls	17,587,500	3,346,042	19.03%	2,170,040
Fee Revenue	6,762,500	1,011,703	14.96%	852,531
<b>Total Operating Revenue</b>	<b>98,050,000</b>	<b>17,745,196</b>	<b>18.10%</b>	<b>12,474,367</b>
<b>Other Revenue</b>				
Interest Income	950,000	700,963	73.79%	324,458
Grant Revenue	-	-	-	137,083
Misc Revenue	2,000	-	-	-
<b>Total Other Revenue</b>	<b>952,000</b>	<b>700,963</b>	<b>73.63%</b>	<b>461,542</b>
<b>TOTAL REVENUE</b>	<b>\$99,002,000</b>	<b>\$18,446,159</b>	<b>18.63%</b>	<b>12,935,908</b>
<b>EXPENSES</b>				
<b>Salaries and Benefits</b>				
Salary Expense-Regular	4,138,603	548,114	13.24%	503,007
Salary Reserve	80,000	-	-	-
TCDRS	579,405	77,369	13.35%	69,834
FICA	190,792	22,874	11.99%	23,017
FICA MED	65,880	7,990	12.13%	7,247
Health Insurance Expense	391,184	54,523	13.94%	56,047
Life Insurance Expense	11,165	637	5.70%	624
Auto Allowance Expense	10,200	1,275	12.50%	1,700
Other Benefits	136,476	12,641	9.26%	11,301
Unemployment Taxes	4,212	28	0.66%	3
<b>Total Salaries and Benefits</b>	<b>5,607,917</b>	<b>725,451</b>	<b>12.94%</b>	<b>672,781</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending August 31, 2018**

	Budget Amount FY 2018	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
<b>Administrative</b>				
<b>Administrative and Office Expenses</b>				
Accounting	10,000	1,258	12.58%	1,076
Auditing	125,000	40,000	32.00%	29,500
Human Resources	35,000	481	1.37%	229
IT Services	174,000	1,090	0.63%	18,647
Internet	4,550	1,074	23.60%	21
Software Licenses	85,700	11,907	13.89%	9,563
Cell Phones	16,100	1,610	10.00%	1,255
Local Telephone Service	12,000	1,184	9.87%	2,451
Overnight Delivery Services	500	15	2.97%	-
Local Delivery Services	600	-	-	-
Copy Machine	24,000	2,455	10.23%	2,371
Repair & Maintenance-General	15,500	108	0.70%	131
Community Meeting/ Events	15,000	-	-	-
Meeting Expense	16,000	1,198	7.49%	890
Public Notices	100	-	-	-
Toll Tag Expense	3,150	150	4.76%	450
Parking / Local Ride Share	1,800	36	2.01%	132
Mileage Reimbursement	9,900	562	5.67%	879
Insurance Expense	251,000	33,821	13.47%	24,641
Rent Expense	650,000	92,437	14.22%	91,465
Legal Services	396,500	805	0.20%	11,783
<b>Total Administrative and Office Expenses</b>	<b>1,846,400</b>	<b>190,190</b>	<b>10.30%</b>	<b>195,485</b>
<b>Office Supplies</b>				
Books & Publications	5,700	781	13.70%	627
Office Supplies	16,000	1,056	6.60%	1,006
Misc Office Equipment	-	3,850	-	-
Computer Supplies	152,550	246	0.16%	131
Copy Supplies	3,000	-	-	165
Other Reports-Printing	8,000	-	-	-
Office Supplies-Printed	2,600	1,071	41.19%	-
Misc Materials & Supplies	750	-	-	-
Postage Expense	800	-	-	77
<b>Total Office Supplies</b>	<b>189,400</b>	<b>7,004</b>	<b>3.70%</b>	<b>2,007</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending August 31, 2018**

	Budget Amount FY 2018	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
<b>Communications and Public Relations</b>				
Graphic Design Services	55,000	125	0.23%	-
Website Maintenance	100,300	250	0.25%	-
Research Services	450,000	-	-	-
Communications and Marketing	800,000	-	-	23,490
Advertising Expense	821,500	487	0.06%	27,589
Direct Mail	15,800	-	-	-
Video Production	258,820	8,820	3.41%	84
Photography	12,500	3,095	24.76%	-
Radio	75,000	-	-	2,893
Other Public Relations	60,000	2,500	4.17%	21,588
Promotional Items	20,000	-	-	-
Displays	5,000	-	-	2,124
Annual Report printing	5,000	2,728	54.57%	-
Direct Mail Printing	5,000	-	-	-
Other Communication Expenses	70,000	250	0.36%	1,011
<b>Total Communications and Public Relations</b>	<b>2,753,920</b>	<b>18,255</b>	<b>0.66%</b>	<b>78,778</b>
<b>Employee Development</b>				
Subscriptions	3,050	410	13.45%	351
Agency Memberships	53,500	1,732	3.24%	2,372
Continuing Education	15,500	250	1.61%	694
Professional Development	19,000	401	2.11%	-
Other Licenses	1,700	-	-	-
Seminars and Conferences	41,000	4,646	11.33%	6,693
Travel	70,000	14,027	20.04%	7,768
<b>Total Employee Development</b>	<b>203,750</b>	<b>21,467</b>	<b>10.54%</b>	<b>17,877</b>
<b>Financing and Banking Fees</b>				
Trustee Fees	45,000	3,763	8.36%	-
Bank Fee Expense	6,500	906	13.94%	952
Continuing Disclosure	15,000	-	-	-
Arbitrage Rebate Calculation	13,000	-	-	-
Rating Agency Expense	30,000	16,000	53.33%	15,500
<b>Total Financing and Banking Fees</b>	<b>109,500</b>	<b>20,669</b>	<b>18.88%</b>	<b>16,452</b>
<b>Total Administrative</b>	<b>5,102,970</b>	<b>257,585</b>	<b>5.05%</b>	<b>310,599</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending August 31, 2018**

	Budget Amount FY 2018	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
<b>Operations and Maintenance</b>				
<b>Operations and Maintenance Consulting</b>				
GEC-Trust Indenture Support	169,000	-	-	-
GEC-Financial Planning Support	51,000	-	-	-
GEC-Toll Ops Support	249,786	-	-	-
GEC-Roadway Ops Support	1,129,978	-	-	-
GEC-Technology Support	857,428	74,780	8.72%	-
GEC-Public Information Support	120,000	-	-	-
GEC-General Support	1,443,568	2,200	0.15%	1,400
General System Consultant	500,000	38,470	7.69%	1,222
Traffic Modeling	590,000	-	-	-
Traffic and Revenue Consultant	150,000	9,472	6.31%	-
<b>Total Operations and Maintenance Consulting</b>	<b>4,670,760</b>	<b>124,922</b>	<b>2.67%</b>	<b>2,622</b>
<b>Roadway Operations and Maintenance</b>				
Roadway Maintenance	4,507,900	257,400	5.71%	262,450
Maintenance Supplies-Roadway	117,800	-	-	-
Tools & Equipment Expense	1,000	131	13.11%	-
Gasoline	18,700	2,811	15.03%	1,985
Repair & Maintenance-Vehicles	6,500	950	14.62%	1,300
Electricity - Roadways	200,000	19,997	10.00%	19,419
<b>Total Roadway Operations and Maintenance</b>	<b>4,851,900</b>	<b>281,290</b>	<b>5.80%</b>	<b>285,155</b>
<b>Toll Processing and Collection Expense</b>				
Image Processing	3,200,000	209,429	6.54%	251,294
Tag Collection Fees	6,633,000	1,567,269	23.63%	736,157
Court Enforcement Costs	49,080	3,350	6.83%	3,275
DMV Lookup Fees	500	25	4.96%	88
<b>Total Processing and Collection Expense</b>	<b>9,882,580</b>	<b>1,780,074</b>	<b>18.01%</b>	<b>990,813</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending August 31, 2018**

	Budget Amount FY 2018	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
<b>Toll Operations Expense</b>				
Generator Fuel	2,000	-	-	-
Fire and Burglar Alarm	500	-	-	-
Refuse	1,500	181	12.10%	200
Telecommunications	120,000	10,957	9.13%	12,780
Water - Irrigation	10,000	333	3.33%	1,961
Electricity	2,500	154	6.18%	285
ETC spare parts expense	50,000	-	-	-
Repair & Maintenance Toll Equip	5,000	-	-	-
Law Enforcement	290,000	156,843	54.08%	22,857
ETC Maintenance Contract	1,988,386	170,807	8.59%	-
ETC Toll Management Center System Operation	360,000	-	-	-
ETC Development	1,636,000	-	-	-
ETC Testing	100,000	-	-	-
<b>Total Toll Operations Expense</b>	<b>4,565,886</b>	<b>339,276</b>	<b>7.43%</b>	<b>38,082</b>
<b>Total Operations and Maintenance</b>	<b>23,971,126</b>	<b>2,525,562</b>	<b>10.54%</b>	<b>1,316,672</b>
<b>Other Expenses</b>				
<b>Special Projects and Contingencies</b>				
HERO	148,000	-	-	112,340
Special Projects	500,000	-	-	-
71 Express Net Revenue Payment	3,635,405	-	-	-
Technology Task Force	650,000	-	-	-
Other Contractual Svcs	150,000	15,500	10.33%	11,333
Contingency	250,000	-	-	-
<b>Total Special Projects and Contingencies</b>	<b>5,333,405</b>	<b>15,500</b>	<b>0.29%</b>	<b>123,673</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending August 31, 2018**

	Budget Amount FY 2018	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
<b>Non Cash Expenses</b>				
Amortization Expense	487,699	73,474	15.07%	83,812
Amort Expense - Refund Savings	1,027,860	173,535	16.88%	172,196
Dep Exp- Furniture & Fixtures	3,014	436	14.45%	436
Dep Expense - Equipment	15,999	2,667	16.67%	2,671
Dep Expense - Autos & Trucks	37,437	4,440	11.86%	2,779
Dep Expense-Buildng & Toll Fac	176,748	29,458	16.67%	29,519
Dep Expense-Highways & Bridges	22,541,478	1,421,365	6.31%	2,933,416
Dep Expense-Toll Equipment	2,485,026	205,570	8.27%	397,913
Dep Expense - Signs	326,893	54,316	16.62%	54,316
Dep Expense-Land Improvemts	884,934	147,489	16.67%	147,489
Depreciation Expense-Computers	20,317	2,447	12.04%	2,201
<b>Total Non Cash Expenses</b>	<b>28,007,405</b>	<b>2,115,195</b>	<b>7.55%</b>	<b>3,826,748</b>
<b>Total Other Expenses</b>	<b>33,340,810</b>	<b>2,130,695</b>	<b>6.39%</b>	<b>3,950,421</b>
<b>Non Operating Expenses</b>				
Bond issuance expense	1,413,508	37,792	2.67%	37,792
Interest Expense	40,371,558	5,475,233	13.56%	5,223,429
CAMPO RIF Payment	2,000,000	2,000,000	100.00%	-
Community Initiatives	275,000	1,250	0.45%	5,000
<b>Total Non Operating Expenses</b>	<b>44,060,066</b>	<b>7,514,275</b>	<b>17.05%</b>	<b>5,266,221</b>
<b>TOTAL EXPENSES</b>	<b>\$112,082,889</b>	<b>\$13,153,568</b>	<b>11.74%</b>	<b>\$11,516,693</b>
<b>Net Income</b>	<b>(\$13,080,889)</b>	<b>\$5,292,591</b>		<b>1,419,215</b>

**Central Texas Regional Mobility Authority**  
**Balance Sheet**  
**as of August 31, 2018**

	as of 08/31/2018		as of 08/31/2017	
<b>ASSETS</b>				
<b>Current Assets</b>				
<b>Cash</b>				
Regions Operating Account	\$ 334,279		\$ 656,058	
Cash in TexStar	127,415		207,062	
Regions Payroll Account	53,492		197,150	
<b>Restricted Cash</b>				
Goldman Sachs FSGF 465	106,506,503		168,346,312	
Restricted Cash - TexSTAR	167,219,849		168,067,986	
Overpayments account	250,965		173,962	
<b>Total Cash and Cash Equivalents</b>		274,492,503		337,648,529
<b>Accounts Receivable</b>				
Accounts Receivable	1,141,083		-	
Due From Other Agencies	5,178		-	
Due From TTA	399,235		3,368,999	
Due From NTTA	699,652		773,317	
Due From HCTRA	1,167,292		1,337,051	
Due From TxDOT	837,975		11,826,775	
Interest Receivable	473,057		432,091	
<b>Total Receivables</b>		4,723,473		17,738,234
<b>Short Term Investments</b>				
Treasuries	24,891,016		-	
Agencies	154,323,998		93,529,307	
<b>Total Short Term Investments</b>		179,215,014		93,529,307
<b>Total Current Assets</b>		458,430,990		448,916,070
<b>Total Construction in Progress</b>		633,476,843		577,195,344
<b>Fixed Assets (Net of Depreciation and Amortization)</b>				
Computer	27,686		24,364	
Computer Software	936,058		1,288,019	
Furniture and Fixtures	12,197		14,811	
Equipment	16,705		33,457	
Autos and Trucks	55,078		74,247	
Buildings and Toll Facilities	5,084,241		5,261,019	
Highways and Bridges	896,365,001		761,586,241	
Toll Equipment	18,269,012		15,592,082	
Signs	10,582,154		10,876,147	
Land Improvements	9,591,516		10,476,450	
Right of way	88,149,606		88,148,106	
Leasehold Improvements	131,223		145,722	
<b>Total Fixed Assets</b>		1,029,220,477		893,520,666
<b>Other Assets</b>				
Intangible Assets-Net	103,302,459		104,354,239	
2005 Bond Insurance Costs	4,252,373		4,465,881	
Prepaid Insurance	16,197		13,358	
Prepaid Expenses	275		-	
Deferred Outflows (pension related)	290,396		711,563	
Pension Asset	826,397		355,139	
<b>Total Other Assets</b>		108,688,098		109,900,179
<b>Total Assets</b>		<b>\$ 2,229,816,408</b>		<b>\$ 2,029,532,260</b>

**Central Texas Regional Mobility Authority**  
**Balance Sheet**  
**as of August 31, 2018**

	as of 08/31/2018	as of 08/31/2017
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 661,722	\$ (199,487)
Construction Payable	2,155,802	18,711
Overpayments	253,827	176,583
Interest Payable	8,615,821	8,663,442
Deferred Compensation Payable	142	(10,689)
TCDRS Payable	89,435	53,962
Medical Reimbursement Payable	-	(1,729)
Due to other Agencies	4,024,991	348
Due to TTA	2,429,300	703,419
Due to NTTA	205,820	122,851
Due to HCTRA	151,181	104,314
Due to Other Entities	1,674,590	5,678,468
71E TxDOT Obligation - ST	1,570,166	650,998
<b>Total Current Liabilities</b>	<b>21,832,797</b>	<b>15,961,190</b>
<b>Long Term Liabilities</b>		
Compensated Absences	282,775	182,441
Deferred Inflows (pension related)	278,184	286,449
<b>Long Term Payables</b>	<b>560,959</b>	<b>468,891</b>
<b>Bonds Payable</b>		
<b>Senior Lien Revenue Bonds:</b>		
Senior Lien Revenue Bonds 2010	74,381,097	69,650,843
Senior Lien Revenue Bonds 2011	15,582,331	14,649,938
Senior Refunding Bonds 2013	139,885,000	143,685,000
Senior Lien Revenue Bonds 2015	298,790,000	298,790,000
Senior Lien Put Bnd 2015	68,785,000	68,785,000
Senior Lien Refunding Revenue Bonds 2016	358,030,000	358,030,000
Sn Lien Rev Bnd Prem/Disc 2013	7,777,378	9,699,312
Sn Lien Revenue Bnd Prem 2015	20,577,931	21,774,436
Sn Lien Put Bnd Prem 2015	3,415,607	5,278,910
Senior lien premium 2016 revenue bonds	50,977,593	55,297,842
<b>Total Senior Lien Revenue Bonds</b>	<b>1,038,201,936</b>	<b>1,045,641,281</b>
<b>Sub Lien Revenue Bonds:</b>		
Sub Refunding Bnds 2013	100,530,000	101,530,000
Sub Debt Refunding Bonds 2016	74,305,000	74,690,000
Sub Refunding 2013 Prem/Disc	1,756,759	2,242,484
Sub Refunding 2016 Prem/Disc	9,011,453	9,878,652
<b>Total Sub Lien Revenue Bonds</b>	<b>185,603,212</b>	<b>188,341,136</b>
<b>Other Obligations</b>		
TIFIA note 2015	146,548,237	52,800
SIB loan 2015	31,963,733	30,722,402
State Highway Fund Loan 2015	31,963,763	30,722,402
State 45SW Loan	40,080,000	-
2013 American Bank Loan	-	3,570,000
71E TxDOT Obligation - LT	62,332,058	65,000,000
Regions 2017 MoPAC Note	17,000,000	-
<b>Total Other Obligations</b>	<b>329,887,791</b>	<b>130,067,605</b>
<b>Total Long Term Liabilities</b>	<b>1,554,253,898</b>	<b>1,364,518,913</b>
<b>Total Liabilities</b>	<b>1,576,086,696</b>	<b>1,380,480,103</b>
<b>NET ASSETS</b>		
Contributed Capital	121,202,391	136,725,550
Net Assets Beginning	510,621,519	510,907,392
Current Year Operations	21,905,802	1,419,215
<b>Total Net Assets</b>	<b>653,729,712</b>	<b>649,052,157</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,229,816,408</b>	<b>\$ 2,029,532,260</b>



**Central Texas Regional Mobility Authority**  
**Statement of Cash Flow**  
**as of August 31, 2018**

**Cash flows from operating activities:**

Receipts from toll fees	\$	17,873,479
Receipts from interest income		(280,573)
Payments to vendors		(4,390,535)
Payments to employees		(732,191)
Net cash flows provided by (used in) operating activities		12,470,179

**Cash flows from capital and related financing activities:**

Proceeds from notes payable		112,635,886
Receipts from Department of Transportation		7,350
Interest payments		(25,626,092)
Acquisitions of construction in progress		(28,541,070)
Net cash flows provided by (used in) capital and related financing activities		58,476,074

**Cash flows from investing activities:**

Interest income		700,963
Purchase of investments		(199,169,147)
Proceeds from sale or maturity of investments		65,496,423
Net cash flows provided by (used in) investing activities		(132,971,761)
Net increase (decrease) in cash and cash equivalents		(62,025,507)
Cash and cash equivalents at beginning of period		169,170,746
Cash and cash equivalents at end of period	\$	107,145,239

**Reconciliation of change in net assets to net cash provided by operating activities:**

Operating income		\$ 10,282,039
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization		1,941,660
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable		(200,840)
(Increase) decrease in prepaid expenses and other assets		30,046
(Decrease) increase in accounts payable		(1,601,152)
Increase (decrease) in accrued expenses		2,018,427
Total adjustments		2,188,141
Net cash flows provided by (used in) operating activities	\$	12,470,179

**Reconciliation of cash and cash equivalents:**

Unrestricted cash and cash equivalents		\$ 638,736
Restricted cash and cash equivalents		106,506,503
Total	\$	107,145,239

**INVESTMENTS by FUND**

		Balance August 31, 2018		
Renewal & Replacement Fund				
	TexSTAR	514,476.41		TexSTAR 166,468,053.04
	Goldman Sachs	88,291.59		Goldman Sachs 100,288,663.60
	Agencies/ Treasuries		602,768.00	Agencies & Treasury Notes 179,215,013.53
Grant Fund				\$ 445,971,730.17
	TexSTAR	4,306,361.26		
	Goldman Sachs	507,889.09		
	Agencies/ Treasuries	4,928,782.41	9,743,032.76	
Senior Debt Service Reserve Fund				
	TexSTAR	5,790,597.25		
	Goldman Sachs	5,798,493.00		
	Agencies/ Treasuries	69,668,168.96	81,257,259.21	
2010 Senior Lien DSF				
	Goldman Sachs	959,706.70		
	TexSTAR		959,706.70	
2011 Debt Service Acct				
	Goldman Sachs	763,276.99	763,276.99	
2013 Sr Debt Service Acct				
	Goldman Sachs	3,502,836.58	3,502,836.58	
2013 Sub Debt Service Account				
	Goldman Sachs	1,948,753.51	1,948,753.51	
2015 Sr Capitalized Interest				
	Goldman Sachs	10.94	39,210,488.00	
	TexSTAR	39,210,477.06		
2015A Debt Service Account				
	Goldman Sachs	-	-	
2015B Debt Service Account				
	Goldman Sachs	578,996.62	578,996.62	
2016 Sr Lien Rev Refunding Debt Service Account				
	Goldman Sachs	4,840,571.55	4,840,571.55	
2016 Sub Lien Rev Refunding Debt Service Account				
	Goldman Sachs	833,059.85	833,059.85	
2016 Sub Lein Rev Refunding DSR				
	Goldman Sachs	1,829,235.40		
	Agencies/ Treasuries	4,928,782.41	6,758,017.81	
Operating Fund				
	TexSTAR	127,415.14		
	TexSTAR-Trustee	2,604,033.33		
	Goldman Sachs	24,750.00	2,756,198.47	
Revenue Fund				
	Goldman Sachs	4,480,052.65	4,480,052.65	
General Fund				
	TexSTAR	25,188,994.24		
	Goldman Sachs	29,533,029.65		
	Agencies/ Treasuries	9,971,011.51	64,693,035.40	
2013 Sub Debt Service Reserve Fund				
	TexSTAR	5,107,830.80		
	Goldman Sachs	3,529,224.98	8,637,055.78	
71E Revenue Fund				
	Goldman Sachs	5,252,450.96	5,252,450.96	
MoPac Revenue Fund				
	Goldman Sachs	69,393.01	69,393.01	
MoPac Construction Fund				
	Goldman Sachs	15,370,313.33	15,370,313.33	
MoPac General Fund				
	Goldman Sachs	-		
MoPac Operating Fund				
	Goldman Sachs	9,309.55		
MoPac Loan Repayment Fund				
	Goldman Sachs	-		
2015B Project Account				
	Goldman Sachs	8,116,504.03		
	Agencies/ Treasuries	25,013,349.66		
	TexSTAR	7,710,203.03	40,840,056.72	
2015A Project Account				
	TexSTAR			
	Goldman Sachs	0.00	0.00	
2015 TIFIA Project Account				
	Goldman Sachs	224,177.82		
	TexSTAR	53,794,380.08		
	Agencies/ Treasuries	64,704,918.58	118,723,476.48	
2015 State Highway Fund Project Account				
	Goldman Sachs	0.00	0.00	
2015 SIB Project Account				
	TexSTAR	4,400,200.91		
	Goldman Sachs	202,456.70	4,602,657.61	
2011 Sr Financial Assistance Fund				
	Goldman Sachs	4.16	17,713,087.69	
	TexSTAR	17,713,083.53		
45SW Project Fund				
	Goldman Sachs	11,380,609.78	11,380,609.78	
45SW Trust Account Travis County				
	Goldman Sachs	445,265.16	445,265.16	
			<u>\$ 445,962,420.62</u>	

**CTRMA INVESTMENT REPORT**

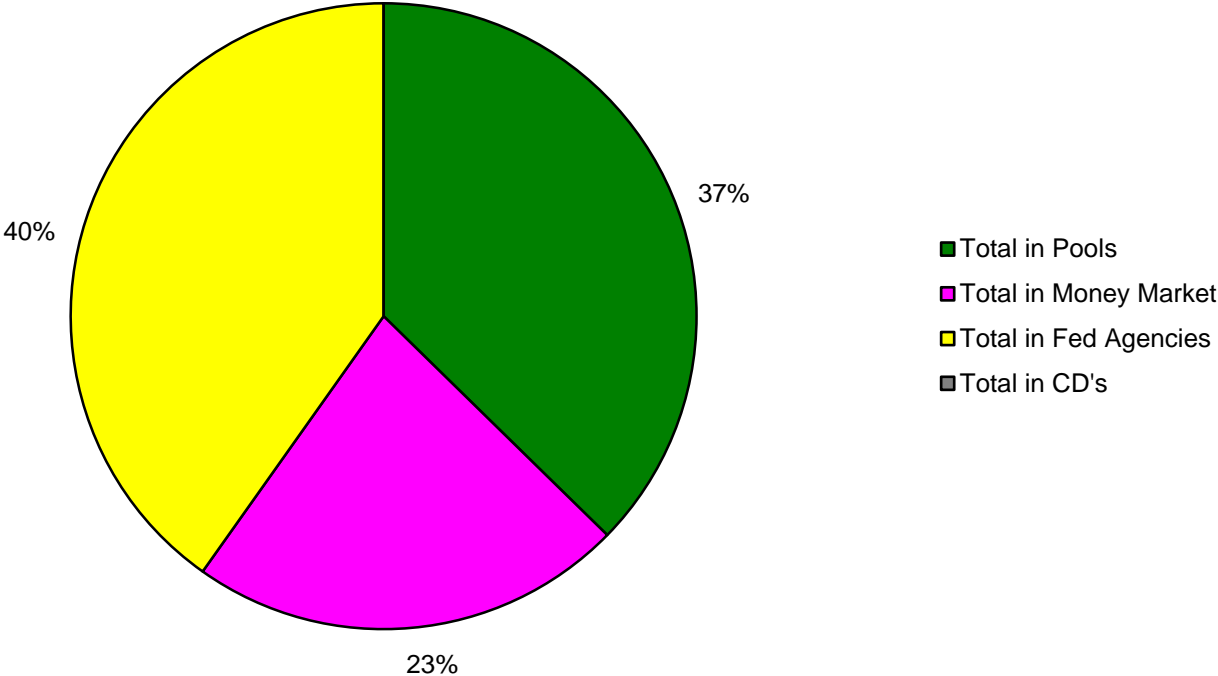
	Month Ending 08/31/18					Rate August	
	Balance 8/1/2018	Additions	Discount Amortization	Accrued Interest	Withdrawals		Balance 8/31/2018
<b>Amount in Trustee TexStar</b>							
2011 Sr Lien Financial Assist Fund	17,684,208.67			28,874.86		17,713,083.53	1.9225%
2013 Sub Lien Debt Service Reserve General Fund	5,099,504.30 25,147,932.56			8,326.50 41,061.68		5,107,830.80 25,188,994.24	1.9225% 1.9225%
Trustee Operating Fund	971,951.71	3,029,053.52		3,028.10	1,400,000.00	2,604,033.33	1.9225%
Renewal and Replacement Grant Fund	513,637.72 4,299,341.28			838.69 7,019.98		514,476.41 4,306,361.26	1.9225% 1.9225%
Senior Lien Debt Service Reserve Fund	5,781,157.74			9,439.51		5,790,597.25	1.9225%
2015A Sr Ln Project Cap Interest	39,146,558.42			63,918.64		39,210,477.06	1.9225%
2015B Sr Ln Project	7,697,634.32			12,568.71		7,710,203.03	1.9225%
2015C TIFIA Project	54,056,302.78			88,077.30	350,000.00	53,794,380.08	1.9225%
2015E SIB Project Account	4,393,027.96			7,172.95		4,400,200.91	1.9225%
	<b>164,791,257.46</b>	<b>3,029,053.52</b>		<b>270,326.92</b>	<b>1,750,000.00</b>	<b>166,340,637.90</b>	
<b>Amount in TexStar Operating Fund</b>							
	177,131.63	1,400,000.00		283.51	1,450,000.00	127,415.14	1.9225%
<b>Goldman Sachs</b>							
Operating Fund	29,038.41	3,024,750.00		15.11	3,029,053.52	24,750.00	1.840%
45SW Trust Account Travis County	443,262.12	1,000.00		1,003.04		445,265.16	1.840%
45SW Project Fund	14,007,051.42			23,339.02	2,649,780.66	11,380,609.78	1.840%
2015B Project Account	8,099,245.53			17,258.50		8,116,504.03	1.840%
2015D State Highway Fund Project Acct	0.00			0.09	0.09	0.00	1.840%
2015C TIFIA Project Account	6,578,043.13	350,000.00		33,341.77	6,737,207.08	224,177.82	1.840%
2015E SIB Project Account	307,880.12	0.09		371.79	105,795.30	202,456.70	1.840%
2011 Sr Financial Assistance Fund	4.15			0.01		4.16	1.840%
2010 Senior DSF	808,578.03	149,976.11		1,152.56		959,706.70	1.840%
2011 Senior Lien Debt Service Acct	762,096.43			1,180.56		763,276.99	1.840%
2013 Senior Lien Debt Service Acct	2,630,218.30	869,017.46		3,600.82		3,502,836.58	1.840%
2013 Subordinate Debt Service Acct	1,242,246.60	704,983.34		1,523.57		1,948,753.51	1.840%
2015 Sr Capitalized Interest	9.39			1.55		10.94	1.840%
2015A Debt Service Acct	0.00					0.00	1.840%
2015B Debt Service Acct	292,798.33	285,871.46		326.83		578,996.62	1.840%
2016 Sr Lien Rev Refunding Debt Service Account	3,859,535.85	975,488.63		5,547.07		4,840,571.55	1.840%
2016 Sub Lien Rev Refunding Debt Service Account	520,091.77	312,311.05		657.03		833,059.85	1.840%
2016 Sub Lein Rev Refunding DSR	1,796,755.90	25,000.00		7,479.50		1,829,235.40	1.840%
Grant Fund	482,142.22	25,000.00		746.87		507,889.09	1.840%
Renewal and Replacement	88,155.04			136.55		88,291.59	1.840%
Revenue Fund	5,175,556.88	9,946,304.47		5,922.78	10,647,731.48	4,480,052.65	1.840%
General Fund	28,939,254.56	2,843,582.15		55,043.69	2,304,850.75	29,533,029.65	1.840%
Senior Lien Debt Service Reserve Fund	5,670,920.56	100,000.00		27,572.44		5,798,493.00	1.840%
71E Revenue Fund	4,397,242.35	863,679.34		6,529.27	15,000.00	5,252,450.96	1.840%
2013 Sub Debt Service Reserve Fund	3,523,766.31			5,458.67		3,529,224.98	1.840%
MoPac Revenue Fund	37,975.46	333,309.24		109.68	302,001.37	69,393.01	1.840%
MoPac General Fund	0.00			0.00		0.00	1.840%
MoPac Operating Fund	47,889.15	313,049.59		55.66	351,684.85	9,309.55	1.840%
MoPac Loan Repayment Fund	51,017.93	50,826.78		17.89	101,862.60	0.00	1.840%
MoPac Managed Lane Construction Fund	15,346,124.19			24,189.14		15,370,313.33	1.840%
	<b>105,136,900.13</b>	<b>21,174,149.71</b>	<b>0.00</b>	<b>222,581.46</b>	<b>26,244,967.70</b>	<b>100,288,663.60</b>	
<b>Amount in Fed Agencies and Treasuries</b>							
Amortized Principal	179,092,430.46		122,583.07			179,215,013.53	
	<b>179,092,430.46</b>	<b>0.00</b>	<b>122,583.07</b>	<b>0.00</b>	<b>0.00</b>	<b>179,215,013.53</b>	
<b>Certificates of Deposit</b>							
Total in Pools	164,968,389.09	4,429,053.52		270,610.43	3,200,000.00	166,468,053.04	
Total in GS FSGF	105,136,900.13	21,174,149.71		222,581.46	26,244,967.70	100,288,663.60	
Total in Fed Agencies and Treasuries	179,092,430.46	0.00	122,583.07		0.00	179,215,013.53	
<b>Total Invested</b>	<b>449,197,719.68</b>	<b>25,603,203.23</b>	<b>122,583.07</b>	<b>493,191.89</b>	<b>29,444,967.70</b>	<b>445,971,730.17</b>	

All Investments in the portfolio are in compliance with the CTRMA's Investment policy and the relevant provisions of the Public Funds Investment Act Chapter 2256.023

William Chapman, CFO  
Mary Temple, Controller

8/31/2018

# Allocation of Funds





Amount of Investments As of August 31, 2018

Agency	CUSIP #	COST	Book Value	Market Value	Yield to Maturity	Purchased	Matures	FUND
Federal Home loan Bank	313378QK0	10,253,642.07	10,048,029.61	9,974,210.00	1.0369%	2/8/2016	3/8/2019	2015B Sr Project
US Treasury Note	919828A34	9,952,900.00	9,979,814.29	9,978,125.00	2.0748%	5/2/2018	11/30/2018	2015B Sr Project
Federal Home loan Bank	3135G0P49sub	4,921,265.00	4,928,782.41	4,928,525.00	2.4520%	7/20/2018	8/28/2019	2016 Sub DSRF
Federal Home loan Bank	3135G0P49	19,685,060.00	19,715,129.65	19,714,100.00	2.4520%	7/20/2018	8/28/2019	Senior DSRF
Fannie Mae	3135G0G72	19,946,880.00	19,988,195.56	19,937,600.00	1.3401%	9/15/2017	12/14/2018	Senior DSRF
US Treasury Note	912828C65	19,929,687.50	19,964,843.75	19,923,437.60	1.9260%	1/25/2018	3/31/2019	Senior DSRF
Farmer Mac	3132X0W64	10,000,000.00	10,000,000.00	9,993,800.00	2.3297%	5/8/2018	5/15/2019	Senior DSRF
US Treasury Note	912828B33	4,981,640.63	4,985,505.76	4,983,203.15	2.1997%	7/20/2018	1/31/2019	2015B Sr Project
US Treasury Note	912828B33a	9,963,281.25	9,971,011.51	9,966,406.30	2.1997%	7/20/2018	1/31/2019	General
Fannie Mae	3135G0P49gnt	4,921,265.00	4,928,782.41	4,928,525.00	2.4520%	7/20/2018	8/28/2019	Grant Fund
US Treasury Note	912828D23	9,946,093.75	9,953,794.64	9,951,562.50	2.3250%	7/20/2018	4/30/2019	2015C TIFIA Project
Federal Home loan Bank	313385M78	19,884,444.44	19,930,666.66	19,932,660.00	2.0396%	7/20/2018	11/1/2018	2015C TIFIA Project
Federal Home loan Bank	3137EADZ9	19,824,200.00	19,850,735.85	19,850,840.00	2.3352%	7/20/2018	4/15/2019	2015C TIFIA Project
US Treasury Note	912828A34	14,929,350.00	14,969,721.43	14,967,187.50	2.0708%	5/2/2018	11/30/2018	2015C TIFIA Project
		<u>179,139,709.64</u>	<u>179,215,013.53</u>	<u>179,030,182.05</u>				

Agency	CUSIP #	COST	Cumulative Amortization	8/31/2018		Interest Income August 31, 2018		
				Book Value	Maturity Value	Accrued Interest	Amortization	Interest Earned
Federal Home loan Bank	313378QK0	10,253,642.07	205,612.46	10,048,029.61	10,000,000.00	15,625.00	(6,861.37)	8,763.63
US Treasury Note	919828A34	9,952,900.00	(26,914.29)	9,979,814.29	10,000,000.00	10,416.67	6,728.57	17,145.24
Federal Home loan Bank	3135G0P49sub	4,921,265.00	7,517.41	4,928,782.41	25,000,000.00	4,166.67	5,934.80	10,101.47
Federal Home loan Bank	3135G0P49	19,685,060.00	30,069.65	19,715,129.65	20,000,000.00	16,666.67	23,739.20	40,405.87
Fannie Mae	3135G0G72	19,946,880.00	(41,315.56)	19,988,195.56	20,000,000.00	18,750.00	2,951.11	21,701.11
US Treasury Note	912828C65	19,929,687.50	(35,156.25)	19,964,843.75	20,000,000.00	27,083.33	5,022.32	32,105.65
Farmer Mac	3132X0W64	10,000,000.00	-	10,000,000.00	10,000,000.00	19,416.67	-	19,416.67
US Treasury Note	912828B33	4,981,640.63	3,865.13	4,985,505.76	5,000,000.00	5,921.05	2,898.85	8,819.90
US Treasury Note	912828B33a	9,963,281.25	(7,730.26)	9,971,011.51	10,000,000.00	11,842.11	5,797.70	17,639.81
Fannie Mae	3135G0P49gnt	4,921,265.00	7,517.41	4,928,782.41	5,000,000.00	4,166.67	5,934.80	10,101.47
US Treasury Note	912828D23	9,946,093.75	7,700.89	9,953,794.64	10,000,000.00	13,541.67	5,775.67	19,317.34
Federal Home loan Bank	313385M78	19,884,444.44	46,222.22	19,930,666.66	20,000,000.00	-	34,666.67	34,666.67
Federal Home loan Bank	3137EADZ9	19,824,200.00	26,535.85	19,850,735.85	20,000,000.00	18,750.00	19,901.89	38,651.89
US Treasury Note	912828A34	14,929,350.00	(40,371.43)	14,969,721.43	15,000,000.00	15,625.00	10,092.86	25,717.86
		<u>179,139,709.64</u>	<u>183,553.23</u>	<u>179,215,013.53</u>	<u>200,000,000.00</u>	<u>181,971.51</u>	<u>122,583.07</u>	<u>304,554.58</u>

## ESCROW FUNDS

### Travis County Escrow Fund - Elroy Road

	<b>Balance</b>		<b>Accrued</b>		<b>Balance</b>
	<b>8/1/2018</b>	<b>Additions</b>	<b>Interest</b>	<b>Withdrawals</b>	<b>8/31/2018</b>
Goldman Sachs	2,158,905.55		3,587.63		2,162,493.18

### Campo Regional Infrastructure Fund

	<b>Balance</b>		<b>Accrued</b>		<b>Balance</b>
	<b>8/1/2018</b>	<b>Additions</b>	<b>Interest</b>	<b>Withdrawals</b>	<b>8/31/2018</b>
Goldman Sachs	2,021,287.34	2,000,000.00	3,131.18	-	4,024,418.52

### 183S Utility Custody Deposit

	<b>Balance</b>		<b>Accrued</b>		<b>Balance</b>
	<b>8/1/2018</b>	<b>Additions</b>	<b>Interest</b>	<b>Withdrawals</b>	<b>8/31/2018</b>
Goldman Sachs	23,989.08	200,000.00	33.72	193,095.26	30,927.54
TexStar	1,077,558.16	-	1,653.14	200,000.00	879,211.30



# 183 South Design-Build Project

## Contingency Status

August 31, 2018



CENTRAL TEXAS REGIONAL  
MOBILITY AUTHORITY

**Original Construction Contract Value: \$581,545,700**

<b>Total Project Contingency</b>	<b>\$47,860,000</b>
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<b>Obligations</b>	CO#1 City of Austin ILA Adjustment	(\$2,779,934)
	CO#2 Addition of Coping to Soil Nail Walls	\$742,385
	CO#4 Greenroads Implementation	\$362,280
	CO#6 51st Street Parking Trailhead	\$477,583
	CO#9 Patton Interchange Revisions	\$3,488,230
	Others Less than \$300,000 (6)	\$549,576
	Executed Change Orders	\$2,840,120
	Change Orders Under Negotiation	\$12,260,000
Potential Contractual Obligations	\$10,590,000	

<b>(-) Total Obligations</b>	<b>\$25,690,120</b>
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<b>Remaining Project Contingency</b>	<b>\$22,169,880</b>
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**SH 45SW Construction  
Contingency Status**  
August 31, 2018



**Original Construction Contract Value: \$75,103,623**

<b>Total Project Contingency</b>		<b>\$ 7,520,000</b>
<b>Obligations</b>	CO #01 Asbestos Removal	\$ 1,962
	CO #02 TCEQ Protection Plan	\$ 103,773
	CO #03 Conduit Installation Revision	\$ (11,970)
	CO #04 Installation of PEC and TWC Conduits	\$ 458,439
	CO #05 Installation of SSTR Drilled Shafts and Moment Slab	\$ 538,945
	CO #06 Feature 004 Protection and Bridge Drain Assembly	\$ 2,932
	CO #07 Traffic Control Savings and Removal of Mulch	\$ (5,560)
	CO #08 Slope Protection Under Bear Creek Bridge	\$ 167,338
	CO #09 Temporary Relocation of Overhead Lines	\$ 7,227
	CO #10 Bridge Drain Outfall Revision and Bicycle Detour Plan	\$ 28,229
	CO #11 Additional Clearing for PEC Transmission Lines	\$ 86,609
	CO #12 Closure Plan / Mitigation for Potential Features 11 and 12	\$ -
	CO #13 Elevation Changes in Retaining Walls 20 and 24	\$ -
	CO #14 Driveway Revision and Spot Mowing	\$ -
	Executed Change Orders	<b>\$ 1,377,924</b>
Change Orders in Negotiations	\$ -	
Potential Contractual Obligations	<b>\$ 2,135,398</b>	
<b>(-) Total Obligations</b>		<b>\$ 3,513,322</b>
<b>Remaining Project Contingency</b>		<b>\$ 4,006,678</b>



**MOPAC Construction**  
**Financial Status**  
 August 31, 2018



**Original Construction Contract Value: \$ 136,632,100**

<b>Change Orders</b>	CO#01B	5th & Cesar Chavez SB Reconfig (Construction)	\$593,031	<b>Approved = \$11.7M</b>
	CO#05B	FM 2222 Bridge NB Ret Wall Abutment Repair (Construction)	\$850,000	
	CO#07	FM 2222 Exit Storage Lane	\$426,000	
	CO#08C	Refuge Area: Added Shoulder Adjustment Sound Wall #1	\$2,508,548	
	CO#09	Westover SB Frontage Repairs	\$450,000	
	CO#12	Barrier Rail Opaque Seal	\$542,419	
	CO#17	Bike and Ped Improvements at Far West Blvd Bridge/FM 2222	\$971,889	
	CO#20	Northern Terminus Sound Wall #3	(\$1,210,540)	
	CO#32	Void of CO#05B, #09, #10, UPRR	(\$1,501,437)	
	CO#33	Shared Use Path at US 183	(\$1,000,000)	
	CO#34	Undercrossing Fire Protection	\$1,412,574	
	CO#35	TxDOT Duct Bank Interference	\$1,357,196	
	CO#36	Non-Compliant Existing Illumination	\$2,226,189	
	CO#37	NB Pavement Cross Slope and Profile Corrections	\$3,635,477	
	CO#38	SB Pavement Cross Slope and Profile Corrections	\$3,100,298	
CO#42	NB04, NB08, and Westminster Wall Revisions	(\$402,964)		
	Total of Others Less than \$300,000 (21)	\$1,572,258		
<b>Executed Change Orders</b>			<b>\$ 15,530,938</b>	
<b>Revised Construction Contract Value</b>			<b>\$ 152,163,038</b>	
<b>Change Orders under Negotiation</b>			<b>\$ 3,268,266</b>	
<b>Potential Construction Contract Value</b>			<b>\$ 155,431,304</b>	
<b>Incentive/Milestone</b>			<b>\$ 21,500,000</b>	
<b>Potential Construction Contract Value with Incentive/Milestone</b>			<b>\$ 176,931,304</b>	
<b>Amount paid CH2M for Incentives/Milestones</b>			<b>\$ (16,825,210)</b>	
<b>Amount paid CH2M through June 2018 draw (as of 06/30/2018)</b>			<b>\$ (122,243,668)</b>	
<b>Assessed Liquidated Damages</b>			<b>\$ (20,000,000)</b>	
<b>Potential Amount Payable to CH2M</b>			<b>\$ 17,862,427</b>	



## Monthly Newsletter - August 2018

### Performance

#### As of August 31, 2018

Current Invested Balance	\$6,701,017,159.16
Weighted Average Maturity (1)	19 Days
Weighted Average Maturity (2)	87 Days
Net Asset Value	0.999971
Total Number of Participants	879
Management Fee on Invested Balance	0.06%*
Interest Distributed	\$11,250,132.06
Management Fee Collected	\$340,459.60
% of Portfolio Invested Beyond 1 Year	8.55%
Standard & Poor's Current Rating	AAAm

#### August Averages

Average Invested Balance	\$6,681,592,678.65
Average Monthly Yield, on a simple basis	1.9225%
Average Weighted Average Maturity (1)*	24 Days
Average Weighted Average Maturity (2)*	91 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.

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

### New Participants

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

- ★ Alvin Community College
- ★ Denton County Reclamation & Road District

### Holiday Reminder

In observance of **Columbus Day**, TexSTAR will be closed on **Monday, October 8, 2018**. All ACH transactions initiated on Friday, October 5th, will settle on Tuesday, October 9th. Please plan accordingly for your liquidity needs.

### Economic Commentary

Markets reacted positively in August to the Trump administration reaching a successful trade agreement with Mexico. Although U.S. trade negotiations with Canada and China are still strained, risks in aggregate are fewer than before as the tailwind from tax reform should insulate domestic growth and corporate profits to an extent. As expected, 25% tariffs on \$16 billion of Chinese imports went into effect in August; and China retaliated in-kind. However, reports suggests that President Xi is under increasing domestic pressure to reach a compromise with Washington. Monetary policy rhetoric was little changed over the month. In his speech at the annual Jackson Hole Economic Symposium, Federal Reserve (Fed) Chairman Powell reiterated his commitment to a gradual approach to raising interest rates, but noted his confidence in the strength of U.S. economic momentum. The minutes of the August Federal Open Market Committee (FOMC) meeting also confirmed market expectations that the Fed is on track to hike at its September meeting if economic activity maintains its current trend.

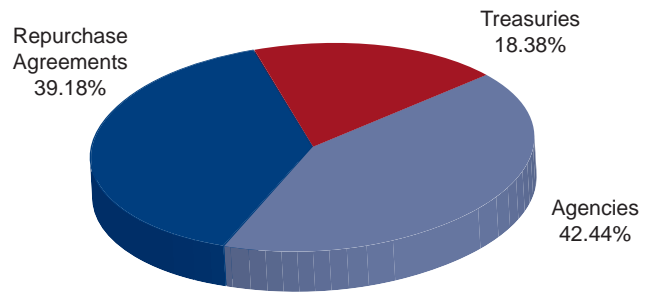
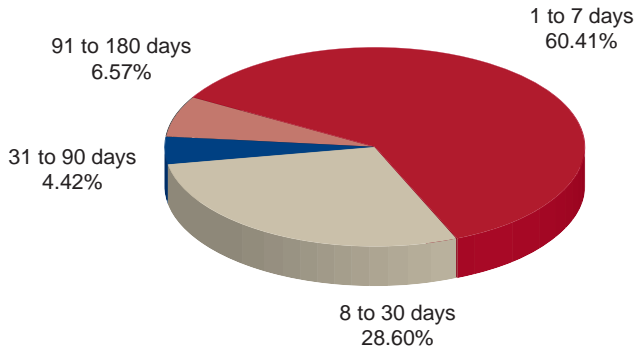
The biggest risk to the U.S. economy currently appears to stem from exogenous factors such as the risk that instability in China and emerging markets sparks contagion, a further slowdown in European growth or an escalation in trade wars. Additionally, business investment and government spending are playing a larger role in contributing to growth. We expect the tailwind from government spending to provide maximum impact in the coming four quarters. The combination of tax reform and the spending bill will create a significant boost to growth both this year and next, which could be upwards of 0.5%. We believe that a significant portion of the fiscal boost has not yet shown through into GDP but will begin to appear in the coming quarters with the peak impact towards the end of 2018 and first half of 2019. Although it is possible that Q2 will be the strongest single quarter for growth this year, we expect 2018 to average at a pace above 3%. The Federal Reserve should continue to keep the pace of rate hikes "gradual" until the balance of risks around the economic environment significantly changes. Our base case is the Fed will raise rates an addition two more times this year and continue hiking into 2019 given our view that the U.S. unemployment rate will trend further below estimates of Non-Accelerating Inflation Rate of Unemployment (NAIRU), core inflation is biased higher and U.S. growth remains above trend.

This information is an excerpt from an economic report dated August 2018 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.

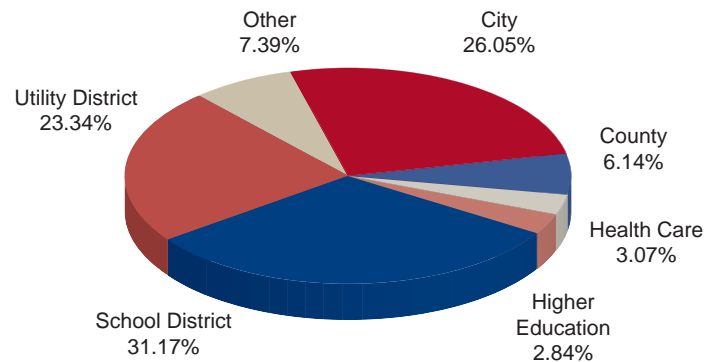
**For more information about TexSTAR, please visit our web site at [www.texstar.org](http://www.texstar.org).**

# Information at a Glance

## Portfolio by Type of Investment As of August 31, 2018



## Portfolio by Maturity As of August 31, 2018



## Distribution of Participants by Type As of August 31, 2018

# Historical Program Information

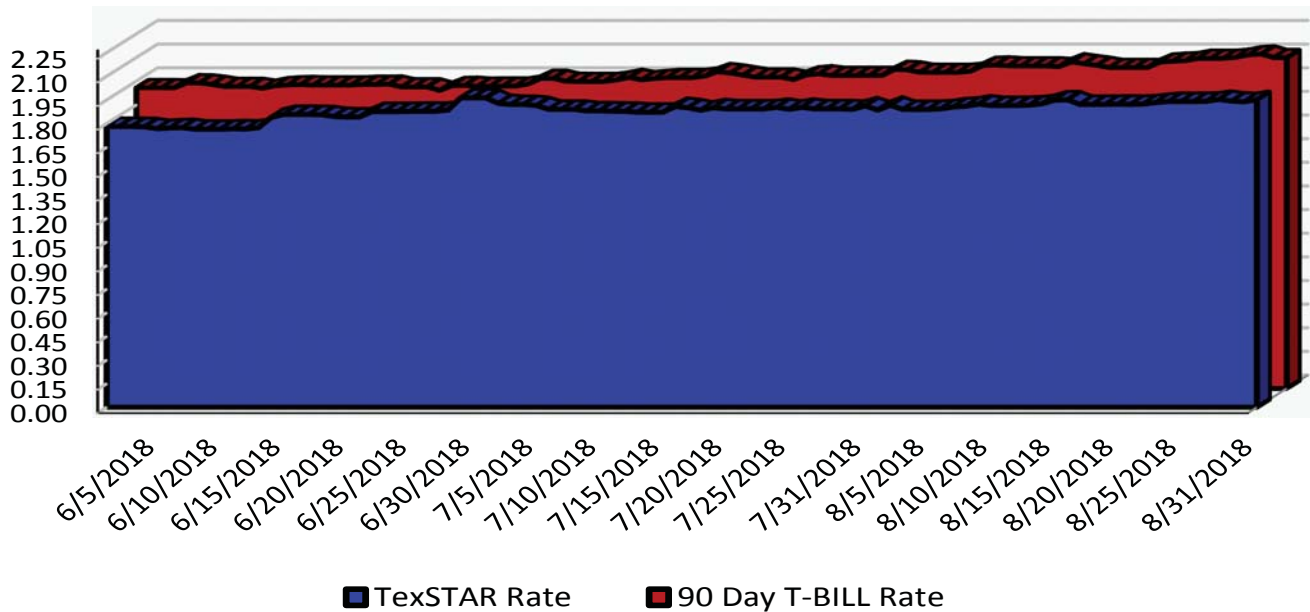
Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Aug 18	1.9225%	\$6,701,017,159.16	\$6,701,228,119.73	0.999971	24	91	879
Jul 18	1.8965%	6,837,425,331.68	6,837,427,966.67	1.000000	19	84	877
Jun 18	1.8300%	6,250,002,595.51	6,250,027,195.61	0.999991	26	99	874
May 18	1.7258%	6,489,773,533.02	6,489,474,005.73	0.999953	29	106	868
Apr 18	1.6304%	6,358,425,417.53	6,358,101,312.82	0.999949	18	99	861
Mar 18	1.4995%	6,461,363,510.56	6,460,804,379.93	0.999892	28	105	857
Feb 18	1.3518%	7,130,310,070.00	7,129,718,573.04	0.999917	28	97	854
Jan 18	1.2900%	7,090,345,755.93	7,090,199,741.00	0.999979	31	83	853
Dec 17	1.1762%	6,518,450,917.63	6,518,448,483.33	0.999984	36	82	853
Nov 17	1.0695%	6,157,485,042.89	6,157,068,439.39	0.999932	38	90	853
Oct 17	1.0482%	5,848,642,382.89	5,848,708,234.12	1.000011	38	96	852
Sep 17	1.0384%	5,841,986,573.82	5,842,202,955.19	1.000022	28	92	848

# Portfolio Asset Summary as of August 31, 2018

	Book Value	Market Value
Uninvested Balance	\$ 163.54	\$ 163.54
Accrual of Interest Income	2,580,468.72	2,580,468.72
Interest and Management Fees Payable	(11,263,734.78)	(11,263,734.78)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreement	2,629,318,999.68	2,629,318,999.68
Government Securities	4,080,381,262.00	4,080,592,222.57
<b>Total</b>	<b>\$ 6,701,017,159.16</b>	<b>\$ 6,701,228,119.73</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. The TexSTAR yield is calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940 as promulgated from time to time by the federal Securities and Exchange Commission.

## Daily Summary for August 2018

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	TexSTAR Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
8/1/2018	1.8858%	0.000051665	\$6,786,468,409.25	1.000030	23	80
8/2/2018	1.9157%	0.000052486	\$6,766,141,925.31	1.000007	25	82
8/3/2018	1.8893%	0.000051761	\$6,646,198,636.46	1.000007	24	84
8/4/2018	1.8893%	0.000051761	\$6,646,198,636.46	1.000007	24	84
8/5/2018	1.8893%	0.000051761	\$6,646,198,636.46	1.000007	24	84
8/6/2018	1.8931%	0.000051867	\$6,587,042,458.63	1.000002	24	82
8/7/2018	1.9056%	0.000052207	\$6,584,684,503.06	0.999997	24	90
8/8/2018	1.9100%	0.000052328	\$6,593,820,511.29	0.999991	25	93
8/9/2018	1.9237%	0.000052705	\$6,722,178,937.46	0.999991	27	96
8/10/2018	1.9142%	0.000052445	\$6,822,517,716.06	0.999995	26	94
8/11/2018	1.9142%	0.000052445	\$6,822,517,716.06	0.999995	26	94
8/12/2018	1.9142%	0.000052445	\$6,822,517,716.06	0.999995	26	94
8/13/2018	1.9169%	0.000052519	\$6,786,904,617.90	0.999995	26	94
8/14/2018	1.9259%	0.000052764	\$6,683,143,847.08	0.999994	26	94
8/15/2018	1.9484%	0.000053380	\$6,604,269,801.53	0.999991	25	95
8/16/2018	1.9506%	0.000053441	\$6,715,808,482.03	0.999979	24	97
8/17/2018	1.9214%	0.000052641	\$6,659,136,114.60	0.999975	24	95
8/18/2018	1.9214%	0.000052641	\$6,659,136,114.60	0.999975	24	95
8/19/2018	1.9214%	0.000052641	\$6,659,136,114.60	0.999975	24	95
8/20/2018	1.9231%	0.000052688	\$6,645,284,739.73	0.999978	24	96
8/21/2018	1.9214%	0.000052640	\$6,562,566,235.93	0.999980	24	97
8/22/2018	1.9237%	0.000052704	\$6,655,831,334.71	0.999980	23	95
8/23/2018	1.9332%	0.000052964	\$6,659,642,922.49	0.999982	23	94
8/24/2018	1.9398%	0.000053144	\$6,681,312,394.43	0.999979	22	92
8/25/2018	1.9398%	0.000053144	\$6,681,312,394.43	0.999979	22	92
8/26/2018	1.9398%	0.000053144	\$6,681,312,394.43	0.999979	22	92
8/27/2018	1.9412%	0.000053183	\$6,681,634,915.33	0.999975	22	91
8/28/2018	1.9533%	0.000053516	\$6,669,013,034.39	0.999975	22	91
8/29/2018	1.9418%	0.000053200	\$6,653,237,828.21	0.999971	21	91
8/30/2018	1.9382%	0.000053100	\$6,643,186,789.91	0.999971	21	90
8/31/2018	1.9518%	0.000053473	\$6,701,017,159.16	0.999971	19	87
Average	1.9225%	0.000052671	\$6,681,592,678.65		24	91

TexSTAR Participant Services  
Hilltop Securities Inc.  
1201 Elm Street, Suite 3500  
Dallas, Texas 75270



## **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>Eric Cannon</i>	<i>City of Allen</i>	<i>Governing Board Treasurer</i>
<i>David Medanich</i>	<i>Hilltop Securities</i>	<i>Governing Board Secretary</i>
<i>Jennifer Novak</i>	<i>J.P. Morgan Asset Management</i>	<i>Governing Board Asst. Sec./Treas.</i>
<i>Monte Mercer</i>	<i>North Central TX Council of Government</i>	<i>Advisory Board</i>
<i>Becky Brooks</i>	<i>City of Grand Prairie</i>	<i>Advisory Board</i>
<i>Nicole Conley</i>	<i>Austin ISD</i>	<i>Advisory Board</i>
<i>David Pate</i>	<i>Richardson ISD</i>	<i>Advisory Board</i>
<i>James Mauldin</i>	<i>University of North Texas System</i>	<i>Advisory Board</i>
<i>Ron Whitehead</i>	<i>Qualified Non-Participant</i>	<i>Advisory Board</i>

For more information contact TexSTAR Participant Services ★ 1-800-839-7827 ★ [www.texstar.org](http://www.texstar.org)



**J.P.Morgan**  
Asset Management



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

September 26, 2018  
AGENDA ITEM #6

---

Approve Amendment No. 2 to the CDM  
Smith Inc. Agreement and Authorize  
Future Work Authorizations for Traffic  
and Revenue Studies on Mobility  
Authority Toll Projects

Strategic Plan Relevance: Regional Mobility  
Department: Finance  
Contact: Bill Chapman, Chief Financial Officer  
Associated Costs: \$ 3,000,000  
Funding Source: Various  
Action Requested: Consider and act on draft resolution

Summary:

This item authorizes the Executive Director to negotiate and execute certain future letters of engagement (work authorizations) with CDM Smith for traffic and revenue services, as needed and requested by the Authority, up to a total “not to exceed” amount of \$3,000,000 until October 1, 2021. It also amends the Agreement with CDM Smith by reducing CDM Smith’s fee from 12% to 10%.

Backup Provided: Draft resolution  
Draft Amendment No. 2

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

**RESOLUTION NO. 18-0XX**

**APPROVING AMENDMENT NO. 2 TO THE CDM SMITH INC. AGREEMENT  
AND AUTHORIZING FUTURE WORK AUTHORIZATIONS FOR TRAFFIC AND REVENUE  
STUDIES ON MOBILITY AUTHORITY TOLL PROJECTS**

WHEREAS, CDM Smith Inc. provides traffic and revenue studies to the Mobility Authority under that certain “Agreement for Traffic and Revenue Engineering Services” executed to be effective August 1, 2009 (the “Agreement”); and

WHEREAS, CDM Smith Inc. is currently providing traffic and revenue services under two letters of engagement (work authorizations) dated July 26, 2016, and September 22, 2016, respectively; and

WHEREAS, staff anticipates needing additional traffic and revenue services from CDM Smith Inc. over the next three years, as described in Exhibit A to this resolution; and

WHEREAS, the Executive Director recommends Board authorization to issue future letters of engagement to provide traffic and revenue services under the Agreement, as requested from time-to-time by the Mobility Authority, between September 26, 2018, and October 1, 2021; and

WHEREAS, the Executive Director has negotiated a reduction in CDM Smith Inc.’s fee from 12% to 10% as set forth in proposed Amendment No. 2 to the Agreement which is attached hereto as Exhibit B; and

WHEREAS, the Executive Director recommends that the Board approve Amendment No. 2 to the Agreement.

NOW THEREFORE, BE IT RESOLVED, that the Board hereby authorizes the Executive Director to negotiate and execute on behalf of the Mobility Authority letters of engagement with CDM Smith Inc. to obtain the traffic and revenue services described in Exhibit A until October 1, 2021, when needed, for total payments during that period in an amount not to exceed \$3,000,000.00; and

BE IT FURTHER RESOLVED, that the Board hereby approves Amendment No. 2 to the Agreement and authorizes the Executive Director to finalize and execute Amendment No. 2 in the form or substantially the same form as is attached hereto as Exhibit B.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 26<sup>th</sup> day of September 2018.

Submitted and reviewed by:

Approved:

\_\_\_\_\_  
Geoffrey Petrov, General Counsel

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



## **EXHIBIT A**

### **SCOPE OF SERVICES**

Letters of engagement (work authorizations) to provide traffic and revenue and toll services during the time period of September 26, 2018, to October 1, 2021, may be requested for the MoPac North and South Corridors, 183 North Corridor, other regional toll road and managed lane projects, and for miscellaneous technical tasks:

- Level-3 Comprehensive traffic and toll revenue study for one project. This study will produce traffic and toll revenue forecasts and documentation suitable for financing, including coordination with the financial team and meetings/presentations to rating agencies and investors. The scope will include services for socioeconomic updates, data collection and stated preference surveys;
- Level-2 Preliminary traffic and toll revenue study for one project. Such a study will involve limited amount of data collection, surveys and socioeconomic reviews but the results could help with project configuration optimization, toll rate setting, etc. to assess the project's feasibility;
- Corridor level operational model development in support of Volume Delay Function (VDF) curve refinement as inputs to the traffic and revenue forecasting models for two projects; and
- Environmental support including technical assistance for traffic analysis for one project.

Additional services beyond the above noted may include:

- Technical assistance and monitoring associated with existing Mobility Authority toll road and managed lane facilities;
- On-call technical assistance;
- Toll rate evaluations;
- Attendance in meetings and preparation of meeting minutes as requested by the Mobility Authority;
- Peer review services for traffic and revenue studies and operational analyses conducted by other firms;
- Innovative tools for tracking of budgeted versus actual transactions and performance measures for select corridors; and
- Conceptual/Sketch Level toll feasibility and project evaluations.

**Exhibit B**

**Second Amendment To  
Professional Consulting Services Agreement  
Between  
Central Texas Regional Mobility Authority  
and  
CDM Smith Inc.**

This Second Amendment to the Agreement between Central Texas Regional Mobility Authority ("Authority") and CDM Smith Inc., ("Consultant") effective August 1, 2009, as amended (the "Agreement") is made effective as of September 26, 2018 and is for the purpose of amending Article 3, Subsection a. of the Agreement.

The Authority and Consultant hereby agree that Articles 3, Subsection a. of the Agreement is amended to read in its entirety as follows:

**ARTICLE 3  
COMPENSATION**

Authorization for Consultant to perform the Services, compensation for Consultant's work, and other aspects of the mutual obligations concerning Consultant's work and payment therefore are as follows:

- a. **BASIS FOR COMPENSATION.** Subject to the terms of a Work Authorization issued pursuant to subsection 3.b below, the Authority agrees to pay and the Consultant agrees to accept as full and sufficient compensation and reimbursement for the performance of all Services set forth in this Agreement, hourly rates for the staff working on the assignment computed as follows:

$$\text{Direct Labor Cost} \times (1.0 + \text{FAR}) \times 1.10$$

Where Direct Labor Costs equals salary divided by 2080; FAR equals consultant's most recent audited overhead rate under 48 C.F.R. Part 31, Federal Acquisition Regulations (FAR 31); and 1.10 reflects a 10 percent (10%) profit. Representative rates computed through this methodology as of the Effective Date of this Agreement are reflected in Appendix B. Rates will be revised annually to reflect adjustments to the Direct Labor Costs and audited FAR rates; no adjustments shall be made to the specified profit percentage. The first adjustment shall be considered in January 2011. All adjustments shall be agreed to by the parties prior to implementation, and the Authority shall have the right to review and/or audit Consultant's Direct Labor Costs and FAR rates upon written request and as provided in subsection (e) hereto. During the term of this Agreement Consultant shall provide to the Authority, prior to requesting any adjustment to rates, a copy of the report establishing a new FAR rate for Consultant.

The payment of the hourly rates and allowed costs shall constitute full payment for all Services, liaisons, products, materials, and equipment required to deliver the Services.

By their signatures below, the parties to this Second Amendment to the Agreement evidence their agreement to the amendments set forth above.

CENTRAL TEXAS REGIONAL  
MOBILITY AUTHORITY

CDM SMITH, INC.

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

September 26, 2018  
**AGENDA ITEM #7**

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Consider and take appropriate action on the proposed registered account parameters, fees and charges, and billing schedule for the new Pay By Mail Program

Strategic Plan Relevance:	Regional Mobility
Department:	Operations
Contact:	Tracie Brown, Director of Operations
Associated Costs:	None
Funding Source:	General Fund / Operations
Action Requested:	Consider and act on draft resolution

**Summary:**

In February 2018, the Mobility Authority Board of Directors approved a contract with Cofiroute USA, LLC (Cofiroute) for Pay By Mail processing, customer service and collections. Under the Agreement, Cofiroute is responsible for sending and receiving electronic files containing video toll transaction information for the Mobility Authority's new registered accounts as well as traditional Pay By Mail (PBM) transactions ; sending toll bills and notices to identified customers for the purpose of collecting PBM toll amounts and associated fees; and bundling and transmitting PBM toll amounts and administrative fee payments to the Mobility Authority. Cofiroute is also tasked with preparing and maintaining documents to be used in the course of collection activities and legal proceedings; providing full reporting and auditable data; and assuring that Cofiroute's systems (and those of its subcontractors) maintain compliance with industry standard financial, security, quality and software process standards.

The Authority's new Pay By Mail Program features registered pre-paid and post-paid accounts that provide greater self-service opportunities and electronic notification. The traditional unregistered accounts feature one account number per license plate and registered address as well as a 30-day billing cycle. The new registered accounts allow for automatic payment as well as e-notifications and SMS messaging regarding account balances. The entire program is bolstered by an updated payment site, new account invoice / statement layout and additional in-person payment locations.

The Authority must adopt a fee schedule to support the new Pay By Mail Program. The proposed schedule is outlined in Exhibit A. The schedule references two toll rate differentials - the premium above the electronic toll tag rate - for registered and unregistered accounts. Unregistered accounts will be assessed a 50% toll rate premium. Customers who choose a registered account will enjoy the current 33% premium. A planned future program enhancement will extend the 33% toll rate premium to unregistered accounts that are paid promptly (within a specified number of days of the bill's mail date), mitigating the assessment of late penalty administrative fees and lessening the Authority's revenue risk. More details about this enhancement will be shared at a later date.

Upon approval by the Board, staff will work to codify these actions in the Authority's Policy Code bring these modifications forward for the Board's consideration and approval at the next meeting.

Staff recommends approval of this resolution.

Backup Provided: Draft Resolution  
Exhibit A - CTRMA Video Tolling Registered Account Parameters,  
*Schedule of Fees and Charges and Billing Schedule*

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

**RESOLUTION NO. 18-0XX**

**APPROVING REGISTERED ACCOUNT PARAMETERS, FEES AND CHARGES, AND  
A BILLING SCHEDULE FOR THE NEW PAY BY MAIL PROGRAM**

WHEREAS, by Resolution No. 18-005 dated February 25, 2018, the Board authorized the Executive Director to finalize and execute an agreement with Cofiroute USA, LLC (“Cofiroute”) for Pay By Mail processing, collections and customer service as part of the Central Texas Regional Mobility Authority’s new Pay By Mail program; and

WHEREAS, in conjunction with implementation of the new Pay By Mail program, Mobility Authority staff have developed account parameters, a schedule of fees and charges, and a billing schedule which are all attached hereto as Exhibit A; and

WHEREAS, the Executive Director has reviewed and consulted with staff regarding the appropriate registered account parameters, fees and charges, and billing schedule to be implemented with the new Pay By Mail program; and

WHEREAS, the Executive Director recommends approval of the proposed registered account parameters, fees and charges, and billing schedule attached hereto as Exhibit A.

NOW THEREFORE, BE IT RESOLVED that the proposed registered account parameters, fees and charges, and billing schedule for the new Pay By Mail program attached hereto as Exhibit A are approved; and

BE IT FURTHER RESOLVED, that the Executive Director is directed to develop and present any revisions to the Mobility Authority Policy Code necessary to implement the new Pay By Mail program to the Board at a future Board Meeting.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 26<sup>th</sup> day of September 2018.

Submitted and reviewed by:

Approved:

\_\_\_\_\_  
Geoffrey Petrov, General Counsel

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

**Exhibit A**





### Proposed Registered Account Parameters

Number of Vehicles	Minimum Initial Pre-paid Toll Amount	Initial Automatic Replenishment Amount	Low Balance Threshold
1	\$20	\$20	\$10

### Proposed Schedule of Fees and Charges

ACCOUNT TYPE	DESCRIPTION	AMOUNT
<b>Pay By Mail</b>	Toll Differential ( <i>amount above tag rate</i> )	50% *
	Mailed Monthly Statement Administrative Fee	\$ 1.00 <i>per statement</i>
	Mailed On-Demand Monthly Statement Administrative Fee	\$ 1.00 <i>per statement</i>
	Faxed On-Demand Monthly Statement Administrative Fee	\$ 1.00 <i>per statement</i>
	Emailed Monthly Statement Administrative Fee	No Charge
	Emailed On-Demand Monthly Statement Administrative Fee	No Charge
	Non-Texas License Plate Look-up Fee	\$1.00 <i>per invoice</i>
	Late Payment Administrative Fee – Notice of Non-Payment ( <i>30 days past due</i> )	\$15.00 <i>per invoice</i>
	Late Payment Administrative Fee – Violation Notice ( <i>60 days past due</i> )	\$30.00 <i>per invoice</i>
	Late Payment Administrative Fee – Collections ( <i>90 days past due</i> )	\$45.00 <i>per invoice</i>
	Enhanced Enforcement Administrative Fee ( <i>Failure to Pay Toll criminal complaint or habitual violator determination</i> )	\$50.00
	Returned Check Administrative Fee ( <i>insufficient funds</i> )	\$25.00 <i>per check</i>
<b>Registered Pre-paid</b>	Toll Differential ( <i>amount above tag rate</i> )	33%
	Emailed Monthly Statement Administrative Fee	No Charge
	Mailed On-Demand Monthly Statement Administrative Fee	\$ 1.00 <i>per statement</i>
	Faxed On-Demand Monthly Statement Administrative Fee	\$ 1.00 <i>per statement</i>
	Emailed On-Demand Monthly Statement Administrative Fee	No Charge
<b>Registered Post-paid</b>	Toll Differential ( <i>amount above tag rate</i> )	33%
	Emailed Monthly Statement Administrative Fee	No Charge
	Mailed On-Demand Monthly Statement Administrative Fee	\$ 1.00 <i>per statement</i>
	Faxed or On-Demand Monthly Statement Administrative Fee	\$ 1.00 <i>per statement</i>
	Emailed On-Demand Monthly Statement Administrative Fee	No Charge

\* Effective January 1, 2019



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

### Proposed Billing Schedule

<b>If Paid At...<sup>i</sup></b>	<b>Tag</b>	<b>Registered Pre-paid</b> <i>+ 33% Surcharge</i>	<b>Pay By Mail</b> <i>+ 50% Surcharge<sup>ii</sup></i>	<b>Registered Post-paid</b> <i>+ 33% Surcharge</i>
<b>Toll Bill / Statement</b>	N/A	Tolls only	Tolls + \$1 mail admin fee <i>(per invoice)</i>	Tolls only
<b>Notice of Non-Payment</b> <i>(30 days past due)</i>	N/A	N/A	Tolls + \$15 late payment admin fee <i>(per invoice)</i>	N/A
<b>Violation Notice</b> <i>(60 days past due)</i>	N/A	N/A	Tolls + \$30 late payment admin fee <i>(per invoice)</i>	N/A
<b>Collections</b> <i>(90 days past due)</i>	N/A	N/A	Tolls + \$45 late payment admin fee <i>(per invoice)</i>	N/A
<b>Court</b>	N/A	N/A	Toll + \$50 enhanced enforcement admin fee <i>(per complaint)</i>	N/A
<b>Habitual Violator</b>	N/A	N/A	Tolls + all outstanding fees + \$50 enhanced enforcement admin fee <i>(per determination)</i>	N/A

<sup>i</sup> Mail and late payment administrative fees do not carry-over from the previous stage.

<sup>ii</sup> Effective January 1, 2019.



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

September 26, 2018  
**AGENDA ITEM #8**

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Adopt a Habitual Violator Policy for the implementation of new toll enforcement remedies and approve corresponding amendments to the Mobility Authority Policy Code

Strategic Plan Relevance:	Regional Mobility
Department:	Operations
Contact:	Tracie Brown, Director of Operations
Associated Costs:	None
Funding Source:	General Fund / Operations
Action Requested:	Consider and act on draft resolution

**Summary:**

Chapter 372 of the Texas Transportation Code provides enforcement tools for egregious toll violators throughout Texas. This statute authorizes additional remedies for “habitual violators,” those who have accumulated 100 or more unpaid tolls in aggregate in a 12-month period and have been issued two notices of nonpayment. The remedies include publication of the toll scofflaw’s name, a vehicle registration block and a ban of the vehicle’s use of the entity’s toll facilities. Vehicle impoundment is possible for those who violate the vehicle prohibition.

The Mobility Authority seeks to modify its Policy Code to include this additional level of enforcement. Per the process, habitual violators will be provided with two notices about the habitual violator remedies. If the customer does not contact the Mobility Authority’s vendor to resolve the outstanding balance, then a final determination letter will be mailed advising the customer of their right to a hearing. Staff will bring back for the Board’s consideration a list of those who did not resolve their tolls or request a hearing for a final habitual violator determination to be made. Once this step has been completed, the name publication, vehicle ban and/or registration block remedies will be deployed.

The labor costs to support the habitual program are included Cofiroute USA's compensation. Additional costs will be incurred to support the vehicle ban remedy and will be brought to the Board for consideration after a competitive procurement process.

Staff recommends approval of this resolution.

Backup Provided:           Draft Board Resolution  
                                  Proposed Policy Code modifications  
                                  Steps to Implement Habitual Violator Remedies

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

**RESOLUTION NO. 18-0XX**

**AMENDING THE POLICY CODE TO ADOPT A HABITUAL VIOLATOR POLICY  
FOR THE IMPLEMENTATION OF TOLL ENFORCEMENT REMEDIES**

WHEREAS, pursuant to Chapter 372, Texas Transportation Code, a toll project entity may adopt and exercise habitual violator remedies when enforcing toll violations committed by “habitual violators” as defined by Section 372.106; and

WHEREAS, the remedies as outlined in Chapter 372, Texas Transportation Code include publication of the toll habitual violator’s name, a vehicle registration block and a ban of the vehicle’s use of the entity’s toll facilities and potentially impoundment of habitual violator’s vehicle; and

WHEREAS, Mobility Authority staff and Executive Director seek to amend the Mobility Authority Policy Code to include the additional level of habitual violator enforcement as prescribed by Chapter 372, Texas Transportation Code; and

WHEREAS, the Executive Director recommends amending Chapter 3, Article 1, Subchapter B of the Mobility Authority Toll Policy Code as shown in Exhibit A to adopt and exercise habitual violator remedies.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby amends Chapter 3, Article 1, Subchapter B of the Mobility Authority Toll Policy Code to include the additional level of habitual violator enforcement as prescribed by Chapter 372, Texas Transportation Code as shown in Exhibit A attached hereto.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 26<sup>th</sup> day of September 2018.

Submitted and reviewed by:

Approved:

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Geoffrey Petrov, General Counsel

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Ray A. Wilkerson  
Chairman, Board of Directors

**Exhibit A**

## ~~Subchapter C.~~ Subchapter B. TOLL COLLECTIONS

### ~~301.4~~ 301.6 Purpose

This subchapter establishes practices and operations for toll collection systems on designated controlled-access toll roads operating within the turnpike system, and incorporates provisions of Section 370.177, Transportation Code, regarding failure or refusal to pay turnpike project tolls and related penalties and offenses.

### ~~301.5~~ 301.7 Transponder Account

A customer may establish a transponder account by contacting any interoperable agency's Customer Service Center ("CSC"). A transponder is an electronic device that records the presence of a vehicle on a toll road and is usually attached to the windshield of the vehicle. Each CSC that is interoperable with the authority's toll facilities has its own user agreement concerning requirements to open and maintain a transponder account.

### ~~301.6~~ — Unauthorized Transfer of Transponder

~~A transponder that is interoperable with the authority's toll facilities is for use with one vehicle per transponder, and should not be transferred to another vehicle once the transponder is attached to the original vehicle's windshield. Transfer of a transponder to a vehicle other than the original vehicle is against authority policy. If a transponder is transferred to another vehicle in violation of this section, the authority may refuse to recognize an electronic toll transaction incurred with respect to an unauthorized vehicle.~~

### 301.8 Video Billing

(a) The authority offers video billing as a courtesy payment option for customers that use the authority's toll facilities without a transponder account. The authority, through its third-party vendor ~~Violations Process and Toll Collection Provider (the "Collections~~ the Contractor"), will use the license plate information of a vehicle that does not have a valid toll transponder but travels on the authority's toll facilities to determine the registered owner of such a vehicle via an interface with the state of Texas Vehicle Title & Registration database or a similar institution.

~~(b) The Collections Contractor will send an invoice to the registered owner of the vehicle and accept payment on behalf of the authority. The Contractor will add a mail administrative fee for each invoice. All toll bills/invoices require payment by the invoice due date. The Collections Contractor will add a \$1.00 handling fee for each invoice. The Collections Contractor will retain the additional toll surcharge and handling fee to cover their cost and forward the toll payments to the authority. All toll bills/invoices require payment within 30 days of the date thereof.~~

~~(e)(b)~~

### 301.9 Establishment of Video Billing Administrative Fees ~~for Unpaid Tolls~~

(a) Section 370.177, Transportation Code, authorizes the assessment and collection of an administrative fee to recover the authority's cost of collecting unpaid tolls. An administrative fee may not exceed \$100.00 per unpaid toll. The authority has determined that such fees may vary depending on how far in the collection process a delinquent account proceeds.

~~(b) The administrative fees for each billing stage and other related charges shall be published on the authority website. The current administrative fee shall be applied at each phase of the collection process. This means that upon issuance of a notice of non-payment, a \$15.00 administrative fee shall be collected in addition to the unpaid toll and any other fees that are due.~~

~~(c) If payment is not received in connection with the first notice of non-payment, and a second notice of non-payment is sent, an additional \$15.00 administrative fee shall become due. Therefore, full payment of a second notice of non-payment will require payment of \$30.00 in administrative fees, in addition to all other amounts due.~~

~~(d) If payment is not received in connection with either the first or second notice of non-payment, the unpaid account shall be considered for collection, an additional \$30.00 administrative fee shall become due, and the cumulative administrative fee due shall be \$60.00.~~

~~(e)(c)~~ The board recognizes that the amount of the administrative fee should be subject to periodic change when collection costs and associated matters are considered. Therefore, the board delegates the authority to revise the administrative fee, or any aspect thereof, to the executive director, in consultation with the director of operations, and the executive director may revise an administrative fee by written amendment. The executive director shall give notice to the board of any such revision at the next regularly scheduled board meeting after the revision is put into effect.

### 301.10 ~~Customer Service and Violation~~ Enforcement Policies

(a) A tolerant and customer-friendly approach will be employed towards customers who use the road without paying the required toll. While it is understood that the objective of the authority is to collect revenue and minimize toll violation abuse, the authority believes that a moderate approach towards customers who did not pay the toll ultimately will allow for a period of adjustment as customers begin using the toll roads, and will create new toll customers for the authority.

~~(b)~~ The authority will establish a "Violation Processing Center (VPC)" ~~process~~ where vehicle images captured at the toll collection point and for which no toll was paid will be reviewed and processed according to authority policies in accordance with the toll enforcement process established by state law. Repeat offenders will be issued notices of nonpayment and will be given



the opportunity to make outstanding toll and administrative payments.

(c) Failure to respond to the established customer contact process and to satisfy outstanding, unpaid toll amounts will result in ~~the issuance of citation and prosecution in accordance with state law~~ additional collection activities and/or legal action.

(d) ~~The Executive Director may determine a customer with 100 or more events of nonpayment within a period of one year and who have received at least two written notices of nonpayment is considered to be a habitual violator under Section 372.106, Transportation Code. An event of non-payment is considered to be one unpaid toll transaction.~~

(e) ~~The two written notices of nonpayment must state the full amount owed for the 100 or more events of nonpayment and must also include a warning that the failure to pay the amounts specified in the notices may result in the toll project entity's exercise of habitual violator remedies.~~

(f) ~~For those potential habitual violators who have "not paid in full the total amount due for tolls and administrative fees under those notices", notice will be sent to the potential habitual violator that complies with State law and affords the potential violator with an opportunity to dispute the finding.~~

(g) ~~The board must take action to deem an individual as a habitual violator before name publication, vehicle bans and/or vehicle registration blocks can be used.~~

~~(b)~~(h) ~~The habitual violator process shall be published on the authority website.~~

### **301.11 Procedures for Disputing Toll Violations**

(a) A customer may dispute an alleged failure to pay a toll on the authority's web site or by contacting the CSC where a valid transponder account has been established.

(b) A customer who has contacted a CSC or the authority's collection contractor and has been unable to satisfactorily resolve a dispute regarding a toll violation may submit a written appeal to the authority. Such appeal shall be for the purposes of the customer providing the authority with the information upon which they base their appeal. The authority 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.

## Steps to Implement Habitual Violator Remedies under SB 1792

1. Identify all potential habitual violators, registered vehicle owners who have “100 or more events of nonpayment within a period of one year.”
2. Send two written notices of nonpayment to each potential habitual violator. The notice must state the full amount owed for the “100 or more events of nonpayment” and must also include “a warning that the failure to pay the amounts specified in the notices may result in the toll project entity's exercise of habitual violator remedies.”
3. For those potential habitual violators who have “not paid in full the total amount due for tolls and administrative fees under those notices” described in #2 above, send notice to the potential habitual violator. The notice must:
  - a. be sent by first class mail and is presumed received on the fifth day after the date the notice is mailed; and
  - b. state:
    - (A) the total number of events of nonpayment and the total amount due for tolls and administrative fees;
    - (B) the date of the determination under Subsection (a);
    - (C) the right of the person to request a hearing on the determination; and
    - (D) the procedure for requesting a hearing, including the period during which the request must be made.
4. If the Mobility Authority receives a written request from a potential habitual violator for a hearing no later than 35 days after the determination notice under #3 is mailed, then “a hearing shall be held as provided by Section 372.107.” The hearing is conducted before a Justice of the Peace (JP).
5. If the potential habitual violator does not timely request a hearing, requests a hearing but fails to appear, or the JP affirms the determination, then the Mobility Authority’s preliminary determination that the person is a habitual violator becomes final and is not subject to appeal.
6. BY ORDER OF ITS GOVERNING BODY, the Mobility Authority “may prohibit the operation of a motor vehicle on a toll project of the toll project entity if:
  - a. the registered owner of the vehicle has been finally determined to be a habitual violator; and
  - b. the toll project entity has provided notice of the prohibition order to the registered owner.”
7. After the habitual violator has received the notice of the prohibition order, the Mobility Authority may pursue the following remedies:
  - a. Publication of non-paying vehicle information that includes only the persons’ names and, for each person listed: (1) the city and state of the person’s residence; (2) the total number of events of nonpayment; and (3) the total amount due for the tolls and administrative fees; and

- b. the operator of a vehicle operated on a toll project in violation of the order commits a Class C misdemeanor; and
  - c. “the toll project entity may report the determination to a county assessor-collector or the Texas Department of Motor Vehicles in order to cause the denial of vehicle registration as provided by Section 502.011.” That section provides:
    - (A) Sec. 502.011. REFUSAL TO REGISTER VEHICLE FOR NONPAYMENT OF TOLL OR ADMINISTRATIVE FEE. (a) A county assessor-collector or the department may refuse to register or renew the registration of a motor vehicle if it has received written notice from a toll project entity that the owner of the vehicle has been finally determined to be a habitual violator under Subchapter C, Chapter 372.
8. A peace officer may impound a vehicle operated in violation of the prohibition order a second time, subject to detailed notice and other procedures established by SB 1792.



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

September 26, 2018  
**AGENDA ITEM #9**

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Approve an Interlocal Agreement with the  
North East Texas Regional Mobility Authority  
for electronic and video toll collection  
transaction processing and image review  
services

Strategic Plan Relevance: Regional Mobility  
Department: Operations  
Contact: Tracie Brown, Director of Operations  
Associated Costs: None  
Funding Source: General Fund / Operations  
Action Requested: Consider and act on draft resolution

**Summary:**

As the first regional mobility authority established in Texas, the Central Texas Regional Mobility Authority has always sought to assist other regional mobility authorities in achieving their mission. In keeping with this sentiment, the CTRMA Board of Directors approved an Interlocal Agreement with the North East Texas Regional Mobility Authority ("NET RMA") in January 2013 to provide electronic toll transaction processing and video toll collection services through the Mobility Authority's third-party vendors. This agreement was extended in 2015 to a new termination date of June 30, 2020.

The CTRMA Board approved an agreement with Cofiroute USA, LLC in February 2018 for violation processing, customer service and collections. This Agreement also made provisions for the same services to be provided to NET RMA and other regional mobility authorities.

In August 2018 the CTRMA Board also approved an Agreement with Kapsch TrafficCom, USA (formerly Caseta / Telvent / Schneider Electric) for manual license plate image review. The Kapsch solution uses proprietary software and hardware to create a "clean" or "fully formed" transaction in the CTRMA Host System before forwarding to the Central United States Interoperability (CUSIOP) hub or Pay By Mail back office for customer billing.

The NET RMA has requested that the Mobility Authority provide these same services to it through a new Interlocal Agreement. The new Interlocal Agreement sets forth the terms and conditions under which the Mobility Authority will provide the requested services.

The initial term of the ILA will conclude on March 8, 2023. The term of the ILA may be extended by written agreement by both parties or terminated upon ninety (90) days written notice. Compensation for the services performed will be made on a pass-through basis, resulting in a zero cost to the Mobility Authority.

Staff recommends approval of this resolution.

Backup Provided:                      Draft Resolution  
    NET RMA Board Resolution  
    Proposed CTRMA - NET RMA Interlocal Agreement

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

**RESOLUTION NO. 18-0XX**

**APPROVING AN INTERLOCAL AGREEMENT WITH THE NORTH EAST  
REGIONAL MOBILITY AUTHORITY FOR ELECTRONIC AND VIDEO TOLL  
COLLECTION TRANSACTION PROCESSING AND IMAGE REVIEW SERVICES**

WHEREAS, Chapter 791 of the Texas Government Code provides that any one or more public agencies may contract with each other for the performance of governmental functions or services in which the contracting parties are mutually interested; and

WHEREAS, Section 370.033 of the Transportation Code provides that regional mobility authorities may enter into interlocal agreements with other governmental entities; and

WHEREAS, by Resolution No. 13-001, dated January 30, 2013, the Board approved an Interlocal Agreement with the North East Texas Regional Mobility Authority ("NET RMA") to provide NET RMA electronic toll transaction processing and video toll collection services through the Mobility Authority's third-party vendors thru June 30, 2013; and

WHEREAS, by Resolution No. 15-055, dated September 30, 2015, the Board approved an amendment to the NET RMA Interlocal Agreement to provide NET RMA electronic toll transaction processing and video toll collection services through the Mobility Authority's third-party vendors thru June 30, 2020; and

WHEREAS, in April 2017, the Mobility Authority, with support and cooperation from the NET RMA, initiated the procurement of Pay By Mail processing, violation processing, collections, and customer support (collectively, the "Services"); and

WHEREAS, with input from the NET RMA, the Mobility Authority selected Cofiroute USA, LLC ("Cofiroute") as the best qualified firm to provide the Services; and

WHEREAS, by Resolution No. 18-005 dated February 28, 2018, the Board approved an agreement with Cofiroute to provide violation processing, customer service and collections; and

WHEREAS, by Resolution No. 18-033 dated July 25, 2018, the Board approved an agreement with Kapsch TrafficCom, USA (formerly Caseta / Telvent / Schneider Electric) for manual license plate image review necessary for the processing of Pay By Mail transactions; and

WHEREAS, the NET RMA has requested that the Mobility Authority continue to provide NET RMA electronic toll transaction processing and video toll collection services through the Mobility Authority's third-party vendors, Cofiroute USA, LLC and Kapsch TrafficCom, USA; and

WHEREAS, the NET RMA staff and the Mobility Authority staff have developed a new proposed Interlocal Agreement, attached hereto as Exhibit A, through which the Mobility Authority would continue to provide NET RMA with electronic toll transaction processing and video toll collection services as described therein; and

WHEREAS, by Resolution No. 18-43, dated August 14, 2018, the NET RMA Board of Directors approved the entry into an Interlocal Agreement with the Mobility Authority in the form or substantially the same form attached hereto as Exhibit A; and

WHEREAS, since its formation in 2003, the Mobility Authority has sought to assist other regional mobility authorities in achieving their mission; and

WHEREAS, the proposed Interlocal Agreement provides that the cost of the electronic and video toll collection transaction processing and image review services provided to NET RMA would be made on a pass-through basis, resulting in no additional cost to the Mobility Authority; and

WHEREAS, the Executive Director recommends that the Board also approve and authorize him to finalize and execute the proposed Interlocal Agreement in the form or substantially the form attached hereto as Exhibit A.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors hereby approves the entry into the Interlocal Agreement with NET RMA in the form or substantially same the form attached hereto as Exhibit A; and

BE IT FURTHER RESOLVED that the Executive Director is authorized to finalize and execute the Interlocal Agreement with NET RMA on behalf of the Mobility Authority.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 26<sup>th</sup> day of September 2018.

Submitted and reviewed by:

Approved:

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Geoffrey Petrov, General Counsel

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Ray A. Wilkerson  
Chairman, Board of Directors

**Exhibit A**



## **INTERLOCAL AGREEMENT**

**THIS INTERLOCAL AGREEMENT** (the “Agreement”) is made and entered into effective as of the 30th day of September, 2018, 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 (collectively, the “Parties”).

### **WITNESSETH:**

**WHEREAS**, the CTRMA is a regional mobility authority created pursuant to the request of Travis and Williamson Counties and operating pursuant to Chapter 370 of the Texas Transportation Code (the “RMA Act”) and 43 TEX. ADMIN. CODE §§ 26.1 *et seq.* (the “RMA Rules”); and

**WHEREAS**, the NET RMA is a regional mobility authority created pursuant to the request of Gregg and Smith Counties and operating pursuant to the RMA Act and the RMA Rules; and

**WHEREAS**, subsequent to the initial formation of the NET RMA the Counties of Cherokee, Rusk, Harrison, Upshur, Bowie, Panola, Titus, Van Zandt, Wood, and Kaufman joined the Authority and are represented on the Board of Directors of the NET RMA; and

**WHEREAS**, Chapter 791 of the Texas Government Code provides that any one or more public agencies may contract with each other for the performance of governmental functions or services in which the contracting parties are mutually interested; and

**WHEREAS**, Section 370.033 of the RMA Act provides that a regional mobility authority may enter into contracts or agreements with another governmental entity; and

**WHEREAS**, the NET RMA currently operates Segments 1, 2, 3A, 3B and 5 of Toll 49 and is pursuing the development of Segments 4, 6, 7, and 8 of Toll 49 (Segments 1–8 collectively, the “Toll 49 Project”); and

**WHEREAS**, the NET RMA is in need of toll transaction processing and toll collection services related to the Toll 49 Project and potentially other future transportation projects; and

**WHEREAS**, the CTRMA is a party to the Agreement Regarding Interoperability of Toll Systems and Transponders (the “Interoperability Agreement”), through which toll transactions on various tolled facilities throughout the state are processed and credited to the operator of the facility on which the transaction occurred; and

**WHEREAS**, the CTRMA and NET RMA jointly participated in a procurement for Pay By Mail processing, violations processing, collections, and customer services (the “Services”); and

**WHEREAS**, following the joint evaluation process and selection of a vendor, the CTRMA entered into an agreement with Cofiroute USA, LLC for the provision of the Services (the “Cofiroute Contract”); and

**WHEREAS**, the Cofiroute Contract specifically provides that the Services will be provided to CTRMA and will also be provided for the benefit of NET RMA; and

**WHEREAS**, the Cofiroute Contract further provides that the terms related to the performance of the Services for CTRMA shall apply equally to the Services provided for NET RMA and that CTRMA will have the right to seek performance under the Cofiroute Contract on its behalf and on behalf of other entities, including NET RMA; and

**WHEREAS**, one necessary element required for Cofiroute to perform the Services is the review of images of license plates (“Image Reviews”) to assure that such images are accurate when they are associated with Pay by Mail processing and collection efforts; and

**WHEREAS**, CTRMA has entered into an “Agreement for Image Review Services” dated September 7, 2018, with Kapsch TrafficCom USA, Inc. (“Kapsch”) to perform Image Reviews (the “Kapsch Agreement”); and

**WHEREAS**, the Image Reviews performed for CTRMA under the Kapsch Agreement will also be performed for NET RMA; and

**WHEREAS**, in addition to securing performance of the Services and Image Reviews for its benefit under the Cofiroute Contract and the Kapsch Agreement NET RMA also desires that electronic toll collection transactions related to use of NET RMA facilities be processed through the Interoperability Agreement through CTRMA; and

**WHEREAS**, the Parties have agreed that it would be to their mutual benefit for the CTRMA to seek performance under the Cofiroute Contract and the Kapsch Agreement for the benefit of the NET RMA and to provide for processing of NET RMA’s transactions through the Interoperability Agreement,

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained, the undersigned Parties agree as follows:

## **I. FINDINGS**

**Recitals.** The recitals set forth above are incorporated herein for all purposes and are found by the Parties to be true and correct. It is further found and determined that the Parties have authorized and approved the Agreement by resolution or order adopted by their respective governing bodies, and that this Agreement will be in full force and effect when approved by each party.

## **II. ACTIONS**

**1. Provision of Services.** Subject to the terms of this Agreement, the CTRMA and/or its consultants shall facilitate the NET RMA's utilization of the resources and services provided under (i) the Cofiroute Contract; (ii) the Kapsch Agreement; (iii) the Interoperability Agreement; and (iv) any amendments or successor agreements, in connection with the provision of the Services and Image Reviews for the Toll 49 Project and any other NET RMA transportation projects. Article 1 and Appendix "A" of the Cofiroute Contract set forth the general scope of the Services, including but not limited to Pay By Mail transaction processing, toll collection, violation processing, collection management, court support services, and Habitual Violator program services. All terms related to the performance of the Services under the Cofiroute Contract to CTRMA apply equally to the Services provided to the NET RMA. Article 1 and Attachment "A" of the Kapsch Agreement set forth the standards for performance of the Image Reviews, including optical character recognition image reviews and manual image reviews. NET RMA related Image Reviews will be considered as CTRMA-related Image Reviews for purposes of the Kapsch Agreement and enforcement of the terms thereof.

**2. Enforcement of Cofiroute Contract; Key Performance Indicators.** The CTRMA has the right to seek performance under the Cofiroute Contract and enforce the terms of the contract on behalf of the NET RMA. The toll collection processing Services being provided pursuant to this Agreement are an extension of the Services being provided to the CTRMA under the Cofiroute Contract. As such, unless different Key Performance Indicators ("KPIs") are identified by NET RMA and agreed to by Cofiroute, CTRMA shall require that the same KPIs set forth in Appendix "B" of the Cofiroute Contract are established and maintained for the Services for NET RMA facilities. As further provided below, CTRMA shall enforce such KPIs and other standards in the Cofiroute Contract on the NET RMA's behalf, and CTRMA shall not agree to modify the KPIs as they apply to NET RMA's facilities without the prior written consent of NET RMA, provided that nothing herein shall preclude CTRMA from establishing different KPIs that are unique to CTRMA facilities or operations without the consent of NET RMA. If at any time during the term of this Agreement NET RMA finds that Cofiroute is not meeting the KPIs for toll collection processing services for NET RMA facilities or is otherwise not complying with the terms of the Cofiroute Contract, the NET RMA may provide written notification to CTRMA of the nature of the non-compliance and the necessary corrective action. Upon receipt of such notification, CTRMA shall, on NET RMA's behalf and in a timely manner, use the remedies available in the Cofiroute Contract to enforce the contract and to demand that Cofiroute take corrective action. In the event NET RMA believes it has been damaged and is owed compensation or other relief by Cofiroute, CTRMA shall cooperate with NET RMA to assert such claims on NET RMA's behalf. To the extent there are any third-party expenses associated with the pursuit of claims or remedial action for the benefit of NET RMA, NET RMA shall pay such expenses provided that such expenses and/or the retention of third parties in connection with such efforts is approved by NET RMA, in writing. It is NET RMA's obligation to monitor Cofiroute's performance under the Cofiroute Contract as it relates to NET RMA (including, without limitation, proper implementation of NET RMA's fee structure), and CTRMA shall have no liability for lost revenue or other losses due to Cofiroute's failure to perform.

**3. Cost of Services and Payment.** NET RMA shall provide Cofiroute with all necessary information regarding tolls and fees to be charged to users of NET RMA facilities. The

Cofiroute Contract provides that Cofiroute shall be entitled to retain a portion of the tolls and fees as full compensation for the Services provided under the Cofiroute Contract, in amounts as provided for in Appendix "C" of that contract and reflected in Attachment "B". As directed by NET RMA, Cofiroute will remit the tolls and fees collected for the use of NET RMA facilities, net of the compensation owed to Cofiroute for the provision of the Services, to the NET RMA on a weekly basis. NET RMA shall be responsible for verifying that Cofiroute is charging the correct tolls and fees and is retaining amounts authorized under the Cofiroute Contract, and Cofiroute shall provide NET RMA with a weekly summary, in such detail as is required by NET RMA, of tolls and fees charged and tolls and fees collected in providing Services for the preceding week. In the event there is a discrepancy that cannot be resolved through direct discussion between NET RMA and Cofiroute, or an event of nonpayment of amounts NET RMA claims it is owed, CTRMA will, at NET RMA's request and in a timely manner, take actions necessary to secure necessary information (including, without limitation, asserting the right to review, copy and audit Cofiroute's records related to NET RMA facilities as provided for in the Cofiroute Contract) and/or assert such rights and claims as are provided for in the Cofiroute Contract and that are directed by NET RMA. To the extent there are any third-party expenses associated with the pursuit of claims or remedial action for the benefit of NET RMA, NET RMA shall pay such expenses provided that such expenses and/or the retention of third parties in connection with such efforts is approved by NET RMA, in writing.

Payments due to NET RMA under this Agreement shall be made to the NET RMA's Trustee, ZB, NA dba Zions Bank (an affiliate of Amegy Bank), via wiring instructions provided by the NET RMA.

**4. Amendments to the Cofiroute Contract.** The Cofiroute Contract was jointly procured by both the CTRMA and the NET RMA, and the provision of Services to the NET RMA is contingent upon the terms of the Cofiroute Contract. As such, CTRMA shall not agree to amend any material terms of the Cofiroute Contract that relate to Services to be provided to NET RMA without the prior written consent of NET RMA.

**5. Enforcement of Kapsch Agreement and Cost of Image Reviews.** The CTRMA has the right to seek performance under the Kapsch Agreement as it relates to Image Reviews and enforce the terms of the agreement as it relates to NET RMA transactions. If at any time during the term of this Agreement NET RMA finds that Kapsch is not complying with the terms of the Kapsch Agreement as it relates to NET RMA Image Reviews, the NET RMA may provide written notification to CTRMA of the nature of the non-compliance and the necessary corrective action. Upon receipt of such notification, CTRMA shall, on NET RMA's behalf and in a timely manner, use the remedies available in the Kapsch Agreement to enforce the agreement and to demand that Kapsch take corrective action. In the event NET RMA believes it has been damaged and is owed compensation or other relief by Kapsch, CTRMA shall cooperate with NET RMA to assert such claims on NET RMA's behalf. To the extent there are any third-party expenses associated with the pursuit of claims or remedial action for the benefit of NET RMA, NET RMA shall pay such expenses provided that such expenses and/or the retention of third parties in connection with such efforts is approved by NET RMA, in writing. It is NET RMA's obligation to monitor Kapsch's performance under the Kapsch Agreement as it relates to NET RMA Image Reviews, and CTRMA shall have no liability for lost revenue or other losses due to Kapsch's failure to perform.

Kapsch will charge for services related to Image Reviews on a per transaction basis. The fees are set forth on Attachment "B". In the event there is a decrease in fees charged under the Kapsch Agreement due to enhanced technology, operational efficiencies experienced by Kapsch, or any other reason, Attachment "B" will be amended accordingly and NET RMA will receive the benefit of the decreased fees.

In the event the NET RMA enters into a future agreement for image review services, this Agreement may be amended to remove the obligations of Kapsch and CTRMA as they relate to the Image Reviews provided under the Kapsch Agreement.

**6. Transponder-based Transactions and Associated Expenses.** CTRMA shall submit transponder based transaction on NET RMA facilities to the Central United States Interoperable Hub (or any subsequent hub established for transaction processing). The Scope of Services associated with electronic transaction processing provided for hereunder is set forth on Attachment "A"; and the fees for such services are set forth on Attachment "B". Payments due to NET RMA under this section shall be made via wire transfer as provided in Section II.3. In the event NET RMA becomes a direct party to the Interoperability Agreement or the Central United States Interoperable Hub, the parties agree to amend this Agreement as necessary to accommodate the change.

CTRMA is periodically assessed certain maintenance, hardware, and software costs as a party to the Interoperability Agreement. Such costs are borne by all of the parties to that agreement based on the relative volume of transactions processed for each party in relation to the total volume of transactions processed by the Central United States Interoperable Hub. Because costs are charged to CTRMA as a result of NET RMA's transactions, NET RMA shall reimburse CTRMA for the portion of CTRMA's costs that are attributable to the proportional volume of NET RMA's transactions. The calculation will be based on NET RMA and CTRMA transactions for the previous calendar year.

### **III. GENERAL AND MISCELLANEOUS**

**1. Term and Termination.** Subject to the following, this Agreement shall be effective as of the date first written above and shall continue in force and effect until March 8, 2023. The term of the Agreement may be extended by written agreement of the Parties. Notwithstanding the foregoing:

- a. if the Cofiroute Contract is terminated, this Agreement shall terminate on the same day that the Cofiroute Contract terminates, provided that the CTRMA shall give the NET RMA written notice of the termination within five (5) business days of providing notice to or receiving notice from Cofiroute in accordance with the Cofiroute 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 Services or Image Reviews 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; or

- c. either party may terminate this Agreement upon ninety (90) days written notice to the other.

**2. Prior Written Agreements.** This Agreement is without regard to any and all prior written contracts or agreements between the Parties regarding any other subject matter and does not modify, amend, ratify, confirm, or renew any such other prior contract or agreement between the Parties.

**3. Other Services.** Nothing in this Agreement shall be deemed to create, by implication or otherwise, any duty or responsibility of either of the Parties to undertake or not to undertake any other service, or to provide or not to provide any service, except as specifically set forth in this Agreement or in a separate written instrument executed by both Parties.

**4. Governmental Immunity.** Nothing in this Agreement shall be deemed to waive, modify, or amend any legal defense available at law or in equity to either of the Parties nor to create any legal rights or claims on behalf of any third party. Neither of the Parties waives, modifies, or alters to any extent whatsoever the availability of the defense of governmental immunity under the laws of the State of Texas and of the United States.

**5. Amendments and Modifications.** This Agreement may not be amended or modified except in writing and executed by both Parties to this Agreement and authorized by their respective governing bodies.

**6. Severability.** If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, but rather this entire Agreement will be construed as if not containing the particular invalid or unenforceable provision(s), and the rights and obligations of the Parties shall be construed and enforced in accordance therewith. The Parties acknowledge that if any provision of this Agreement is determined to be invalid or unenforceable, it is their desire and intention that such provision be reformed and construed in such a manner that it will, to the maximum extent practicable, give effect to the intent of this Agreement and be deemed to be validated and enforceable.

**7. Execution in Counterparts.** This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall be considered fully executed as of the date first written above, when both Parties have executed an identical counterpart, notwithstanding that all signatures may not appear on the same counterpart.

**IN WITNESS WHEREOF**, the Parties have executed and attested this Agreement by their officers thereunto duly authorized.

**CENTRAL TEXAS REGIONAL  
MOBILITY AUTHORITY**

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

**NORTH EAST TEXAS  
REGIONAL MOBILITY AUTHORITY**

By: \_\_\_\_\_  
Chris Miller  
Executive Director

## **ATTACHMENT “A”**

### **SCOPE OF SERVICES-TRANSPONDER TRANSACTIONS**

The Scope of Services may include, but not be limited to, the following tasks on behalf of the NET RMA:

1. The CTRMA shall submit transponder-based transactions to the Central United States Interoperable Hub, in accordance with the approved interoperable business rules and interface control documents.
2. The CTRMA shall collect and distribute to the NET RMA toll funds collected on behalf of the NET RMA within two weeks after the CTRMA has received funds due from the last of the other toll agencies remitting funds for CTRMA and/or NET RMA transactions for the preceding month.
3. The CTRMA shall provide timely assistance to the NET RMA in properly reconciling the payments from CTRMA to NET RMA.
4. The CTRMA shall make a good faith effort to include the NET RMA in the review of toll transaction processing agreements that affect the processing of NET RMA transactions or may result in a change to the toll transaction fee structure or performance measures.
5. Either directly or through access to consultant-provided systems and reports, the CTRMA shall make all reasonable efforts to provide to the NET RMA the same access to information and reports that the CTRMA requires to audit, reconcile, or resolve customer service or financial related matters related to electronic toll transactions.
6. CTRMA shall make all reasonable efforts to provide to the NET RMA the same ownership of toll transaction related information that the CTRMA is afforded through their consultant agreements.
7. Per Article II.6 of the Agreement, NET RMA will reimburse CTRMA for a proportional share of certain actual costs incurred as a party to the Interoperability Agreement.



## ATTACHMENT “B”

### PAY BY MAIL RATE SCHEDULE

In accordance with the provisions of the Cofiroute Contract, pricing for the Pay By Mail services to be provided is as follows:

<u>Pay Item</u>	<u>Description of Item</u>	<u>Unit</u>	<u>Volume (per month)</u>	<u>Unit Price</u>		<u>% of Toll Collected</u>	
				<u>Proposed Price (USD)</u>	<u>Maximum Allowed (USD)</u>	<u>Proposed Percentage (%)</u>	<u>Maximum Allowed (%)</u>
1	Transaction Paid from Pre-paid Balance (Plate-based Account)	Transaction	0-150,000 150,001 – 300,000 >300,000			18% 15% 10%	25% 25% 25%
2	Paid First Video Bill (paid prior to issuance of 1st Notice of Non-Payment)	One Paid Bill (30 days of transactions)	0-50,000 50,001 – 75,000 >75,000	\$ 0.54 \$ 0.54 \$ 0.54	\$ 1.00 \$ 1.00 \$ 1.00	17% 17% 17%	20% 20% 20%
3	Paid 1st Notice of Non-Payment (paid prior to issuance of Violation Notice)	One Paid Notice (30 days of transactions)	0-20,000 20,001-40,000 >40,000	\$ 2.50 \$ 2.50 \$ 2.50		13% 13% 13%	15% 15% 15%
4	Paid Violation Notice	One Paid Notice (30 days of transactions)	0-10,000 10,001 – 20,000 >20,000	\$ 5.60 \$ 5.60 \$ 5.60		8% 8% 8%	10% 10% 10%
5	Paid in Collections	Each Transaction Paid	0-5,000 5,001 – 10,000 >10,000	\$ 3.52 \$ 3.52 \$ 3.52		0% 0% 0%	5% 5% 5%
6	Image Review	Transaction	N/A	N/A			
7	Court Packets	Packet	0-50 51-150 >150	\$ 20.00 \$ 17.00 \$ 15.00			

**Notes:**

1. Each set of transactions on a bill or notice shall age together.
2. Cofiroute shall only be paid for one of the pay items for each set of transactions. That is, once a set of transactions moves from the toll bill to the 1st Notice of Non-Payment, the unit prices associated with that service are used to determine payment. The unit prices for the Paid First Video Bill would no longer apply to this set of transactions. Transactions shall only be charged once, according to the phase in which the transaction was paid.
3. The unit price will be determined by the aggregate value of transactions (CTRMA, NET RMA, and any other RMA participating through CTRMA combined) for the calendar month.
4. Image reviews will be provided through the Kapsch Agreement. In the event the Kapsch Agreement is terminated, Cofiroute may perform image reviews at rates to be determined pursuant to the Cofiroute Contract.

### **TRANSPONDER TRANSACTION FEES**

Transactions submitted to the Central United States Interoperable Hub through CTRMA shall be processed at a cost of \$0.05 + 3% of the toll for each transaction. These fees will be deducted from the amounts due to NET RMA.

### **IMAGE REVIEW FEES UNDER KAPSCH AGREEMENT**

Optical Character Recognition (software program): \$.019 per transaction  
Manual review: \$.039 per transaction  
Non-revenue: \$0 per transaction

**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE NORTH EAST TEXAS  
REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 18-43**

WHEREAS, the North East Texas Regional Mobility Authority (“NET RMA”) was created pursuant to the request of Gregg and Smith Counties and in accordance with provisions of the Transportation Code and the petition and approval process established in 43 Tex. Admin. Code § 26.1, *et seq.* (the “RMA Rules”); and

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

WHEREAS, subsequent to the initial formation of the NET RMA the Counties of Cherokee, Rusk, Harrison, Upshur, Bowie, Panola, Titus, Van Zandt, Wood, and Kaufman joined the Authority and are represented on the Board of Directors; and

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 the RMA Rules; and

WHEREAS, Chapter 791 of the Texas Government Code provides that any one or more public agencies may contract with each other for the performance of governmental functions or services in which the contracting parties are mutually interested; and

WHEREAS, Section 370.033 of the Transportation Code provides that regional mobility authorities may enter into interlocal agreements with other governmental entities; and

WHEREAS, on November 6, 2012 in Resolution No. 12-34, the NET RMA Board of Directors approved entry into an interlocal agreement with the CTRMA providing for the submission of transponder-based transactions to the interoperability hub and for processing and collection services for Pay By Mail transactions of the NET RMA; and

WHEREAS, on September 22, 2015, in Resolution No. 15-33, the NET RMA Board of Directors extended the interlocal agreement with CTRMA; and

WHEREAS, in April 2017, the CTRMA, with support and cooperation from the NET RMA, initiated the procurement of Pay By Mail processing, violation processing, collections, and customer support (collectively, the “Services”); and

WHEREAS, with input from the NET RMA, the CTRMA selected Cofiroute USA, LLC (“Cofiroute”) as the best qualified firm to provide the Services; and

WHEREAS, the CTRMA has entered into an agreement with Cofiroute to provide the Services (the "Cofiroute Contract"), and the Cofiroute Contract recognizes that the Services may also be provided for the benefit of NET RMA; and

WHEREAS, the CTRMA has entered into an agreement with Kapsch TrafficCom USA, Inc. to provide image review services (the "Image Reviews") necessary for the processing of Pay By Mail transactions (the "Kapsch Agreement"), and these services may be made available to the NET RMA through the CTRMA; and

WHEREAS, transponder transactions on NET RMA facilities must be processed through the Central United States Interoperable Hub (the "Hub"), and CTRMA has previously served as the conduit for transmitting NET RMA transactions to the Hub; and

WHEREAS, the NET RMA staff and consultants believe that the NET RMA will benefit from the provision of the Services through the Cofiroute Contract and the Image Reviews through the Kapsch Agreement, as well as continuing to access the Hub through CTRMA, and therefore it is in the NET RMA's best interest to enter into a new interlocal agreement with the CTRMA for the provision of the Services and the Image Reviews, as well as the forwarding of transponder transactions to the Hub, in the form or substantially the same form attached hereto as Attachment "A" (the "Interlocal Agreement"); and

WHEREAS, the Interlocal Agreement protects the interests of the NET RMA and provides a means for enforcement of the terms of the Cofiroute Contract and Kapsch Agreement through CTRMA for the benefit of the NET RMA.


NOW THEREFORE, BE IT RESOLVED, that the Board of Directors approves the entry into the Interlocal Agreement between the NET RMA and CTRMA, in the form or substantially the same form attached hereto as Attachment "A"; and

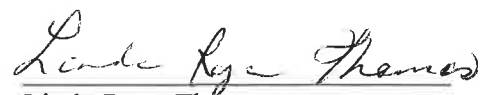
BE IT FURTHER RESOLVED, that the Executive Director is authorized to execute the Interlocal Agreement between the NET RMA and CTRMA on behalf of the NET RMA.

Adopted by the Board of Directors of the North East Texas Regional Mobility Authority on the 14th day of August, 2018.

Submitted and reviewed by:

Approved:

  
\_\_\_\_\_  
C. Brian Cassidy  
General Counsel for the North East  
Texas Regional Mobility Authority

  
\_\_\_\_\_  
Linda Ryan Thomas  
Chair, Board of Directors  
Date Passed: 08/14/18  
Resolution No. 18-43



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

September 26, 2018  
**AGENDA ITEM #10**

Approve a contract and work authorization for construction engineering and inspection services, approve a work authorization for general engineering consultant services, and approve a contingency budget for construction phase professional services for the Manor Expressway (290E) Phase III Project

Strategic Plan Relevance: Regional Mobility  
Department: Engineering  
Contact: Justin Word, P.E., Director of Engineering  
Associated Costs: \$13,332,949.40  
Funding Source: Project Funds  
Action Requested: Consider and act on draft resolution

Summary:

To manage the construction phase of the Manor Expressway (290E) Phase III Project, the Mobility Authority will utilize professional services provided by a construction engineering and inspection firm and one of its general engineering consultants.

This item provides for Board approval of the professional services contract and work authorization for construction engineering and inspection services, Board approval of a work authorization for the general engineering consultant, and Board approval of a staff directed contingency budget for the construction phase professional services for the Manor Expressway (290E) Phase III Project. The line item budget for each of the items is shown below is budgeted through final acceptance of the Project:

<b>Firm</b>	<b>Description</b>	<b>Amount</b>
HDR	Construction engineering and inspection services	\$ 8,284,409.28
Atkins	General engineering consulting services	\$ 3,309,459.76
<b>Contingency</b>		\$ 1,739,080.36
<b>Total</b>		\$ 13,332,949.40

Backup Provided: Draft Resolution  
Draft construction engineering and inspection services agreement, Draft Work Authorization

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

**RESOLUTION NO. 18-0XX**

**APPROVING A CONTRACT AND WORK AUTHORIZATION NO. 1 WITH HDR, INC.  
FOR CONSTRUCTION ENGINEERING AND INSPECTION SERVICES,  
WORK AUTHORIZATION NO. 13 WITH ATKINS NORTH AMERICA INC., AND A  
CONTINGENCY BUDGET FOR CONSTRUCTION PHASE PROFESSIONAL  
SERVICES FOR THE MANOR EXPRESSWAY (290E) PHASE III PROJECT**

WHEREAS, by Resolution No. 17-047, dated September 7, 2017, the Board authorized and directed the Executive Director to initiate the procurement of construction engineering and inspection services for the Manor Expressway (290E) Phase III Project (“Project”); and

WHEREAS, by Resolution No. 18-022, dated June 27, 2018, the board awarded a contract for construction engineering and inspection services for the Manor Expressway (290E) Phase III Project to HDR, Inc. and authorized the Executive Director to negotiate the contract awarded to HDR, Inc. on behalf of the Mobility Authority and directed the Executive Director to present the proposed contract to the Board for its approval once an agreement is reached; and

WHEREAS, the Executive Director and HDR, Inc. have negotiated a contract for construction engineering and inspection services for the Manor Expressway (290E) Phase III Project and Work Authorization No. 1 under that contract in an amount not to exceed \$8,284,409.28, not including contingency, which are attached hereto as Exhibit A; and

WHEREAS, by Resolution No. 17-067, dated December 13, 2017, the board approved an agreement with Atkins North America Inc. for general engineering consultant services; and

WHEREAS, in order to oversee and manage the construction phase of the Manor Expressway (290E) Phase III Project, the Executive Director and Atkins North America Inc. have negotiated proposed Work Authorization No. 13 for general engineering consultant services for the Manor Expressway (290E) Phase III Project in an amount not to exceed \$3,309,459.76, not including contingency, which is attached hereto as Exhibit B; and

WHEREAS, the Executive Director estimates the reasonable contingency budget for construction phase professional services for the Manor Expressway (290E) Phase III Project in the amount of \$1,739,080.36, which includes contingency amounts for both the construction engineering and inspection services to be provided by HDR, Inc. under Work Authorization No. 1 and the general engineering consultant services to be provided by Atkins North America Inc. under Work Authorization No. 13; and

WHEREAS, the Executive Director recommends that the Board authorize him to finalize and execute the proposed contract and Work Authorization No. 1 with HDR, Inc. in an amount not to exceed \$8,284,409.28 and in substantially the form attached hereto as Exhibit A; and

WHEREAS, the Executive Director recommends that the Board authorize him to finalize and execute the proposed Work Authorization No. 13 with Atkins North America Inc. in in an amount not to exceed \$3,309,459.76 and in substantially the form attached hereto as Exhibit B; and

WHEREAS, the Executive Director recommends that the Board approve a contingency budget in the amount of \$1,739,080.36 for construction phase professional services for the Manor Expressway (290E) Phase III Project to be used at the discretion of the Director of Engineering as contingency for both Work Authorization No. 1 with HDR, Inc. and Work Authorization No. 13 with Atkins North America Inc.; and

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors authorizes and directs the Executive Director to finalize and execute a contract and Work Authorization No. 1 with HDR, Inc. in an amount not to exceed \$8,284,409.28 and in the form or substantially the same form as attached hereto as Exhibit A; and

BE IT FURTHER RESOLVED, that the Board of Directors authorizes and directs the Executive Director to finalize and execute Work Authorization No. 13 with Atkins North America Inc. in an amount not to exceed \$3,309,459.76 and in the form or substantially the same form as attached hereto as Exhibit B; and

BE IT FURTHER RESOLVED, that the Board of Directors approves approve a contingency budget in the amount of \$1,739,080.36 for construction phase professional services for the Manor Expressway (290E) Phase III Project to be used at the discretion of the Director of Engineering as contingency for both Work Authorization No. 1 with HDR, Inc. and Work Authorization No. 13 with Atkins North America Inc.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 26<sup>th</sup> day of September 2018.

Submitted and reviewed by:

Approved:

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Geoffrey Petrov, General Counsel

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Ray A. Wilkerson  
Chairman, Board of Directors

**Exhibit A**



**CONTRACT FOR CONSTRUCTION ENGINEERING & INSPECTION SERVICES**

**Cost Plus,**

**Unit Cost, Lump Sum, or Specified Rate**

**Specific Deliverable with Work Authorizations**

**THIS CONTRACT FOR CONSTRUCTION ENGINEERING & INSPECTION SERVICES** (the “Contract”) is made by and between the Central Texas Regional Mobility Authority, 3300 N. I-35, Suite 300, Austin, Texas 78705, (the “Authority,”) and HDR, Inc. having its principal business address at 810 Hesters Crossing Suite 120 Round Rock, TX 78681 (the “Engineer”).

**WITNESSETH**

**WHEREAS**, the Authority desires to contract for services generally described as construction, engineering and inspection services, and more specifically described in Article I (the “Services”); and,

**WHEREAS**, pursuant to a qualifications-based selection conducted in accordance with the Professional Services Procurement Act (Tex. Gov’t Code Sec. 2254.001, et. seq.), and the Authority’s Policy Code regarding the procurement of professional services, the Authority has selected the Engineer to provide the needed Services; and

**WHEREAS**, the Engineer has agreed to provide the Services subject to the terms and conditions hereinafter set forth.

**NOW, THEREFORE**, the Authority and the Engineer, in consideration of the mutual covenants and agreements herein contained, do hereby mutually agree as follows.

**AGREEMENT**

**ARTICLE 1  
SCOPE OF SERVICES**

The Engineer will furnish items and perform those Services for fulfillment of the Contract as identified in Exhibit B of the Attachment B - Work Authorization(s) (the “Services”). All Services provided by the Engineer shall comply with the terms and conditions of this Contract and any Work Authorizations issued pursuant hereto.

**ARTICLE 2  
COMPENSATION**

Compensation for the Engineer’s Services and other aspects of the mutual obligations concerning the Engineer’s Services and payment therefore are as follows:

**A. Basis for Compensation.**

The compensation type(s) to be used shall be specified in the Work Authorization issued pursuant to Article 4. Compensation types can include:

(1) Cost Plus

Subject to the terms of a Work Authorization issued pursuant to Article 4 below (including any maximum amount to be paid as stated therein), the Authority agrees to pay, and the Engineer agrees to accept as full and sufficient compensation and reimbursement for the performance of all Services as set forth in this Contract, hourly rates for the staff working on the assignment computed as follows:

Direct Labor Cost x (1.0 + OH Rate) x (1.0 + Profit %, in decimal form)

where Direct Labor Cost equals employee's actual annual salary divided by 2080 hours per year (subject to any applicable cap); OH Rate equals the Engineer's most recent auditable overhead rate under 48 C.F.R. Part 31, Federal Acquisition Regulations (FAR) or otherwise approved overhead rate pursuant to this subsection 2.A; and Profit % reflects a ten percent (10%) profit. No increase shall be made to the specified profit percentage.

The Direct Labor Cost caps for the classifications of employees working for the Authority as of the effective date of this Contract are reflected in Attachment A-1. Revisions to Direct Labor Cost caps for employee classifications and the auditable overhead rate may be proposed no more frequently than once per calendar year, and no sooner than 12 months after contract execution, and are subject to the written approval of the Executive Director or his designee.

The actual annual salaries for employees working greater than 80 hours/month for the Authority are reflected in Attachment A-2. Revisions to actual annual salaries may be proposed no more frequently than once per calendar year, and no sooner than 12 months after contract execution, and are subject to the written approval of the Executive Director or his designee. Actual annual salaries shall not increase more than 3% annually.

The Authority shall have the right to review and/or audit the Engineer's Direct Labor Costs and auditable overhead rates upon written request. Once approved, the range of Direct Labor Costs and auditable overhead rate will be used going forward until the next annual adjustment is requested and approved. Changes to the auditable overhead rate will not be applied retroactively to Direct Labor Costs incurred in the previous year. If the Engineer or a subconsultant of the Engineer does not have a FAR Part 31 overhead rate, they may submit, for Authority approval, alternate documentation supporting an appropriate auditable overhead rate. If an auditable overhead rate is not submitted or available, fixed hourly rates must be submitted per subsection 2. A.4. During the term of this Contract the Engineer shall provide to the Executive Director or his designee, prior to requesting

any adjustment to its auditable overhead rate, a copy of the report establishing a new FAR Part 31 rate for the Engineer.

The payment of the hourly rates and allowed costs shall constitute full payment for all Services, liaisons, products, materials, and equipment required to deliver the Services.

(2) Unit Cost

The Authority agrees to pay the Engineer an agreed upon unit price times the number of units completed for each billing. This method of payment is generally reserved for work which has a definable work product but the quantity is uncertain and the Engineer assumes the risks for all costs. Each invoice submitted shall identify the specific contract task(s) listed in Exhibit B and the completed work product/deliverable for the agreed upon price listed in Exhibit D Fee Schedule.

(3) Lump Sum

The Authority agrees to pay Engineer a Lump Sum amount for the specified category of services.

The Lump Sum will include compensation for Engineer's services and services of sub consultants, if any. Appropriate amounts will be incorporated in the Lump Sum to account for labor, overhead, profit, and Reimbursable Expenses.

The portion of the Lump Sum amount billed for Engineer's services will be based upon Engineer's estimate, as approved by the Authority, of the proportion of the total services actually completed during the billing period to the Lump Sum.

(4) Specified Rate

For the specified category of services, the Owner shall pay Engineer an amount equal to the cumulative hours charged to the specific project by each class of Engineer's employees times Standard Hourly Rates for each applicable billing class for all services performed on the specific project, plus Reimbursable Expenses and sub consultant's charges, if any.

Standard Hourly Rates include salaries and wages paid to personnel in each billing class plus the cost of customary and statutory benefits, general and administrative overhead, non-project operating costs, and operating margin or profit.

Engineer's Reimbursable Expenses Schedule and Standard Hourly Rates are attached and included in Attachment A-1.

The total estimated compensation for the specified category of services shall be stated in the Work Authorization. This total estimated compensation will incorporate all labor at Standard Hourly Rates, Reimbursable Expenses, and sub consultants' charges, if any.

The amounts billed will be based on the cumulative hours charged to the specified category of services during the billing period by each class of Engineer's employees

times Standard Hourly Rates for each applicable billing class, plus Reimbursable Expenses and Engineer's sub consultant's charges, if any.

Revisions to the Standard Hourly Rates may be proposed no more frequently than once per calendar year, and no sooner than 12 months after contract execution, and are subject to written approval of the Executive Director or his designee.

**B. Limitations on Rates Utilized. FOR COST PLUS,** The Engineer represents that at all times, subject to the limitations on timing and approval in subsection 2.A, throughout the term of this Contract that it shall not use an auditable overhead rate that exceeds the rate determined in accordance with FAR Part 31 (or successor regulations); and shall be based on actual salary amounts for the individuals performing the Services; that the Direct Labor Costs shall not exceed the caps reflected in Attachment A-1 and shall be based on actual salary amounts for the individuals performing the Services. Individuals working on the project will be required to be invoiced at the approved field overhead rate unless approved, in advance, by the Authority.

**C. Reimbursable Expenses.** As indicated above, and subject to the terms of any Work Authorization, the compensation computed in accordance with subsections 2.A. and B. is anticipated by the Authority and the Engineer to be full and sufficient compensation and reimbursement for the Services, and includes all customary out-of-pocket expenses anticipated to result from the Engineer's performance under the Contract that are included in the computation of the approved overhead rate. Construction plans sets will be provided to the Engineer in electronic format, only, and the printing of plan sets will not be reimbursed by the Authority. Roadway tolls incurred by Engineer or any of its subconsultants in connection with the performance of the Services will not be a reimbursable expense under this contract. Notwithstanding the foregoing, the Engineer shall be entitled to reimbursement for reasonable out-of-pocket expenses actually incurred by the Engineer that are necessary for the performance of its duties under this Contract and which are not included in the approved overhead rate, said expenses being limited to travel costs at the Current State Rate, printing costs for specified reports and deliverables (not construction plan sets), automobile expenses being reimbursed at the federal mileage rates for travel originating from the office of the Engineer employee or subconsultant, and other expenses directly approved, in advance, by the Executive Director or his designee. Except for automobile expenses paid at the federal mileage rate and travel paid at Current State Rate (if available), all such reimbursement shall be at one-hundred percent (100%) of the actual cost thereof paid by the Engineer to unaffiliated entities; provided, however, that aggregate amounts in excess of \$2,500 for which the Engineer intends to seek reimbursement pursuant to this subsection must be approved in advance and in writing by the Executive Director or his designee, except when such advance approval is impractical due to a bona fide emergency situation. Except as otherwise authorized in a executed Work Authorization, and only then to the extent reimbursable by the Texas Department of Transportation ("TxDOT") under the terms of any form of financial assistance agreement, the Authority shall not reimburse the Engineer for travel, lodging, and similar expenses incurred by the Engineer to bring additional staff to its local office or to otherwise reassign personnel to provide basic engineering support of the Engineer's performance of the Services, provided, however, that the Authority shall reimburse, but only in accordance with the terms of this subsection, such costs incurred by the Engineer to bring to its local office or the Authority's facilities, with advance approval by the Executive Director or his designee, staff with

specialized skills or expertise required for the Services and not customarily available from a staff providing services of the type described in this Contract.

Engineer acknowledges that all expenses and costs paid or reimbursed by the Authority using federal or state funds shall be paid or reimbursed in accordance with, and subject to, applicable policies of the Authority and other applicable state and federal laws, including the applicable requirements of OMB Circular A-87, which may reduce the amount of expenses and costs reimbursed to less than what was actually incurred.

At the Authority's sole option, and approved in a Work Authorization pursuant to Article 4, the Engineer may charge vehicles used for the Project on a lump sum monthly basis. The monthly lump sum amount shall include all vehicle expenses including: ownership, insurance, fuel, maintenance, title, registration and all other operating and maintenance expenses.

At the Authority's sole option, and approved in a Work Authorization pursuant to Article 4, the Engineer may charge Reimbursable Expenses for the Project on a lump sum monthly basis. The monthly lump sum amount shall be considered full compensation for all expenses incurred by the Engineer in performance of the Work.

**D. Subconsultants.** For the purposes of this Contract, a "subconsultant" is an individual or entity contracted by the Engineer to provide services related to or part of those which the Engineer owes to the Authority under this Contract. The Engineer may engage a subconsultant to provide services, and the Authority will reimburse the Engineer for the Engineer's cost of engaging the subconsultant for those services, if the Engineer provides a written description of the proposed services and the proposed price (using rates approved in Attachment A-1), to the Authority before the services are provided and the Authority has provided to the Engineer a written approval for the services and the proposed price. If an approved subconsultant bills on an hourly rate, each invoice from the subconsultant submitted to the Authority for reimbursement must report the tasks performed by each billing person and the amount of time spent performing the task. The Engineer may not charge a mark-up or commission on a subconsultant's invoice, and the Authority will not reimburse the Engineer in an amount that exceeds the price proposal from the subconsultant that was approved by the Authority.

**E. Non-compensable Time.** Time spent by the Engineer's personnel or subconsultants in an administrative or supervisory capacity not related to the performance of the Services is not compensable and shall not be billed to the Authority. Time spent on work in excess of what would reasonably be considered appropriate under industry standards for the performance of such Services is not compensable, unless that additional time spent resulted from the Authority's delay in providing information, materials, feedback, or other necessary cooperation to the Engineer. The Authority will not pay any hourly compensation to the Engineer for Services or deliverables required due to an error, omission, or fault of the Engineer.

**F. Taxes.** All payments to be made by the Authority to the Engineer pursuant to this Contract are inclusive of federal, state, or other taxes, if any, however designated, levied, or based. The Authority acknowledges and represents that it is a tax-exempt entity under Sections 151.309, et seq., of the Texas Tax Code. Title to any consumable items purchased by the Engineer in performing this Contract shall be deemed to have passed to the Authority at the time the Engineer takes possession or earlier, and such consumable items shall immediately be marked, labeled, or physically identified as the property of the Authority, to the extent practicable.

### **ARTICLE 3 INVOICE REQUIREMENTS**

**A. Invoices and Records.** The Engineer shall submit its monthly invoices certifying the fees charged and any Reimbursable Expenses for Services provided during the previous month, and shall also present a reconciliation of monthly invoices (and related estimates) to which the work relates. Each invoice shall be in such detail as is required by the Authority and, if the work is eligible for payment through an agreement with the Texas Department of Transportation (“TxDOT”), in such detail as TxDOT may require, including a breakdown of Services provided on a project-by-project basis, together with other Services requested by the Authority, with the Engineer provided advance notice of such TxDOT requirements. Upon request of the Authority, the Engineer shall also submit certified time and expense records directly related to Services provided to the Authority, and copies of invoices that support invoiced fees and Reimbursable Expenses. All invoices must be consistent with the rates established by this Contract. Unless waived in writing by the Executive Director, **or his designee**, no invoice may contain, and the Authority will not be required to pay, any charge for billable hours which is more than (90) days old at the time of invoicing.

**B. Form of Invoices.** The invoice shall show: (1) the Work Authorization number for each Work Authorization included in the billing; (2) the total amount earned thru the billing period; and (3) the amount due and payable as of the date of the current billing statement for each Work Authorization. The invoice shall indicate if the work has been completed or if the invoice is for partial completion of the work. The invoice shall be in the form provided by the Authority.

**C. DBE Forms.** The Engineer will be responsible for completing and including with each invoice all TxDOT required DBE reporting forms included in Exhibits E, and F of Attachment B - Work Authorization(s).

**D. Time and place of payment.** Upon receipt of an invoice that complies with all invoice requirements set forth in this Contract, the Authority shall make a good faith effort to pay the amount, which is due and payable within thirty (30) days, provided that if all or a portion of the Services reflected in the invoice are to be reimbursed by TxDOT through an agreement between TxDOT and the Authority, the Authority shall make a good faith effort to pay such amounts within thirty (30) days of receipt of such payments from TxDOT. **If the Authority disputes a request for payment by the Engineer, the Authority agrees to pay any undisputed portion of the invoice when due. Any such dispute must be detailed in writing within 30 days**

**after the Authority's receipt of the monthly invoice. The Engineer reserves the right to stop work under this Contract if payments are not timely made per the terms of this Contract.**

**E. Withholding Payments.** The Authority reserves the right to withhold payment of the Engineer's invoice in the event of any of the following: (1) if a dispute over the work or costs thereof is not resolved within a thirty (30) day period following receipt of the invoice; (2) pending verification of satisfactory work performed; or (3) if required reports (including third-party verifications, if any) are not received.

**F. Invoice and Progress Report Submittal Process.** The protocol for invoice and progress report submittal, review, and approval will be as follows:

- (1) The invoice submittal shall include:
  - Progress report
  - Forecast for completion of the scope
  - Invoice
  - Supporting documents as requested
- (2) A progress report shall be submitted to Authority at least once each calendar month;
- (3) In the event that invoices are not submitted on a monthly basis, a monthly submittal of the progress report information will be required nevertheless;
- (4) The invoice submittal shall not be later than the 10<sup>th</sup> day of the month following service;
- (5) The Authority and/or the Authority's GEC (as defined below) will review the invoices for supporting documentation, compliance with the Contract, and consistency with the submitted progress report;
- (6) The invoice will either be recommended for approval by Authority and/or GEC, or the Authority and/or GEC will return it to the Engineer for required correction; and
- (7) Upon satisfactory review and approval of the invoice, the Authority will submit it to the Authority CFO for payment.

**G. Effect of Payments.** No payment by the Authority shall relieve the Engineer of its obligation to deliver timely the Services required under this Contract. If, prior to acceptance of any Service, product or other deliverable, the Authority determines that said Service, product or deliverable does not satisfy the requirements of this Contract, the Authority may reject same and

require the Engineer to correct or cure same within a reasonable period of time and at no additional cost to the Authority.

**H. Audit.** The Authority shall have the right to examine the books and records of the Engineer for the purpose of checking the amount of work performed by the Engineer. The Engineer shall maintain all books, documents, papers, accounting records and other evidence pertaining to cost incurred and shall make such materials available at its office during the Contract period and for four (4) years from the date of final payment under this Contract or until any pending litigation has been completely and fully resolved and the Authority approves of the destruction of records, whichever occurs last. The Authority or any of its duly authorized representatives, TxDOT, the Federal Highway Administration (“FHWA”), the United States Department of Transportation Office of Inspector General and the Comptroller General shall have access to any and all books, documents, papers and records of the Engineer which are directly pertinent to this Contract for the purpose of making audits, examinations, excerpts and transcriptions.

#### **ARTICLE 4 WORK AUTHORIZATIONS**

**A. Use.** Services performed shall be in strict accordance with the scope, schedule, and budget set forth in each Work Authorization issued pursuant to this Contract, and no Services shall be performed which are not the subject of a validly issued Work Authorization. The Authority will issue Work Authorizations using the form attached as Attachment B to authorize all work under this Contract. No work shall begin on the activity until the Work Authorization is approved and fully executed. All work must be completed on or before the completion date specified in the Work Authorization.

**B. Contents.** Each Work Authorization shall include: (1) types of Services to be performed and a full description of the work required to perform those Services (2) a full description of general administration tasks exclusive to that Work Authorization (3) a work schedule (including beginning and ending dates) with milestones; (4) the basis of payment whether cost plus fixed fee, unit cost, lump sum, or specified rate; (5) a Work Authorization budget as described in subsection C below ; and (6) DBE Requirements. The Engineer shall not include additional contract terms and conditions in the Work Authorization.

**C. Work Authorization Budget.** A Work Authorization budget shall be prepared by the Engineer and shall set forth in detail the following: (1) the computation of the estimated cost of the work as described in the Work Authorization; (2) the estimated time (hours/days) required to complete the work using the fees set forth in Attachment A-1; (3) a work plan that includes a list of the work to be performed; and (4) a maximum cost (not-to-exceed) amount or unit or lump sum cost and the total cost or price of the Work Authorization as defined in the Work Authorization.



**D. No Guaranteed Work.** Work Authorizations will be issued at the sole discretion of the Authority. While it is the Authority's intent to issue Work Authorizations hereunder, the Engineer shall have no cause of action conditioned upon the lack or number of Work Authorizations issued.

**E. Incorporation into Contract.** Each Work Authorization shall be signed by both parties and become a part of the Contract. No Work Authorization will waive the Authority's or the Engineer's responsibilities and obligations established in this Contract. The Engineer shall promptly notify the Authority of any event that will affect completion of the Work Authorization in accordance with the terms thereof.

**F. Supplemental Work Authorizations.** Before additional work may be performed or additional costs incurred beyond those authorized in a Work Authorization, a change in a Work Authorization shall be enacted by a written Supplemental Work Authorization in the form identified and attached hereto as Attachment C. Supplemental Work Authorizations, if required, must be executed by both parties within the period of performance specified in the Work Authorization. The Engineer shall allow adequate time for review and approval of the Supplemental Work Authorization by the Authority.

(1) **Notice.** If the Engineer is of the opinion that any assigned work is beyond the scope of this Contract and constitutes additional work beyond the Services to be provided under this Contract, it shall promptly notify the Authority and submit written justification presenting the facts of the work and demonstrating how the work constitutes supplementary work.

(2) **Changes in Scope.** Changes that would modify the scope of the work authorized in a Work Authorization must be enacted by a written Supplemental Work Authorization. If the change in scope affects the amount payable under the Work Authorization, the Engineer shall prepare a revised Work Authorization budget for the Authority's approval. The Authority shall analyze the proposed justification, work hour estimate and cost. Upon approval of the need, the Authority shall negotiate the Supplemental Work Authorization scope with the Engineer, and then process the final Supplemental Work Authorization, subject to final written approval by the Authority.

(3) **Limitation of Liability.** The Authority shall not be responsible for actions by the Engineer or any costs incurred by the Engineer relating to additional work not directly associated with or prior to the execution of a Supplemental Work Authorization.

**G. Deliverables.** Upon satisfactory completion of the Work Authorization, the Engineer shall submit the deliverables as specified in the executed Work Authorization to the Authority for review and acceptance.

## **ARTICLE 5 SCHEDULE**

**A. Progress meetings.** As required and detailed in the Work Authorizations, the Engineer shall from time to time during the progress of the work confer with the Authority. The Engineer shall prepare and present such information as may be pertinent and necessary or as may be requested by the Authority in order to evaluate features of the work.

**B. Conferences.** At the request of the Authority or the Engineer and as required and detailed in the Work Authorizations, conferences shall be provided at the Engineer's office, the office of the Authority, or at other locations designated by the Authority. These conferences shall also include evaluation of the Engineer's Services and work when requested by the Authority.

**C. Reports.** The Engineer shall promptly advise the Authority in writing of events that have a significant impact upon the progress of a Work Authorization, including:

(1) problems, delays, adverse conditions that will materially affect the ability to meet the time schedules and goals, or preclude the attainment of project work units by established time periods; this disclosure will be accompanied by a statement of the action taken or contemplated, and any Authority or federal assistance needed to resolve the situation; and

(2) favorable developments or events that enable meeting the work schedule goals sooner than anticipated.

**D. Corrective Action.** Should the Authority determine that the progress of work does not satisfy the milestone schedule set forth in a Work Authorization, the Authority shall review the work schedule with the Engineer to determine the nature of corrective action needed.

**E. More Time Needed.** If the Engineer determines or reasonably anticipates that the work authorized in a Work Authorization cannot be completed within the work schedule contained therein, the Engineer shall promptly notify the Authority and shall follow the procedure set forth in the Work Authorization. The Authority may, at its sole discretion, modify the work schedule to incorporate an extension of time.

## **ARTICLE 6 SUSPENSION OF WORK AUTHORIZATION**

**A. Notice.** Should the Authority desire to suspend a Work Authorization but not terminate the Contract, the Authority may verbally notify the Engineer followed by written confirmation, giving fifteen (15) days prior notice. Both parties may waive the fifteen (15) day notice requirement in writing.

**B. Reinstatement.** A Work Authorization may be reinstated and resumed in full force and effect within sixty (60) days of receipt of written notice from the Authority to resume the work. Both parties may waive the sixty (60) day notice in writing.

**C. Limitation of Liability.** The Authority shall have no liability for work performed or costs incurred prior to the date authorized by the Authority to begin work, during periods when work is suspended, or after the completion of the Contract or Work Authorization.

## **ARTICLE 7 CHANGES IN WORK**

**A. Work Previously Submitted as Satisfactory.** If the Engineer has submitted work in accordance with the terms of this Contract and Work Authorization(s) but the Authority requests changes to the completed work or parts thereof which involve changes to the original scope of services or character of work under the Contract and Work Authorization(s), the Engineer shall make such revisions as requested and as directed by the Authority, provided the work is reflected in a Supplemental Work Authorization.

**B. Work Does Not Comply with Contract.** If the Engineer submits work that does not comply with the terms of this Contract or Work Authorization(s), the Authority shall instruct the Engineer to make such revision as is necessary to bring the work into compliance with the Contract or Work Authorization(s). No additional compensation shall be paid for this work.

**C. Errors/Omissions.** The Engineer shall make revisions to the work authorized in this Contract or Work Authorization(s) that are necessary to correct errors or omissions appearing therein, when required to do so by the Authority. No additional compensation shall be paid for this work.

## **ARTICLE 8 OWNERSHIP OF DATA**

**A. Work for Hire.** All services provided under this Contract are considered work for hire and, as such, all data, basic sketches, charts, calculations, plans, specifications, electronic files, and other documents created or collected under the terms of this Contract are the property of the Authority.

**B. Disposition of Documents.** All documents and electronic files prepared by the Engineer and all documents furnished to the Engineer by the Authority shall be delivered to the Authority upon request by the Authority. The Engineer, at its own expense, may retain copies of such documents or any other data which it has furnished the Authority under this Contract, but further use of the data is subject to express written permission by the Authority.

**C. Release of Design Plan.** The Engineer (1) will not release any design plan created or collected under this Contract except to its subconsultants as necessary to complete the Contract; (2) shall include a provision in all subcontracts which acknowledges the Authority's ownership of the design plan and prohibits its use for any use other than the project identified in this Contract; and (3) is responsible for any improper use of the design plan by its employees, officers, or subconsultants, including costs, damages, or other liability resulting from improper use. Neither the Engineer nor any subconsultants may charge a fee for any portion of the design plan created by the Authority.

## **ARTICLE 9 PUBLIC INFORMATION AND CONFIDENTIALITY**

**A. Public Information.** The Authority will comply with Government Code, Chapter 552, the Public Information Act, in the release of information produced under this Contract.

**B. Confidentiality.** The Engineer shall not disclose information obtained from the Authority under this Contract without the express written consent of the Authority. All employees of the Engineer and its subconsultants working on the Project are required to sign a confidentiality agreement.

## **ARTICLE 10 PERSONNEL, EQUIPMENT AND MATERIAL**

**A. Engineer Resources.** The Engineer shall furnish and maintain quarters for the performance of all Services, in addition to providing adequate and sufficient personnel and equipment to perform the Services required under the Contract. The Engineer certifies that it presently has adequate qualified personnel in its employment for performance of the Services required under this Contract, or it will be able to obtain such personnel from sources other than the Authority.

**B. Removal of Employee.** All employees of the Engineer assigned to this Contract shall have such knowledge and experience as will enable them to perform the duties assigned to them. The Authority may instruct the Engineer to remove any employee from association with work authorized in this Contract if, in the sole opinion of the Authority, the work of that employee does not comply with the terms of this Contract or if the conduct of that employee becomes detrimental to the work.

**C. Authority Approval of Replacement Personnel.** The Engineer may not replace the Key Personnel, as designated in the applicable Work Authorization, without prior written approval of the Authority. If any Key Personnel cease to work on this Contract, the Engineer must notify the Authority in writing as soon as possible, but in any event within (3) three business days. The notification must give the reason for removal. The Engineer must receive written approval from the Authority of proposed replacement Key Personnel. The Authority's approval will be based upon the proposed replacement Key Personnel qualifications to provide the required services. Approval will not be unreasonably withheld.

Violation of this Section by the Engineer is a material breach of contract.

**D. Liquidated Damages.** Because of the importance and unique nature of the services to be provided by Key Personnel it is impractical to calculate the actual losses that would be suffered by the Authority by the loss of Key Personnel from the Contract. Therefore, the Engineer agrees to compensate the Authority for its losses by paying liquidated damages in the amount of \$2,500 per day per Key Personnel position if any Key Personnel are removed by the Engineer by reassignment without prior written approval from the Authority. Liquidated damages may accrue from the date the Engineer removes the Key Personnel from the Contract if the parties do not agree on a replacement within (14) calendar days after the Key Personnel are removed from the Contract. Liquidated damages shall cease when the parties agree on a substitute or when the Contract is terminated.

(1)

**E. Ownership of Acquired Property.** Except to the extent that a specific provision of this Contract states to the contrary, the Authority shall own all intellectual property acquired or developed under this Contract and all equipment purchased by the Engineer or its subconsultants under this Contract. All intellectual property and equipment owned by the Authority shall be delivered to the Authority when the Contract or applicable Work Authorization terminates, or when it is no longer needed for work performed under this Contract, whichever occurs first.

## **ARTICLE 11 SUBCONTRACTING**

**A. Prior Approval.** The Engineer shall not assign, subcontract, or transfer any portion of professional services related to the work under this Contract unless specified in an executed Work Authorization or otherwise without first obtaining the prior written approval from the Authority. Request for approval should include a written description of the proposed services, and, using rates established in Attachment A-1, a proposed price.

**B. DBE Compliance.** The Engineer's subcontracting program shall comply with the requirements of Exhibits E, and F of Attachment B - Work Authorization(s).

**C. Required Provisions.** All subcontracts for professional services shall include the provisions included in this Contract and any provisions required by law. The Engineer is authorized to pay subconsultants in accordance with the terms of the subcontract.

**D. Engineer Responsibilities.** No subcontract shall relieve the Engineer of any of its responsibilities under this Contract and of any liability for work performed under this Contract, even if performed by a subconsultant or other third party performing work for or on behalf of the Engineer.

**E. Invoice Approval and Processing.** All subconsultants shall prepare and submit their invoices on the same billing cycle and format as the Engineer (so as to be included in invoices submitted by the Engineer), and in the event that the cycles are not concurrent, a detailed explanation will be submitted to the Authority.

## **ARTICLE 12 INSPECTION OF WORK**

**A. Review Rights.** Under this Contract, the Authority, TxDOT, and the U.S. Department of Transportation, and any authorized representative of the Authority, TxDOT, or the U.S. Department of Transportation, shall have the right at all reasonable times to review or otherwise evaluate the work performed hereunder and the premises in which it is being performed.

**B. Reasonable Access.** If any review or evaluation is made on the premises of the Engineer or a subconsultant under this Article, the Engineer shall provide and require its subconsultants to provide all reasonable facilities and assistance for the safety and convenience of the persons performing the review in the performance of their duties.

## **ARTICLE 13 SUBMISSION OF REPORTS**

All applicable study reports shall be submitted in preliminary form for approval by the Authority before a final report is issued. The Authority's comments on the Engineer's preliminary report must be addressed in the final report.

## **ARTICLE 14 VIOLATION OF CONTRACT TERMS**

**A. Increased Costs.** Violation of contract terms, breach of contract, or default by the Engineer shall be grounds for termination of the Contract, and any increased or additional cost incurred by the Authority arising from the Engineer's default, breach of contract or violation of contract terms shall be paid by the Engineer.

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

**C. Excusable Delays.** Except with respect to defaults of subconsultants, the Engineer shall not be in default by reason of any failure in performance of this Contract in accordance with its terms (including any failure to progress in the performance of the work) if such failure arises out of causes beyond the control and without the default or negligence of the Engineer. Such causes may include, but are not restricted to, acts of God or the public enemy, acts of the Government in

either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather.

## **ARTICLE 15 TERMINATION**

- A. Termination.** The Contract may be terminated by any of the following conditions:
- (1) by mutual agreement and consent, in writing from both parties;
  - (2) by the Authority by notice in writing to the Engineer as a consequence of failure by the Engineer to perform the Services set forth herein in a satisfactory manner or if the Engineer violates the provisions of Article 22, Gratuities, or Exhibit E to Attachment B, DBE Requirements;
  - (3) by either party, upon the failure of the other party to fulfill its obligations as set forth herein, following thirty (30) days written notice and opportunity to cure;
  - (4) by the Authority for its convenience and in its sole discretion, not subject to the consent of the Engineer, by giving thirty (30) days written notice of termination to the Engineer; or
  - (5) by satisfactory completion of all services and obligations described herein.

**B. Measurement.** Should the Authority terminate this Contract as herein provided, no fees other than fees due and payable at the time of termination shall thereafter be paid to the Engineer. In determining the value of the work performed by the Engineer prior to termination, the Authority shall be the sole judge. Compensation for work at termination will be based on a percentage of the work completed at that time. Should the Authority terminate this Contract under paragraph A (3) or (4) above, the Engineer shall not incur costs during the thirty-day notice period in excess of the amount incurred during the preceding thirty (30) days and only as necessary to terminate the work in progress.

**C. Value of Completed Work.** If the Engineer defaults in the performance of this Contract or if the Authority terminates this Contract for fault on the part of the Engineer, the Authority will give consideration to the following when calculating the value of the completed work: (1) the actual costs incurred (not to exceed the rates set forth in the applicable Work Authorization) by the Engineer in performing the work to the date of default; (2) the amount of work required which was satisfactorily completed to date of default; (3) the value of the work which is usable to the Authority; (4) the cost to the Authority of employing another firm to complete the required work; (5) the time required to employ another firm to complete the work; (6) delays in opening a revenue generating project and costs (including lost revenues) resulting therefrom; and (7) other factors which affect the value to the Authority of the work performed.

**D. Calculation of Payments.** The Authority shall use the fee structure established by the applicable Work Authorization in determining the value of the work performed up to the time

of termination. In the event that a cost plus fixed fee basis of payment is utilized in a Work Authorization, any portion of the fixed fee not previously paid in the partial payments shall not be included in the final payment.

**E. Surviving Requirements.** The termination of this Contract and payment of an amount in settlement as prescribed above shall extinguish the rights, duties, and obligations of the Authority and the Engineer under this Contract, except for those provisions that establish responsibilities that extend beyond the Contract period, including without limitation the provisions of Article 17.

**F. Payment of Additional Costs.** If termination of this Contract is due to the failure of the Engineer to fulfill its Contract obligations, the Authority may take over the project and prosecute the work to completion, and the Engineer shall be liable to the Authority for any additional cost to the Authority.

## **ARTICLE 16 COMPLIANCE WITH LAWS**

The Engineer shall comply with all applicable federal, state and local laws, statutes, codes, ordinances, rules and regulations, and the orders and decrees of any court, or administrative bodies or tribunals in any manner affecting the performance of this Contract, including, without limitation, worker's compensation laws, minimum and maximum salary and wage statutes and regulations, nondiscrimination, licensing laws and regulations, the Authority's enabling legislation (Chapter 370 of the Texas Transportation Code), and all amendments and modifications to any of the foregoing, if any. When required, the Engineer shall furnish the Authority with satisfactory proof of its compliance therewith.

## **ARTICLE 17 INDEMNIFICATION**

**THE ENGINEER SHALL INDEMNIFY AND HOLD HARMLESS THE AUTHORITY AND ITS OFFICERS, DIRECTORS, EMPLOYEES, ENGINEERS, AND AGENTS (WHICH, FOR THE PURPOSES OF THIS CONTRACT, SHALL INCLUDE THE AUTHORITY'S GEC, GENERAL COUNSEL, BOND COUNSEL, FINANCIAL ADVISORS, TRAFFIC AND REVENUE ENGINEERS, TOLL OPERATIONS/COLLECTIONS FIRMS, AND UNDERWRITERS) FROM ANY CLAIMS, COSTS, OR LIABILITIES OF ANY TYPE OR NATURE AND BY OR TO ANY PERSONS WHOMSOEVER, TO THE EXTENT CAUSED BY THE NEGLIGENT ACTS, ERRORS, OR OMISSIONS OF THE ENGINEER OR ITS OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS WITH RESPECT TO THE ENGINEER'S PERFORMANCE OF THE WORK TO BE ACCOMPLISHED UNDER THIS CONTRACT. IN SUCH EVENT, THE ENGINEER SHALL ALSO INDEMNIFY AND HOLD HARMLESS THE AUTHORITY, ITS OFFICERS, DIRECTORS, EMPLOYEES, ENGINEERS, AND AGENTS (AS DEFINED ABOVE) FROM ANY AND ALL REASONABLE AND NECESSARY EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES, INCURRED BY THE AUTHORITY IN LITIGATING OR**



**OTHERWISE RESISTING SAID CLAIMS, COSTS OR LIABILITIES. IN THE EVENT THE AUTHORITY, ITS OFFICERS, DIRECTORS, EMPLOYEES, ENGINEERS, AND AGENTS (AS DEFINED ABOVE), IS/ARE FOUND TO BE PARTIALLY AT FAULT, THE ENGINEER SHALL, NEVERTHELESS, INDEMNIFY THE AUTHORITY FROM AND AGAINST THE PERCENTAGE OF FAULT ATTRIBUTABLE TO THE ENGINEER OR ITS OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS OR TO THEIR CONDUCT.**

## **ARTICLE 18 ROLE OF GENERAL ENGINEERING CONSULTANT**

The Authority will utilize a General Engineering Consultant (“GEC”) to assist in its management of this Contract. The GEC is an independent contractor and is authorized by the Authority to provide the management and technical direction for this Contract on behalf of the Authority. All the technical and administrative provisions of the Contract shall be managed by the GEC, and the Engineer shall comply with all of the GEC’s directives that are within the purview of the Contract. Decisions concerning Contract amendments and adjustments, such as time extensions and Supplemental Work Authorizations, shall be made by the Authority; however, requests for such amendments or adjustments shall be made through the GEC, who shall forward such requests to the Authority with its comments and recommendations.

Should any dispute arise between the General Engineering Consultant and the Engineer, concerning the conduct of this Contract, either party may request a resolution of said dispute by the Executive Director of the Authority or his designee, whose decision shall be final. The parties shall first try to resolve the dispute at the lowest level practical. In the event that an agreement cannot be reached, the Engineer may schedule a meeting with the GEC Manager. If an agreement cannot be reached at this level, then a meeting will be scheduled with the Authority and the GEC Manager, so the Engineer can present its case. The Authority’s decision in the matter will be final. In no case will the Engineer go directly to the Authority with a dispute unless the Engineer believes that the GEC is violating, or is directing the Engineer to take an action which would violate, any laws or similar provisions described in Article 16 or any ethical obligations owed to the Authority.

## **ARTICLE 19 ENGINEER’S RESPONSIBILITY**

**A. Accuracy.** The Engineer shall have total responsibility for the accuracy and completeness of the documents prepared under this Contract and shall check all such material accordingly.

**B. Errors and Omissions.** The Engineer's responsibility for all questions arising from errors and/or omissions will be determined by the Authority. The Engineer shall not be relieved of the responsibility for subsequent correction of any such errors or omissions or for clarification of any ambiguities until after the project has been completed. In the event that the Authority discovers a possible error or omission, the Authority shall notify the Engineer and seek to involve the Engineer in determining the most effective solution with respect to time and cost, provided that the Authority shall ultimately determine the solution that is chosen.

**C. Seal.** The responsible Engineer shall sign, seal and date all appropriate engineering submissions to the Authority in accordance with the Texas Engineering Practice Act and the rules of the Texas Board of Professional Engineers.

**D. Resealing of Documents.** Once the work has been sealed and accepted by the Authority, the Authority, as the owner, will notify the Engineer, in writing, of the possibility that a Authority engineer, as a second engineer, may find it necessary to alter, complete, correct, revise or add to the work. If necessary, the second engineer will affix his seal to any work altered, completed, corrected, revised or added. The second engineer will then become responsible for any alterations, additions or deletions to the original design including any effect or impacts of those changes on the original engineer's design.

## **ARTICLE 20 NONCOLLUSION**

**A. Warranty.** The Engineer warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Engineer, to solicit or secure this Contract and that it has not paid or agreed to pay any company or Engineer any fee, commission, percentage, brokerage fee, gifts, or any other consideration, contingent upon or resulting from the award or making of this Contract.

**B. Liability.** For breach or violation of this warranty, the Authority shall have the right to annul this Contract without liability or, in its discretion, to deduct from the Contract compensation, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

## **ARTICLE 21 INSURANCE**

The Engineer and all subconsultants shall furnish the Authority a properly completed Certificate of Insurance approved by the Authority prior to beginning work under the Contract and shall maintain such insurance through the Contract period. The Engineer shall provide proof of insurance (and the Professional Liability Insurance discussed herein) in a form reasonably acceptable by the Authority. The Engineer certifies that it has and will maintain insurance coverages as follows:

**A. Workers Compensation Insurance.** In accordance with the laws of the State of Texas and employer's liability coverage with a limit of not less than \$1,000,000. This policy shall be endorsed to include a waiver of subrogation in favor of the Authority.

**B. Comprehensive General Liability Insurance.** With limits not less than \$1,000,000 for bodily injury, including those resulting in death, and \$1,000,000 for property damage on account of any one occurrence, with an aggregate limit of \$1,000,000.

**C. Comprehensive Automobile Liability Insurance.** Applying to owned, non-owned, and hired automobiles in an amount not less than \$1,000,000 for bodily injury, including death, to any one person, and \$1,000,000 on account on any one occurrence, and \$1,000,000 for property damage on account of any one occurrence. This policy shall not contain any limitation with respect to a radius of operation for any vehicle covered and shall not exclude from the coverage of the policy any vehicle to be used in connection with the performance of the Engineer's obligations under this Contract.

**D. Excess Liability Insurance.** In an amount of \$5,000,000 per occurrence and aggregate.

**E. Valuable Papers Insurance.** In an amount sufficient to assure the full restoration of any plans, drawings, field notes, logs, test reports, diaries, or other similar data or materials relating to the services provided under this Contract in the event of their loss or destruction, until such time as the work has been delivered to the Authority.

**F. Architects and/or Engineers Professional Liability insurance.** Engineer shall provide and maintain professional liability coverage, with limits not less than \$5,000,000 per claim and \$5,000,000 aggregate. The professional liability coverage shall protect against any negligent act, error or omission arising out of design or engineering activities, including environmental related activities, with respect to the project, including coverage for negligent acts, errors or omissions by any member of the Engineer and its subconsultants (including, but not limited to design subconsultants and subconsultants) of any tier. The policy must provide that coverage extends a minimum of three (3) years beyond the Engineer's completion of the services. This policy shall be endorsed to include a waiver of subrogation in favor of the Authority.

**G. General for All Insurance.** The Engineer shall promptly, upon execution of this Contract, furnish certificates of insurance to the Authority indicating compliance with the above requirements. Certificates shall indicate the name of the insured, the name of the insurance company, the name of the agency/agent, the policy number, the term of coverage, and the limits of coverage.

All policies are to be written through companies (a) authorized to transact that class of insurance in the State of Texas; (b) rated (i), with respect to the companies providing the insurance under subarticles 21.a. through d., above, by A. M. Best Company as "A-X" or better (or the equivalent rating by another nationally recognized rating service) and (ii) with respect to the company providing the insurance under subarticle 21.e., a rating by A. M. Best Company or similar rating service satisfactory to the Authority and/or its insurance consultant; and (c) otherwise acceptable to the Authority.

All policies are to be written through companies authorized to transact that class of insurance in the State of Texas. Such insurance shall be maintained in full force and effect during the life of this Contract or for a longer term as may be otherwise provided for hereunder. Insurance

furnished under subarticles 21.b., c., and d., above, shall name the Authority as additional insured and shall protect the Authority, its officers, employees, and directors, agents, and representatives from claims for damages for bodily injury and death and for damages to property arising in any manner from the negligent or willful acts or failures to act by the Engineer, its officers, employees, directors, agents, and representatives in the performance of the services rendered under this Contract. Certificates shall also indicate that the contractual liability assumed in Article 17, above, is included.

The insurance carrier shall include in each of the insurance policies required under subsections 21.a., b., c., d., e., and f., the following statement: “This policy will not be canceled or materially changed during the period of coverage without at least thirty (30) days prior written notice addressed to the Central Texas Regional Authority, 3300 N. IH-35, Suite 300, Austin, Texas 78705, Attn: Executive Director”

**H. Subconsultant.** In the event a subconsultant selected by the Engineer to perform work associated with this Contract is unable to secure insurance coverage in the amounts set forth in subarticles 21.b., d., and f. . above, Engineer may provide to the Authority an explanation of coverages that a subconsultant does possess, why those coverages are adequate to cover the potential exposure for the work to be performed by the subconsultant, and an acknowledgement that the Engineer remains liable for the work performed under the Contract, including that performed by the subconsultant. The Authority may decide, in its sole discretion, whether to accept the coverages available to the subconsultant.

## **ARTICLE 22 GRATUITIES**

**A. Employees Not to Benefit.** Authority policy mandates that the director, employee or agent of the Authority shall not accept any gift, favor, or service that might reasonably tend to influence the director, employee or agent in making of procurement decisions. The only exceptions allowed are ordinary business lunches and items that have received the advance written approval of the Executive Director of the Authority.

**B. Liability.** Any person doing business with or who reasonably speaking may do business with the Authority under this Contract may not make any offer of benefits, gifts or favors to Authority employees, except as mentioned above. Failure on the part of the Engineer to adhere to this policy may result in the termination of this Contract.

## **ARTICLE 23 DISADVANTAGED BUSINESS ENTERPRISE REQUIREMENTS**

The Engineer agrees to comply with the DBE requirements and reporting guidelines set forth in Exhibits E, and F of Attachment B - Work Authorization(s). The DBE Goal established for this project is as set forth in the Work Authorization. The Engineer also agrees to comply with

the DBE subcontracting plan that was included in the response that the Engineer submitted to the Authority's Request for Qualifications.

## **ARTICLE 24**

### **CERTIFICATE OF INTERESTED PARTIES (FORM 1295)**

The Engineer must comply with the Certificate of Interested Parties (Form 1295) adopted by the Texas Legislature as House Bill 1295, which added section 2252.908 of the Government Code, available for review at the Texas Ethics Commission website:

<https://www.ethics.state.tx.us/tec/1295-Info.htm>

The Engineer, after award, is required to complete and submit Form 1295 (attached as Exhibit B) if the Engineer has either of the following contracts with a governmental entity or state agency starting as of January 1, 2016:

- 1) Requires an actions or vote by the governing body of the entity or agency before the contract may be signed; or
- 2) Has a value of at least \$1 million.

## **ARTICLE 25**

### **MAINTENANCE, RETENTION AND AUDIT OF RECORDS**

**A. Retention Period.** The Engineer shall maintain all books, documents, papers, accounting records and other evidence pertaining to costs incurred and services provided (hereinafter called the Records). The Engineer shall make the Records available at its office during the Contract period and for four years from the date of final payment under this Contract, until completion of all audits, or until pending litigation has been completely and fully resolved, whichever occurs last.

**B. Availability.** The Authority shall have the exclusive right to examine the books and records of the Engineer for the purpose of checking the amount of work performed by the Engineer. The Engineer shall maintain all books, documents, papers, accounting records and other evidence pertaining to cost incurred and shall make such materials available at its office during the contract period and for four (4) years from the date of final payment under this Contract or until pending litigation has been completely and fully resolved, whichever occurs last. The Authority or any of its duly authorized representatives, the Texas Department of Transportation ("TxDOT"), the Federal Highway Administration ("FHWA"), the United States Department of Transportation Office of Inspector General and the Comptroller General shall have access to any and all books, documents, papers and records of the Engineer which are directly pertinent to this Contract for the purpose of making audits, examinations, excerpts and transcriptions.

## ARTICLE 26

### CIVIL RIGHTS COMPLIANCE

**A. Compliance with Regulations.** The Engineer shall comply with the regulations of the Department of Transportation, Title 49, Code of Federal Regulations, Parts 21, 24, 26 and 60 as they relate to nondiscrimination; also Executive Order 11246 titled Equal Employment Opportunity as amended by Executive Order 11375.

**B. Nondiscrimination.** The Engineer, with regard to the work performed by it during the Contract, shall not discriminate on the grounds of race, color, sex, or national origin in the selection and retention of subconsultants, including procurement of materials and leases of equipment.

**C. Solicitations for Subcontracts, Including Procurement of Materials and Equipment.** In all solicitations either by competitive bidding or negotiation made by the Engineer for work to be performed under a subcontract, including procurement of materials or leases of equipment, each potential subconsultant or supplier shall be notified by the Engineer of the Engineer's obligations under this Contract and the Regulations relative to nondiscrimination on the grounds of race, color, sex, or national origin.

**D. Information and Reports.** The Engineer shall provide all information and reports required by the Regulations, or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and facilities as may be determined by the Authority or the FHWA to be pertinent to ascertain compliance with such Regulations or directives. Where any information required of the Engineer is in the exclusive possession of another who fails or refuses to furnish this information, the Engineer shall so certify to the Authority or the FHWA, as appropriate, and shall set forth what efforts it has made to obtain the information.

**E. Sanctions for Noncompliance.** In the event of the Engineer's noncompliance with the nondiscrimination provisions of this Contract, the Authority shall impose such Contract sanctions as it or the FHWA may determine to be appropriate, including, but not limited to:

- (1) withholding of payments to the Engineer under the Contract until the Engineer complies; and/or
- (2) cancellation, termination, or suspension of the Contract, in whole or in part.

## ARTICLE 27

### PATENT RIGHTS

The Authority and the U. S. Department of Transportation shall have the royalty free, nonexclusive and irrevocable right to use and to authorize others to use any patents developed by the Engineer under this Contract.

**ARTICLE 28  
DISPUTES**

**A. Disputes Not Related to Contract Services.** The Engineer shall be responsible for the settlement of all contractual and administrative issues arising out of any procurement made by the Engineer in support of the Services authorized herein.

**B. Disputes Concerning Work or Cost.** The Executive Director of the Authority shall decide all questions, difficulties and dispute of any nature whatsoever that may arise under or by reason of this Contract, and his decision upon all claims, questions and disputes shall be final. The Engineer shall comply with the provisions of Article 18 in proceeding with such disputes.

**ARTICLE 29  
SUCCESSORS AND ASSIGNS**

The Engineer and the Authority do each hereby bind themselves, their successors, executors, administrators and assigns to each other party of this Contract and to the successors, executors, administrators and assigns of such other party in respect to all covenants of this Contract. The Engineer shall not assign, subcontract, or transfer its interest in this Contract without the prior written consent of the Authority.

**ARTICLE 30  
SEVERABILITY**

In the event any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

**ARTICLE 31  
PRIOR CONTRACTS SUPERSEDED**

This Contract, including all attachments, constitutes the sole agreement of the parties hereto for the services authorized herein and supersedes any prior understandings or written or oral contracts between the parties respecting the subject matter defined herein.

**ARTICLE 32  
CONFLICT OF INTEREST**

The undersigned Engineer represents that such firm has no conflict of interest that would in any way interfere with its or its employees' performance of services for the Authority or which in any way conflicts with the interests of the Authority. The Authority shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with the Authority's interests.

**ARTICLE 33  
ENTIRETY OF AGREEMENT**

This writing, including attachments and addenda, if any, embodies the entire agreement and understanding between the parties hereto, and there are no agreements and understandings, oral or written, with reference to the subject matter hereof that are not merged herein and superseded hereby. No alteration, change or modification of the terms of the Contract shall be valid unless made in writing signed by both parties hereto.

**ARTICLE 34  
SIGNATORY WARRANTY**

The undersigned signatory for the Engineer hereby represents and warrants that he or she is an officer of the organization for which he or she has executed this Contract and that he or she has full and complete Authority authorization to enter into this Contract on behalf of the firm. These representations and warranties are made for the purpose of inducing the Authority to enter into this Contract.

**ARTICLE 35  
NOTICES**

A notice, demand, request, report, and other communication required or permitted under this Contract, or which any party may desire to give, shall be in writing and shall be deemed to have been given on the sooner to occur of (i) receipt by the party to whom the notice is hand-delivered, with a written receipt of notice provided by the receiving party, or (ii) two days after deposit in a regularly maintained express mail receptacle of the United States Postal Service, postage prepaid, or registered or certified mail, return receipt requested, express mail delivery, addressed to such party at their address set forth below, or to such other address as a party may from time to time designate under this article, or (iii) receipt of an electronic mail transmission (attaching scanned documents in a format such as .pdf or .tif) for which confirmation of receipt by the other party has been obtained by the sending party:

In the case of the Engineer:

Paul Bowen, P.E.  
HDR, Inc.  
810 Hesters Crossing Suite 120  
Round Rock, TX 78681 Paul.Bowen@hdrinc.com

In the case of the Authority:

Mike Heiligenstein, Executive Director  
Central Texas Regional Mobility Authority  
3300 North IH 35, Suite 300



Austin, TX 78705

Email: mstein@ctrma.org

with a copy to:

Justin Word, Director of Engineering  
Central Texas Regional Mobility Authority

3300 North IH 35, Suite 300

Austin, TX 78705

Email: jword@ctrma.org

A party may change the information provided in this article for notification purposes by providing notice to the other party of the new information and the effective date of the change.

### **ARTICLE 36 BUSINESS DAYS AND DAYS**

For purposes of this Contract, “business days” shall mean any day the Authority is open for business and “days” shall mean calendar days.

### **ARTICLE 37 INCORPORATION OF PROVISIONS**

Attachments A-1 through C are attached hereto and incorporated into this Contract as if fully set forth herein.

### **ARTICLE 38 PRIORITY OF DOCUMENTS/ORDER OF PRECEDENCE**

This Contract, and each of the Attachments (together, the “Contract Documents”), are an essential part of the agreement between the Authority and the Engineer, and a requirement occurring in one is as binding as though occurring in all. The Contract Documents are intended to be complementary and to describe and provide for a complete Contract. In the event of any conflict among the Contract Documents or between the Contract Documents and other documents, the order of precedence shall be as set forth below:

- A. Supplemental Work Authorizations;
- B. Work Authorizations;
- C. Contract Amendments;
- D. This Contract.

- E. The Request for Qualifications
- F. The Engineer's Response to the Request for Qualifications.

Additional details and more stringent requirements contained in a lower priority document will control unless the requirements of the lower priority document present an actual conflict with the requirements of the higher level document. Notwithstanding the order of precedence among Contract Documents set forth in this Article 36, in the event of a conflict within a Contract Document or set of Contract Documents with the same order of priority (including within documents referenced therein), the Authority shall have the right to determine, in its sole discretion, which provision applies.

**IN WITNESS WHEREOF**, the **Authority** and the **Engineer** have executed this Contract in duplicate.

<b>THE ENGINEER</b>	<b>CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY</b>
(Signature)	(Signature)
(Printed Name)	Mike Heiligenstein
(Title)	Executive Director
(Date)	(Date)

**Attachments and Exhibits to Contract for Construction Engineering & Inspection Services**

Attachments	Title
A-1	Rate Schedule
A-2	Actual Employee Rates
B	Work Authorization
C	Supplemental Work Authorization
D	Key Personnel

**ATTACHMENT A-1**

**RATE SCHEDULE**

RATE SCHEDULE

2018 Raw Labor Rate	
Position	Max
<b>HDR</b>	
Project Manager	\$ 110.00
Resident Engineer	\$ 70.00
Lead Materials Manager	\$ 90.00
Office Engineer	\$ 60.00
Lead Roadway Inspector	\$ 55.00
Roadway Inspector I	\$ 35.00
Lead Structural Inspector	\$ 60.00
Structural Inspector I	\$ 35.00
Structural Inspector II	\$ 45.00
Structural Steel Inspector	\$ 75.00
Electrical Inspector	\$ 60.00
Record Keeper	\$ 35.00
SW3P/Barricade Inspector	\$ 45.00
Utility Coordinator	\$ 110.00
Survey Manager	Specified Rate
Testing Technician	Specified Rate

2018 Raw Labor Rate	
Position	Max
<b>G Sylva</b>	
Office Engineer	\$ 60.00
Lead Roadway Inspector	\$ 55.00
Roadway Inspector I	\$ 35.00
Lead Structural Inspector	\$ 60.00
Structural Inspector I	\$ 35.00
Structural Inspector II	\$ 45.00
Structural Steel Inspector	\$ 75.00
Electrical Inspector	\$ 60.00
Record Keeper	\$ 35.00
SW3P/Barricade Inspector	\$ 45.00
Utility Coordinator	\$ 110.00

2018 Raw Labor Rate	
Garver	
Position	Max
Office Engineer	\$ 60.00
Lead Roadway Inspector	\$ 55.00
Roadway Inspector I	\$ 35.00
Lead Structural Inspector	\$ 60.00
Structural Inspector I	\$ 35.00
Structural Inspector II	\$ 45.00
Structural Steel Inspector	\$ 75.00
Electrical Inspector	\$ 60.00
Record Keeper	\$ 35.00
SW3P/Barricade Inspector	\$ 45.00
Utility Coordinator	\$ 110.00

2018 Raw Labor Rate	
CDM Smith	
Position	Max
Office Engineer	\$ 60.00
Lead Roadway Inspector	\$ 55.00
Roadway Inspector I	\$ 35.00
Lead Structural Inspector	\$ 60.00
Structural Inspector I	\$ 35.00
Structural Inspector II	\$ 45.00
Structural Steel Inspector	\$ 75.00
Electrical Inspector	\$ 60.00
Record Keeper	\$ 35.00
SW3P/Barricade Inspector	\$ 45.00
Utility Coordinator	\$ 110.00

Company	2017 Office OH Rate	2017 Field OH Rate
HDR Eng, Inc	1.4891	1.3494
CDM Smith		1.3207
Garver		1.3350
G Sylva		1.4000

<b>Profit</b>	10%
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**ATTACHMENT A-2**

**Actual Employee Rates**

ACTUAL EMPLOYEE RATES

		<b>Actual Raw Labor (W2) Rates</b>	
<b>Position</b>	<b>Key Personnel</b>	<b>2018-2019</b>	
		Regular	
Project Manager	Paul Bowen	\$	99.64
Resident Engineer	Raphael Campos	\$	61.10
Lead Materials Manager	Chien-Nan Fu	\$	76.50
Office Engineer	John Grounds	\$	51.77
Lead Roadway Inspector	Terry Gentry	\$	45.62
Survey Manager	Chris Conrad	\$	165.00

**ATTACHMENT B**

**WORK AUTHORIZATION**

**WORK AUTHORIZATION NO. 1**

**CONTRACT FOR CONSTRUCTION ENGINEERING & INSPECTION SERVICES**

**THIS WORK AUTHORIZATION** is made pursuant to the terms and conditions of Article 4 of the Contract for Construction Engineering & Inspection Services (“the Contract”) entered into by and between the Central Texas Regional Authority (“the Authority”) and HDR, Inc. (“the Engineer”) dated \_\_\_\_\_.

**PART I.** The Engineer will perform Construction Engineering & Inspection Services in accordance with the project description attached hereto in Exhibit B and made a part of this Work Authorization. The responsibilities of the Authority and the Engineer 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 this Work Authorization is \$8,284,409.28 and the method of payment will be calculated on a per-hour basis using hourly billing rates. This amount is based upon the Engineer’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, and F.

**PART III.** Payment to the Engineer 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.

**THE ENGINEER**

**CENTRAL TEXAS REGIONAL MOBILITY  
AUTHORITY**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed Name)

Mike Heiligenstein

\_\_\_\_\_  
(Title)

Executive Director

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Date)

## LIST OF EXHIBITS TO WORK AUTHORIZATION

Exhibits	Title
A	Services to Be Provided by the Authority
B	Services to Be Provided by the Engineer
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	Invoice Template
H	Confidentiality Agreement



## **EXHIBIT A**

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

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

- 1) Authorize the Engineer 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 Engineer.
- 3) Provide timely review and decisions in response to the Engineer's request for information and/or required submittals and deliverables, in order for the Engineer to maintain the agreed-upon work schedule.
- 4) Maintain the Project's website.
- 5) Provide the Engineer with relevant data available to the Authority related to people, agencies and organizations interested in the proposed project.
- 6) Provide for inspections of tolling equipment (including ITS elements and lightning protection).
- 7) Either provide directly, or have its designated General Engineering Consultant ("GEC") provide general oversight services of the Engineer.
- 8) Provided for inspections of materials prepared, fabricated, or produced off-site at a supplier facility.

## EXHIBIT B

### SERVICES TO BE PROVIDED BY THE ENGINEER

Professional services (“the Services”) to be provided by the Construction Engineering and Inspection Consultant Team (“the Engineer”) include providing and maintaining construction engineering, inspection, survey, and materials testing staff at the field office supplied by the Authority’s construction contractor (“Contractor”). The Engineer would oversee, review and document construction activities performed by the Contractor.

Scheduling of activities below will conform to the Project milestones established by the Authority and the Texas Department of Transportation (“TxDOT”).

The Engineer will serve as a member of the project oversight team (“Oversight Team”) comprised of the Authority, General Engineering Consultant (“GEC”), and TxDOT staff members. The Engineer shall work at the direction and supervision of the Authority and the Authority’s GEC, who will assist with oversight of the Project. The Engineer shall work cooperatively and collaboratively throughout all aspects and phases of construction operations and in its dealings with the Authority, Contractor, GEC, toll system integrators, suppliers, subcontractors, engineers, legal counsel, accountants, consultants, government entities, utilities, property owners, and the general public.

The Engineer shall coordinate with the Authority’s public involvement team, as required, in the Authority’s dealings with the general public, adjacent property owners, and interested advocacy groups.

The Engineer shall keep the Oversight Team informed of the Contractor’s operations in the field, especially issues related to safety, quality, schedule, potential change orders, and potential construction claims. The Engineer will have the authority to stop construction activity in response to emerging life safety issues.

The Engineer will not control or direct the construction under the construction contract. Field inspections will not relieve the Contractor of sole responsibility for the means and methods of construction, or for health or safety precautions in connection with the work under the construction contract.

The Engineer should be aware that the time frames noted herein are tentative and subject to change. The Engineer will remain available for the duration that the services are required by the Authority, unless the Contract is terminated as described therein.

The Services to be provided by the Engineer include, without limitation, the following key elements:

#### **A. General Requirements**

- 1) Provide all labor, equipment, tools and incidentals to perform the Services.
- 2) Establish and maintain the Project field office operation within the Contractor-provided facility. The Engineer shall install and maintain all necessary computer network equipment for their use. The Authority’s Contractor will provide, install, and maintain business class ethernet system internet services provided with minimum 100 Megabyte/sec download and 10 megabyte/sec upload. The Authority’s Contractor will provide, install, and maintain one high-speed color copier / printer / scanner capable of handling 11x17 prints which will be available

for use by the Engineer and the Authority. The Engineer shall supply all paper for this printer.

- 3) In delivery of Services, the Engineer will be required to track and document all project activities, as appropriate, to the two individual project CSJs. The CTRMA improvements are included in CSJ# 0114-02-0104 and the TxDOT improvements are included in CSJ# 0114-02-0105. Both CSJs will be constructed as part of this project.
- 4) Provide all Personal Protective Equipment (PPE), as necessary in performance of Services. PPE will meet all current standards set by OSHA and any additional project specific requirements.
- 5) Provide vehicles clearly displaying company logos (or team logo), mobile phones, and computer equipment system (i.e. laptop, computers and/or tablets) capable of performing the Services.
- 6) Assist in the resolution of construction issues and conflicts and provide timely data to the Authority and the Contractor.
- 7) The scope and duration of the Project is based on the construction contract construction schedule, including any added days to the schedule by contract, as well as a close-out period. The Engineer shall be available as requested by the Authority during close-out and will be responsible to verify that all documentation has been submitted and all outstanding project-related issues have been resolved.

## **B. Project Controls**

The Engineer shall provide the following in support of project control efforts for the Project:

- 1) Project correspondence – issue and follow-up on all correspondence to and from the Contractor for the Project. All key communication with the Contractor must be in writing.
- 2) Record keeper duties – perform all duties necessary to properly document Project activities and validate conformance of the Project by its participants with Authority, TxDOT and Federal guidelines and requirements.
- 3) Document control – maintain oversight of the online document control system for the Authority and properly file all appropriate documents within the system using the Authority’s filing system. The Engineer will respect the confidentiality of all information provided to and available on this system.
- 4) Project scheduling – continuously evaluate the overall Project schedule and the Contractor schedule updates to verify that the Project is on track. Notify members of the Oversight Team immediately if there are potential threats to the Project schedule. Monthly schedule updates submitted by the Contractor with the pay application will be evaluated and validated to document adequate reporting of the Contractor project progress and to support the associated pay request.
- 5) Contractor pay requests – review, validate, require revisions to or recommend payment of the Contractor pay requests. This will include a detailed evaluation of the Contractor’s associated schedule as discussed above.
- 6) Changes/Assessment – identify, develop, evaluate and negotiate (if necessary) all change orders, lane rental bank assessments, liquidated damage assessments, and

other elements of the Contract which may have an impact on the overall Contractor reimbursement. The Engineer will notify the Authority when these issues arise and will receive approval prior to issuance of the associated correspondence to the Contractor.

- 7) Project report and metrics – assist the Authority or GEC in production of Project-specific reports, presentations, and updates as required. This will require providing data, tables, write-ups, status summaries, graphs and other information as necessary. The Engineer will be responsible for the completeness and accuracy of the information provided.

### **C. Construction Engineering**

- 1) The Engineer will provide quality control and assurance for the construction of the project through construction engineering and management in accordance with the plans, specifications, and approved Construction Quality Management Plan to be developed by the Engineer in collaboration with the Authority. Included with this task will be the following responsibilities:
  - a. Establish and maintain the Project Field Office operation within the Contractor-provided facility.
  - b. Review the Contractor's plan for construction Quality Control.
  - c. Maintain the Project diary and all required documentation.
  - d. Document pre-construction conditions via still photography and video.
  - e. Coordinate review of construction documents including, but not limited to, Requests for Information (RFIs), shop drawings, and submittals from the Contractor with the Design Engineer for concurrence with the Project design and specifications.
  - f. Prepare and maintain an Engineering Judgement Log in accordance with the Construction Quality Management Plan.
- 2) The Engineer will provide technical advice to assist the Oversight Team on matters of construction related to interpretation of design details, construction techniques and procedures, specifications, standard construction details, and construction plans prepared by the Design Engineer. As required, the Engineer will seek clarifications from the Design Engineer on the intent reflected in the designs, plans, and specifications. The Design Engineer will remain responsible for design related services.
- 3) Additionally, the Engineer will be responsible for the following:
  - a. Requests for Information (RFI) Processing – receive RFIs from Contractor or create as necessary. Review and facilitate resolution of all RFI responses, and maintain all documents. Coordinate with the GEC for RFIs that require Design Engineer review.
  - b. Shop Drawing Submittal Processing – coordinate all reviews of shop drawings with the Design Engineer, comments and approvals, and maintain a shop drawing log.
  - c. Utility Coordination – provide oversight of the utility adjustment process including attendance and participation at utility coordination meetings review of assembly packages, and assistance with utility conflict resolution as required.

#### **D. Construction Inspections**

The Engineer's inspection team ("Inspectors") shall perform their work in a manner that minimizes disruption to the Contractor's operations and schedule.

Perform and report construction inspections of all operations related to structures, roadway, drainage, traffic (i.e. signs, striping, signals, illumination), stormwater pollution prevention plan and maintenance of traffic to validate that the Contractor's work, including sequencing of work, is conducted in accordance with the approved contract documents.

The Engineer will not be responsible for providing inspections of tolling equipment (including ITS elements and lightning protection). These services will be provided by the Authority or its designated consultant. The Engineer will be responsible for coordination and scheduling of the ITS inspections.

Other inspection efforts required of the Engineer include:

- Toll gantry column and truss inspections.
- Identify, document and make recommendations to the Oversight Team regarding plan errors and omissions, substitutions, defects and deficiencies in the work of the contractor, subcontractors, vendors, etc.
- Provide sufficient staff and a staffing plan to maintain consistency throughout the Project to schedule and perform inspections of the Contractor's work. The Engineer shall be required to be on-site performing inspection duties at any time the work is being performed which requires inspection.
- Review and report daily documentation of construction quantities in support of Contractor draw requests.
- Regularly review and provide input on the Contractor's reported progress shown in the detailed project schedule.
- Contribute to a digital photograph log of the Project area during construction to document construction progress, with emphasis on areas with potential claim items/issues and on areas of real/potential public controversy. All photographs shall have embedded time, date, and georeferencing data.
- Verify that the Project is implemented in accordance with the direction provided in RFIs. Inspectors will prepare RFIs as necessary during the Project.
- Inspectors will be provided with access to the Contractor's shop drawings and submittals. Inspectors will verify that the Project is constructed in compliance with these documents.
- Prepare, follow-up on, and be responsible for resolution of Non-Compliance Reports (NCRs) for non-compliant work.
- Schedule or conduct material testing as needed for inspection of the construction work.
- Review material testing reports and assist in the resolution of any deficiencies reported.
- Perform quality control checks on all documentation (i.e. drill shaft logs, daily work reports) prior to incorporating them into the Project records.
- Become familiar with and utilize the standard reporting forms used to document construction inspections.

##### 1) Inspector Training and Certifications

All Inspectors shall have a current OSHA-10 Card (safety training).

Project inspectors will be required to have appropriate training and certifications to understand the methods and criteria for sampling and testing of materials that they will be inspecting.

Although not a comprehensive list, at least one certified inspector will be required for each of the following construction components, where applicable, and will require the Authority approval prior to commencement of work:

- a. Traffic Control – A certified inspector is a person who has passed the Work Zone Traffic Control course offered by Texas A&M Engineering Extension Service (TEEX) and has a minimum of five (5) years of experience in Traffic Control inspection.
- b. Electrical – A certified inspector is a person who has a minimum of five (5) years of experience in electrical inspection of roadway illumination and traffic signals and within 6 months of Contract Execution (depending on course availability) be able to pass the tests for TxDOT’s course TRFS450, “Roadway Illumination” and TRF453 “Electrical Requirements for Installation of Traffic Signals.”
- c. Asphalt – A certified inspector is a person with a current Texas Asphalt Pavement Association (TxAPA) Hot-Mix Asphalt (HMA) Roadway Specialist – Level 1B certification and a minimum of five (5) years of experience in asphalt inspection for roadways.
- d. Concrete – A certified inspector is a person with a current American Concrete Institute (ACI) Concrete Field Testing Technician – Field Grade I certification and a minimum of 5 years of experience in inspection of structural concrete.
- e. Capital Metro Railroad (“Railroad”) Work Zone Training – The Engineer and appropriate staff will attend and become certified in Railroad Work Zone Training as provided by the Railroad or their approved training provider. There shall be no crossings of the Railroad's tracks without the presence of a “Railroad Worker-in- Charge”, as approved by the Railroad.

## 2) Inspection Levels

Inspections will be performed at three different levels:

- Full Time Inspection (FTI) – continuous inspection during construction operation.
- Hold Point Inspection (HPI) – inspection at specific hold points in the work prior to the Contractor continuing.
- Spot Inspection (SI) – Spot inspection during operation and inspection of end product.

The Project’s Quality Assurance Program for Design-Bid-Build Projects (QAP), lists the inspection level for different elements of the work. These may be modified to meet specific needs as discussed in the pre-activity meeting for that element of work. For items not listed in the QAP, the Engineer will develop inspection levels and hold points and present them to the Contractor at the pre-activity meeting.

## 3) Construction Inspection Checklists

Inspection checklists will be provided by the Authority as a tool for the Inspectors to verify that the Project is built in compliance with the approved construction documents. Inspectors shall utilize these checklists as part of the Services.

## 4) Traffic Control

- Review, monitor, and recommend modification to the Contractor's maintenance of traffic/traffic control operations according to applicable specifications and standards using approved inspection reports.
- Modifications to the Contractor's maintenance of traffic/traffic control operations will require sign and sealed plans from a licensed engineer.
- Provide an inspector that is certified to perform barricade inspections and submit proof of certification to the Authority for each inspector utilized on the Project for maintenance of traffic inspections.
- Provide barrier inspections and document deficiencies or actions needed. Corrective actions should be submitted to the Contractor and tracked until completed.
- Document and issue deficiency reports to the Contractor on any non-compliant traffic control devices or layouts.
- Verify Contractor requests for lane closures and detours are in accordance with applicable standards and submit lane closure notifications to TxDOT.
- Document and track lane rental fees.
- Verify the Contractor makes repairs to critical items immediately and that other deficiencies or actions are being addressed within the timeframes specified by the contract and specifications, or within reasonable timeframes. Advise the Authority on non-payment of applicable contract pay items, if needed.
- Verify all traffic control items used by the Contractor meet requirements of Texas Manual on Uniform Traffic Control Devices ("TMUTCD", current version at the time of proposal or latest edition).

5) Drill Shafts (i.e. Bridges, Large Signs, Toll Gantries, Signals, High Mast Illumination)

The Inspector shall verify proper drill shaft or pile installations. Inspectors should have knowledge in geological materials to verify proper founding is achieved, proper underwater and slurry displacement concrete placement procedures and proper use of steel casing for dewatering and stability applications are implemented. The Inspector shall complete a separate log for each drill shaft/pile.

6) Daily Work Reports ("DWR")

Prepare a DWR for each day of work from the begin work date until final acceptance. All inspectors shall prepare their own DWR on approved RMA format each day they are on the Project. Each DWR must have all applicable information included (i.e. the weather recorded for that day, including temperature high and low, weather conditions, all visitors to the Project, traffic conditions, lane closure hours, police officer names and hours worked, portable message sign hours, instruction given to the Contractor, the Contractor work hours, the Contractor's equipment and utilization, safety concerns, and accidents).

DWRs will be accompanied by inspector photo logs documenting the daily work being done. These will be included as part of the DWR.

7) Contractor Quantities

Complete a TxDOT Form 1257 or other approved form for all applicable items to pay for items of work inspected. Input the station number, supporting calculations, quantity being paid, any comments or remarks necessary, and any other information to properly distinguish the item being paid. Quantities will be assigned, as appropriate to each of the two individual CSJs on the Project.

Quantities should be assigned to schedule activity IDs for purposes of documenting and tracking pay items.

Track and report, on a monthly basis, Contractor's materials on hand.

#### 8) Non-Conformance Reports ("NCR"s)

If the inspection identifies work that is in non-conformance, and that work can be corrected and completed in conformance with the approved construction documents, and the Contractor corrects and completes the work in accordance with the approved construction documents, then no additional action is required.

If the work is not in conformance and is not easily correctable, then the Inspector will prepare an NCR for submittal to the Contractor.

### **E. Survey Oversight**

Survey oversight is primarily intended as survey quality assurance of the efforts of the Contractor and the Contractor's surveyor. Efforts shall include, but are not limited to:

- 1) Provide separate permanent benchmarks outside of the construction footprint to assist in performing independent verification of the Contractor's surveyor's permanent and temporary benchmarks for the duration of the project.
- 2) Perform additional verification of the Contractor's survey records and methods through semi-annual audits.
- 3) Check the horizontal and vertical locations of bridge structure components to verify conformance with the plans.
- 4) Check Contractor's line and grade between PVT/PVCs and at the beginning and end of cross slope transitions as well as any points of 0% cross slope for all lanes and shoulders on the mainlanes and general purpose lanes.
- 5) Perform miscellaneous spot checks as needed during the duration of the project.
- 6) All deliverables shall be in Microstation Format (latest TxDOT approved version) with topographic information to be provided in 2D and 3D files. digital terrain models shall be in \*.tin format. Other point files shall be required in ASCII or \*.dat file formats as requested by the Authority.
- 7) All deliverables must also conform to the following TxDOT coordinate system:  
Texas Central Zone #4203, NAD 83, Adjusted to Surface using a combined scale factor of 1.00011.

### **F. Materials Engineering and Acceptance**

- 1) Provide a Qualification Program for materials utilized for the construction of the Project in accordance with the Authority's Quality Acceptance Program ("QAP"). Maintain documentation of all qualified individuals who perform required tests for acceptance of materials.
- 2) Prepare reports for all material tests, clearly stating whether the material meets specifications, includes all information required by the testing method, and are signed by the Materials Engineer (or his designee). Provide all reports in a timely manner for review by the GEC.
- 3) Develop and implement a testing plan in compliance with TxDOT's Guide Schedule of Sampling and Testing ("Guide Schedule") for the Project. As recommended in the Guide Schedule, testing will be performed at a four-fold



increase at the start of production until the GEC has confidence in the Contractor's (or the Contractor's suppliers) process.

- 4) Prepare Non-Conformance Reports ("NCR"s) for failing tests as appropriate.
- 5) Prepare control charts for applicable test values.
- 6) Monitor test results, maintain a material testing database capable of tracking failing tests, inform the GEC of failing test results in a timely manner, and work with the GEC to resolve failed tests on the project.
- 7) Perform IRI testing of finished pavement surfaces per applicable TxDOT testing methodology.
- 8) Approve the Contractor's procedures and requirements for handling, storage, shipping, delivery, and preservation of materials incorporated into the work; including Corrective Action procedures for test or inspection failures, malfunctions or deficiencies.
- 9) Perform the testing of construction materials utilized on the project in accordance with the Quality Assurance Plan
- 10) Submit construction Quality Acceptance Material Certification letters quarterly to the GEC.
- 11) Conduct the materials acceptance testing program and provide materials advice as deemed necessary.
- 12) Prepare the end of project material certification binder and sign materials certification letter stating that the materials incorporated into the construction work are in accordance with standards and specifications.

#### **G. Project Closeout**

##### 1) Record Drawings

Compile and provide the Authority with Record ("As-Built") Plans incorporating construction revisions into the original "as bid" construction plans. This should include electronic version of the \*.dgn files and a complete set of As-Built in Adobe format.

##### 2) Requests for Information ("RFI")

Inspectors are responsible for verifying that the Project is implemented in accordance with the direction provided in RFIs. Inspectors will prepare RFIs or forward those received from the Contractor to the Design Engineer for clarification.

##### 3) Shop Drawings and Submittals

Inspectors will be provided with access to the Contractor's shop drawings and submittals. Inspectors will verify that the Project is constructed in compliance with these documents.

##### 4) Punch List

- a. Coordinate with the GEC, Contractor and TxDOT in the generation of a final punch list.
- b. Monitor the resolution of outstanding construction items.
- c. Perform inspection to verify satisfactory completion of punch list items.

#### **H. Other Requirements**

##### 1) Meetings

- a. Attend weekly progress meetings held by the GEC with the Contractor.
- b. Attend staff meetings for the construction oversight team held by the GEC.
- c. Attend monthly construction meetings held and hosted by the Authority.

- d. Attend pre-activity meetings, safety meetings, and any other meetings requiring construction inspection expertise, as requested by the Authority or the GEC.
- 2) Deliverables
- a. The following construction documentation will be maintained and kept up-to-date during the course of the construction contract on the Authority's document control system for review by the Oversight Team and will be submitted in a timely manner after being checked by an appropriate member (senior inspector, project manager, etc.) of the Engineer's staff.
  - b. Weekly Progress Reports and Weekly Meeting Minutes
  - c. Proof of Certification and Training
  - d. RFI Files and Log
  - e. Submittal Files and Log
  - f. Change Order Files and Log
  - g. Monthly Schedule Update
  - h. Project Diary (objective and consisting of documented facts and statements only)
  - i. Project Reports and Metrics (as defined in Project Controls)
  - j. Construction Quality Management Plan
  - k. Engineering Judgement Log
  - l. Utility Documentation
  - m. Inspector Daily Work Reports
  - n. Inspector Checklists (includes any required calculations or worksheets)
  - o. Inspector Verified Quantities
  - p. Non-Conformance Reports
  - q. Embankment, Sub-grade, Sub-base, and Base Course Testing Reports
  - r. Concrete Plant and Concrete Related Field Inspection Reports (calibrations, gradations, admixtures, slump, air content, etc.)
  - s. HMA Plant Reports
  - t. HMA and Cement Concrete Mix Designs
  - u. Concrete Volume Checks
  - v. Off-Site Testing and Inspection Reports (by others)
  - w. Miscellaneous materials certifications and documents (source of aggregate, shop drawings, subcontractor acceptance, purchase orders, etc.)
  - x. Inspector Photographs
  - y. Drill Shaft Logs
  - z. Barricade Inspection Reports
  - aa. SW3P Reports
  - bb. Provide materials tickets for all applicable items (i.e. Concrete, HMA, Flexbase, Prime, Fertilizer, Seed, etc.) with an attached documentation indicating date, pay item(s), placement location, and cumulative quantity
  - cc. Punch list Documentation;
  - dd. Project Close-Out Documentation
  - ee. Initial Benchmark Survey Verification Report
  - ff. Survey Audit Reports
  - gg. Survey plan sheets for bridge drilled shaft and bearing seat checks
  - hh. Survey spreadsheet for roadway grade checks
  - ii. Accident Reports prepared by others for major accidents within the work zone (fatality or medical treatment required)
  - jj. Correspondence
  - kk. Final Record Drawings

- ll. Test reports, plant reports, test failure tracking database, IRI results, and certifications related to the project for incorporation into the project records
- nn. Compile the end of project materials certification binder to be signed by the Materials Engineer (professional engineer licensed and registered in Texas), including deficiency report, letters of certification, summary of NCRs and Engineering Judgments, and test exception letters

### 3) Schedule

The scope and duration of the Project is based on the construction contract construction schedule, including any added days to the schedule by contract, as well as a close-out period. The Engineer shall be available as requested by the Authority during close-out and will be responsible to verify that all documentation has been submitted and all outstanding project-related issues have been resolved.

### 4) Local Government Project Procedures (LGPP)

The Engineer is required to provide a “qualified person” to the project. This person must be a member of the Key Personnel and have successfully completed the TxDOT Local Government Project Procedures Training and Qualification Course, LGP101.

**EXHIBIT C**

**WORK SCHEDULE**

The Engineer will perform Construction Engineering & Inspection Services as described in this Work Authorization or until all tasks are complete and will submit deliverables to the Authority based on the following work schedule:

Notice to Proceed ..... Approximately Fall 2018  
Construction completion .....Approximately Summer 2021

**EXHIBIT D**

**FEE SCHEDULE/BUDGET**

FEE SCHEDULE/BUDGET

JOB CLASSIFICATION	FIRM	2018-2019 LOADED RATE	2018-2019 LOADED OT RATE	Nov-18		Dec-18		Jan-19		Feb-19		Mar-19		Apr-19		May-19		Jun-19		Jul-19		Aug-19		Sep-19		Oct-19		Nov-19	
				HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT
Project Manager	HDR	\$ 272.82		160	0	160	0	160	0	140	0	120	0	64	0	64	0	64	0	64	0	64	0	64	0	64	0	64	0
Resident Engineer	HDR	\$ 157.90		160	20	160	20	168	20	152	20	168	20	176	20	176	20	160	20	176	20	176	20	160	20	176	20	152	20
Lead Materials Manager	HDR	\$ 197.70		80	0	120	0	126	0	114	0	126	0	132	0	132	0	120	0	132	0	132	0	120	0	132	0	114	0
Office Engineer	Garver	\$ 132.97		80	0	160	0	168	0	152	0	168	0	176	0	176	0	160	0	176	0	176	0	160	0	176	0	152	0
Lead Roadway Inspector	CDM Smith	\$ 116.46	\$ 174.69	160	0	160	20	168	30	152	40	168	40	176	40	176	40	160	40	176	40	176	40	160	40	176	40	152	40
Roadway Inspector I	HDR	\$ 72.36	\$ 108.54			80	0	80	0	152	20	168	20	176	20	176	20	160	20	176	20	176	20	160	20	176	20	152	20
Lead Structural Inspector	G Sylva	\$ 132.05	\$ 198.08			80	0	168	20	152	30	168	40	176	40	176	40	160	40	176	40	176	40	160	40	176	40	152	40
Structural Inspector I	HDR	\$ 78.74	\$ 118.12					80	0	152	20	168	30	176	40	176	40	160	40	176	40	176	40	160	40	176	40	152	40
Structural Inspector II	HDR	\$ 104.67	\$ 157.00																	80	0	176	10	160	20	176	30	152	40
Structural Steel Inspector	HDR	\$ 182.49																											
Electrical Inspector	HDR	\$ 145.11		160	0	80	0									80	0												
Record Keeper	HDR	\$ 82.70	\$ 124.05	160	0	160	0	168	0	152	0	168	0	176	0	176	0	160	0	176	0	176	0	160	0	176	0	152	0
SW3P/Barricade Inspector	HDR	\$ 97.25	\$ 145.87	64	0	64	0	64	0	64	0	64	0	64	0	64	0	64	0	64	0	64	0	64	0	64	0	64	0
Utility Coordinator	HDR	\$ 265.40		40	0	40	0	40	0	40	0	40	0	20	0														
Survey Manager	McGray	\$ 165.00																											
Suvey Crew	McGray																												
Materials & Testing Field	REL	\$ 65.00	\$ 80.50	80	0	160	10	168	20	152	30	168	40	176	40	176	40	160	40	176	40	176	40	160	40	176	40	152	40
Materials & Testing Lab	REL																												

DBE Sub-consultants	%	\$
G Sylva	11.06%	\$ 915,815.34
McGray	4.29%	\$ 355,028.00
REL	5.76%	\$ 476,916.38
<b>Total DBE</b>	<b>21.10%</b>	<b>\$ 1,747,759.71</b>

**Budget % of Construction Contract**

Engineer's Estimate	\$ 84,053,224.20	9.86%
Awarded Contractor	\$ 71,236,424.39	11.63%

Garver	9.89%	\$ 818,990.12
CDM Smith	9.91%	\$ 821,161.17
<b>Total Partners</b>	<b>19.80%</b>	<b>\$ 1,640,151.29</b>

HDR	59.10%	\$ 4,895,278.63
Total HDRE	59.10%	\$ 4,895,278.63

<b>Sub-Total</b>	<b>100.00%</b>	<b>\$ 8,283,189.63</b>
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FEE SCHEDULE/BUDGET

JOB CLASSIFICATION	FIRM	2018-2019 LOADED RATE	2018-2019 LOADED OT RATE	2020 LOADED RATE	2020 LOADED OT RATE	Dec-19		Jan-20		Feb-20		Mar-20		Apr-20		May-20		Jun-20		Jul-20		Aug-20		Sep-20		Oct-20	
						HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT
Project Manager	HDR	\$ 272.82		\$ 281.00		64	0	64	0	64	0	64	0	64	0	64	0	64	0	64	0	64	0	64	0	64	0
Resident Engineer	HDR	\$ 157.90		\$ 162.64		168	20	168	20	152	20	176	20	176	20	160	20	176	20	176	20	168	20	168	20	168	20
Lead Materials Manager	HDR	\$ 197.70		\$ 203.63		126	0	126	0	114	0	132	0	132	0	120	0	132	0	132	0	126	0	126	0	126	0
Office Engineer	Garver	\$ 132.97		\$ 136.96		168	0	168	0	152	0	176	0	176	0	160	0	176	0	176	0	168	0	168	0	168	0
Lead Roadway Inspector	CDM Smith	\$ 116.46	\$ 174.69	\$ 119.95	\$ 179.93	168	40	168	40	152	40	176	40	176	40	160	40	176	40	176	40	168	40	168	40	168	40
Roadway Inspector I	HDR	\$ 72.36	\$ 108.54	\$ 74.53	\$ 111.80	168	20	168	20	80	0	80	0														
Lead Structural Inspector	G Sylva	\$ 132.05	\$ 198.08	\$ 136.01	\$ 204.02	168	40	168	40	152	40	176	40	176	40	160	40	176	40	176	40	168	40	168	40	168	40
Structural Inspector I	HDR	\$ 78.74	\$ 118.12	\$ 81.11	\$ 121.66	168	40	168	40	152	40	176	40	176	40	160	40	176	40	176	40	168	40	168	40	168	40
Structural Inspector II	HDR	\$ 104.67	\$ 157.00	\$ 107.81	\$ 161.71	168	40	168	40	152	40	176	40	176	40	160	40	176	40	176	40	168	40	168	40	168	40
Structural Steel Inspector	HDR	\$ 182.49		\$ 187.96						48	0	48	0	48	0												
Electrical Inspector	HDR	\$ 145.11		\$ 149.47																							
Record Keeper	HDR	\$ 82.70	\$ 124.05	\$ 85.18	\$ 127.77	168	0	168	0	152	0	176	0	176	0	160	0	176	0	176	0	168	0	168	0	168	0
SW3P/Barricade Inspector	HDR	\$ 97.25	\$ 145.87	\$ 100.17	\$ 150.25	64	0	64	0	64	0	64	0	64	0	64	0	64	0	64	0	64	0	64	0	64	0
Utility Coordinator	HDR	\$ 265.40		\$ 273.36																							
Survey Manager	McGray	\$ 165.00		\$ 169.95																							
Suvey Crew	McGray																										
Materials & Testing Field	REL	\$ 65.00	\$ 80.50	\$ 66.95	\$ 82.92	168	40	168	40	152	40	176	40	176	30	160	20	176	20	176	10	168	10	168	10	168	10
Materials & Testing Lab	REL																										

FEE SCHEDULE/BUDGET

JOB CLASSIFICATION	FIRM	2020 LOADED RATE	2020 LOADED OT RATE	2021 LOADED RATE	2021 LOADED OT RATE	Nov-20		Dec-20		Jan-21		Feb-21		Mar-21		Apr-21		May-21		Jun-21		Jul-21		Aug-21	
						HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT	HOURS/ MONTH	OT
Project Manager	HDR	\$ 281.00		\$ 289.43		64	0	64	0	64	0	64	0	64	0	64	0	64	0	64	0	64	0	64	0
Resident Engineer	HDR	\$ 162.64		\$ 167.52		152	20	176	20	152	20	152	20	184	0	176	0	160	0	176	0	168	0	176	0
Lead Materials Manager	HDR	\$ 203.63		\$ 209.74		114	0	132	0	114	0	114	0	138	0	132	0	120	0	132	0	126	0	132	0
Office Engineer	Garver	\$ 136.96		\$ 141.07		152	0	176	0	152	0	152	0	184	0	176	0	160	0	176	0	168	0	176	0
Lead Roadway Inspector	CDM Smith	\$ 119.95	\$ 179.93	\$ 123.55	\$ 185.32	152	40	132	30	114	20	114	10	138	0	88	0	80	0	88	0	40	0	40	0
Roadway Inspector I	HDR	\$ 74.53	\$ 111.80	\$ 76.77	\$ 115.15																				
Lead Structural Inspector	G Sylva	\$ 136.01	\$ 204.02	\$ 140.09	\$ 210.14	152	40	176	40	152	40	152	40	138	20	80	0	80	0	80	0	40	0	40	0
Structural Inspector I	HDR	\$ 81.11	\$ 121.66	\$ 83.54	\$ 125.31	152	40	176	40	152	30	152	20	92	0	80	0	80	0	40	0				
Structural Inspector II	HDR	\$ 107.81	\$ 161.71	\$ 111.04	\$ 166.56	152	40	176	30	152	20	152	10	92	0										
Structural Steel Inspector	HDR	\$ 187.96		\$ 193.60																					
Electrical Inspector	HDR	\$ 149.47		\$ 153.95								80	0	80	0										
Record Keeper	HDR	\$ 85.18	\$ 127.77	\$ 87.74	\$ 131.60	152	0	176	0	152	0	152	0	184	0	176	0	160	0	176	0	168	0	176	0
SW3P/Barricade Inspector	HDR	\$ 100.17	\$ 150.25	\$ 103.17	\$ 154.76	64	0	64	0	64	0	64	0	64	0	20	0	20	0	20	0	20	0	20	0
Utility Coordinator	HDR	\$ 273.36		\$ 281.56																					
Survey Manager	McGray	\$ 169.95		\$ 175.05																					
Suvey Crew	McGray																								
Materials & Testing Field	REL	\$ 66.95	\$ 82.92	\$ 68.96	\$ 85.40	152	10	176	10	152	10	152	10	80	0	40	0	20	0	20	0				
Materials & Testing Lab	REL																								



FEE SCHEDULE/BUDGET

JOB CLASSIFICATION	FIRM	2018-2019 LOADED RATE	2018-2019 LOADED OT RATE	2020 LOADED RATE	2020 LOADED OT RATE	2021 LOADED RATE	2021 LOADED OT RATE	OT Factors	2018-2019 Regular Hours	2018-2019 OT Hours	2020 Regular Hours	2020 OT Hours	2021 Regular Hours	2021 OT Hours	Total Hours Worked	Total Hours Available	Utilization	ODE's	Total	Contract %	
Project Manager	HDR	\$ 272.82		\$ 281.00		\$ 289.43		1.0	1316	0	768	0	512	0	2596	5893	44%	\$ 21,744.65	\$ 744,765.48	8.99%	
Resident Engineer	HDR	\$ 157.90		\$ 162.64		\$ 167.52		1.0	2328	280	2016	240	1344	40	6248	5893	106%	\$ 54,361.63	\$ 1,064,936.51	12.86%	
Lead Materials Manager	HDR	\$ 197.70		\$ 203.63		\$ 209.74		1.0	1706	0	1512	0	1008	0	4226	5893	72%	\$ 54,361.63	\$ 910,954.46	11.00%	
Office Engineer	Garver	\$ 132.97		\$ 136.96		\$ 141.07		1.0	2248	0	2016	0	1344	0	5608	5893	95%	\$ 54,361.63	\$ 818,990.12	9.89%	
Lead Roadway Inspector	CDM Smith	\$ 116.46	\$ 174.69	\$ 119.95	\$ 179.93	\$ 123.55	\$ 185.32	1.5	2328	490	1972	470	702	30	5992	5893	102%	\$ 51,051.62	\$ 821,161.17	9.91%	
Roadway Inspector I	HDR	\$ 72.36	\$ 108.54	\$ 74.53	\$ 111.80	\$ 76.77	\$ 115.15	1.5	2000	220	328	20	0	0	2568	5893	44%	\$ 20,936.60	\$ 216,221.53	2.61%	
Lead Structural Inspector	G Sylva	\$ 132.05	\$ 198.08	\$ 136.01	\$ 204.02	\$ 140.09	\$ 210.14	1.5	2088	450	2016	480	762	100	5896	5893	100%	\$ 51,051.62	\$ 915,815.34	11.06%	
Structural Inspector I	HDR	\$ 78.74	\$ 118.12	\$ 81.11	\$ 121.66	\$ 83.54	\$ 125.31	1.5	1920	410	2016	480	596	50	5472	5893	93%	\$ 46,086.61	\$ 523,669.65	6.32%	
Structural Inspector II	HDR	\$ 104.67	\$ 157.00	\$ 107.81	\$ 161.71	\$ 111.04	\$ 166.56	1.5	912	140	2016	470	396	30	3964	5893	67%	\$ 46,086.61	\$ 505,829.64	6.11%	
Structural Steel Inspector	HDR	\$ 182.49		\$ 187.96		\$ 193.60		1.0	0	0	144	0	0	0	144	5893	2%	\$ 4,820.40	\$ 31,887.07	0.38%	
Electrical Inspector	HDR	\$ 145.11		\$ 149.47		\$ 153.95		1.0	320	0	0	0	160	0	480	5893	8%	\$ 9,360.00	\$ 80,428.97	0.97%	
Record Keeper	HDR	\$ 82.70	\$ 124.05	\$ 85.18	\$ 127.77	\$ 87.74	\$ 131.60	1.5	2328	0	2016	0	1344	0	5688	5893	97%	\$ 54,361.63	\$ 536,523.36	6.48%	
SW3P/Barricade Inspector	HDR	\$ 97.25	\$ 145.87	\$ 100.17	\$ 150.25	\$ 103.17	\$ 154.76	1.5	896	0	768	0	292	0	1956	5893	33%	\$ 17,939.34	\$ 212,127.79	2.56%	
Utility Coordinator	HDR	\$ 265.40		\$ 273.36		\$ 281.56		1.0	220	0	0	0	0	0	220	5893	4%	\$ 9,547.20	\$ 67,934.17	0.82%	
Survey Manager	McGray	\$ 165.00		\$ 169.95		\$ 175.05		1.0											\$ 10,230.00	0.12%	
Suvey Crew	McGray																		\$ 1,500.00	\$ 344,798.00	4.16%
Materials & Testing Field	REL	\$ 65.00	\$ 80.50	\$ 66.95	\$ 82.92	\$ 68.96	\$ 85.40	1.5	2248	460	2016	250	464	20	5458	5893	93%	\$ 54,361.63	\$ 426,916.38	5.15%	
Materials & Testing Lab	REL																		\$ 50,000.00	0.60%	

Sub-Total (Labor+Monthly ODEs)	\$ 8,283,189.63
Project ODEs	\$ 1,219.65
<b>TOTAL</b>	<b>\$ 8,284,409.28</b>

OTHER DIRECT EXPENSES				
Description	Unit	2018/2019 Rate	2020 Rate	2021 Rate
Cell Phone & Data Plan	Month	\$ 75.00	\$ 77.25	\$ 79.57
Wireless Router/Server	Month	\$ 35.00	\$ 36.05	\$ 37.13
Laptop & Data Plan	Month	\$ 50.00	\$ 51.50	\$ 53.05
Vehicle	Month	\$ 1,400.00	\$ 1,442.00	\$ 1,485.26
<b>Total recurring monthly cost per person</b>		\$ 1,560.00	\$ 1,606.80	\$ 1,655.00
Copy/Print Paper*	Month	\$ 35.00	\$ 36.05	\$ 37.13
Datum Monument Materials**	Each	\$ 500.000	\$ 515.000	\$ 530.450

\*Monthly charge

\*\*Only used by Survey team

OTHER DIRECT EXPENSES				
Description	Unit	2018/2019 Rate	2020 Rate	2021 Rate
Vehicle Mileage*	Mile	\$ 0.545	\$ 0.561	\$ 0.578
Lodging In-State/Out-of-State**	Day	\$ 93.00	\$ 95.79	\$ 98.66
Meals In-State/Out-of-State**	Day	\$ 51.00	\$ 52.53	\$ 54.11
Air Travel - In State - Short Notice***	Rd Trip/Person	\$ 500.00	\$ 515.00	\$ 530.45
Air Travel - In State - 2+ Wks Notice***	Rd Trip/Person	\$ 350.00	\$ 360.50	\$ 371.32
Air Travel - Out of State - 2+ Wks Notice**	Rd Trip/Person	\$ 450.00	\$ 463.50	\$ 477.41
Air Travel - Out of State - Short Notice***	Rd Trip/Person	\$ 600.00	\$ 618.00	\$ 636.54
Rental Car (including fuel)***	Day	\$ 75.00	\$ 77.25	\$ 79.57
Parking	Day	\$ 25.00	\$ 25.75	\$ 26.52

\* Federal rate

\*\* State rate

\*\*\* Max Negotiated Rate

**PRO-RATED ODEs**

Vehicle Charge Calculation Basis

Hours Range	Monthly Veh Fee	% Charged	Monthly Amount
0 - 50 Hrs./Month	\$1,400.00	25%	\$350.00
51 - 100 Hrs./Month	\$1,400.00	50%	\$700.00
100 - 150 Hrs./Month	\$1,400.00	75%	\$1,050.00
151 - 200+ Hrs./Month	\$1,400.00	100%	\$1,400.00

Computer Charge Calculation Basis

Hours Range	Monthly Com Fee	% Charged	Monthly Amount
0 - 50 Hrs./Month	\$50.00	25%	\$12.50
51 - 100 Hrs./Month	\$50.00	50%	\$25.00
100 - 150 Hrs./Month	\$50.00	75%	\$37.50
151 - 200+ Hrs./Month	\$50.00	100%	\$50.00

Phone Charge Calculation Basis

Hours Range	Monthly Cell Fee	% Charged	Monthly Amount
0 - 50 Hrs./Month	\$75.00	25%	\$18.75
51 - 100 Hrs./Month	\$75.00	50%	\$37.50
100 - 150 Hrs./Month	\$75.00	75%	\$56.25
151 - 200+ Hrs./Month	\$75.00	100%	\$75.00

\* add 3 % increase to these amounts for years 2020, 2021

## **McGRAY & McGRAY LAND SURVEYORS, INC.**

3301 Hancock Drive, Suite 6  
Austin, Texas 78731  
Office 512/451-8591 Fax 512/451-8791  
Email mcgray@mcgray.com

### **CTRMA 2018 Rates**

Principal	<b>\$190.00</b>
Project Manager	<b>\$165.00</b>
RPLS	<b>\$145.00</b>
Field Coordinator	<b>\$98.00</b>
GPS Processing	<b>\$108.00</b>
Senior Survey Technician	<b>\$96.00</b>
Survey Technician	<b>\$88.00</b>
LiDAR Technician	<b>\$98.00</b>
Researcher (Abstractor)	<b>\$73.00</b>
Administrative	<b>\$63.00</b>
Survey Crew - 1 Man Crew	<b>\$110.00</b>
Survey Crew - 2 Man Crew	<b>\$150.00</b>
Survey Crew - 3 Man Crew	<b>\$186.00</b>
GPS Field Person + GPS	<b>\$150.00</b>
Real Time Kinematic (RTK) Crew + Rover	<b>\$220.00</b>
LiDAR Scanner	<b>\$100.00</b>
Additional Vehicle (per day)	<b>\$70.00</b>
ATV (per day)	<b>\$85.00</b>

**US290/SH130 PROJECT  
CONSTRUCTION MATERIALS TESTING  
FEE SCHEDULE**

	Unit	Fees
<b>1. Field Technician (2 hr. minimum)</b>		
1.1 Soil Technician	Per hr	\$65.00
1.2 Concrete Technician TxDOT or ACI Grade I	Per hr	\$65.00
1.3 Asphalt Technician		
1.3.1 TxDOT Certified Technician (Level IA & IB)	Per hr	\$65.00
1.3.2 TxDOT Certified Technician (Level II)	Per hr	\$75.00
1.4 Senior Field Inspector	Per hr	\$75.00
1.5 Structural Steel Technician		
1.5.1 CWI	Per hr	\$95.00
1.5.2 NDT Level II	Per hr	\$95.00
1.6. Bolting Inspection	Per hr	\$95.00
1.7 NICET Level III	Per hr	\$95.00
<b>2. Field Testing Equipment (2 hr. minimum, technician time not included)</b>		
2.1 Vehicle		
2.1.1 Vehicle (Whitin 50 miles from our office)	Per day	\$80.00
2.1.2 Vehicle (More than 50 miles from our office)	Per mile	\$0.545
2.2 Dye Penetrant – Magnetic Particle Supplies		At Cost
2.3 Ultrasonic Testing Equipment	Per hr	\$24.00
2.4 Concrete Coring Equipment	Per hr	\$41.00
2.4.1 Concrete Core Bit Charges		
2.4.1.1 3 inch diameter core	Per inch	\$4.75
2.4.1.2 4 inch diameter core	Per inch	\$5.75
2.4.1.3 6 inch diameter core	Per inch	\$8.00
2.5 Heavy Falling Weight Deflectometer (20 Test-points minimum, Technician time not included)	Test Point	\$21.00
2.6 Profilograph Testing (Technician time not included)	Day	\$400.00
<b>3. Testing of Soils and Base Materials</b>		
3.1 Bulk Sample Pick-Up (2 hrs Minimum), plus vehicle	Per hr	\$65.00
3.2 Field Nuclear Density (Tex-115-E, Part I) [Without Technician Time (3 Minimum)]	Per ea	\$38.00
3.3 Sample Preparation (TEX-101-E)	Per hr	\$65.00
3.4 Natural Moisture Content (TEX-103-E)	Per ea	\$15.00
3.5 Sieve Analysis (TEX-110-E)	Per ea	\$80.00
3.6 Atterberg Limits:		
3.6.1 Liquid Limit (TEX-104-E)	Per ea	\$35.00
3.6.2 Plastic Limit (TEX-105-E)	Per ea	\$35.00
3.6.3 Plasticity Index (TEX-106-E)	Per ea	\$35.00
3.7 Percent Passing No. 200 Sieve (TEX-111-E)	Per ea	\$46.00
3.8 Bar Linear Shrinkage of Soils (TEX-107-E)	Per ea	\$60.00
3.9 Moisture Density Relationship (ASTM D 698) Standard Proctor Compaction Test)	Per ea	\$265.00
3.10 Moisture Density Relationship (ASTM D 1557) (Modified Proctor Compaction Test)	Per ea	\$265.00
3.11 Moisture Density Relationship (TEX-113-E) Compaction Test	Per ea	\$275.00
3.12 Moisture Density Relationship (TEX-114-E, Part I) Compaction Test	Per ea	\$275.00
3.13 Moisture Density Relationship (TEX-114-E, Part II) Compaction Test	Per ea	\$275.00
3.14 Texas Triaxial Compression Test on Base Material TEX- 117E, Part II; Including the following		
3.15 Molding, Curing and Testing 9 Specimens (TEX-117-E)	Per ea	\$1,650.00
3.3 Sample Preparation (TEX-101-E)	Per hr	\$65.00
3.5 Sieve Analysis (TEX-110-E)	Per ea	\$80.00
3.6 Atterberg Limits (TEX-104-E, TEX-105-E, TEX-106-E)	Per ea	\$105.00
3.8 Bar Linear Shrinkage of Soils (TEX-107-E)	Per ea	\$60.00
3.11 Moisture Density Relationship (TEX-113-E) Compaction Test	Per ea	\$275.00
3.16 Wet Ball Mill (TEX-116-E)	Per ea	\$210.00

**US290/SH130 PROJECT  
CONSTRUCTION MATERIALS TESTING  
FEE SCHEDULE**

	Unit	Fees
3.17 Permeability/Conductivity of Silt or Clay (ASTM D 5084)	Per ea	\$450.00
3.18 Sample Remolding	Per ea	\$65.00
3.19 Soil Specific Gravity (TEX-108-E)	Per ea	\$68.00
3.20 Soil Lime Test (TEX-121-E), One proctor or one-set of 3 specimens	Per ea	\$325.00
3.21 Resistivity of Soils (TEX-129-E)	Per ea	\$120.00
3.22 Lime Series Curve (ASTM D 4318)	Per point	\$99.00
3.23 Stabilization Ability of Lime by Soil pH (TEX-121-E Part III) up to 6 Points	Per Each	\$285.00
3.24 Field Gradation of Lime Soil (1.75, 0.75, No 4)(TEX-101-E), in addition to technician time	Per Point	\$21.00
3.25 Soluble Sulfate Content (TEX-145-E)	Per ea	\$85.00
3.26 pH of Soils (TEX-128-E)	Per ea	\$45.00
3.27 Hydrometer Analysis (ASTM D 422) (Without mechanical sieve analysis)	Per ea	\$110.00
3.28 Thickness Determination (TEX-140-E), in addition to technician time	Per ea	\$19.00
3.29 Soil Cement Testing (TEX-120-E), One Proctor or one-set of 3 Specimens	Per ea	\$325.00
<b>4. Testing of Concrete and Aggregates</b>		
4.1 Sample Pick-Up (2 hrs Minimum), plus vehicle	Per hr	\$65.00
4.2 Aggregate Gradation:		
4.2.1 Coarse Aggregate Gradation (TEX-401-A)	Per ea	\$88.00
4.2.2 Fine Aggregate Gradation (TEX-401-A)	Per ea	\$80.00
4.3 Specific Gravity of Aggregate (TEX-403-A)	Per ea	\$58.00
4.4 Absorption of Aggregate (TEX-403-A)	Per ea	\$38.00
4.5 Unit Weight of Aggregate (TEX-404-A)	Per ea	\$38.00
4.6 Abrasion Test (TEX-410-A)	Per ea	\$245.00
4.7 Decantation (TEX-406-E)	Per ea	\$65.00
4.8 Organic Impurities (TEX-408-A)	Per ea	\$80.00
4.9 Soundness, Sodium or Magnesium, 5 cycles (TEX-411-A)	Per ea	\$370.00
4.10 Concrete Cylinder Compressive Strength (TEX-418-A)	Per ea	\$26.00
4.11 Beam Flexural Strength (TEX-420-A or TEX 448-A)	Per ea	\$40.00
4.12 Coarse Aggregate Angularity (AASHTO T326)	Per ea	\$78.00
4.13 Fine Aggregate Angularity (ASTM C1252)(AASHTO T304)	Per ea	\$78.00
4.14 Flat, Elongated Particles (ASTM D4791)	Per ea	\$78.00
4.15 Deleterious Materials (Clay Lumps/Friable Part I) (TEX-413-A) (ASTM C142)	Per ea	\$88.00
4.16 Crushed Face Count (TEX-460-A)	Per ea	\$79.00
4.17 Sand Equivalent (Clay Content) (TEX-203-F)	Per ea	\$95.00
4.18 Fineness Modulus of FA (TEX-402-A)	Per ea	\$55.00
<b>5. Testing of HMAc and Liquid Asphalt</b>		
5.1 Bag Sample Pick-up From Source, Project, or Field Office (2 hrs Minimum), plus vehicle	Per hr	\$65.00
5.2 Obtaining Field-cut Specimens		
5.2.1 0" to 6" Depth & 6" Ø, including patching & sample Preparation, 3 minimum)	Per ea	\$98.00
5.2.2 > 6" to 10" Depth & 6" Ø, including patching & sample Preparation, 3 minimum)	Per ea	\$109.00
5.2.3 > 10" to 14" Depth & 6" Ø, including patching & sample Preparation, 3 minimum)	Per ea	\$144.00
5.2.4 > 14" Depth & 6" Ø, including patching & sample Preparation, 3 minimum)		\$144.00
plus \$5 per inch beyond 14"		\$5.80
5.3 Specimen Molding by TGC (TEX-206-F) (3 per set)	Per ea	\$63.00
5.4 Specimen Molding by SGC (TEX-241-F) (3 per set)	Per ea	\$89.00
5.5 Bulk Density of Compacted Specimens (TEX-207-F, Part I) (3 per set)	Per ea	\$63.00
5.6 Hveem Stability (TEX-208-F) (3 per set)	Per ea	\$66.00
5.7 Asphalt Content by Extraction (TEX-210-F)	Per ea	\$175.00
5.8 Asphalt Content by Ignition Oven (TEX-236-F)	Per ea	\$175.00
5.9 Gradation of Aggregate from Extraction or Ignition (TEX-200-F)	Per ea	\$75.00
5.10 Maximum Theoretical Specific Gravity, Rice Method (TEX-227-F)		

**US290/SH130 PROJECT  
CONSTRUCTION MATERIALS TESTING  
FEE SCHEDULE**

	Unit	Fees
5.10.1 Bag Sample, Rice (TEX-227-F)	Per ea	\$55.00
5.10.2 Core Sample, Rice (TEX-227-F)	Per ea	\$65.00
5.11 Bulk Density of Core Specimens (TEX-207-F, Part I)	Per ea	\$27.00
5.12 Bulk Density of Core Specimens (Vacuum Method) (TEX-207-F, Part I & VI)	Per ea	\$66.00
5.13 Sand Equivalent (TEX-203-F)	Per ea	\$95.00
5.14 Micro Deval Abrasion (TEX-461-A)	Per ea	\$235.00
5.15 Indirect Tensile Strength (TEX-226-F) (Molding Not Included)	Per ea	\$72.00
5.16 Residue by Evaporation (AASHTO T59)	Per ea	\$142.00
5.17 Boiling Stripping Test (TEX-530-C)	Per ea	\$105.00
5.18 Hamburg Wheel Tracker (TEX-242-F)	Per ea	\$525.00
5.19 Hamburg Wheel Tracker (TEX-242-F) (Molded by Client)	Per ea	\$365.00
5.20 Cantabro Loss (TEX-245-F) (Molding Not Included)	Per ea	\$110.00
5.21 Abson Recovery (TEX-211-F) (Extraction Not Included)	Per ea	\$225.00
5.22 Storage Stability (24 Hrs) (AASHTO T59)	Per ea	\$105.00
5.23 Density of Emulsified Asphalt (ASTM D6937)	Per ea	\$68.00
5.24 Demulsibility (Anionic or Cationic Emulsions) (AASHTO T59)	Per ea	\$68.00
5.25 Viscosity (Brookfield or Saybolt) (AASHTO T72)	Per ea	\$58.00
5.26 Penetration (AASHTO T49)	Per ea	\$60.00
5.27 Ductility (AASHTO T51)	Per ea	\$96.00
5.28 Float Test (AASHTO T50)	Per ea	\$79.00
5.29 Elastic Recovery (TEX-539-C)	Per ea	\$79.00
5.30 Cement Mix (AASHTO T59)	Per ea	\$68.00
5.31 Softening Point (Ring and Ball) (AASHTO T53)	Per ea	\$96.00
5.32 Absolute Viscosity (Cutback Asphalt or Coal Tars) (AASHTO T201)	Per ea	\$60.00
5.33 Residue by Distillation (Cutback or Emulsified Asphalts) (AASHTO T59)	Per ea	\$142.00
5.34 Breaking Index (Asphalt Emulsions) (TEX-542-C)	Per ea	\$89.00
5.35 Sieve Test (AASHTO T59)	Per ea	\$42.00
<b>6. Geotechnical Services</b>		
6.1 Mobilization/Demobilization (Whitin 50 miles from our office), 2-Man Crew with Rig	Per ea	\$286.00
6.2 Mobilization/Demobilization, 2-Man Crew with Rig (More than 50 miles from our office)	Per mile	\$3.50
6.3 Vehicle (Water Truck, Pick-Up, etc.)		
6.3.1 Vehicle (Whitin 50 miles from our office)	Per day	\$80.00
6.3.2 Vehicle (More than 50 miles from our office)	Per mile	\$0.545
6.4 Technician (Drilling Support)		
6.4.1 Helper, Engineering Technician (Mobilization/Demobilization)	Per hr	\$65.00
6.4.2 Logger, Senior Engineering Technician (Portal to Portal)	Per hr	\$75.00
6.5 Drilling		
6.5.1 Auger or Wash Borings, Soil (Add \$3.00/LF for drilling deeper than 50 ft)	Per LF	\$15.00
6.5.2 Auger or Coring, Soft Rock	Per LF	\$20.00
6.5.3 Rock Coring	Per LF	\$23.00
6.6 Grout/Bentonite Backfill	Per LF	\$4.50
6.7 Undisturbed Shelby Tube Sample (ASTM D1587)	Per ea	\$25.00
6.8 Standard Penetration Test (ASTM D1586)	Per ea	\$45.00
6.9 Texas Cone Penetration Test (TEX-132-E)	Per ea	\$45.00
6.10 Dynamic Cone Penetrometer (Without Technician time) (ASTM D6951)	Per ea	\$125.00
6.11 Unconsolidated/Consolidated Undrained Triaxial (Multiple Stage)(ASTM D2850 & D4767)	Per ea	\$540.00
6.12 Consolidated Drained Triaxial (Multiple Stage) (ASTM D7181)	Per ea	\$785.00
6.13 Direct Shear Test of Soils (ASTM D3080)	Per ea	\$450.00
6.14 Organic Content Determination (TEX-148-E)	Per ea	\$175.00
6.15 Consolidation Test (ASTM D2435)	Per ea	\$550.00

**US290/SH130 PROJECT  
CONSTRUCTION MATERIALS TESTING  
FEE SCHEDULE**

	Unit	Fees
6.16 California Bearing Ratio (CBR) Test (AASHTO T193)	Per ea	\$500.00
6.17 Dry Unit Weight Test (ASTM D7263)	Per ea	\$37.00
6.18 Unconfined Compressive Strength Test (ASTM D2166)	Per ea	\$58.00
6.19 Traffic Control (Safety Cones and Signs)	Per day	\$260.00
6.20 Traffic Control (Single Moving Lane Closure)	Per day	\$920.00
6.21 Flagging Services (Incl. Equipment, Set-up, Two-man Crew)	Per day	\$1,050.00
6.22 Patching Bores/Cores	Per ea	\$26.00
6.23 Bulk Sample (Triaxial, Proctor, etc)	Per hr	\$65.00
6.24 Cut & Excavate Test Pit on Pavement, Approx. 18"x18", Inc. Sampling	Per ea	\$210.00
6.25 Standby Time (Drill Rig and Crew)	Per hr	\$205.00
<b>7. Engineering Consultation</b>		
7.1 Senior Materials Engineer	Per hr	\$149.00
7.2 PM / Materials Engineer	Per hr	\$139.00
7.3 Laboratory Engineer	Per hr	\$139.00
7.4 Graduate Engineer	Per hr	\$89.00
7.5 Senior Engineering Technician	Per hr	\$75.00
7.6 Secretary/Clerical	Per hr	\$54.00
<b>8. Outside Services (Reimbursables)</b>		At Cost
<b>9. Subconsultants</b>		At Cost

- Ø Minimum call-out charge for technician and equipment is 2 hours. Charges are accrued portal to portal.
- Ø The densities test unit rate is based on a minimum of 3 tests per trip.
- Ø Transportation charges are applicable for all field testing assignments including sample pick up, but, if the technician is already at the job site, there is no sample pick up charges.
- Ø Subconsultants' fees shall be approved previous to work beginning.

**EXHIBIT E**  
**INSTRUCTIONS**  
**DBE PARTICIPATION**

he 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.**

<b>Federally Funded Contracts</b>
<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 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 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 subconsultants 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 Authority’s website.</li> <li>◆ Note: If subconsultants 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 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/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 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></p> <p>Required for all federally funded contracts.</p>



**FORM E-1**

**Central Texas Regional Mobility Authority**

**Subprovider Monitoring System**

**Commitment Worksheet**

Contract #: \_\_\_\_\_ Assigned Goal: 10% Federally Funded \_\_\_\_\_ State Funded \_\_\_\_\_

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

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

Engineer 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 1st line under Subproviders.*

Subprovider(s) (List All)	Type of Work	Engineer 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**

**FormSMS. 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>					
Bid Item #	Item Description	Unit of Measure	Unit Price	Quantity	Total Per Item
<b>Total</b>					
<p>The contractor certifies by signature on this agreement that subcontracts will be executed between the prime contractor and the DBE subconsultants as listed on the agreement form. If a DBE Subconsultant 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.</p>					
<p><b>IMPORTANT: The signatures of the prime contractor and the DBE, and the total commitment amount must always be on the same page.</b></p>					
<b>Prime Contractor:</b>			Name/Title (please print):		
Address:			Signature:		
Phone:	Fax:				
E-mail:			Date:		
<b>DBE:</b>			Name/Title (please print):		
Engineer No.:			Signature:		
Address:					
Phone:	Fax:		Date:		
E-mail:					
<b>Subconsultant (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**

Form SMS. 4903

**TxDOT Department of Transportation**

(Rev. 05/08)

**DBE Monthly Progress Report**

Page 1 of 1

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

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

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

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

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

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

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

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

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

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

Engineer 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 subconsultants paid to non-DBE subconsultants/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 Engineer.\*

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 Engineer'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 Atkins or WSP, \_\_\_\_\_, 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**

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 Engineer'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: \_\_\_\_\_

Engineer 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 subconsultants paid to non-DBE subconsultants/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 "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 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 Authority (the "MOU") dated effective February 1, 2007. The MOU provides that the 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 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 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 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 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 Authority; or such other remedy or remedies as the Authority deems appropriate.

3) **DEFINITIONS.**

- a. “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 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 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 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, if 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 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 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 Engineer 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 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 Authority. The 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 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 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 Authority's contract number or project number may be required to substantiate the payment, as deemed necessary by the 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 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 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 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 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 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 Authority by the Provider indicating his progress in achieving the DBE contract goal, and by compliance reviews conducted by the Authority or the Department. The DBE Monthly Progress Report (Form E-4) must be submitted at a minimum monthly to the 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 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, Engineer, 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 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 Authority; or such other remedy or remedies as the Authority deems appropriate.

**EXHIBIT G**  
**Invoice Template**

**To be provided after execution**

**EXHIBIT H**  
**Confidentiality Agreement**

I, \_\_\_\_\_, hereby agree as follows:  
(print first and last name)

Except as otherwise permitted by this Agreement, I will maintain the confidentiality of any and all information relating to the consideration, study, evaluation, planning, procurement, and development of the **Manor Expressway (290E) Phase III Project** that I gain access to. This includes, but is not limited to, proprietary information, information designated confidential by the Central Texas Regional Mobility Authority (Mobility Authority) or by proposer teams, information discussed at meetings or contained in minutes or notes of those meetings, qualification submittals, proposals, information and requests submitted by proposer teams, information regarding project-related cost estimates, proposal prices, alternative technical concepts, project development or financing plans, tolling policies, advanced funding agreements, project development agreements, traffic and revenue data or any other information related to the **Manor Expressway (290E) Phase III Project** to which that I gain access (Confidential Information).

I will not, without the prior written consent of the Mobility Authority’s Executive Director, or unless ordered by a court of competent jurisdiction or an opinion of the Office of the Attorney General, or as otherwise required by law, disclose any Confidential Information to any person or entity to whom disclosure is not authorized under this Agreement, or use any Confidential Information for any unauthorized purpose. I will only communicate Confidential Information to Mobility Authority employees or consultants retained by the Mobility Authority who have executed a confidentiality agreement in this same or substantially similar form or who are covered under similar confidentiality agreements for the **Manor Expressway (290E) Phase III Project**, attorneys employed by the Mobility Authority who have executed a confidentiality agreement in this same or substantially similar form and are representing Mobility Authority’s interests in a matter related to the **Manor Expressway (290E) Phase III Project**, persons employed by the Office of the Attorney General who are administering and reviewing requests under the Texas Public Information Act for Confidential Information and who are prohibited by law from disclosing information submitted in response to a request, and members of the Mobility Authority Board of Directors. If contacted by a person to whom disclosure is not authorized with a request for Confidential Information, I will promptly forward such request to the Mobility Authority Director of Engineering. I will also maintain security and control over all documents containing such Confidential Information in my custody.

The requirements of this Agreement shall not apply to any disclosure of information that is in the public domain or to any disclosure that is protected under the whistleblower provisions of federal or state law or regulation.

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

Company/Organization: \_\_\_\_\_

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

**ATTACHMENT C**  
**SUPPLEMENTAL WORK AUTHORIZATION NO. \_\_\_\_**  
**TO WORK AUTHORIZATION NO. \_\_\_\_**  
**CONTRACT FOR CONSTRUCTION ENGINEERING & INSPECTION SERVICES**

**THIS SUPPLEMENTAL WORK AUTHORIZATION** is made pursuant to the terms and conditions of Article 4 of the Contract for Construction Engineering & Inspection Services (the "Contract") entered into by and between the Central Texas Regional Mobility Authority (the Authority") and \_\_\_\_\_ (the "Engineer") dated \_\_\_\_\_.

The following terms and conditions of Work Authorization No. \_\_\_\_ are hereby amended as follows:

This Supplemental Work Authorization shall become effective on the date of final execution of the parties hereto. All other terms and conditions of Work Authorization No. \_\_\_\_ not hereby amended are to remain in full force and effect.

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

**THE ENGINEER**

**CENTRAL TEXAS REGIONAL  
MOBILITY AUTHORITY**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed Name)

Mike Heiligenstein

\_\_\_\_\_  
(Title)

Executive Director

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Date)



**ATTACHMENT D**  
**LIST OF KEY PERSONNEL**

At a minimum the Key Personnel shall consist of the following:

1. Project Manager/Construction Manager – Paul Bowen
2. Resident Engineer – Raphael Campos
3. Lead Materials Manager – Chien-Nan Fu
4. Office Engineer – John Grounds
5. Lead Roadway Inspector – Terry Gentry
6. Lead Structural Inspector - Undetermined
7. Survey Manager – Chris Conrad

**Exhibit B**

**EXHIBIT A**  
**WORK AUTHORIZATION**

**Work Authorization No.13**

This Work Authorization is made as of this 26<sup>th</sup> day of September, 2018, under the terms and conditions established in the AGREEMENT FOR GENERAL CONSULTING ENGINEERING SERVICES, dated as of December 19<sup>th</sup>, 2017 (the Agreement), between the **Central Texas Regional Mobility Authority** (Authority) and **Atkins North America, Inc.** (GEC). This Work Authorization is made for the following purpose, consistent with the services defined in the Agreement:

*Manor Expressway (290E) Phase III  
Construction Services*

**Section A. - Scope of Services**

A.1. GEC shall perform the following Services:

Please reference Attachment A – Services to be Provided by the GEC

A.2. The following Services are not included in this Work Authorization, but shall be provided as Additional Services if authorized or confirmed in writing by the Authority.

Not applicable.

A.3. In conjunction with the performance of the foregoing Services, GEC shall provide the following submittals/deliverables (Documents) to the Authority:

Please reference Attachment A – Services to be Provided by the GEC

**Section B. - Schedule**

GEC shall perform the Services and deliver the related Documents (if any) according to the following schedule:

Services defined herein are expected to be substantially complete within thirty-six (36) months from the date this Work Authorization becomes effective. This Work Authorization will not expire until all tasks associated with the Scope of Services are complete.

**Section C. - Compensation**

C.1. In return for the performance of the foregoing obligations, the Authority shall pay to the GEC the amount not to exceed \$3,309,460 based on Attachment B -Fee Estimate. Compensation for Direct Expenses under this Supplement which are incurred as part of normal business operations (i.e., internal document reproduction, internal plotting, travel and parking associated with local meetings, etc.) will be reimbursed on a Lump-Sum basis in the amount of: \$290,300 (with \$8,063.89 to be

invoiced monthly). Profit will be 10% for all services. Compensation shall be in accordance with the Agreement.

C.2. Compensation for Additional Services (if any) shall be paid by the Authority to the GEC according to the terms of a future Work Authorization.

**Section D. - Authority’s Responsibilities**

The Authority shall perform and/or provide the following in a timely manner so as not to delay the Services of the GEC. Unless otherwise provided in this Work Authorization, the Authority shall bear all costs incident to compliance with the following:

Not applicable

**Section E. - Other Provisions**

The parties agree to the following provisions with respect to this specific Work Authorization:

Not applicable.

Except to the extent expressly modified herein, all terms and conditions of the Agreement shall continue in full force and effect.

Authority: Central Texas Regional Mobility Authority

GEC: Atkins North America, Inc.

By: Mike Heiligenstein

By: \_\_\_\_\_

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

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

Title: Executive Director

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

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

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

**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**WORK AUTHORIZATION NO. 13**

**Atkins**

**ATTACHMENT A  
SERVICES TO BE PROVIDED BY GEC**

**GENERAL**

The work to be performed by the General Engineering Consultant (GEC) will include project management services necessary to oversee the construction of the Manor Expressway (290E) Phase III (hereinafter referred to as the “Project”) through the use of a Design/Bid/Build Contract (hereinafter referred to as the “Contract”). This will entail those professional services and associated deliverables required to complete the oversight activities associated with the management of the Construction Engineering and Inspection Consultant and the construction Contractor.

The Mobility Authority has procured a Construction Engineering and Inspection (CE&I) contract to support the project oversight team. The GEC will provide support to assist with administering the CE&I service provider contract.

The GEC will be the single point of contact between the Mobility Authority and Contractor, acting as an extension of the Mobility Authority’s staff by providing qualified technical and professional personnel to perform the duties and responsibilities assigned under the terms of this Agreement. The GEC shall not control the construction under the Contract. Oversight reviews by the GEC will not relieve the Contractor of sole responsibility for the means and methods of construction, or for health or safety precautions in connection with the work under the Contract. With comments and recommendations provided by the GEC, Final Acceptance decisions for construction shall be made by the Mobility Authority staff and coordinated with TxDOT as applicable.

The GEC will maintain core oversight staff at the Contractor-provided project office to manage and administer the planning, execution and construction; including invoicing and administrative support, for activities required to complete the overall oversight efforts. This staff will represent the Mobility Authority’s interests on the Project.

**TASK 1 PROJECT MANAGEMENT (CODE 13720)**

The GEC will provide staff to administer, manage, review and coordinate development of the Project. The GEC will develop and maintain a staffing plan for consistency and appropriate levels of Project staffing. Activities included in this task:

**A. Contracting Support**

Complete various Contracting phase efforts associated with the Contractor and CE&I procurement, including:

- Assist Mobility Authority in negotiating the final contract language.
- Assist Mobility Authority in reviewing insurance and bond documents for inclusion in the Contract.
- Assist Mobility Authority in preparing the final conformed Contract for execution.
- Conduct debriefings on behalf of the Mobility Authority for proposers to the CE&I procurement that were not selected.
- Final filing and documentation.

**B. Bond Sale/Finance Support**

- Develop detailed capital cost estimates defining all elements necessary for project implementation as part of the System.

- Develop detailed annualized cost estimate for funding of necessary operations, maintenance, and renewal & replacement elements for the duration of the bonds.
- Develop comprehensive schedules defining all elements of the project, including the critical path tasks that directly affect the opening of the project.
- Prepare the Engineer's Report necessary for the bond sale with a detailed description and history of the bonded project, comprehensive schedules, detailed capital cost estimates, and annualized operations, maintenance, and renewal & replacement cost estimates.
- Support the Mobility Authority in development of the Preliminary Official Statement and the Final Official Statement.
- Coordinate as necessary with the Authority, Bond Counsels, Financial Advisors, and Underwriters on the bond finance team.
- Issue such certificates as are required to be delivered by the GEC regarding specific scope of the project; estimated capital costs; estimated operations, maintenance, and renewal & replacement costs; and implementation/open to traffic schedule.
- Present the accuracy and reliability of project costs and schedules to the bond rating agencies and insurers during bond sales.
- Support the Mobility Authority with the preparation of a TIFIA application and supporting documentation.
- Provide support as needed for the management of the terms and conditions of the Financial Agreement and Project Development Agreement with TxDOT.

### **C. Project Administration**

- Report Project progress and issues in a timely manner.
- Review, monitor, and report on Contractor's Project schedule.
- Review and submit a report on the Contractor's as-built plans.
- Maintain accurate records of the costs involved in potential change order work. These records will include labor and equipment times and materials installed (temporary or permanent) in the portion of the work in dispute.
- Assist in the surveillance of the Contractor's compliance with contract requirements. The GEC is responsible for reviewing, monitoring, evaluating, and acting upon documentation required for Contract compliance and maintaining the appropriate files thereof. Typical areas of compliance responsibility include EEO Affirmative Action, DBE, OJT positions and number of hours, and payroll and subcontracts.
- Provide management and administrative support for Mobility Authority oversight team service providers that will perform public involvement, construction inspection, materials testing, and survey services as part of the oversight team.
- Provide compliance oversight of third party agreements and development permits that are to be completed and executed by the Contractor including:
  - Dewatering permits
  - NPDES permits
  - Demolition permits
  - Noise permits
  - Capital Metro agreements

### **D. Project Coordination**

- Work with the Mobility Authority, TxDOT, Contractor, third party consultants, utility companies, public agencies, TxDOT's SH 130 contractors, contractors and the general public to coordinate Project development and implementation.

- Coordinate the details of and participate in Project’s preconstruction meeting to be held shortly after notice to proceed has been given to the Contractor.

**E. Sub-Consultants**

- Coordinate, contract, and provide oversight for all sub-consultants to the GEC.

**F. Change Order Processing & Management**

- Provide review of potential change orders on the Project and process in accordance with the Contract and coordinate with external agencies as required.
- Review change order cost estimates prepared by the Contractor, evaluate Contractor claims for extension of time, and provide comments and recommendations to the Mobility Authority.
- Maintain log and retain all documents associated with potential change orders.
- Provide constructability reviews of Work Sequence Plans submitted by the Contractor. The Contractor will be responsible for final approval.

**G. Dispute/Claims Support**

The GEC will provide consultation and assistance to the Mobility Authority and their General Counsel related to aspects of the design, construction, duties and services required during the development and implementation of the Project:

- Assemble supporting documentation, review, analyze and provide recommendations to the Mobility Authority on the Contractor’s submittal of a dispute.
- Review, analyze and make recommendations to the Mobility Authority on the Contractor’s claim package submittal.

**H. Project Meetings & Documentation**

The GEC will facilitate the following Project meetings to assess progress, schedule, and quality of services being provided as well as identify issues:

- Internal Team Meetings (Weekly)
- Internal Project Review Meetings (Monthly)
- Issue Resolution Meetings (As Needed)
- Mobility Authority Construction Status Update Meetings (Monthly)
- Mobility Authority Board Meetings (Quarterly)
- Maintenance of Traffic (Weekly)
- Public Information (Weekly)
- 4-Week Rolling Schedule Review (Weekly)
- Comprehensive Schedule (Monthly)

The GEC will prepare agendas, meeting minutes, action plans and follow-up action item status for each of the GEC Project meetings and distribute to attendees and appropriate personnel.

**I. Documentation**

The GEC will review for completeness and accuracy the agendas, meeting minutes, action items and follow-up action item status prepared by the Contractor for each of the Contractor meetings.

**J. Document Controls**

- Develop and implement a document control plan; including training of Project personnel including the CE&I firm and the Contractor in the use of document management system application and protocol.
- Assist the CE&I firm in the maintenance of the Project files for the duration of the Project.
- Transfer program files to the Mobility Authority upon completion of the work or as directed by the Mobility Authority.
- Import documents into the Mobility Authority's Electronic Document Management System (EDMS) as necessary.

**K. Document Distribution**

- Assign identification coding to incoming and outgoing Project related documentation and perform entry into the EDMS.
- Prepare, manage, record, distribute and archive documentation of Project activities, progress, and related communications.
- Log and track submittals and deliverables.

**L. Response to Open Records Requests**

- Perform retrieval of documents as a result of open records requests.

**TASK 2 – REPORTING (CODE 13720)**

The GEC will provide reporting required in accordance with the TxDOT Project Development Agreement (PDA), TxDOT Financial Agreement (FA), Bond Indenture, TIFIA, and the Mobility Authority. The GEC will provide qualified technical and professional personnel to perform this task. The following activities are included:

**A. Program Reporting**

- Prepare and issue monthly reports on the Project's status which will document any issues, delays encountered, and corrective actions as necessary.
- Provide a monthly update to the Mobility Authority on key milestones accomplished during the preceding month, meetings and key activities for the upcoming month, and identify outstanding issues requiring resolution.
- Track, monitor, and report on contracts and budgets for the GEC, third party consultants and the Contractor.
- Track, monitor, and prepare reports on DBE/HUB utilization for Contractor's DBE/HUB program, third party consultants, and GEC Team.

**B. TxDOT Reporting**

- In coordination with TxDOT Austin District staff, develop template documents to be used for Project status to TxDOT.
- Prepare and issue required monthly reports on the Project's status to TxDOT.
- Develop and submit monthly reimbursement requests to TxDOT.

**C. Trust Indenture Obligations**

- Prepare monthly reports with an executive summary that provides a comprehensive summary of the monthly activities and the overall Project progress.



- Prepare quarterly reports with an executive summary that provides a comprehensive summary of the monthly reports and the overall Project progress.

#### **D. TIFIA**

- Prepare monthly reports with an executive summary that provides a comprehensive summary of the monthly activities and the overall Project progress.
- Prepare quarterly reports with an executive summary that provides a comprehensive summary of the monthly reports and the overall Project progress.

### **TASK 3 – PROJECT CONTROLS (CODE 13720)**

The GEC will provide project controls required to manage the project and inform the Mobility Authority of key developments. The GEC will provide qualified technical and professional personnel to perform this task. The following activities are included:

#### **A. Project Schedule**

The GEC will provide staff to coordinate the Project scheduling efforts. Specific activities include:

- Evaluate, monitor and verify according to contractual requirements, Contractor’s Project schedule (baseline and updates) and Recovery Schedule.
- Report and verify the Contractor’s progress and upcoming milestones on a monthly basis to the Mobility Authority.
- Identify, catalog, and archive Baseline Schedule, schedule revisions, updates and Recovery Schedules. Evaluate time impacts and report recommendations to the Mobility Authority.
- Develop and maintain a detailed owner project schedule that will be used to independently assess the status and health of the project.

### **TASK 4 – CONSTRUCTION OVERSIGHT (CODE 13720)**

The GEC will provide professional services associated with construction oversight including the construction engineering in accordance with the PDA, Contract and Systems Integrator (SI) Contract. The GEC will provide qualified technical and professional personnel to perform this task. In performance of this task, the GEC shall not direct, manage or control the Contractor’s or SI’s construction work activities. Construction Oversight by the GEC will not relieve the Contractor or SI of sole responsibility for the means and methods of the construction, or for health or safety precautions in connection with this work. The Engineer(s) of Record will remain responsible for design related services.

Construction oversight efforts will focus on coordination with the Contractor’s and SI’s construction processes to provide monitoring and oversight of reasonable compliance obligations, sound engineering practices and regulatory requirements. The following activities are included:

#### **A. General Technical Support**

The GEC will provide technical support and management assistance as required by the Mobility Authority toward the successful completion of the Project; including:

- Advise the Mobility Authority on matters of engineering related to interpretation of design details, construction techniques and procedures, specifications, standard construction details, and construction plans prepared by the Engineer of Record.

- Seek clarifications from the Engineer of Record when necessary on the intent reflected in the design plans and specifications. The Engineer of Record will remain responsible for design related services.
- Review, monitor and recommend modification to the Contractor's maintenance of traffic/traffic control operations according to applicable specifications and standards.
- Document and issue deficiency reports to the Contractor on any non-compliance of traffic control devices or layouts.
- Coordinate with the Contractor, affected third parties, interested agencies, emergency responders and the Mobility Authority for major traffic disruptions.
- Attend meetings pertaining to the traffic control and maintenance of traffic that are held by the Contractor.
- Track lane/shoulder/ramp/cross-street rental and/or Liquidated Damages fees.
- Review ITS elements including CCTV, Microwave vehicle detection, fiber installation, DMS install, and ATM.

**B. Requests for Information (RFI) and Non-Conformance Report Processing and Management**

- Review and comment on Project RFIs.
- Prepare and manage Non-Compliance Reports (NCRs) for non-compliant work.
- Maintain, log and retain all documents associated with RFIs and NCRs.

**C. Shop Drawing / Submittals Processing and Management**

- Review shop drawings, erection drawings, working drawings, samples, material and product certifications, and catalog cuts and brochure submittals for general conformance with the design plans and specifications submitted by the Contractor. Check that the Engineer of Record has provided required approvals. The Engineer of Record will be responsible for final approval.
- Maintain, log and retain all documents associated with shop drawings.
- Coordinate with the Contractor on processing, submittal documentation, follow-up activities, and clarifications.

**D. Contractor Draw Requests**

- Review completeness of Contractor's submittal in accordance with the requirements of the Contract, including:
  - Cover sheet
  - Monthly progress report
  - Report of personnel hours
  - DBE utilization report
  - Updated Project schedule
  - Waiver of liens from previous draw requests
  - Material on hand invoices
  - Lane rental fee report
- Evaluate that the request accurately reflects monies due for acceptable work completed.
- Review and provide required certifications to the Mobility Authority for processing of the Contractor's partial and final pay requests.
- Track Project contingency funds. Maintain, log and retain all documents associated with expenditure of Project contingency.

**E. Mobility Authority Construction Coordination Support**

The GEC will support the Mobility Authority in coordination and any interlocal agency agreements including exhibit preparation and supporting document preparation and assembly with the following agencies:

- Texas Department of Transportation (TxDOT)
- Federal Highway Administration (FHWA)
- Capitol Area Metropolitan Planning Organization (CAMPO)
- City of Austin
- Capitol Metropolitan Transportation Authority (CapMetro)
- Travis County
- Other Agencies as identified and as directed by the Mobility Authority.
- Provide information to the Contractor concerning previous negotiations with certain property owners along the Project corridor.

**F. Environmental Compliance**

The GEC will provide staff to review and report on the Contractor’s environmental compliance efforts. Specific activities include:

- Monitor the Contractor’s activities to determine if environmental encounters are being promptly reported and managed in accordance with applicable laws and regulations.

**G. Final Punch List/Final Inspection/Notice of completion**

The GEC will:

- Coordinate with the Contractor and TxDOT in the generation of a final punch list.
- Monitor the resolution of outstanding construction items.
- Inspection of punch list completion.
- Verify there are no outstanding claims related to the Contractor’s work.
- Provide a Notification of Completion to the Mobility Authority.
- Review/Confirm accuracy of As-Built record drawings.

**TASK 5 - PUBLIC INVOLVEMENT (CODE 13750)**

The GEC will provide staff as needed to support the Mobility Authority with the administration, management, coordination, and implementation of the public involvement oversight efforts. Activities included in this task:

**A. Support for Director of Community Relations**

Provide assistance as requested from the Mobility Authority Communications Department for the day to day construction communications throughout the life of the contract, including:

- Acting as the secondary point of contact for the project.
- Attending internal meetings.
- Responding to public inquiries regarding the project.
- Assisting with community outreach strategy.
- Providing assistance with the development of and implementation of the Public Information Plan (PIP) and Emergency Response Plan for the project.
- Managing the updates of content and graphics on the Project website.
- Managing the stakeholder mailing list.

- Providing public involvement materials, such as fact sheets and frequently asked questions.
- Assisting with the writing and dissemination of construction updates to the public, including but not limited to e-newsletters and social media.
- Assisting with emergency/crisis communications, as needed.
- Provide ongoing reports to the Authority regarding the status of work performed and the success of the PIP.
- Help coordinate media inquiries.
- Support event management efforts with coordination and participation, as needed.

**B. Website Management**

Manage the project website, throughout the life of the contract, including maintenance support and analytic reports.

**TASK 6 – SYSTEM INTEGRATION SUPPORT AND INSPECTION (CODE 13720)**

The GEC will oversee the SI’s development of the toll collection system layout, including the location of the toll collection gantries, toll collection system design and toll collection system infrastructure requirements and the integration with the Contractor’s work. The GEC will monitor adherence to the Toll System Collection Responsibility Matrix by both the Contractor and SI.

**LIST OF ASSUMPTIONS**

**A. Project Scope**

The services provided by the GEC as described in this Work Authorization are based upon the Project scope as defined in the Contract. It is assumed that construction inspection, materials testing, and survey services will be provided by other consultants contracted directly with the Mobility Authority.

**B. Project Schedule**

The services provided by the GEC as described in this Work Authorization are based upon the Project schedule. Any change to the project schedule dates as noted below may require a supplement to this Work Authorization.

- Substantial Completion 580 working days after NTP.
- Final Acceptance 90 Calendar days after Substantial Completion.
- Project Closeout completed 90 calendar days after Final Acceptance.

**C. Project Vehicles**

Vehicles will not be invoiced separately as they are included in the monthly lump sum direct expense.

**D. Staff Labor and Overhead Rates**

Hourly rates and overhead rates shown in Attachment B are estimates or averages used for the purpose of establishing the not to exceed budget for this work authorization. The actual rates used will be in accordance with Section 4, Compensation in the Agreement.

**[END OF ATTACHMENT]**

TASK NO	DESCRIPTION	Title	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20		
1.0	290E/SH 130 GEC Project Management		120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	
	ATKINS																									
		Program manager	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
		Corridor Manager	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
		Administration	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
2.0	290E/SH 130 GEC Reporting		40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	
	ATKINS																									
		TIFIA/OS/Financial-reporting	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
3.0	290E/SH 130 GEC Project Controls		18	18	48	48	16	48	16	16	48	16	16	48	16	16	48	16	16	48	16	16	48	16	16	
	ATKINS																									
		Corridor Manager	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
	SUBCONSULTANTS																									
	LPC		10	10	40	40	8	40	8	8	40	8	8	40	8	8	40	8	8	40	8	8	40	8	8	
4.0	290E/SH 130 GEC Construction Oversight		176	176	176	144	144	144	144	144	144	144	144	144	144	144	144	144	144	144	144	144	144	144	144	
	ATKINS																									
		Construction manager	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	
		Corridor Manager	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	
		Administration	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	
		EB support	40	40	40	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	
5.0	290E/SH 130 GEC PI		70	70	70	260	260	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	
	ATKINS																									
		Communication	20	20	20	80	80	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	
		Communication	40	40	40	80	80	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	
	SUBCONSULTANTS																									
	Blonde Ambition	PI	10	10	10	100	100	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	
	Monkeyboy	Website	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
6.0	290E/SH 130 GEC SI Support & Inspection		10	10	10	10	10	10	10	10	10	10	10	10	90	90	90	90	90	90	90	90	10	10	10	
	ATKINS																									
		Toll System Inspection													80	80	80	80	80	80	80					
		SI support	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	
99.EXP	Expenses																									
	ATKINS																									
	Expenses		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
	Vehicles		2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	
	Drone footage		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
	Aerial				1		1				1			1			1			1			1			
	SUBCONSULTANTS																									
90.02.	Expenses																									

TASK NO	DESCRIPTION	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Hours Total	FORECAST TOTAL
1.0	290E/SH 130 GEC Project Management	120	120	120	120	120	120	120	120	120	120	120	120	120	120	4,320	\$ 929,610.52
	ATKINS															-	\$ 929,610.52
		40	40	40	40	40	40	40	40	40	40	40	40	40	40	1,440	\$ 444,721.08
		40	40	40	40	40	40	40	40	40	40	40	40	40	40	1,440	\$ 379,742.86
		40	40	40	40	40	40	40	40	40	40	40	40	40	40	1,440	\$ 105,146.58
2.0	290E/SH 130 GEC Reporting	40	40	40	40	40	40	40	40	40	40	40	40	40	40	1,440	\$ 197,213.13
	ATKINS															-	\$ 197,213.13
		40	40	40	40	40	40	40	40	40	40	40	40	40	40	1,440	\$ 197,213.13
3.0	290E/SH 130 GEC Project Controls	16	48	16	16	48	16	16	48	16	16	48	16	16	16	964	\$ 225,922.60
	ATKINS															-	\$ 75,948.57
		8	8	8	8	8	8	8	8	8	8	8	8	8	8	288	\$ 75,948.57
	SUBCONSULTANTS															-	\$ 149,974.03
	LPC	8	40	8	8	40	8	8	40	8	8	40	8	8	8	676	\$ 149,974.03
4.0	290E/SH 130 GEC Construction Oversight	144	144	144	144	144	144	144	144	144	144	144	144	144	144	5,280	\$ 1,035,557.98
	ATKINS															-	\$ 1,035,557.98
		120	120	120	120	120	120	120	120	120	120	120	120	120	120	4,320	\$ 908,763.25
		8	8	8	8	8	8	8	8	8	8	8	8	8	8	288	\$ 75,948.57
		8	8	8	8	8	8	8	8	8	8	8	8	8	8	288	\$ 21,029.32
		8	8	8	8	8	8	8	8	8	8	8	8	8	8	384	\$ 29,816.85
5.0	290E/SH 130 GEC PI	70	70	70	70	70	70	70	70	70	260	260	70	70	70	3,280	\$ 388,082.90
	ATKINS															-	\$ 309,738.91
		20	20	20	20	20	20	20	20	20	80	80	20	20	20	960	\$ 133,978.91
		40	40	40	40	40	40	40	40	40	80	80	40	40	40	1,600	\$ 175,760.00
	SUBCONSULTANTS															-	\$ 78,343.99
	Blonde Ambition	10	10	10	10	10	10	10	10	10	100	100	10	10	10	720	\$ 60,343.99
	Monkeyboy	1	1	1	1	1	1	1	1	1	1	1	1	1	1	18	\$ 18,000.00
6.0	290E/SH 130 GEC SI Support & Inspection	10	90	90	90	90	90	0	0	0	0	0	0	0	0	1,240	\$ 242,772.64
	ATKINS															-	\$ 242,772.64
			80	80	80	80	80									960	\$ 210,968.26
		10	10	10	10	10	10									280	\$ 31,804.38
99.EXR	Expenses																\$ 290,300.00
	ATKINS															-	\$ 290,300.00
	Expenses	1	1	1	1	1	1	1	1	1	1	1	1	1	1	36	\$ 144,000.00
	Vehicles	2	2	2	2	2	2	2	2	2	2	2	2	2	2	72	\$ 100,800.00
	Drone footage	1	1	1	1	1	1	1	1	1	1	1	1	1	1	36	\$ 18,000.00
	Aerial		1			1			1			1				11	\$ 27,500.00
	SUBCONSULTANTS															-	\$ -
90.02.1	Expenses																\$ -

**Total Fee \$ 3,309,460**



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

September 26, 2018  
**AGENDA ITEM #11**

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Authorize the Executive Director to enter into one or more Interlocal Agreements with the Capital Area Council of Governments for Emissions and Fuel Consumption Analysis on CTRMA Facilities

Strategic Plan Relevance: Regional Mobility/ Sustainability/Environmental Quality.

Department: Administration

Contact: Mike Heiligenstein, Executive Director

Associated Costs: Not to exceed \$50,000.00

Funding Source: Administration – Special Projects

Action Requested: Consider and act on draft resolution

Summary:

As the past Chair of the Central Texas Clean Air Force I have always been interested in the impact of improving the flow of traffic would have on air quality in the Austin region. In 2009, we undertook a vehicle emissions study on our first road, 183A. We partnered with the Texas A&M Transportation Institute and utilized tailpipe emissions capture with specialized equipment from the University of Minnesota. The report was released in October of 2009 and updated in May of 2010. Since that time, more cost and operational efficiencies have been created for such studies with data collection from the roadway and scientific modeling.

I am recommending to the Board that we utilized this new methodology and conduct another study for roadways added to the system over time to understand the impact of more efficient travel on our urban core and the environment in general. I would begin by proposing we study the MoPAC corridor since we now have a year of traffic experience. I would also recommend studying the SH 45 corridor since many travelers will have that as an option soon as opposed to the stop and go traffic of the existing commuting routes.

Another interesting study might be a “what if” study of MoPAC south and what the air quality impact might be of building an express lane (s) in that corridor.

All this being said, I highly recommend that we begin with MoPAC north and expand from there as the sophistication of the model permits. Also, please see the attached summary of the 2009 study results.

This item proposes to enter into interlocal agreements with the Capital Area Council of Governments (CAPCOG) to analyze the emissions and fuel consumption impact of Mobility Authority facilities.

The first study proposed is for the MoPac express lanes with an estimated cost of \$10,000. This study will analyze the impact of vehicle speed change along MoPac express vs. general-purpose lanes as well as the impact of mode-shift attributed to CapMetro express bus service (MetroExpress). It will be a collaborative effort between the Mobility Authority, CapMetro, North Central Texas Council of Governments (NCTCOG), and led by CAPCOG.

Staff requests Board approval of the resolution authorizing the Executive Director to execute project level interlocal agreements with CAPCOG for an amount not to exceed \$50,000.

Backup Provided: Draft Resolution  
2009 CTRMA/Texas Transportation Institute Emissions Study  
Executive Summary  
Presentation



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

**RESOLUTION NO. 18-0XX**

**AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO ONE OR MORE  
INTERLOCAL AGREEMENTS WITH THE CAPITAL AREA COUNCIL OF  
GOVERNMENTS FOR EMISSIONS AND FUEL CONSUMPTION ANALYSIS ON  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY FACILITIES**

WHEREAS, Chapter 791 of the Texas Government Code provides that any one or more public agencies may contract with each other for the performance of governmental functions or services in which the contracting parties are mutually interested; and

WHEREAS, Section 370.033 of the Transportation Code provides that regional mobility authorities may enter into interlocal agreements with other governmental entities; and

WHEREAS, the Central Texas Regional Mobility Authority (Mobility Authority) and the Capital Area Council of Governments (CAPCOG) have developed a plan to study the emissions and fuel consumption impact of the MoPac express lanes and other projects; and

WHEREAS, it would be beneficial to better understand the emissions and fuel consumption impact of Mobility Authority facilities; and

WHEREAS, CAPCOG, CapMetro, and North Central Texas Council of Governments have agreed to partner with the Mobility Authority to perform the desired emissions and fuel consumption analysis; and

WHEREAS, the Executive Director requests that the Board authorize him to negotiate and execute one or more interlocal agreements with CAPCOG up to an amount not to exceed \$50,000 to study emissions and fuel consumption on Mobility Authority facilities.

NOW THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to negotiate and execute one or more interlocal agreements with the Capital Area Council of Governments up to an amount not to exceed \$50,000 to study emissions and fuel consumption on Mobility Authority facilities.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 26<sup>th</sup> day of September 2018.

Submitted and reviewed by:

Approved:

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Geoffrey Petrov, General Counsel

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Ray A. Wilkerson  
Chairman, Board of Directors

## 1. Executive Summary

In June, 2009, a vehicle emissions study was conducted and constrained to only evaluate the differences in fuel usage, emissions and travel time between the parallel facilities of US 183 and the 183A Toll Road. The study area was bounded to the south by RM 620 and FM 1431 to the north. The vehicle emission study process consisted of a series of trial runs using two test vehicles under actual traffic conditions; including both AM and PM peak periods. The test vehicles consisted of a standard sedan and an SUV. Each vehicle was equipped with special emissions testing equipment.

Based on data obtained from the vehicle emissions study, current traffic counts and previous time travel analysis, the following observations are noted and conclusions can be made for motorists traveling the 183A Toll Road as compared to traveling on US 183:

- Average travel time was reduced by approximately 6-7 minutes
- Compared to US 183 prior to construction of 183A Toll Road, average time travel was reduced by approximately 15 minutes; a time reduction of over 75%
- All emissions were reduced for both peak and off-peak hours
- Fuel consumption was reduced for both peak and off-peak hours
- Estimated annual fuel savings per vehicle of 108 gallons with an annual cost savings of \$281
- Total estimated annual fuel savings of 664,723 gallons with cost savings of \$1,728,280
- Data indicates that for every vehicle that uses the 183A Toll Road, there is significant reduction in overall emissions within the study area when compared to all vehicles using US 183 only
- Although the total life cycle analysis of the carbon footprint was not evaluated as part of this study, the study demonstrates a reduction of vehicle carbon footprint for the 183A Toll Road through a reduction of vehicle emissions as seen in the CO<sub>2</sub> and CO calculated annual reductions
- Annual reduction in emissions and fuel consumption was calculated to be:
  - Carbon Dioxide (CO<sub>2</sub>) emissions reduced by 28% (7,231.9 Tons/Yr)
  - Carbon Monoxide (CO) emissions reduced by 47% (21.8 Tons/Yr)
  - Nitrogen Oxides (NO<sub>x</sub>) reduced by 56%
  - Total Hydrocarbon (THC) emissions reduced by 37%
  - Fuel consumption reduced by 26%



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

September 26, 2018  
**AGENDA ITEM #12**

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183 South Project Update

Strategic Plan Relevance: Regional Mobility  
Department: Engineering  
Contact: Justin Word, P.E., Director of Engineering  
Associated Costs: N/A  
Funding Source: N/A  
Action Requested: Briefing and Board Discussion Only

Summary:

Project briefing on the 183 South Project – construction status, schedule.

Backup Provided: Presentation



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

September 26, 2018  
**AGENDA ITEM #13**

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Status Report on 183 North  
Managed Lanes Project

Strategic Plan Relevance: Regional Mobility  
Department: Engineering  
Contact: Justin Word, P.E., Director of Engineering  
Associated Costs: N/A  
Funding Source: N/A  
Action Requested: Briefing and Board Discussion Only

Summary:

Status of the 183 North Managed Lanes Project.

Backup Provided: Presentation



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

September 26, 2018  
**AGENDA ITEM #14**

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Presentation on Transportation  
Innovation Initiative

Strategic Plan Relevance: Innovation  
Department: Administration  
Contact: Jeff Dailey, Deputy Executive Director  
Associated Costs: N/A  
Funding Source: N/A  
Action Requested: Update and Board Discussion

Summary:

As part of the most recent Mobility Authority Strategic Plan which was approved by the Board at their June 27, 2018 meeting, the Mobility Authority identified goals which will leverage developing technologies and implement innovative solutions to improve mobility throughout Central Texas. Funding was included in Fiscal Year 2019 Operating Budget to advance this initiative. Staff will brief the Board on the objectives and work plan.

Backup Provided: Presentation



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

September 26, 2018  
**AGENDA ITEM #15**

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Presentation on potential Park & Ride locations  
for inclusion in CAMPO 2045 Long Range Plan  
and Capital Metro Project Connect

Strategic Plan Relevance: Regional Mobility  
Department: Engineering  
Contact: Jeff Dailey, Deputy Executive Director  
Associated Costs: N/A  
Funding Source: N/A  
Action Requested: Briefing and Board Discussion

**Summary:**

This item is an update on the status of the coordinated planning effort between Capital Area Metropolitan Planning Organization (CAMPO), Capital Metro (Cap Metro), and the Central Texas Regional Mobility Authority (CTRMA) for Park and Ride facilities. In 2016, the agencies executed a Memorandum of Agreement (MOA) to assure a coordinated effort and outline responsibilities. In accordance with the MOA between the agencies, CTRMA is providing planning support with a primary focus on locations that would benefit most directly from the use of CTRMA facilities.

CTRMA, in collaboration with Cap Metro and CAMPO, has identified priority Park and Ride locations for initial and future implementation for Board discussion and consideration prior to inclusion in regional CAMPO and Capital Metro plans. The agencies are continuing to work together to develop an implementation plan, including estimated costs, funding and timeline.

Staff will provide an overview to allow the Board an opportunity to provide input on the recommended locations for possible inclusion in the CAMPO 2045 Long Range Plan and Capital Metro Project Connect.

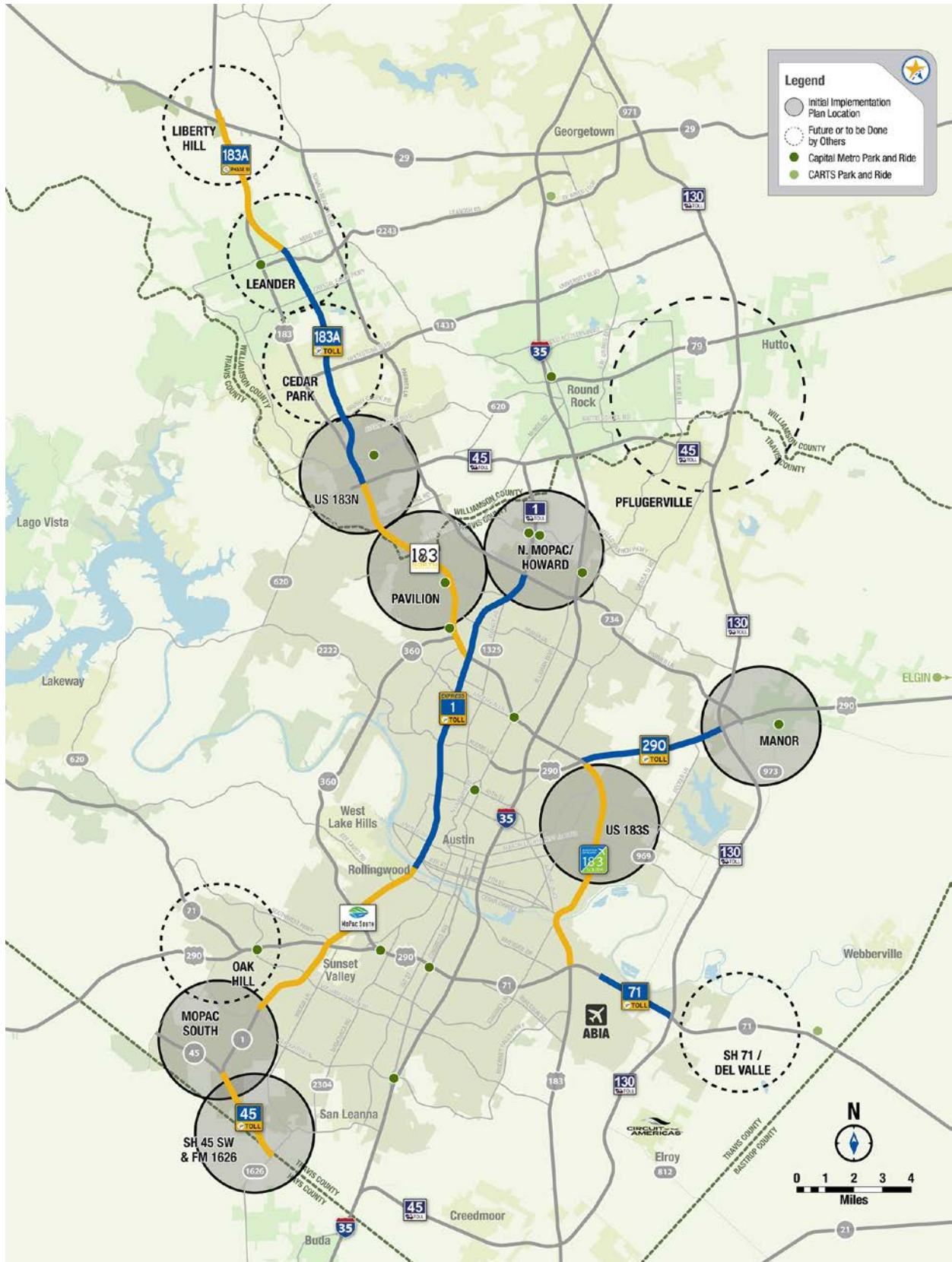
Backup Provided: Executive Summary and Regional Map  
Presentation

## Executive Summary

CTRMA has led a collaborative planning effort in close coordination with Capital Metro and CAMPO to identify Park & Ride needs and opportunities that would benefit most directly from the use of CTRMA facilities. Park & Ride opportunities were identified based primarily on the following evaluation factors:

- Property availability for Park & Rides (developable land and lease opportunities)
- Access to CTRMA facilities
- Existing park and ride locations, capacity and utilization
- Existing express bus service routes, stops and ridership
- Origin-Destination data from CAMPO travel demand model
- Regional input through stakeholder coordination with:
  - City of Austin
  - CARTS
  - City of Cedar Park
  - City of Georgetown
  - City of Leander
  - City of Liberty Hill (upcoming)
  - City of Manor
  - City of Pflugerville
  - City of Round Rock
  - Travis County

The evaluation has resulted in the following recommendations for Park & Ride priority areas to be included in the CAMPO 2045 Long Range Plan and Capital Metro Project Connect. Note: only those locations within Capital Metro's service area would be included in Project Connect as noted in the following table.





Park & Ride Area	CTRMA Facility	Potential Next Steps
Liberty Hill	183A Phase III (2022)	<b>Future</b> - Consider as part of 183A Phase III.
Leander	183A (Existing)	<b>Future</b> - Consider implementation as demand grows and transit-oriented development is advanced by the City as planned.
Cedar Park	183 North (2023)	<b>Future</b> - Consider upon completion of Cedar Park Transit Study.
183 North	183 North (2023)	<b>Near Term</b> - Evaluate options for improved access and connectivity to Lakeline and Pavilion Park & Ride as 183 North project advances. <b>Future</b> - As Lakeline station capacity is reached, coordinate with Capital Metro to consider development of transit center garage. As Pavilion Park & Ride capacity is reached, coordinate with Capital Metro to consider garage and future T-ramp.
N. MoPac/Howard**	MoPac Express Lanes (Existing)	<b>Near Term</b> - Coordinate with Capital Metro regarding potential expansion and development plans.
Pflugerville	n/a	<b>Future/ By Others</b> - Coordinate as service details from transit development plan are finalized between Pflugerville and Capital Metro.
Manor**	290 Toll (Existing)	<b>Near Term</b> - Consider ROW and development options for Express Bus Park and Ride and future Green Line service.
183 South	183 South (2019-2020)	<b>Near Term</b> - Coordinate with Capital Metro regarding potential Park and Ride lease opportunity and bus service that could utilize 183 South.
SH 71/ Del Valle**	71 Toll (Existing)	<b>Future</b> - Revisit in 1 year following recent bus service modifications (Cap Remap) and coordinate with Travis County and Capital Metro (consistent with Travis County Transit Development Plan).
Oak Hill**	MoPac South (2023)	<b>Future or By Others</b> - Coordinate with ACC redevelopment plans and TxDOT plans for Oak Hill Parkway.
MoPac South**	MoPac South (2023)	<b>Near Term</b> - Consider as part of Mopac South Express Lanes project.
SH 45SW	SH 45SW (2019)	<b>Near Term</b> - Consider concept design and cost for option near SH45 SW and FM 1626. Evaluate options for service.

\*\* Included in Capital Metro Project Connect MetroExpress Plan.



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

September 26, 2018  
**AGENDA ITEM #16**

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Executive Director Board Report

Strategic Plan Relevance: Regional Mobility  
Department: Executive  
Contact: Mike Heiligenstein, Executive Director  
Associated Costs: N/A  
Funding Source: N/A  
Action Requested: Briefing and Board Discussion Only

Executive Director Board Report

- A. Texas Senate Committee on Transportation Hearing – August 27, 2018
- B. Update on Travis County Projects
- C. 2018 Greater Austin Business Awards – Environmental Champion Award

Backup Provided: None



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

September 26, 2018  
AGENDA ITEM #17

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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 (Bergstrom Expressway) and related legal issues, including consideration of the use of eminent domain to condemn property, pursuant to §551.072 (Deliberation Regarding Real Property) and §551.071 (Consultation with Attorney).



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

September 26, 2018  
AGENDA ITEM #18

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Executive Session

*Executive Session:*

Discuss the potential sale or disposition of one or more parcels or interests in surplus real property owned by the Mobility Authority and related legal issues as authorized by §551.072 (Deliberation Regarding Real Property; Closed Meeting).



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

September 26, 2018  
AGENDA ITEM #19

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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**

September 26, 2018  
AGENDA ITEM #20

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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**

September 26, 2018  
AGENDA ITEM #21

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Executive Session

*Executive Session:*

Discuss personnel matters as authorized by §551.074 (Personnel Matters).



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

September 26, 2018  
**AGENDA ITEM #22**

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Determine certain real property is not necessary or useful to the Mobility Authority and authorize negotiation and execution of a contract to sell a surplus real property interest or parcel

Strategic Plan Relevance: Regional Mobility  
Department: Engineering  
Contact: Justin Word, P.E., Director of Engineering /  
Geoff Petrov, General Counsel  
Associated Costs: N/A  
Funding Source: N/A  
Action Requested: Consider and act on draft resolution

Summary:

The Mobility Authority currently owns a certain 0.158-acre tract of land located at 9745 U.S. Highway 290 East, Austin, Travis County, Texas (the "Property") that abuts the Manor Expressway (290E) Phase I Project right-of-way (the "Project"). The Property is a remainder parcel that was purchased to facilitate the acquisition of right-of-way for the Project. The Property is encumbered by a denial of access line from the 209E frontage so accessibility can only be achieved via an adjoining tract. Since its purchase, the Property has not been used for any purpose by the Mobility Authority.

Recently, the Mobility Authority has received an inquiry from the adjacent landowner regarding the acquisition of the Property. As required by Section 370.167 of the Transportation Code, staff has had Parcel 51R appraised to determine its reasonable market value. Staff recommends that the Board to issue a finding that the Property is not necessary or useful to the Mobility Authority, and to authorize the sale of the property to the current owner of the adjoining tract for an amount not less than the appraised value.

Backup Provided: To be provided at the Board Meeting





CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

September 26, 2018  
**AGENDA ITEM #23**

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Consideration of the use of eminent domain to  
condemn property for the 183 South Project

Strategic Plan Relevance: Regional Mobility  
Department: Engineering  
Contact: Justin Word, P.E., Director of Engineering /  
Geoff Petrov, General Counsel  
Associated Costs: N/A  
Funding Source: N/A  
Action Requested: Consider and act on draft resolution

Summary:

The Mobility Authority must acquire certain parcels, utility easements and/or related property interests (“Property”) from real estate that abuts or is near the existing 183 South Project right-of-way.

Each owner of a parcel or property interest identified has received an official written offer to purchase the Property for an amount determined by an independent, professional appraiser. The Mobility Authority or its agent 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 parcel for your consideration and action at this meeting is:

- A. Parcel E36E/F of the 183 South (Bergstrom Expressway) Project, an easement taking of 0.197 acres, from 4.392 acres of real estate, **owned by 8200 N. I-35 LLC, a Texas limited liability company**; and located at 912 Highway 183 South, Austin, Travis County, Texas.

Backup Provided: Draft resolution for Parcel E36E/F  
Parcel aerial image and survey

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

**RESOLUTION NO. 18-0XX**

**RESOLUTION AUTHORIZING ACQUISITION OF PROPERTY RIGHTS BY  
AGREEMENT OR CONDEMNATION OF CERTAIN PROPERTY IN TRAVIS  
COUNTY FOR THE 183 SOUTH / BERGSTROM EXPRESSWAY PROJECT  
(PARCEL E36E/F)**

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 water and wastewater utility easement, as that easement is described by metes and bounds in Exhibit A to this Resolution (the “Property”), owned by 8200 N. I-35 LLC (the “Owner”), located at 912 Highway 183 South, Austin, Texas 78721, 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 A; 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 26th day of September 2018.

Submitted and reviewed by:

Approved:

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Geoff Petrov, General Counsel

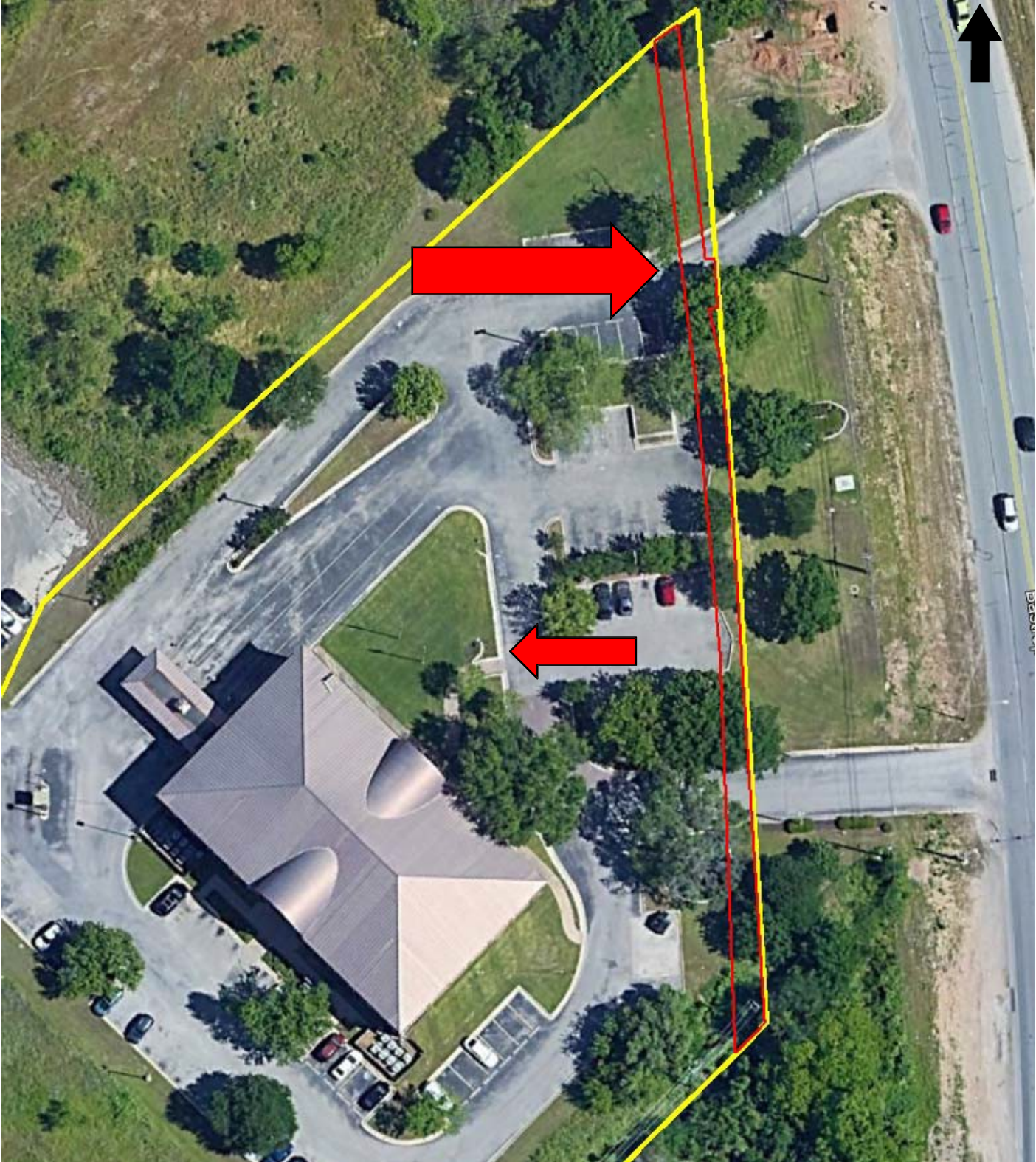
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Ray A. Wilkerson, Chairman

**Exhibit A**

**Description of Parcel E36E/F**

Parcel E36E  
Owner: 8200 N. I-35 LLC



Field Notes for Parcel 36E and 36F Water Easement

**BEING A 0.197 ACRE (8,586 SQUARE FEET) WATER EASEMENT OUT OF THE SANTIAGO DEL VALLE SURVEY, ABSTRACT No. 24 IN TRAVIS COUNTY, TEXAS, SAID 0.197 ACRE WATER EASEMENT BEING PART A 4.392 ACRE (BY DEED) TRACT OF LAND, DEEDED TO 8200 N. I-35, LLC, AS CONVEYED BY SPECIAL WARRANTY DEED EXECUTED SEPTEMBER 18, 2017 AND FILED FOR RECORD SEPTEMBER 20, 2017 AS RECORDED IN DOCUMENT No. 2017151572 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, SAID 0.197 ACRE WATER EASEMENT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS AND AS SHOWN ON THE ATTACHED PLAT:**

**BEGINNING** at a calculated point (Grid Coordinates N=10,057,556.32 US Feet, E=3,133,292.44 US Feet, combined scale factor 1.00011) in the northwest line of said 4.392 acre tract of land and in the southeast line of Lot 3, Block A, Airport Commerce Park, Section Three, a subdivision of record in Document No. 200800089 of the Official Public Records of Travis County, Texas, being the most northerly corner of said 0.197 acre water easement described herein, from which a 1/2 inch iron rod with an aluminum cap found in the southwest right-of-way line of U. S. Highway No. 183 (variable width right-of-way) for the most northerly corner of said 4.392 acre tract of land and for the most easterly corner of said Lot 3, said iron rod also being the northwest corner of a 0.605 acre (by deed) tract of land conveyed to the State of Texas recorded in Document No. 2006144439 of the Official Public Records of Travis County, Texas and for the southwest corner of a 0.146 acre tract of land conveyed to the State of Texas recorded in Document. No. 2002114759 of the Official Public Records of Travis County, Texas;

**THENCE** South 11 degrees 50 minutes 37 seconds East, passing at 87.64 feet, the northwest line of a 7.5 feet wide Public Utility Easement dedicated by plat of Cattlemen’s State Bank, a subdivision recorded in Volume 85, Page 148C of the Plat Records of Travis County, Texas, passing at 96.82 feet the southeast line of said Public Utility Easement, a total distance of 100.43 feet to a calculated point for an interior ell corner of said 0.197 acre water easement described herein;

**THENCE** North 78 degrees 09 minutes 23 seconds East, a distance of 4.64 feet to a calculated point in the east line of said 4.392 acre tract of land and in the west right-of-way line of U. S. Highway No. 183 for an exterior ell corner of said 0.197 acre water easement described herein;

**THENCE** South 09 degrees 02 minutes 41 seconds East, with the east line of said 4.392 acres tract of land and with the west right-of-way line of U. S. Highway No. 183, a distance of 20.02 feet to a calculated point for an exterior ell corner of said 0.197 acre water easement described herein;

**THENCE** South 78 degrees 09 minutes 23 seconds West, a distance of 3.66 feet to a calculated point for an interior ell corner of said 0.197 acre water easement described herein;

**THENCE** South 11 degrees 50 minutes 37 seconds East, a distance of 57.95 feet to a calculated in the east line of said 4.392 acre tract of land, in the west right-of-way line of U. S. Highway No. 183 and for an exterior ell corner of said 0.197 acre water easement described herein;

**THENCE**, with the east line of said 4.392 acre tract of land and with the west right-of-way line of U. S. Highway No. 183, along a curve to the right, having a radius of 2842.79 feet, a central angle of 04 degrees 54 minutes 06 seconds, and whose chord bears South 05 degrees 11 minutes 45 seconds East, a distance of 243.12 feet, an arc length of 243.20 feet to a Texas Department of Transportation Type II brass disc monument found for a point of tangency in the west right-of-way line of U. S. Highway No. 183, the east line of said 4.392 acre tract of land and in the east line of said 0.197 acre water easement described herein;

**THENCE** South 02 degrees 44 minutes 42 seconds East, with the east line of said 4.392 acre tract of land and with the west right-of-way line of U. S. Highway No. 183, passing at 97.45 feet, the north line of a 5 feet Public Utility Easement dedicated by said plat of Cattlemen's State Bank, in all a distance of 104.54 feet to an iron rod with an aluminum cap found for the southeast corner of said 4.392 acre tract of land, for the most southerly corner of said 0.605 acre tract of land, for the northeast corner of Lot 6, Block A of the Resubdivision of Lot 2, Block A, Airport Commerce Park Section One and Lot 1, Block A, Airport Commerce Park Section Two, a subdivision recorded in Document No. 200700279 of the Official Public Records of Travis County, Texas, for the northwest corner of a 1.356 acre (by deed) tract of land deeded to the State of Texas recorded in Document No. 2002030789 of the Official Public Records of Travis County, Texas and for the southeast corner of said 0.197 acre water easement described herein;

**THENCE** South 42 degrees 04 minutes 11 seconds West, with the southeast line of said 4.392 acre tract of land and with the north line of said Lot 6, a distance of 17.97 feet to a calculated point for the southwest corner of said 0.197 acre water easement described herein;

**THENCE** North 04 degrees 45 minutes 47 seconds West, passing at 6.86 feet, the north line of said 5 feet wide Public Utility Easement, in all a distance of 358.58 feet to a calculated point for an interior ell corner of said 0.197 acre water easement described herein;

**THENCE** North 11 degrees 50 minutes 37 seconds West, passing at 70.43 feet the south line of said 7.5 feet wide Public Utility Easement, passing at 79.61 feet, the north line of said 7.5 feet wide Public Utility Easement, in all a distance of 167.22 feet to a calculated point in the northwest line of said 4.392 acres tract of land and in the southeast line of said Lot 3 for the northwest corner of said 0.197 acre water easement described herein;

**THENCE** North 42 degrees 52 minutes 02 seconds East, with the northwest line of said 4.392 acres tract of land and with the southeast line said Lot 1, a distance of 18.38 feet to the **POINT OF BEGINNING**, and containing 0.197 acres or 8,586 square feet of land, more or less.

Exhibit "A"

8200 N. I-35, LLC  
to  
City of Austin  
(For Water Easement)

TCAD No.: Property ID No. 288420 Geo ID No. 0307200403  
TCAD No.: Property ID No. 288421 Geo ID No. 0307200404

City Grid: M19

**BEARING BASIS:** The bearings and coordinates described herein are Texas State Plane, Central Zone 4203, NAD 83(HARN), U.S. Feet. Combined Scale factor of 1.00011. Published control points referenced for this project are U.S. 183 South Horizontal and Vertical Control points No. 141 having surface values of N=10068786.90, E=3136881.27 being a cotton spindle found and No. 143 having surface value of N=10067525.33 E=3133714.10 being a 5/8" iron rod found.

The field notes and the plat attached hereto represent an on-the-ground survey made under my direct supervision.

*David R. Hartman*

*5/17/2018*

David R. Hartman  
Registered Professional Land Surveyor No. 5264  
TBPLS Firm Registration No. 10106900  
Gorronдона & Associates, Inc.  
4201 West Parmer Lane, Building A, Suite 150  
Austin, TX 78727  
(512) 719-9933

Date



FIELD NOTES REVIEWED

By: \_\_\_\_\_

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

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

Austin Water Utility



# EXHIBIT "A"

## PARCEL No. 36E AND 36F WATER EASEMENT

SUBJECT PROPERTY MAP AND  
LOCATION EASEMENT AS SHOWN

GRID COORDINATES  
N=10,057,556.32  
E=3,133,292.44

0.146 ACRE (BY DEED)  
STATE OF TEXAS  
DOCUMENT No. 2002114759  
O.P.R.T.C.T.

BLOCK A  
AIRPORT COMMERCE PARK  
SECTION THREE  
DOCUMENT No. 200800089  
O.P.R.T.C.T.

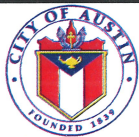
SANTIAGO DEL VALLE  
SURVEY ABSTRACT No. 24

4.392 ACRES (BY DEED)  
8200 N. I-35, LLC  
DOCUMENT No. 2017151572  
O.P.R.T.C.T.

36E AND 36F  
WATER EASEMENT  
8,586 SQ. FT. OR  
0.197 ACRE

SEE PAGE 6 OF 6 FOR EXHIBIT NOTES AND  
EASEMENT NOTE FOR SUBJECT TRACT

MATCHLINE PAGE 5



# CITY OF AUSTIN

301 W SECOND STREET • AUSTIN, TEXAS 78701

## 36E & 36F WATER EASEMENT 183 SOUTH

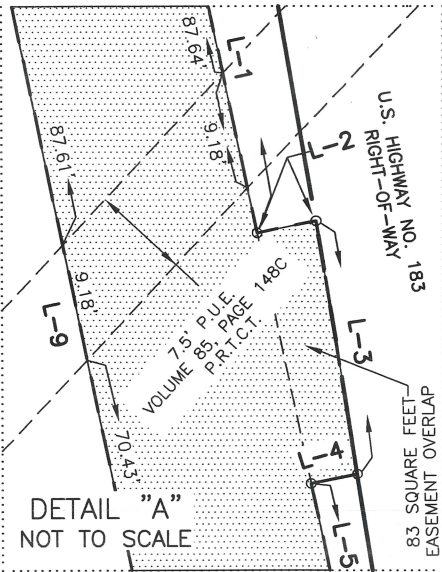
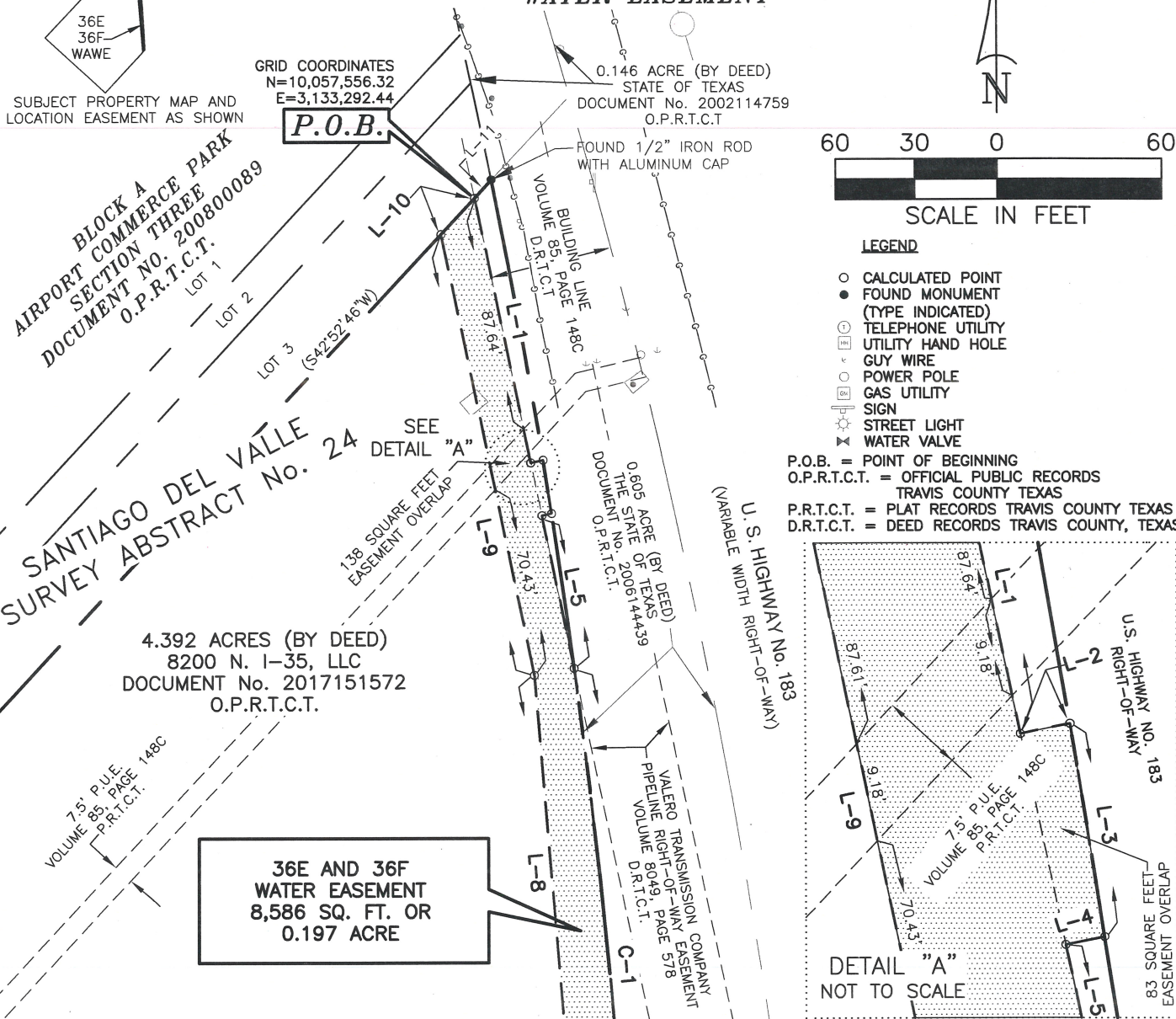
PARCEL NO. 36E AND 36F WATER EASEMENT  
TYPE OF EASEMENT: WATER UTILITY  
OWNER: 8200 N. I-35, LLC  
SURVEY: SANTIAGO DEL VALLE, ABSTRACT NO. 24  
LOCATION: CITY OF AUSTIN, TRAVIS COUNTY, TEXAS  
EASEMENT AREA: 8,586 SQUARE FEET OR 0.197 ACRE  
WHOLE PROPERTY ACREAGE: 4.392 ACRES (BY DEED)

JOB No. CRC-1501.00      DRAWN BY: DRH      CAD FILE: E36E-E36F.DWG  
MAY 17, 2018      EXHIBIT PAGE 4 OF 6      SCALE: 1" = 60'

GORRONDONA & ASSOCIATES, INC. • 4201 WEST PARMER LANE, BUILDING A, SUITE 150, AUSTIN, TX. 78727 • 512-719-9933 FAX 512-719-9944

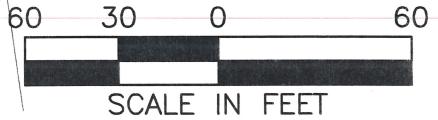
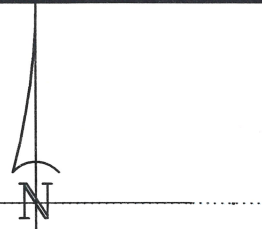


David R. Hartman  
5/17/18



# EXHIBIT "A"

## PARCEL No. 36E AND 36F WATER EASEMENT MATCHLINE PAGE 4



**LEGEND**

- CALCULATED POINT
- FOUND MONUMENT (TYPE INDICATED)
- ☉ TELEPHONE UTILITY
- ☐ UTILITY HAND HOLE
- GUY WIRE
- POWER POLE
- GAS UTILITY
- SIGN
- STREET LIGHT
- WATER VALVE

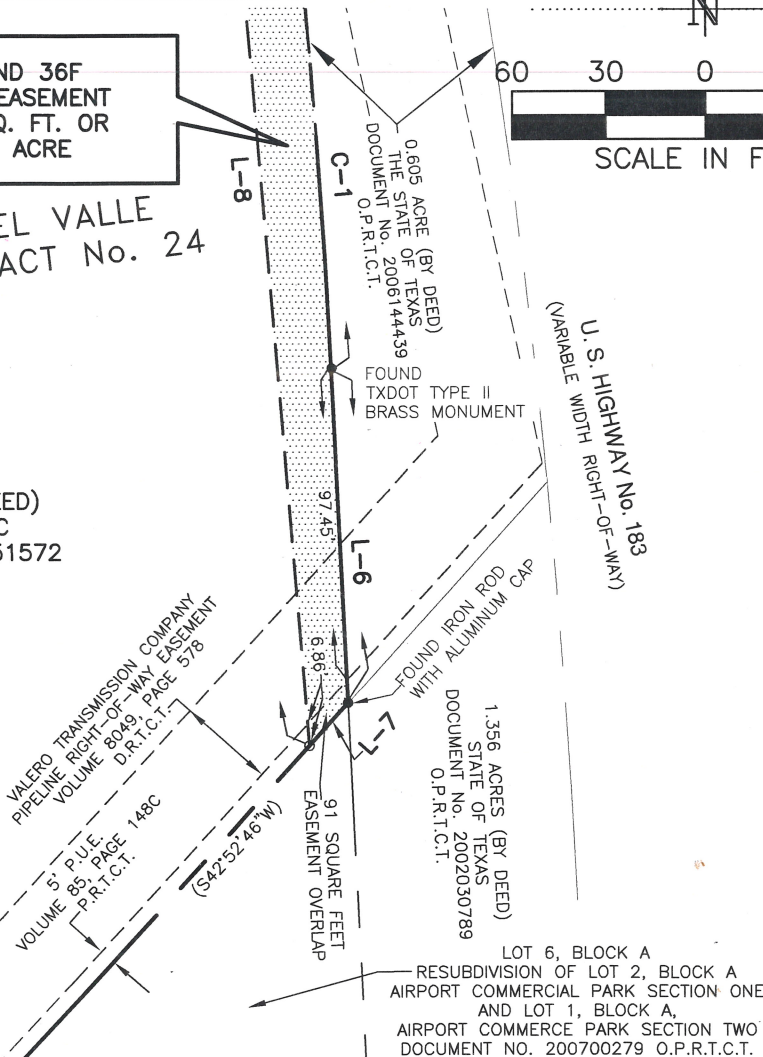
**36E AND 36F  
WATER EASEMENT  
8,586 SQ. FT. OR  
0.197 ACRE**

SANTIAGO DEL VALLE  
SURVEY ABSTRACT No. 24

- P.O.B. = POINT OF BEGINNING
- O.P.R.T.C.T. = OFFICIAL PUBLIC RECORDS  
TRAVIS COUNTY TEXAS
- P.R.T.C.T. = PLAT RECORDS  
TRAVIS COUNTY TEXAS
- D.R.T.C.T. = DEED RECORDS  
TRAVIS COUNTY, TEXAS

4.392 ACRES (BY DEED)  
8200 N. I-35, LLC  
DOCUMENT No. 2017151572  
O.P.R.T.C.T.

LINE TABLE		
LINE	BEARING	DISTANCE
L-1	S 11°50'37"E	100.43'
L-2	N 78°09'23"E	4.64'
L-3	S 09°02'41"E	20.02'
L-4	S 78°09'23"W	3.66'
L-5	S 11°50'37"E	57.95'
L-6	S 02°44'42"E (S 02°46'41"E)	104.54' (104.66')
L-7	S 42°04'11"W	17.97'
L-8	N 04°45'47"W	358.58'
L-9	N 11°50'37"W	167.22'
L-10	N 42°52'02"E	18.38'
L-11	N 42°52'02"E	9.21'



CURVE TABLE					
CURVE	RADIUS	DELTA ANGLE	CHORD BEARING	CHORD LENGTH	ARC LENGTH
C-1	2842.79'	4°54'06"	S 05°11'45"E	243.12'	243.20'

SEE PAGE 6 OF 6 FOR EXHIBIT NOTES AND EASEMENT NOTE FOR SUBJECT TRACT

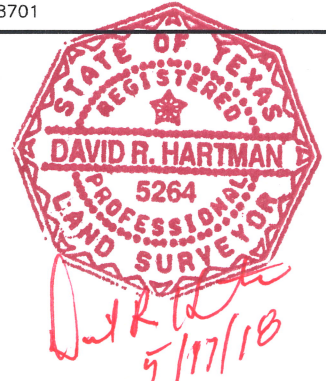


# CITY OF AUSTIN

301 W SECOND STREET • AUSTIN, TEXAS 78701

## 36E & 36F WATER EASEMENT 183 SOUTH

PARCEL NO. 36E AND 36F WATER EASEMENT		
TYPE OF EASEMENT: WATER UTILITY		
OWNER: 8200 N. I-35, LLC		
SURVEY: SANTIAGO DEL VALLE, ABSTRACT NO. 24		
LOCATION: CITY OF AUSTIN, TRAVIS COUNTY, TEXAS		
EASEMENT AREA: 8,586 SQUARE FEET OR 0.197 ACRE		
WHOLE PROPERTY ACREAGE: 4.392 ACRES (BY DEED)		
JOB No. CRC-1501.00	DRAWN BY: DRH	CAD FILE: E36E-E36F.DWG
MAY 17, 2018	EXHIBIT PAGE 5 OF 6	SCALE: 1" = 60'



**EXHIBIT "A"**  
**PARCEL No. 36E AND 36F**  
**WATER EASEMENT**

GF# 201700488  
 Job # CRC\_1501.00 (E36E AND E36F)  
 Commitment for Title Insurance (Fidelity National Title Insurance Co.)  
 Schedule B: Exceptions from Coverage

10. The following matters and all terms of the documents creating or offering evidence of the matters (We must insert matters or delete this exception):
- A. Building Pipeline easement granted to Lo-Vaca Gathering Company, by instrument dated November 4, 1963, recorded in Volume 2725, Page 93 of the Deed Records of Travis County, Texas, and amending in instrument dated April 6, 1983, recorded in Volume 8049, Page 548 of the Deed Records of Travis County, Texas. Does affect the tract of land location shown.
  - B. Electric and telephone lines easement granted to the City of Austin, recorded in Volume 9613, Page 679 of the Real Property Records of Travis County, Texas. Blanket type easement, affects the tract of land.
  - C. Public utility easement 5 feet in width along the southeast property line, as shown by Plat recorded in Volume 85, Page 148C of the Plat Records of Travis County, Texas. Does affect the tract of land location shown.
  - D. Public utility easement 7.5 feet in width along the southwest and northwest property line, as shown by Plat recorded in Volume 85, Page 148C of the Plat Records of Travis County, Texas. Does affect the tract of land location shown.
  - E. Building setback of unstated width widths along the northeast and 25 feet along the northwest property lines, as shown by Plat recorded in Volume 85, Page 148C of the Plat Records of Travis County, Texas. Does affect the tract of land
  - G. Access limited by regulations as determined by the Texas Department of Transportation as set out in Judgement of Court in Absence of Objection recorded in in Document No. 2006144439 of the Official Public Records of Travis County, Texas. Access is permitted to the tract of land

**NOTES:**

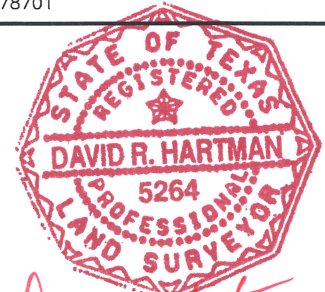
1. A LEGAL DESCRIPTION OF EVEN DATE ACCOMPANIES THIS PLAT.
2. ALL BEARINGS AND COORDINATES ARE REFERENCED TO THE TEXAS COORDINATE SYSTEM, NAD-83 (HARN), THE CENTRAL ZONE 4203, ALL DISTANCES AND AREAS SHOWN ARE SURFACE.
3. BASIS OF BEARING IS THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE 4203, WITH HORIZONTAL DATUM OF NAD83 (HARN).
4. I, DAVID R. HARTMAN, REGISTERED PROFESSIONAL LAND SURVEYOR NO. 5264 LICENSED IN THE STATE OF TEXAS, DO HEREBY CERTIFY THAT THIS PLAT IS TRUE AND CORRECT AND WAS PREPARED FROM AN ACTUAL ON-THE-GROUND SURVEY UNDER MY DIRECT SUPERVISION.
5. THIS IS A SURFACE DRAWING. THE COMBINED SCALE FACTOR FOR THIS DRAWING IS 1.00011



# CITY OF AUSTIN

301 W SECOND STREET • AUSTIN, TEXAS 78701

## 36E & 36F WATER EASEMENT 183 SOUTH



PARCEL NO. 36E AND 36F WATER EASEMENT		
TYPE OF EASEMENT: WATER UTILITY		
OWNER: 8200 N. I-35, LLC		
SURVEY: SANTIAGO DEL VALLE, ABSTRACT NO. 24		
LOCATION: CITY OF AUSTIN, TRAVIS COUNTY, TEXAS		
EASEMENT AREA: 8,586 SQUARE FEET OR 0.197 ACRE		
WHOLE PROPERTY ACREAGE: 4.392 ACRES (BY DEED)		
JOB No. CRC_1501.00	DRAWN BY: DRH	CAD FILE: E36E-E36F.DWG
MAY 17, 2018	EXHIBIT PAGE 6 OF 6	SCALE: N/A